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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, 2018
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	**30097**
(Current address of principal executive offices)	**(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.

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 ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its website, 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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated filer	☐
Non-Accelerated Filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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, 2018, the aggregate market value of the common stock held by non-affiliates of the registrant was $1.38 billion (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 27, 2019 was 19,499,144.

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 2018 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.

ASBURY AUTOMOTIVE GROUP, INC.
ANNUAL REPORT ON FORM 10-K
FOR THE YEAR ENDED
DECEMBER 31, 2018

PART I.

Forward-Looking Information

Certain of the discussions and information included or incorporated by reference 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;
- the seasonally adjusted annual rate ("SAAR") of new vehicle sales in the U.S.;
- our ability to further improve our operating cash flows, and the availability of capital and liquidity;
- our estimated future capital expenditures;
- general economic conditions and its impact on our revenues and expenses;
- our parts and service revenue due to, among other things, improvements in vehicle technology;
- the variable nature of significant components of our cost structure;
- our ability to limit our exposure to regional economic downturns due to our geographic diversity and brand mix;
- manufacturers' willingness to continue to use incentive programs to drive demand for their product offerings;
- our ability to leverage our common systems, infrastructure and processes in a cost-efficient manner;
- our capital allocation strategy, including as it relates to acquisitions and divestitures, stock repurchases, dividends and capital expenditures;
- the continued availability of financing, including floor plan financing for inventory;
- the ability of consumers to secure vehicle financing at favorable rates;
- the growth of the brands that comprise our portfolio over the long-term;
- our ability to mitigate any future negative trends in new vehicle sales; and
- our ability to increase our cash flow and 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:

- changes in general economic and business conditions, including changes in employment levels, consumer demand, preferences and confidence levels, the availability and cost of credit in a rising interest rate environment, fuel prices, levels of discretionary personal income and interest rates;
- our ability to execute our balanced automotive retailing and service business strategy;
- our ability to attract and retain skilled employees;
- adverse conditions affecting the vehicle manufacturers whose brands we sell, and their ability to design, manufacture, deliver, and market their vehicles successfully;
- changes in the mix, and total number, of vehicles we are able to sell;
- our outstanding indebtedness and our continued ability to comply with applicable covenants in our various financing and lease agreements, or to obtain waivers of these covenants as necessary;

- high levels of competition in our industry, which may create pricing and margin pressures on our products and services;
- our relationships with manufacturers of the vehicles we sell and our ability to renew, and enter into new framework and dealer agreements with vehicle manufacturers whose brands we sell, on terms acceptable to us;
- the availability of manufacturer incentive programs and our ability to earn these incentives;
- failure of our management information systems or any security breaches;
- changes in laws and regulations governing the operation of automobile franchises, including consumer protections, accounting standards, taxation requirements, and environmental laws;
- changes in, or the imposition of, new tariffs or trade restrictions on imported vehicles or parts;
- adverse results from litigation or other similar proceedings involving us;
- our ability to generate sufficient cash flows, maintain our liquidity and obtain any necessary additional funds for working capital, capital expenditures, acquisitions, stock repurchases and/or dividends, debt maturity payments, and other corporate purposes;
- any disruptions in the financial markets, which may impact our ability to access capital;
- our relationships with, and the financial stability of, our lenders and lessors;
- significant disruptions in the production and delivery of vehicles and parts for any reason, including natural disasters, product recalls, work stoppages, significant property loss or other occurrences that are outside of our control;
- our ability to execute our initiatives and other strategies; and
- our ability to leverage gains from our dealership portfolio.

Many of these factors are beyond our ability to control or 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 website at *http://www.asburyauto.com* as soon as practical after such reports are filed with the U.S. Securities and Exchange Commission (the "Commission"). In addition, the proxy statement that will be delivered to our stockholders in connection with our 2018 Annual Meeting of Stockholders, when filed, will also be available on our website, and at the URL stated in such proxy statement. We also make available on our website copies of our certificate of incorporation, 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 capital allocation and risk management committee;
- our criteria for independence of the members of our board of directors, audit committee, and compensation and human resources 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 website.

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 website, 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 website is *http://www.sec.gov*. Unless otherwise specified, information contained on our website, available by hyperlink from our website or on the Commission's website, 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.

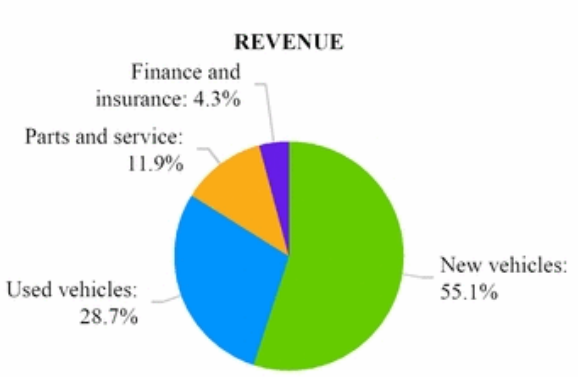
Item 1. BUSINESS

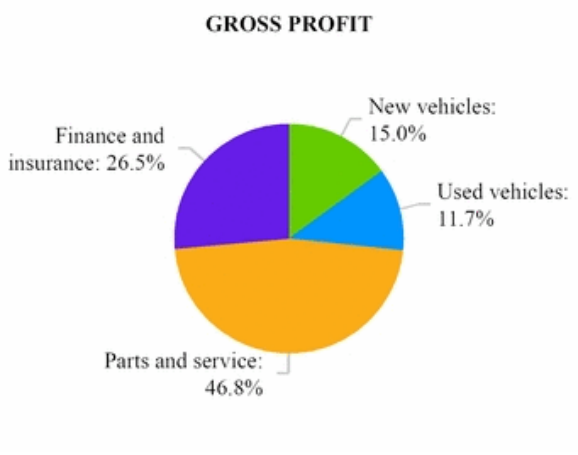
Asbury Automotive Group, Inc., a Delaware corporation organized in 2002, is one of the largest automotive retailers in the United States. Our store operations are conducted by our subsidiaries.

As of December 31, 2018, we owned and operated 97 new vehicle franchises, representing 29 brands of automobiles at 83 dealership locations, and 25 collision centers in the United States. Our stores offer an extensive range of automotive products and services, including new and used vehicles; parts and service, including vehicle repair and maintenance services, replacement parts, and collision repair services; and finance and insurance products, including arranging vehicle financing through third parties and aftermarket products, such as extended service contracts, guaranteed asset protection ("GAP") insurance, prepaid maintenance, and credit life and disability insurance.

Our operations provide a diverse revenue base that we believe mitigates the impact of fluctuations in new vehicle sales volumes and gross profit margins. In addition, our geographic footprint decreases our exposure to regional economic conditions and our brand diversification decreases our exposure to manufacturer-specific risks, such as brand perception or production disruptions. In 2018, a significant portion of our gross profit was derived from our parts and service business, which historically has been more stable throughout economic cycles.

The following charts present the contribution to total revenue and gross profit by each line of business for the year ended December 31, 2018:





Our new vehicle franchise retail network is made up of dealerships located in 17 metropolitan markets in nine states operating primarily under eight locally-branded dealership groups. The following chart provides a detailed breakdown of our markets, brand names, and franchises as of December 31, 2018:

Dealership Group	Market	Franchise Brand Name
Coggin Automotive Group	Fort Pierce, FL	Acura, BMW, Honda, Mercedes-Benz
	Jacksonville, FL	Buick, Chevrolet, Ford, GMC, Honda(a), Nissan(a), Toyota
	Orlando, FL	Ford, Honda(a), Hyundai, Lincoln
Courtesy Autogroup	Tampa, FL	Chrysler, Dodge, Honda, Hyundai, Infiniti, Jeep, Kia, Mercedes-Benz, Nissan, smart (c), Sprinter, Toyota
Crown Automotive Company	Durham, NC	Honda
	Fayetteville, NC	Dodge, Ford
	Greensboro, NC	Acura, BMW, Chrysler, Dodge, Honda, Jeep, Nissan, Volvo
	Greenville, SC	Jaguar, Land Rover, Lexus, Nissan, Porsche, Toyota, Volvo
	Charlottesville, VA	BMW
	Richmond, VA	Acura, BMW(a), MINI
David McDavid Auto Group	Austin, TX	Acura
	Dallas/Fort Worth, TX	Acura, Ford, Honda(a), Lincoln
	Houston, TX	Nissan
Gray-Daniels Auto Family	Jackson, MS	Chevrolet, Ford, Lincoln, Nissan(a), Toyota
Hare Automotive Group	Indianapolis, IN	Chevrolet, Honda, Isuzu
Nalley Automotive Group	Atlanta, GA	Acura, Audi, Bentley, BMW, Chevrolet, Ford, Honda, Hyundai, Infiniti(a), Kia, Lexus(a), Nissan(a), Toyota(b), Volkswagen
Plaza Motor Company	St. Louis, MO	Audi, BMW, Infiniti, Jaguar, Land Rover, Lexus, Mercedes-Benz(a), smart (c), Sprinter(a)

(a) This market has two of these franchises.
(b) This market has three of these franchises.
(c) Parts and service operations only.

Operations

New Vehicle Sales

The following table reflects the number of franchises we owned as of December 31, 2018 and the percentage of new vehicle revenues represented by class and franchise for the year ended December 31, 2018:

Class/Franchise	Number of Franchises Owned	% of New Vehicle Revenues
Luxury		
Mercedes-Benz	4	6%
Lexus	4	7
BMW	7	5
Acura	6	4
Infiniti	4	3
Audi	2	3
Lincoln	3	2
Volvo	2	1
Land Rover	2	2
Jaguar	2	*
Porsche	1	*
Bentley	1	*
Total Luxury	38	33%
Import		
Honda	12	19%
Toyota	7	12
Nissan	10	11
Kia	2	2
Hyundai	3	2
Volkswagen	1	1
MINI	1	*
smart (a)	—	*
Isuzu	1	*
Sprinter	3	*
Total Import	40	47%
Domestic		
Ford	6	10%
Chevrolet	4	5
Dodge	3	3
Jeep	2	1
GMC	1	1
Chrysler	2	*
Buick	1	*
Total Domestic	19	20%
Total Franchises	97	100%

(a) Two Franchise agreements pursuant to which we perform parts and service operations.

* Franchise accounted for less than 1% of new vehicle revenues for the year ended December 31, 2018.

Our new vehicle revenues include new vehicle sales and lease transactions arranged by our dealerships with third-party financial institutions. We believe that leasing provides a number of benefits to our other business lines, including the historical customer loyalty to the leasing dealership for repairs and maintenance services and the fact that lessors typically give the leasing dealership the first option to purchase the off-lease vehicle.

Used Vehicle Sales

We sell used vehicles at all of our franchised 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" collectively referred to as "used").

Gross profit from the sale of used vehicles depends primarily on our dealerships' ability to obtain a high quality supply of used vehicles and our use of technology to manage our inventory. Our new vehicle operations typically provide our used vehicle operations with a large supply of trade-ins and off-lease vehicles, which we believe are good sources of high quality used vehicles. We also purchase a portion of our used vehicle inventory at "open" auctions and auctions restricted to new vehicle dealers. Additionally, our used vehicle sales benefit from our ability to sell certified pre-owned vehicles from our franchised dealerships.

Parts and Service

We provide vehicle repair and maintenance services, sell replacement parts, and recondition used vehicles at all of our dealerships. In addition, we provide collision repair services at our 25 free-standing collision repair centers that we operate either on the premises of, or in close proximity to, our dealerships. 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 is making it difficult for independent repair shops to compete effectively with franchised dealerships as they may not be able to make the investment necessary to perform major or technical repairs. In an effort to maintain the necessary knowledge to service vehicles and further develop our technician staff, we focus on our internal and manufacturer specific training and development programs for new and existing technicians. We believe our parts and service business is also well-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 tend to have their vehicles serviced at the location where they purchased the extended service contract. In addition, our franchised dealerships benefit from manufacturer policies requiring warranty and recall related repairs be performed at a franchised dealership. We believe our collision repair centers provide us with an attractive opportunity to grow our business due to the high margins provided by collision repair services and the fact we are able to source original equipment manufacturer parts from our franchised dealerships.

Finance and Insurance

We offer a wide variety of automotive finance and insurance ("F&I") products to our customers. We arrange third-party financing for the sale or lease of vehicles to our customers in exchange for a fee paid to us by the third-party financial institution. We do not directly finance our customers' vehicle purchases or leases, therefore our exposure to losses in connection with those third-party financing arrangements is limited generally to the fees we receive. The fees we receive are subject to chargeback, or repayment, to the finance company if a customer defaults or prepays the retail installment contract typically during some limited time period at the beginning of the contract term. We have negotiated agreements with certain lenders pursuant to which we receive additional fees upon reaching a certain volume of business.

We offer our customers a variety of vehicle protection products in connection with the purchase of vehicles. These products are underwritten and administered by independent third-parties. Under our arrangements with the providers of these products, we primarily sell the products on a straight commission basis. We are subject to chargebacks for insurance contracts as a result of early termination, default, or prepayment of the contract. In addition, we participate in future profits associated with the performance of the third-party held underlying portfolio for certain products pursuant to retrospective commission arrangements. The following is a brief description of some of the vehicle protection products we offer to our customers:

- 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 oil changes, cleaning and adjusting of brakes, multi-point vehicle inspections, and 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.

Recent Developments

None.

Business Strategy

We seek to create long-term value for our stockholders by striving to drive operational excellence and deploy capital to its highest risk adjusted returns. To achieve these objectives, we employ the strategies described below.

Drive Operational Excellence

Attract and retain the best talent

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 manager of each of our dealerships is responsible for the operations, personnel, and financial performance of that dealership as well as other day-to-day operations. We believe our general managers' familiarity with their respective 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, a parts manager, and a 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 our market-based management teams and the corporate office, which we refer to as the Dealership Support Center ("DSC"), through our advanced technology solutions, centralized processes, marketing support, and financial oversight.

Implement best practices and improve productivity

While new vehicle sales are critical to drawing customers to our dealerships, used vehicles, parts and service, and F&I sales generally provide higher profit margins and account for the majority of our gross profit. In order to maximize the growth of these higher margin businesses, we have discipline-specific executives who focus on increasing the penetration of current services and expanding the breadth of our offerings to customers through the implementation of best practices and continuous training on our technology solutions throughout our dealership network. In addition, we have marketing initiatives designed to attract customers to our online channels and mobile applications.

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 various metrics. We compensate our general managers, department managers, and sales and other dealership personnel with incentive-based pay, using metrics such as dealership profitability, departmental profitability, customer satisfaction and individual performance, as appropriate. In addition, a portion of management's compensation is variable-based in nature, including an annual cash bonus based on achieving certain earnings before interest, taxes, depreciation and amortization ("EBITDA") targets and a component of equity compensation tied to our financial performance in comparison to our peer group.

Provide an exceptional customer experience

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 which 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 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 have implemented a common customer relations management tool in all of our dealerships to facilitate communications with 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 on processes and technologies to both educate our customers on their service needs and ensure that our customers continue to receive excellent service. We believe our parts and service business provides us with an opportunity for future growth due to improved customer retention, the added technical complexity of vehicles and the increasing number of vehicles on the road.

Centralize, streamline, and automate processes

Our DSC management is responsible for our capital expenditures and determining our operating strategy, while the implementation of our operating strategy rests with our market-based management teams and each dealership management team based on the policies and procedures established by DSC management. DSC management and our market-based management teams continually evaluate the financial and operating results of our dealerships, as well as each dealership's geographical location, and from time to time, make decisions to evaluate new technologies and/or processes to further enhance our operational performance. As part of our investment in our information technology ("IT") systems, we have deployed a common dealer management system ("DMS"). We believe a single DMS provides the foundation for future efficiencies and creates a more efficient retail operation. We consolidate financial, accounting, and operational data received from our dealerships through customized financial products. Our IT approach enables us to efficiently integrate and aggregate information from our dealerships. Through the combination of a common DMS and our corporate IT products, management has access to the financial, accounting, and operational data at various levels of the organization. In addition, we are in the process of centralizing business processes throughout our organization which we expect will deliver future cost synergies and enhanced performance.

Leverage our scale and cost structure to improve our operating efficiencies

We are positioned to leverage our significant scale so that we are able to achieve competitive operating margins by centralizing and streamlining various back-office functions. We are able to improve financial controls and lower servicing costs by maintaining key store-level accounting and administrative activities in our shared service centers, and we leverage our scale to reduce costs related to purchasing certain equipment, supplies, and services through national vendor relationships.

Deploy Capital to Highest Risk Adjusted Returns

Our capital allocation decisions are made within the context of maintaining sufficient liquidity and a prudent capital structure. We believe our cash position and borrowing capacity, combined with our current and expected future cash generation capability, provides us with financial flexibility to enhance shareholder value through capital deployment.

Seek opportunities to further invest in our business; acquire real estate currently being operated under lease agreements

We continually evaluate our existing dealership network and seek to make strategic investments which will increase the capacity of our dealerships and improve the customer experience. In addition, we continue to execute on our strategy of selectively acquiring our leased properties where financing rates make it attractive to be an owner.

Evaluate opportunities to refine our dealership portfolio, including acquiring value added operating assets and dealerships

We evaluate dealership acquisition opportunities based on market position and geography, brand representation and availability, key personnel, and other factors. We believe our financial position, IT systems, management structure, and experience, position us to efficiently and opportunistically complete, integrate, and benefit from dealership acquisitions. We also evaluate the financial and operating results of our owned dealerships, as well as each dealership's geographical location, and based on various financial and strategic rationales, may make decisions to dispose of dealerships to refine our dealership portfolio.

Return capital to stockholders through share repurchase programs and/or dividends

Our share repurchase decisions are based on many factors, including a comparison of the market price of our common stock versus our view of its intrinsic value.

Competition

The automotive retail and service industry is highly competitive with respect to price, service, location, and selection. For new vehicle sales, our dealerships compete with other franchised dealerships, primarily in their regions. Our new vehicle store competitors also have franchise agreements with the various vehicle manufacturers, and as such, generally obtain new vehicle inventory from vehicle manufacturers on the same terms as us. The franchise agreements grant the franchised dealership a non-exclusive right to sell the manufacturer's (or distributor's) brand of vehicles and offer related parts and service within a specified market area. State automotive franchise laws restrict competitors from relocating their stores or establishing new stores of a particular vehicle brand within a specified area that is served by our dealership of the same vehicle brand. We rely on our advertising and merchandising, sales expertise, service reputation, strong local branding, and location of our dealerships to assist in the sale of new vehicles.

Our used vehicle operations compete with other franchised dealerships, non-franchised automotive dealerships, regional and national vehicle rental companies, and internet-based vehicle brokers for the supply and resale of used vehicles.

We compete with other franchised dealerships to perform warranty and recall-related repairs and with other franchised dealerships and independent service centers for non-warranty repair and maintenance services. We compete with other automobile dealers, service stores, and auto parts retailers in our parts operations. We believe that we have a competitive advantage in parts and service sales due to our ability to use factory-approved replacement parts, our competitive prices, our familiarity with manufacturer brands and models, and the quality of our customer service.

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

Seasonality

The automobile industry has historically been subject to seasonal variations. Demand for new vehicles is generally highest during the second, third, and fourth quarters of each year and, accordingly, we expect our revenues and operating results to generally be higher during these periods. In addition, we typically experience higher sales of luxury vehicles in the fourth quarter, which have higher average selling prices and gross profit per vehicle retailed. Revenues and operating results may be impacted significantly from quarter to quarter by changing economic conditions, vehicle manufacturer incentive programs, or adverse weather events.

Dealer and Framework Agreements

Each of our dealerships operate 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. The dealer agreements grant the franchised dealership a non-exclusive right to sell the manufacturer's (or distributor's) brand of vehicles and offer related parts and service within a specified market area. Each dealer agreement also grants our dealerships the right to use the manufacturer's trademarks and service marks in connection with the dealerships operations and they also impose numerous operational requirements 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, including but not limited to requirements to meet sales and service targets within an assigned market area, geographic limitations on where the dealership may locate or advertise, and restrictions on the export of vehicles; and
- dealership monthly and annual financial reporting.

Our dealer agreements are for various terms, ranging from one year to indefinite. 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 agreement under certain circumstances, subject to applicable state franchise laws, 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 ownership or management of the dealership without manufacturer consent;
- certain extraordinary corporate transactions such as a merger or sale of all or substantially all of our assets without manufacturer consent;
- failure to complete facility upgrades required by the manufacturer or agreed to by the dealer;
- failure to maintain any license, permits or authorization required to conduct the dealership's business;
- conviction of a dealer/manager or owner for certain crimes; or
- material breach of other provisions of a dealer agreement.

Notwithstanding the terms of any dealer agreement, the states in which we operate have automotive dealership franchise laws that provide that it is unlawful for a manufacturer to terminate or not renew a franchise unless "good cause" exists.

In addition to requirements under dealer agreements, we are subject to 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 terminate or not renew our dealer and framework agreements, or to compel us to divest our dealerships, for a number of reasons, including default under the agreement, any unapproved change of control (which specific changes vary from manufacturer to manufacturer, but which include material changes in the composition of our Board of Directors during a specified time period, the acquisition of 5% or more of our voting stock by another vehicle manufacturer or distributor, the acquisition of 20% or more of our voting stock by third parties, and the acquisition of an ownership interest sufficient to direct or influence management and policies), or certain other unapproved events (including certain extraordinary corporate transactions such as a merger or sale of all or substantially all of our assets). Triggers of the clauses are often based upon actions by our stockholders and are generally outside of our control. 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. For additional information, please refer to the risk factor captioned "We are dependent upon our relationships with the manufacturers of vehicles that we sell and are subject to restrictions imposed by, and significant influence from, these vehicle manufacturers. Any of these restrictions or any changes or deterioration of these relationships could have a material adverse effect on our business, financial condition, results of operations, and cash flows."

Our framework agreements with certain manufacturers contain provisions that, among other things, attempt to limit the protections available to dealers under these 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 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 these laws, resulting in either the termination, non-renewal or rejection of franchises by such manufacturers, which, in turn, could materially adversely affect our business, financial condition, and results of operations. For additional information, please refer to the risk factor captioned "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 which could have a materially adverse effect on our business, financial condition, and results of operations."

Regulations

We operate in a highly regulated industry. In every state in which we operate, we must obtain one or more licenses issued by state regulatory authorities in order to operate our business. In addition, we are subject to numerous complex federal, state, and local laws regulating the conduct of our business, including those relating to our sales, operations, finance and insurance, advertising, and employment practices. These laws and regulations include state franchise laws and regulations, consumer protection laws, privacy laws, anti-money laundering laws, and other extensive laws and regulations applicable to new and used motor vehicle dealers. These laws also include federal and state wage and hour, anti-discrimination, and other laws governing employment practices.

Our financing activities with customers are subject to federal truth-in-lending, consumer leasing, and equal credit opportunity laws and regulations, as well as state and local motor vehicle finance laws, leasing laws, installment finance laws, usury laws, and other installment state and leasing laws and regulations. Some U.S. states regulate fees and charges that may be paid as a result of vehicle sales. Claims arising out of actual or alleged violations of law may be asserted against us or our stores by individuals or governmental entities and may expose us to significant damages, fines or other penalties, including revocation or suspension of our license to conduct store operations.

The Consumer Financial Protection Bureau ("CFPB") has broad regulatory powers under the Dodd-Frank Wall Street Reform and Consumer Protection Act. Although automotive dealers are generally excluded from the CFPB's regulatory authority, the CFPB has announced its intention to regulate automotive financing activities through its regulation of automotive finance companies and other financial institutions that service the automotive industry. In addition, the CFPB has announced its intention to regulate the sale of finance and insurance products. The Federal Trade Commission has certain regulatory authority over automotive dealers and has implemented an enforcement initiative relating to the advertising practices of automotive dealers. For additional information, please refer to the risk factor captioned "Our operations are subject to extensive governmental laws and regulations. If we are found to be in purported violation of or subject to liabilities under any of these laws or regulations, or if new laws or regulations are enacted that adversely affect our operations, our business, our reputation, financial condition, results of operations, and prospects could suffer."

Environmental, Health and Safety Laws and Regulations

We are subject to a wide range of environmental laws and regulations, including those governing discharges into water, air emissions, storage of petroleum substances and chemicals, handling and disposal of solid and hazardous wastes, remediation of various types of contamination, and otherwise relating to health, safety and protection of the environment. For example and without creating an exhaustive list: 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 and the use of above ground and underground storage tanks (ASTs and USTs). Operations involving the management of wastes and the use of ASTs and USTs are subject to requirements of the Resource Conservation and Recovery Act, analogous state statutes, and their implementing regulations. 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. We also are subject to laws and regulations governing responses to any releases of contamination at or from our facilities or at facilities that receive our hazardous wastes for treatment or disposal. The Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") and similar state statutes, can impose strict and joint and several liability for cleanup costs on those that are considered to have contributed to the release of a "hazardous substance." We also are subject to the Clean Water Act, analogous state statutes, and their implementing regulations which, among other things, prohibit discharges of pollutants into regulated waters without permits, require containment of potential discharges of oil or hazardous substances, and require preparation of spill contingency plans. Currently, we are not aware of any non-compliance with these or any other environmental requirements applicable to our operations, nor are we aware of any material remedial liabilities to which we are subject.

We have incurred, and will continue to incur, costs and capital expenditures to comply with these laws and regulations and to obtain and maintain all necessary environmental permits. We believe that our operations currently are being conducted in substantial 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. We occasionally receive notices from environmental agencies regarding potential violations of environmental laws or regulations. In such cases, we work with the agencies to address any issues and to implement appropriate corrective action when necessary. However, none of our dealerships have 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.

Employees

As of December 31, 2018, we employed approximately 8,200 full-time and part-time employees, none of whom were covered by collective bargaining agreements. We believe we have good relations with our employees.

Insurance

Due to the inherent risk in the automotive retail industry, our operations expose us to a variety of liabilities. These risks generally require significant levels of insurance covering liabilities such as claims from employees, customers, or other third parties, for personal injury and property related losses occurring in the course of our operations. We may be subject to fines and civil and criminal penalties in connection with alleged violations of federal and state laws or regulatory environments. Further, the automobile retail industry is subject to substantial risk of real and personal property loss, due to the significant concentration of property values located at the various dealership locations.

Our insurance programs include multiple umbrella and excess 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.

Provisions for retained losses and deductibles are made by charges to expense based upon periodic evaluations of the estimated ultimate liabilities on reported and unreported claims. The insurance companies that underwrite our insurance require we secure certain of our obligations for deductible reimbursements with collateral. Our collateral requirements are set by the insurance companies and, to date, have been satisfied by posting surety bonds, letters of credit, and/or cash deposits. Our collateral requirements may change from time to time based on, among other things, our claims experience.

Item 1A. Risk Factors

In addition to the other information contained, referred to or incorporated by reference into this report, you should consider carefully the following factors when evaluating our business and before making an investment decision. Our business, operations, ability to implement our strategy, reputation, results of operations, financial condition, cash flows, and prospects may be materially adversely affected by the risks described below. 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.

The automotive retail industry is sensitive to unfavorable changes in general economic conditions and various other factors that could affect demand for our products and services, which could have a material adverse effect on our business, our ability to implement our strategy, and our results of operations.

Our future performance will be impacted by general economic conditions including: changes in employment levels; consumer demand, preferences and confidence levels; the availability and cost of credit; fuel prices; levels of discretionary personal income; and interest rates. We also are subject to economic, competitive, and other conditions prevailing in the various markets in which we operate, even if those conditions are not prominent nationally.

Retail vehicle sales are cyclical and historically have experienced periodic downturns characterized by oversupply and weak demand, which could result in a need for us to lower the prices at which we sell vehicles, which would reduce our revenue per vehicle sold and our margins. Additionally, a shift in consumer's vehicle preferences driven by pricing, fuel costs or other factors may have a material adverse effect on our revenues, margins and results of operations.

Changes in general economic conditions may make it difficult for us to execute our business strategy. In such an event, we may be required to enter into certain transactions in order to generate additional cash, which may include, but not be limited to, selling certain of our dealerships or other assets or increasing borrowings under our existing, or any future, credit facilities. There can be no assurance that, if necessary, we would be able to enter into any such transactions in a timely manner or on reasonable terms, if at all. Furthermore, in the event we were required to sell dealership assets, the sale of any material portion of such assets could have a material adverse effect on our revenue and profitability.

Adverse conditions affecting one or more of the vehicle manufacturers with which we hold franchises or their inability to deliver a desirable mix of vehicles that our consumers demand, could have a material adverse effect on our business, results of operations, financial condition, and cash flows.

Historically, we have generated most of our revenue through new vehicle sales, and new vehicle sales also tend to lead to sales of higher-margin products and services, such as finance and insurance products and vehicle-related parts and service. As a result, our profitability is dependent to a great extent on various aspects of vehicle manufacturers' operations, many of which are outside of our control. Our ability to sell new vehicles is dependent on manufacturers' ability to design and produce, and willingness to allocate and deliver to our dealerships, a desirable mix of popular new vehicles that consumers demand. Popular

vehicles may often be difficult to obtain from manufacturers for a number of reasons, including the fact that manufacturers generally allocate their vehicles to dealerships based on sales history and capital expenditures associated with such dealerships. Further, if a manufacturer fails to produce desirable vehicles or develops a reputation for producing undesirable vehicles or produces vehicles that do not comply with applicable laws or government regulations, and we own dealerships which sell that manufacturer's vehicles, our revenues from those dealerships could be adversely affected as consumers shift their vehicle purchases away from that brand.

Although we seek to limit our dependence on any one vehicle manufacturer, there can be no assurance the brand mix allocated and delivered to our dealerships by the manufacturers will be appropriate or sufficiently diverse, to protect us from a significant decline in the desirability of vehicles manufactured by a particular manufacturer or disruptions in a manufacturer's ability to produce vehicles. For the year ended December 31, 2018, manufacturers representing 5% or more of our revenues from new vehicle sales were as follows:

Manufacturer (Vehicle Brands):	**% of Total New Vehicle Revenues**
American Honda Motor Co., Inc. (*Honda and Acura*)	23.7%
Toyota Motor Sales, U.S.A., Inc. (*Toyota and Lexus*)	18.4%
Nissan North America, Inc. (*Nissan and Infiniti*)	14.4%
Ford Motor Company (*Ford and Lincoln*)	11.1%
Mercedes-Benz USA, LLC (*Mercedes-Benz, smart and Sprinter*)	6.5%
BMW of North America, LLC (*BMW and Mini*)	5.6%

Similar to automotive retailers, vehicle manufacturers may be affected by the long-term U.S. and international economic climate. In addition, we remain vulnerable to other matters that may impact the manufacturers of the vehicles we sell, many of which are outside of our control, including: (i) changes in their respective financial condition; (ii) changes in their respective marketing efforts; (iii) changes in their respective reputation; (iv) manufacturer and other product defects, including recalls; (v) changes in their respective management; (vi) disruptions in the production and delivery of vehicles and parts due to natural disasters or other reasons; and (vii) issues with respect to labor relations. Our business is highly dependent on consumer demand and brand preferences for our manufacturers products. Manufacturer recall campaigns are a common occurrence that have accelerated in frequency and scope over the last several years. Manufacturer recall campaigns could adversely affect our new and used vehicle sales or customer residual trade-in valuations, could cause us to temporarily remove vehicles from our inventory, could force us to incur increased costs, and could expose us to litigation and adverse publicity related to the sale of recalled vehicles, which could have a material adverse effect on our business, results of operations, financial condition and cash flows. Vehicle manufacturers that produce vehicles outside of the U.S. are subject to additional risks including changes in quotas, tariffs or duties, fluctuations in foreign currency exchange rates, regulations governing imports and the costs related thereto, and foreign governmental regulations.

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

In addition, if a vehicle manufacturer's financial condition worsens and it seeks protection from creditors in bankruptcy or similar proceedings, or otherwise under the laws of its jurisdiction of organization, (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 financial condition are factored into the price of its products, (v) there may be a significant disruption in the availability of consumer credit to purchase or lease that manufacturer's 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, among other things. The occurrence of any one or more of these events could have a material adverse effect on our business, results of operations, financial condition, and cash flows.

Our outstanding indebtedness, ability to incur additional debt and the provisions in the agreements governing our debt, and certain other agreements, could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

As of December 31, 2018, we had total debt of $910.1 million, which excludes total floor plan notes payable of $966.1 million. We have the ability to incur substantial additional debt in the future to finance, among other things, acquisitions, working capital and capital expenditures, subject in each case to the restrictions contained in our debt instruments and other agreements existing at the time such indebtedness is incurred.

Our debt service obligations could have important consequences to us for the foreseeable future, including the following: (i) our ability to obtain additional financing for acquisitions, capital expenditures, working capital or other general corporate purposes may be impaired; (ii) a substantial portion of our 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; (iii) some of our borrowings are and will continue to be at variable rates of interest, which exposes us to risks of interest rate increases; and (iv) we may be or become 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.

In addition to our ability to incur additional debt in the future, there are operating and financial restrictions and covenants, such as leverage covenants, in certain of our debt and mortgage agreements, including the agreement governing our senior credit facility, the indenture governing our senior notes and our mortgage agreements and related mortgage guarantees, as well as certain other agreements to which we are a party that may adversely affect our ability to finance our future operations or capital needs or to pursue certain business activities. These limit, among other things, our ability to incur certain additional debt, create certain liens or other encumbrances, and make certain payments (including dividends and repurchases of our common stock and for investments). Certain of these agreements also require us to maintain compliance with certain financial ratios.

Our failure to comply with any of these covenants in the future could constitute a default under the relevant agreement, which could, depending on the relevant agreement, (i) entitle the creditors 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 repay those borrowings; (iii) entitle the creditors under such agreement to foreclose on the property securing the relevant indebtedness; or (iv) prevent us from making debt service payments on certain of our other indebtedness, any of which would have a material adverse effect on our business, financial condition, results of operations or cash flows. In many cases, a default under one of our debt, mortgage, or other agreements, could trigger cross-default provisions in one or more of our other debt or mortgage agreements. There can be no assurance that our creditors would agree to an amendment or waiver of our covenants. In the event we obtain an amendment or waiver, we would likely incur additional fees and higher interest expense.

In addition to the financial and other covenants contained in our various debt or mortgage agreements, certain of our lease agreements contain covenants that give our landlords the right to terminate the lease, seek significant cash damages, or evict us from the applicable property, if we fail to comply. Similarly, our failure to comply with any financial or other covenants in any of our framework agreements, would give the relevant manufacturer certain rights, including the right to reject proposed acquisitions, and may give it the right to repurchase its 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, results of operations and cash flows. Manufacturers may also have the right to restrict our ability to provide guarantees of our operating companies, pledges of the capital stock of our subsidiaries and liens on our assets, which could materially adversely effect our ability to obtain financing for our business and operations on favorable terms or at desired levels, if at all.

The occurrence of any one of these events 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, results of operations and cash flows.

Our business, financial condition, and results of operations may be materially adversely affected by increases in interest rates.

We generally finance our purchases of new vehicle inventory, have the ability to finance the purchases of used vehicle inventory, and have the availability to borrow funds for working capital under our senior secured credit facilities that charge interest at variable 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 and the related profit margins and F&I revenue per vehicle, because most of our customers finance their vehicle purchases. As a result, rising interest rates may have the effect of simultaneously increasing our capital costs and reducing our revenues. Given our variable interest rate debt and floor plan notes payable

outstanding as of December 31, 2018, each one percent increase in market interest rates would increase our total annual interest expense by as much as $10.0 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.

Our vehicle sales, financial condition, and results of operations may be materially adversely affected by changes in costs or availability of consumer financing.

The majority of vehicles purchased by our customers are financed. Reductions in the availability of credit to consumers have contributed to declines in our vehicle sales in past periods. Reductions in available consumer credit or increased costs of that credit, could result in a decline in our vehicle sales, which would have a material adverse effect on our financial condition and results of operations.

Lenders that have historically provided financing to those buyers who, for various 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, are often referred to as subprime lenders. If market conditions cause subprime lenders to tighten credit standards, or if interest rates increase, the ability to obtain financing from subprime lenders for these consumers to purchase vehicles could become limited, resulting in a decline in our vehicle sales, which in turn, could have a material adverse effect on our financial condition and results of operations.

Substantial competition in automobile sales and services may have a material adverse effect on our results of operations.

The automotive retail and service industry is highly competitive with respect to price, service, location, and selection. Our competition includes: (i) franchised automobile dealerships in our markets that sell the same or similar new and used vehicles; (ii) privately negotiated sales of used vehicles; (iii) other used vehicle retailers, including regional and national vehicle rental companies; (iv) internet-based used vehicle brokers that sell used vehicles to consumers; (v) service center and parts supply chain stores; and (vi) independent service and repair shops.

We do not have any cost advantage over other retailers in purchasing new vehicles from manufacturers. We typically rely on our advertising, merchandising, sales expertise, service reputation, strong local branding, and dealership location to sell new vehicles. Because our dealer agreements only grant us a non-exclusive right to sell a manufacturer's product within a specified market area, our revenues, gross profit and overall profitability may be materially adversely affected if competing dealerships expand their market share. Further, our vehicle manufacturers may decide to award additional franchises in our markets in ways that negatively impact our sales.

The internet has become a significant part of the advertising and sales process in our industry. Customers are using the internet to shop, and compare prices, for new and used vehicles, automotive repair and maintenance services, finance and insurance products, and other automotive products. If we are unable to effectively use the internet to attract customers to our own on-line channels and mobile applications, and, in turn, to our stores, our business, financial condition, results of operations, and cash flows could be materially adversely affected. Additionally, the growing use of social media by consumers increases the speed and extent that information and opinions can be shared, and negative posts or comments on social media about us or any of our stores, could damage our reputation and brand names, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Additionally, if one or more companies are permitted to circumvent the state franchise laws of several states in the United States thereby permitting them to sell their new vehicles without the requirements of establishing a dealer-network, they may be able to have a competitive advantage over the traditional dealers, which could have a material adverse effect on our sales in those states.

We are dependent upon our relationships with the manufacturers of vehicles that we sell and are subject to restrictions imposed by, and significant influence from, these vehicle manufacturers. Any of these restrictions or any changes or deterioration of these relationships could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

We are dependent on our relationships with the manufacturers of the vehicles we sell, which have the ability to exercise a great deal of control and influence over our day-to-day operations, as a result of the terms of our dealer, framework, and related agreements. We may obtain new vehicles from manufacturers, service vehicles, sell new vehicles, and display vehicle manufacturers' trademarks only to the extent permitted under these agreements. The terms of these agreements may conflict with our interests and objectives and may impose limitations on key aspects of our operations, including acquisition strategy and capital spending.

For example, manufacturers can set performance standards with respect to sales volume, sales effectiveness and customer satisfaction, and require us to obtain manufacturer consent before we can acquire dealerships selling a manufacturer's

automobiles. From time to time, we may be precluded under agreements with certain manufacturers from acquiring additional franchises, or subject to other adverse actions, to the extent we are not meeting certain performance criteria at our existing stores (with respect to matters such as sales volume, customer satisfaction and sales effectiveness) until our performance improves in accordance with the agreements, subject to applicable state franchise laws. In addition, many vehicle manufacturers place limits on the total number of franchises that any group of affiliated dealerships may own and 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 adversely affect our future growth. We cannot provide assurance that manufacturers will approve future acquisitions timely, if at all, which could significantly impair the execution of our acquisition strategy.

In addition, certain manufacturers use a dealership's manufacturer-determined customer satisfaction index ("CSI") score as a factor governing participation in incentive programs. To the extent we do not meet minimum score requirements, our future payments may be materially reduced or we may be precluded from receiving certain incentives, which could materially adversely affect our business, financial condition, results of operations and cash flows.

Manufacturers also typically establish facilities and minimum capital requirements for dealerships on a case-by-case basis. In certain circumstances, including as a condition to obtaining consent to a proposed acquisition, a manufacturer may require us to remodel, upgrade or move 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. Delays in obtaining, or failing to obtain, manufacturer consent, would impede our ability to execute acquisitions that we believe would integrate well with our overall strategy and limit our ability to expand our business.

Manufacturers can also establish new franchises or relocate existing franchises, subject to applicable state franchise laws. The establishment or relocation of franchises in our markets could have a material adverse effect on the business, financial condition and results of operations of our dealerships in the market in which the action is taken.

Manufacturers may also limit our ability to divest one or more of our dealerships in a timely manner or at all. Most of our dealer agreements provide the manufacturer with a right of first refusal to purchase any of the manufacturer's franchises we seek to sell. Divestitures may also require manufacturer consent and failure to obtain consent 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 business, financial condition, results of operations, and cash flows.

Manufacturers may terminate or may not renew our dealer and framework agreements, or may compel us to divest our dealerships, for a number of reasons, including default under the agreement, any unapproved change of control (which specific changes vary from manufacturer to manufacturer, but which include material changes in the composition of our Board of Directors during a specified time period, the acquisition of 5% or more of our voting stock by another vehicle manufacturer or distributor, the acquisition of 20% or more of our voting stock by third parties, and the acquisition of an ownership interest sufficient to direct or influence management and policies), or certain other unapproved events (including certain extraordinary corporate transactions such as a merger or sale of all or substantially all of our assets). Triggers of these clauses are often based upon actions by our stockholders and are generally outside of our control. Restrictions on any unapproved changes of ownership or management may adversely impact our value, as they may prevent or deter prospective acquirers from gaining control of us. In addition, actions taken by a manufacturer to exploit its bargaining position in negotiating the terms of renewals of franchise agreements or otherwise, could also have a material adverse effect on our revenues and profitability.

There can be no assurances that we will be able to renew our dealer and framework agreements on a timely basis, on acceptable terms, or at all. Our business, financial condition, and results of operations may be materially adversely affected to the extent that our rights become compromised or our operations are restricted due to the terms of our dealer or framework agreements or if we lose franchises representing a significant percentage of our revenues due to termination or failure to renew such agreements.

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

We benefit from certain sales incentive, warranty, and other promotional programs of vehicle manufacturers that are intended to promote and support their respective new vehicle sales. Key incentive programs include: (i) customer rebates on new vehicles; (ii) dealer incentives on new vehicles; (iii) special financing or leasing terms; (iv) warranties on new and used vehicles; and (v) sponsorship of used vehicle sales by authorized new vehicle dealers.

Vehicle manufacturers often make many changes to their incentive programs. Any reduction or discontinuation of manufacturers' incentive programs for any reason, including a supply and demand imbalance, may reduce our sales volume which, in turn, could have a material adverse effect on our results of operations, cash flows, and financial condition.

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, which could have a material adverse effect our business, financial condition, and results of operations.

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. Our framework agreements with certain manufacturers contain provisions that, among other things, attempt to limit the protections available to dealers under these laws, and, though unsuccessful to date, manufacturers' ongoing lobbying efforts may lead to the repeal or revision of these 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, which, in turn, could materially adversely affect our business, financial condition, and results of operations.

A failure of any of our information systems or those of our third-party service providers, or a data security breach with regard to personally identifiable information ("PII") about our customers or employees, could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

We depend on the efficient operation of our information systems and those of our third-party service providers. We rely on information systems at our dealerships in all aspects of our sales and service efforts, as well in the preparation of our consolidated financial and operating data. All of our dealerships currently operate on a common DMS. Our business could be significantly disrupted if (i) the DMS fails to integrate with other third-party information systems, customer relations management tools or other software, or to the extent any of these systems become unavailable to us or fail to perform as designed for an extended period of time, or (ii) our relationship with our DMS provider or any other third-party provider deteriorates. Additionally, any disruption to access and connectivity of our information systems due to natural disasters, power loss or other reasons could disrupt our business operations, impact sales and results of operations, expose us to customer or third-party claims, or result in adverse publicity.

Additionally, in the ordinary course of business, we and our partners receive significant PII about our customers in order to complete the sale or service of a vehicle and related products. We also receive PII from our employees. The regulatory environment surrounding information security and privacy is increasingly demanding, with numerous state and federal regulations, as well as payment card industry and other vendor standards, governing the collection and maintenance of PII from consumers and other individuals. We believe the automotive dealership industry is a particular target of identity thieves, as there are numerous opportunities for a data security breach, including cyber-security breaches, burglary, lost or misplaced data, scams, or misappropriation of data by employees, vendors or unaffiliated third parties. Because of the increasing number and sophistication of cyber-attacks, and despite the security measures we have in place and any additional measures we may implement or adopt in the future, our facilities and systems, and those of our third-party service providers, could be vulnerable to security breaches, computer viruses, lost or misplaced data, programming errors, scams, burglary, human errors, acts of vandalism, and/or other events. Alleged or actual data security breaches can increase costs of doing business, negatively affect customer satisfaction and loyalty, expose us to negative publicity, individual claims or consumer class actions, administrative, civil or criminal investigations or actions, and infringe on proprietary information, any of which could have a material adverse effect on our business, financial condition, results of operations, or cash flows.

Our operations are subject to extensive governmental laws and regulations. If we are found to be in purported violation of or subject to liabilities under any of these laws or regulations, or if new laws or regulations are enacted that adversely affect our operations, our business, our reputation, financial condition, results of operations, and prospects could suffer.

The automotive retail industry, including our facilities and operations, is subject to a wide range of federal, state, and local laws and regulations, such as those relating to motor vehicle sales, retail installment sales, leasing, finance and insurance, marketing, licensing, consumer protection, consumer privacy, escheatment, anti-money laundering, environmental, vehicle emissions and fuel economy, and health and safety. In addition, with respect to employment practices, we are subject to various

laws and regulations, including complex federal, state, and local wage and hour and anti-discrimination laws. The violation of the laws or regulations to which we are subject could result in administrative, civil, or criminal sanctions against us, which may include a cease and desist order against the subject operations or even revocation or suspension of our license to operate the subject business, as well as significant fines and penalties. Violation of certain laws and regulations to which we are subject may also subject us to consumer class action or other lawsuits or governmental investigations and adverse publicity. We currently devote significant resources to comply with applicable federal, state, and local regulation of health, safety, environmental, zoning, and land use regulations, and we may need to spend additional time, effort, and money to keep our operations and existing or acquired facilities in compliance therewith.

In addition, there is a risk that our employees could engage in misconduct that violates the laws or regulations to which we are subject. It is not always possible to detect or deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in all cases. If any of our employees were to engage in misconduct or were to be accused of such misconduct, our business and reputation could be adversely affected.

The Dodd-Frank Act, which was signed into law on July 21, 2010, established the CFPB, an independent federal agency funded by the United States Federal Reserve with broad regulatory powers and limited oversight from the United States Congress. Although automotive dealers are generally excluded, the Dodd-Frank Act could lead to additional, indirect regulation of automotive dealers, in particular, their sale and marketing of finance and insurance products, through its regulation of automotive finance companies and other financial institutions. In addition, the CFPB possesses supervisory authority with respect to certain non-bank lenders, including automotive finance companies, participating in automotive financing. The Dodd-Frank Act also provided the FTC with new and expanded authority regarding automotive dealers. Since then, the FTC has been gathering information on consumer protection issues through roundtables, public comments and consumer surveys. The FTC may exercise its additional rule-making authority to expand consumer protection regulations relating to the sale, financing and leasing of motor vehicles. In 2014, the FTC implemented an enforcement initiative relating to the advertising practices of automotive dealers. In connection therewith, in May 2016, we signed a consent order with the FTC to settle allegations that in certain instances our advertisements did not adequately disclose information about used vehicles with open safety recalls. Under the consent order, we did not agree to make any payments or admit wrong-doing, but we did agree to make certain disclosures in marketing materials and at the point of sale and comply with certain record-keeping obligations.

Continued pressure from the CFPB, FTC, and other federal agencies could lead to significant changes in the manner that dealers are compensated for arranging customer financing, and while it is difficult to predict how any such changes might impact us, any adverse changes could have a material adverse impact on our finance and insurance business and results of operations. Furthermore, we expect that new laws and regulations, particularly at the federal level, in other areas may be enacted, which could also materially adversely impact our business.

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 solid and hazardous wastes, investigation and remediation of contamination, and otherwise protective of health, safety and the environment. Similar to many of our competitors, we have incurred and expect to continue to incur capital and operating expenditures and other costs to comply with such federal and state statutes. In addition, we may become 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. For such potential liabilities, we believe we are entitled to indemnification from other entities. However, we cannot provide assurance 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, could have a material adverse effect on our business, results of operations, financial condition, or cash flows.

A significant judgment against us 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 environmental area will be enacted, and compliance with such laws, or penalties for failure to comply, could significantly increase our costs. For example, vehicle manufacturers are subject to government-mandated fuel economy and greenhouse gas emission standards, which continue to change and become more stringent over time. Specifically, vehicle manufacturers are subject to corporate average fuel economy standards ("CAFE") for passenger cars and light trucks. Failure of a manufacturer to develop passenger vehicles and light trucks that meet CAFE and/or greenhouse gas emission 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, which could have a material adverse effect on our business, results of operations, financial condition, or cash flows.

We are subject to risks related to the provision of employee health care benefits, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

We use a combination of insurance and self-insurance for health care plans. We record expenses under those plans based on estimates of the costs of expected claims, administrative costs, stop-loss insurance premiums, and expected health care trends. Actual costs under these plans are subject to variability that is dependent upon participant enrollment, demographics, and the actual costs of claims made. Negative trends in any of these areas could cause us to incur additional unplanned health care costs, which could adversely impact our business, financial condition, results of operations, and cash flows. In addition, if enrollment in our health care plans increases significantly, the additional costs that we will incur may be significant enough to materially affect our business, financial condition, results of operations, and cash flows.

We are, and expect to continue to be, subject to legal and administrative proceedings, which, if the outcomes are adverse to us, could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

We are involved and expect to continue to be involved in numerous legal proceedings arising out of the conduct of our business, including litigation with customers, employment-related lawsuits, class actions, purported class actions, and actions brought by governmental authorities. We do not believe that the ultimate resolution of any known matters will have a material adverse effect on our business, financial condition, results of operations, or cash flows. However, the results of these matters cannot be predicted with certainty, and an unfavorable resolution of one or more of these matters could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Property loss or other uninsured liabilities could have a material adverse impact on our results of operations.

We are 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 actual or threatened adverse weather conditions or natural disasters, such as hurricanes, tornadoes, floods, and hail storms, or other extraordinary events. Concentration of property at dealership locations also makes the automotive retail business particularly vulnerable to theft, fraud, and misappropriation of assets. Illegal or unethical conduct by employees, customers, vendors, and unaffiliated third parties can result in loss of assets, disrupt operations, impact brand reputation, jeopardize manufacturer and other relationships, result in the imposition of fines or penalties, and subject us to governmental investigations or lawsuits. While we maintain insurance to protect against a number of losses, this insurance coverage often contains significant deductibles. In addition, we "self-insure" 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 including for certain potential liabilities that some states prohibit the maintenance of insurance to protect against. 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, results of operations, or cash flows could be materially adversely impacted.

A decline in our credit rating or a general disruption in the credit markets could negatively impact our liquidity and ability to conduct our operations.

A deterioration of our credit rating, or a general disruption in the credit markets, could limit our ability to obtain credit on terms acceptable to us, or at all. In addition, uncertain economic conditions or the re-pricing of certain credit risks may make it more difficult for us to obtain one or more types of funding in the amounts, or at rates considered acceptable to us, at any given time. Our inability to access necessary or desirable funding, or to enter into certain related transactions, at times and at costs deemed appropriate by us, could have a negative impact on our liquidity and our ability to conduct our operations. Any of these developments could also reduce the ability or willingness of the financial institutions that have extended credit commitments to us, or that have entered into hedge or similar transactions with us, to fulfill their obligations to us, which also could have a material adverse effect on our liquidity and our ability to conduct our operations.

We are subject to risks associated with imported product restrictions or limitations, foreign trade and currency valuations.

Our business involves the sale of vehicles, parts or vehicles composed of parts that are manufactured outside the United States. As a result, our operations are subject to risks of doing business outside of the United States and importing merchandise, including import duties, exchange rates, trade restrictions, work stoppages, natural or man-made disasters, and general political and socio-economic conditions in other countries. The United States or the countries from which our products are imported may, from time to time, impose new quotas, duties, tariffs or other restrictions or limitations, or adjust presently prevailing quotas, duties, or tariffs. The Trump Administration is considering imposing up to 25% tariffs on imported vehicles or parts.

The imposition of new, or adjustments to prevailing, quotas, duties, tariffs or other restrictions or limitations could have a material adverse effect on our business, financial condition, results of operations and cash flows. 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 revenues and profitability.

If we are unable to acquire and successfully integrate additional dealerships into our business, our revenue and earnings growth may be adversely affected.

We believe that the automotive 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 integrate acquired dealerships into our organization. When seeking to acquire other dealerships, we often compete with several other national, regional and local dealership groups, and other strategic and financial buyers, some of which may have greater financial resources than us. Competition for attractive acquisition targets may result in fewer acquisition opportunities for us and we may have to forgo acquisition opportunities to the extent we cannot negotiate such acquisitions on acceptable terms.

We also face additional risks commonly encountered with growth through acquisitions. These risks include, but are not limited to: (i) failing to obtain manufacturers' consents to acquisitions of additional franchises; (ii) incurring significant transaction-related costs for both completed and failed acquisitions; (iii) incurring significantly higher capital expenditures and operating expenses; (iv) failing to integrate the operations and personnel of the acquired dealerships and impairing relationships with employees; (v) incorrectly valuing entities to be acquired or incurring undisclosed liabilities at acquired dealerships; (vi) disrupting our ongoing business and diverting our management resources to newly acquired dealerships; (vii) failing to achieve expected performance levels; and (viii) 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.

We are a holding company and as a result are dependent on our operating subsidiaries to generate sufficient cash and distribute cash to us to service our indebtedness and fund our ongoing operations.

Our ability to make payments on our indebtedness and fund our ongoing operations depends on our operating subsidiaries' ability to generate cash in the future and distribute that cash to us. It is possible that our subsidiaries may not generate cash from operations in an amount sufficient to enable us to service our indebtedness. In addition, many of our subsidiaries are required to comply with the provisions of franchise agreements, dealer agreements, other agreements with manufacturers, mortgages, and credit facility providers. Many of these agreements contain minimum working capital or net worth requirements, and are subject to change at least annually. Although the requirements contained in these agreements did not restrict our subsidiaries from distributing cash to us as of December 31, 2018, unexpected changes to our franchise agreements, dealer agreements, or other agreements with manufacturers could require us to alter the manner in which we distribute or use cash. If our operating subsidiaries are unable to generate and distribute sufficient cash to us to service our indebtedness and fund our ongoing operations, our financial condition may be materially adversely affected.

Goodwill and manufacturer franchise rights comprise a significant portion of our total assets. We must test our goodwill and manufacturer franchise rights for impairment at least annually, which could result in a material, non-cash write-down of goodwill or manufacturer franchise rights and could have a material adverse effect on our results of operations and stockholders' equity.

Our principal intangible assets are goodwill and our rights under our franchise agreements with vehicle manufacturers. Goodwill and indefinite-lived intangible assets, including manufacturer franchise rights, are subject to impairment assessments at least annually (or more frequently when events or changes in circumstances indicate that an impairment may have occurred), by applying a qualitative or quantitative assessment. A decrease in our market capitalization or profitability increases the risk of goodwill impairment. The fair value of our manufacturer franchise rights is determined by discounting a sub-set of the projected cash flows at a dealership that we attribute to the value of the franchise. Changes to the business mix or declining cash flows in a dealership increase the risk of impairment. An impairment loss could have a material adverse effect on our results of operations and stockholders' equity. During the years ended December 31, 2018 and 2017 , we recognized $3.7 million and $5.1 million, respectively, in pre-tax non-cash impairment charges associated with manufacturer franchise rights

recorded at certain dealerships. See Note 9 "Goodwill and Intangible Franchise Rights" of the Notes to Consolidated Financial Statements for more information.

Technological advances, including increases in ride sharing applications, electric vehicles and autonomous vehicles in the long-term could have a material adverse effect on our business.

The automotive industry is predicted to experience change over the long-term. Shared vehicle services such as Uber and Lyft provide consumers with increased choice in their personal mobility options. The effect of these and similar mobility options on the retail automotive industry is uncertain, and may include lower levels of new vehicles sales. In addition, technological advances are facilitating the development of driverless vehicles. The eventual timing of widespread availability of driverless vehicles is uncertain due to regulatory requirements, additional technological requirements, and uncertain consumer acceptance of these vehicles. The effect of driverless vehicles on the automotive retail industry is uncertain and could include changes in the level of new and used vehicles sales, the price of new vehicles, and the role of franchised dealers, any of which could materially adversely affect our business, financial condition and results of operations. The widespread adoption of electric and battery powered vehicles also could have a material adverse effect on the profitability of our parts and service business.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We lease our corporate headquarters, which is located at 2905 Premiere Parkway, NW, Suite 300, Duluth, Georgia 30097. As of December 31, 2018, our operations encompassed 83 franchised dealership locations throughout nine states, and 25 collision repair centers as follows:

	Dealerships			Collision Repair Centers	
Dealership Group:	**Owned**	**Leased**		**Owned**	**Leased**
Coggin Automotive Group	12	4	(a)	5	2
Courtesy Autogroup	5	3		2	—
Crown Automotive Company	13	5	(b)	3	—
David McDavid Auto Group	7	—		4	1
Gray-Daniels Auto Family	—	5	(b)	—	1
Hare Automotive Group	3	—		—	1
Nalley Automotive Group	18	1		4	1
Plaza Motor Company	6	1	(b)	—	1
Total	64	19		18	7

(a) Includes one dealership that leases a new vehicle facility and operates a separate used vehicle facility that is owned.
(b) Includes one dealership location where we lease the underlying land but own the building facilities on that land.

Item 3. Legal Proceedings

From time to time, we and our dealerships are involved and will continue to be 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 or lenders, and certain federal, state, and local government authorities, which relate primarily to (i) incentive and warranty payments received from vehicle manufacturers, or allegations of violations of manufacturer agreements or policies, (ii) compliance with lender rules and covenants and (iii) 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 do not believe that the ultimate resolution of the claims we are involved in will have a material adverse effect on our business, results of operations, financial condition, cash flow and prospects.

Item 4. Mine Safety Disclosures

Not applicable.

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, 2017		
First Quarter	$ 69.45	$ 60.10
Second Quarter	63.65	52.25
Third Quarter	61.60	50.15
Fourth Quarter	$ 67.75	$ 55.05
Fiscal Year Ended December 31, 2018		
First Quarter	$ 75.85	$ 63.25
Second Quarter	75.80	63.65
Third Quarter	77.40	67.35
Fourth Quarter	$ 71.51	$ 59.04

We did not pay any dividends during any of these periods. On February 27, 2019, the last reported sale price of our common stock on the NYSE was $71.57 per share, and there were approximately 195 record holders of our common stock.

Our credit agreement with Bank of America, N.A. ("Bank of America"), as administrative agent, and the other agents and lenders party thereto (the "2016 Senior Credit Facility") and the Indenture governing our 6.0% Notes (the "Indenture") currently allow for us to make certain restricted payments, including payments to repurchase shares of our common stock, among other things, subject to our continued compliance with certain covenants. For additional information, see the "Covenants and Defaults" section within "Liquidity and Capital Resources."

Issuer Purchases of Equity Securities

The following table sets forth information regarding common stock repurchases by the Company on a monthly basis during the three months ended December 31, 2018.

Period	Total Number of Shares Purchased(1)	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 (in millions)(1)
10/1/2018 - 10/31/2018	621,553	$ 63.48	621,201	$ 90.4
11/1/2018 - 11/30/2018	56,546	$ 67.12	56,482	$ 86.6
12/1/2018 - 12/31/2018	79,169	$ 64.76	79,169	$ 81.5

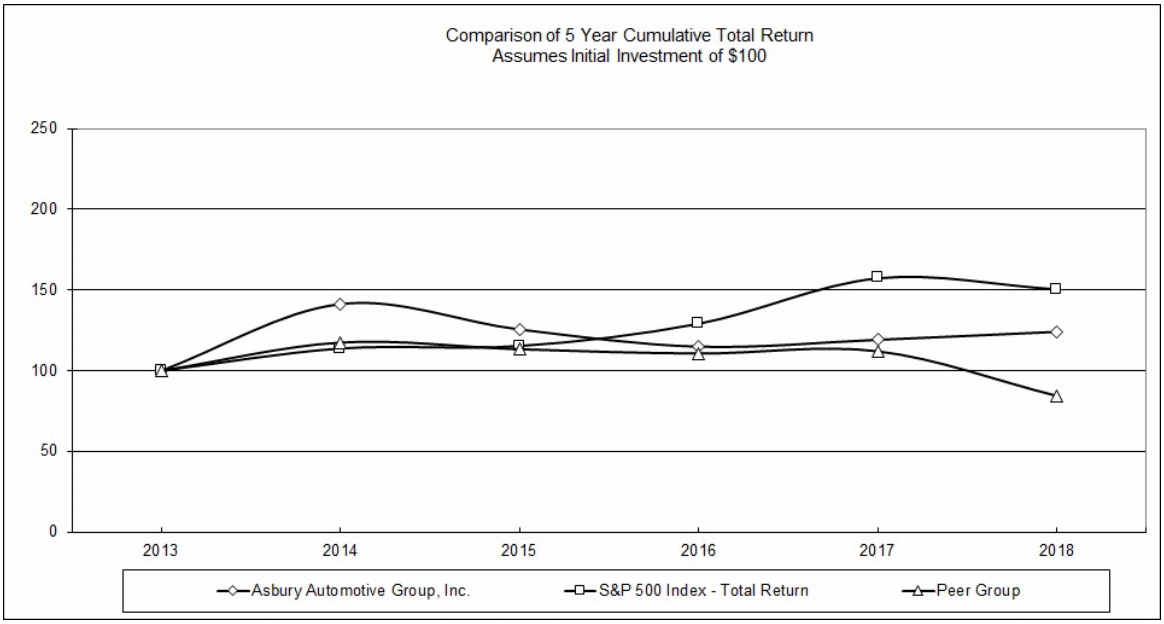
(1) On January 30, 2014, our Board of Directors authorized our current share repurchase program (the "Repurchase Program"). We began 2018 with $53.3 million in remaining share repurchase authorization. On both January 24, 2018 and October 19, 2018, our Board of Directors reset the authorization under our Repurchase Program to $100.0 million in the aggregate, for the repurchase of our common stock in open market transactions or privately negotiated transactions, from time to time.

During the year ended December 31, 2018, we repurchased 1,580,910 shares of our common stock under the Repurchase Program for a total of $105.4 million and an additional 71,434 shares of our common stock for $4.8 million from employees in connection with a net share settlement feature of employee equity-based awards. As of December 31, 2018, we had remaining authorization to repurchase up to an additional $81.5 million of our common stock. Any repurchases will be subject to applicable limitations in our debt or other financing agreements that may be in existence from time to time.

PERFORMANCE GRAPH

The following graph furnished by us shows the value as of December 31, 2018, of a $100 investment in our common stock made on December 31, 2012, 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 the reinvestment of any 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 our annual report on Form 10-K. Such graph is not, and will not be deemed, filed or incorporated by reference into any filing by us under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent specifically incorporated by reference therein by us.



Item 6. Selected Financial Data

The following table sets forth selected consolidated financial data as of and for the years ended December 31, 2018, 2017, 2016, 2015, and 2014. Certain reclassifications of amounts previously reported have been made to the accompanying income statement data and balance sheet data in order to conform to current presentation. The following information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our Consolidated Financial Statements and the Notes thereto, included elsewhere in this annual report on Form 10-K.

	For the Years Ended December 31,				
Income Statement Data:	**2018**	**2017**	**2016**	**2015**	**2014**
	(in millions, except per share data)				
REVENUE:					
New vehicle	$ 3,788.7	$ 3,561.1	$ 3,611.9	$ 3,652.5	$ 3,230.6
Used vehicle	1,972.4	1,834.1	1,876.4	1,931.7	1,741.5
Parts and service	821.0	786.1	778.5	740.7	666.6
Finance and insurance, net	292.3	275.2	261.0	263.4	229.0
TOTAL REVENUE	6,874.4	6,456.5	6,527.8	6,588.3	5,867.7
COST OF SALES	5,771.4	5,400.6	5,469.1	5,527.5	4,900.5
GROSS PROFIT	1,103.0	1,055.9	1,058.7	1,060.8	967.2
OPERATING EXPENSES:					
Selling, general, and administrative expenses	755.8	729.7	732.5	729.9	671.6
Depreciation and amortization	33.7	32.1	30.7	29.5	26.4
Franchise rights impairment	3.7	5.1	—	—	—
Other operating expense (income), net	(1.1)	1.3	(2.3)	(0.2)	1.0
INCOME FROM OPERATIONS	310.9	287.7	297.8	301.6	268.2
OTHER EXPENSES (INCOME):					
Floor plan interest expense	32.5	22.7	19.3	16.1	12.4
Other interest expense, net	53.1	53.9	53.1	44.0	38.9
Swap interest expense	0.5	2.0	3.1	3.0	2.0
Loss on extinguishment of long-term debt, net	—	—	—	—	31.9
Gain on divestitures	—	—	(45.5)	(34.9)	—
Total other expenses, net	86.1	78.6	30.0	28.2	85.2
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX	224.8	209.1	267.8	273.4	183.0
Income tax expense	56.8	70.0	100.6	104.0	71.0
INCOME FROM CONTINUING OPERATIONS	168.0	139.1	167.2	169.4	112.0
Discontinued operations, net of tax	—	—	—	(0.2)	(0.4)
NET INCOME	$ 168.0	$ 139.1	$ 167.2	$ 169.2	$ 111.6
Income from continuing operations per common share:					
Basic	$ 8.36	$ 6.69	$ 7.43	$ 6.44	$ 3.75
Diluted	$ 8.28	$ 6.62	$ 7.40	$ 6.42	$ 3.72

Balance Sheet Data:	As of December 31, 2018	2017	2016	2015	2014
			(in millions)		
Working capital	$ 249.7	$ 243.9	$ 227.5	$ 323.4	$ 225.4
Inventories	1,067.6	826.0	894.9	917.2	886.0
Total assets	2,695.4	2,356.7	2,336.1	2,294.1	2,178.0
Floor plan notes payable	966.1	732.1	781.8	712.2	766.8
Total debt	905.3	875.5	926.7	954.3	697.4
Total shareholders' equity	$ 473.2	$ 394.2	$ 279.7	$ 314.5	$ 444.9

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

OVERVIEW

We are one of the largest automotive retailers in the United States. As of December 31, 2018 we owned and operated 97 new vehicle franchises (83 dealership locations), representing 29 brands of automobiles, and 25 collision centers, in 17 metropolitan markets, within nine states. Our stores offer an extensive range of automotive products and services, including new and used vehicles; parts and service, which include repair and maintenance services, replacement parts, and collision repair service; and finance and insurance products. As of December 31, 2018, our new vehicle revenue brand mix consisted of 47% imports, 33% luxury, and 20% domestic brands.

Our revenues are derived primarily from: (i) the sale of new vehicles; (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" collectively referred to as "used"); (iii) repair and maintenance services, including collision repair, the sale of automotive replacement parts, and the reconditioning of used vehicles (collectively referred to as "parts and service"); and (iv) the arrangement of third-party vehicle financing and the sale of a number of vehicle protection products (defined below and 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 our F&I business based on F&I gross profit per vehicle sold.

Our continued 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 and allocation of desirable vehicles from the automobile 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. Additionally, our ability to sell certain new and used vehicles can be negatively impacted by a number of factors, some of which are outside of our control and may include manufacturer imposed stop-sales or open safety recalls, primarily due to, but not limited to, vehicle safety concerns or a vehicle's failure to meet environmental related requirements. Further, governmental actions, such as changes in, or the imposition of, tariffs or trade restrictions on imported goods, may adversely affect vehicle sales and depress demand. However, 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 diversified brand and geographic mix.

The seasonally adjusted annual rate ("SAAR") of new vehicle sales in the U.S. during 2018 was 17.3 million compared to 17.2 million in 2017. The automotive retail business continues to benefit from the availability of credit to consumers, strong consumer confidence and historically low unemployment levels. Demand for new vehicles is generally highest during the second, third, and fourth quarters of each year and, accordingly, we expect our revenues to generally be higher during these periods. We typically experience higher sales of luxury vehicles in the fourth quarter, which have higher average selling prices and gross profit per vehicle retailed. Revenues and operating results may be impacted significantly from quarter-to-quarter by changing economic conditions, vehicle manufacturer incentive programs, adverse weather events, or other developments outside our control.

Our gross profit margin varies with our revenue mix. Sales of new vehicles generally result in a lower gross profit margin than used vehicle sales, sales of parts and service, and sales of F&I products. As a result, when used vehicle, parts and service, and F&I revenue increase 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), which we believe allows 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, advertising expense on a per vehicle retailed ("PVR") basis, and all other SG&A expenses in the aggregate as a percentage of total gross profit.

We had total available liquidity of $356.1 million as of December 31, 2018, which consisted of cash and cash equivalents of $8.3 million, $32.2 million of funds in our floor plan offset accounts, $190.0 million of availability under our new vehicle floor plan facility that is able to be re-designated to our revolving credit facility, $47.0 million of availability under our revolving credit facility, and $78.6 million of availability under our used vehicle revolving floor plan facility. For further discussion of our liquidity, please refer to "Liquidity and Capital Resources" below.

CRITICAL ACCOUNTING POLICIES AND SIGNIFICANT 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 the 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. On an ongoing basis, management evaluates their 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. Actual outcomes could differ materially from those estimates in a manner that could have a material effect on our Consolidated Financial Statements. Set forth below are the policies and estimates that we have identified as critical to our business operations and understanding our results of operations, based on the high degree of judgment or complexity in their application.

Goodwill and Manufacturer Franchise Rights—

Goodwill represents the excess cost of an acquired business over the fair market value of its identifiable assets and liabilities. 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 how we review the results of our operations, that we have several geographic market-based operating segments. We have determined that the dealerships in each of our operating segments are components that are aggregated into several geographic market-based reporting units for the purpose of testing goodwill for impairment, as they (i) have similar economic characteristics, (ii) offer similar products and services (all of our franchised dealerships offer new and used vehicles, parts and service, and arrange for third-party vehicle financing and the sale of insurance products), (iii) have similar customers, (iv) have similar distribution and marketing practices (all of our dealerships distribute products and services through dealership facilities that market to customers in similar ways) and (v) operate under similar regulatory environments.

Our only significant identifiable intangible assets, other than goodwill, are our rights under franchise agreements with manufacturers, which are recorded at an individual franchise level. The fair value of our manufacturer franchise rights are determined at the acquisition date, by 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, contractual 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. We performed quantitative franchise rights impairment tests as of October 1, 2018, and identified three dealerships with franchise rights carrying values that exceeded their fair values, and as a result, recorded non-cash impairment charges of $3.7 million.

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, or more often if events or circumstances indicate that any impairment may have occurred. We are subject to financial statement risk to the extent that goodwill becomes impaired due to decreases in the fair value of our automotive retail business or manufacturer franchise rights become impaired due to decreases in the fair value of our individual franchises.

F&I Chargeback Reserves

We receive commissions from third-party lending and insurance institutions for arranging customer financing and from the sale of vehicle service contracts, guaranteed auto protection (known as "GAP") insurance, and other insurance to customers (collectively "F&I"). F&I commissions are recorded at the time the associated vehicle is sold.

We may be charged back for F&I commissions in the event a contract is prepaid, defaulted upon, or terminated ("chargebacks"). F&I commissions, net of estimated future chargebacks, are included in Finance and Insurance, net in the accompanying Consolidated Statements of Income. We reserve for chargebacks on finance, insurance, or vehicle service contract commissions received. The reserve is established based on historical operating results and the termination provisions of the applicable contracts and is evaluated on a product-by-product basis.

Our F&I cash chargebacks for the years ended December 31, 2018, 2017, and 2016 were $37.5 million, $34.0 million, and $34.9 million, respectively. Our chargeback reserves were $44.2 million and $43.7 million as of December 31, 2018 and December 31, 2017, respectively. Total chargebacks as a percentage of F&I commissions for the years ended December 31, 2018, 2017, and 2016, were 13%, 12%, and 14%, respectively. A 100 basis point change in our estimated reserve rate for future chargebacks, would change our finance and insurance chargeback reserve by approximately $3.1 million as of December 31, 2018.

Insurance Reserves—

We are self-insured for employee medical claims and maintain stop loss insurance for large-dollar 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. Provisions for retained losses and deductibles are made by charges to expense based upon periodic evaluations of the estimated ultimate liabilities on reported and unreported claims.

We had $16.5 million and $15.7 million of insurance reserves for incurred and expected employee medical, workers compensation, property, and general liability claims, net of anticipated insurance recoveries, as of December 31, 2018 and December 31, 2017, respectively. Expenses associated with employee medical, workers compensation, property, and general liability claims, including premiums for insurance coverage, for the years ended December 31, 2018, 2017, and 2016, totaled $29.9 million, $27.9 million, and $30.9 million, respectively.

RESULTS OF OPERATIONS

The Year Ended December 31, 2018 Compared to the Year Ended December 31, 2017

	For the Year Ended December 31,		Increase (Decrease)	% Change
	2018	2017		
	(Dollars in millions, except per share data)			
REVENUE:				
New vehicle	$ 3,788.7	$ 3,561.1	$ 227.6	6 %
Used vehicle	1,972.4	1,834.1	138.3	8 %
Parts and service	821.0	786.1	34.9	4 %
Finance and insurance, net	292.3	275.2	17.1	6 %
TOTAL REVENUE	6,874.4	6,456.5	417.9	6 %
GROSS PROFIT:				
New vehicle	165.2	169.0	(3.8)	(2)%
Used vehicle	129.7	121.9	7.8	6 %
Parts and service	515.8	489.8	26.0	5 %
Finance and insurance, net	292.3	275.2	17.1	6 %
TOTAL GROSS PROFIT	1,103.0	1,055.9	47.1	4 %
OPERATING EXPENSES:				
Selling, general, and administrative	755.8	729.7	26.1	4 %
Depreciation and amortization	33.7	32.1	1.6	5 %
Franchise rights impairment	3.7	5.1	(1.4)	(27)%
Other operating (income) expenses, net	(1.1)	1.3	(2.4)	(185)%
INCOME FROM OPERATIONS	310.9	287.7	23.2	8 %
OTHER EXPENSES:				
Floor plan interest expense	32.5	22.7	9.8	43 %
Other interest expense, net	53.1	53.9	(0.8)	(1)%
Swap interest expense	0.5	2.0	(1.5)	(75)%
Total other expenses, net	86.1	78.6	7.5	10 %
INCOME BEFORE INCOME TAXES	224.8	209.1	15.7	8 %
Income tax expense	56.8	70.0	(13.2)	(19)%
NET INCOME	$ 168.0	$ 139.1	$ 28.9	21 %
Net income per common share—Diluted	$ 8.28	$ 6.62	$ 1.66	25 %

	For the Year Ended December 31,	
	2018	2017
REVENUE MIX PERCENTAGES:		
New vehicles	55.1%	55.2%
Used retail vehicles	25.9%	25.2%
Used vehicle wholesale	2.8%	3.1%
Parts and service	11.9%	12.2%
Finance and insurance, net	4.3%	4.3%
Total revenue	100.0%	100.0%
GROSS PROFIT MIX PERCENTAGES:		
New vehicles	15.0%	16.0%
Used retail vehicles	11.5%	11.4%
Used vehicle wholesale	0.2%	0.1%
Parts and service	46.8%	46.4%
Finance and insurance, net	26.5%	26.1%
Total gross profit	100.0%	100.0%
GROSS PROFIT MARGIN	16.0%	16.4%
SG&A EXPENSES AS A PERCENTAGE OF GROSS PROFIT	68.5%	69.1%

Total revenue during 2018 increased by $417.9 million (6%) compared to 2017, due to a $227.6 million (6%) increase in new vehicle revenue, a $138.3 million (8%) increase in used vehicle revenue, a $34.9 million (4%) increase in parts and service revenue and a $17.1 million (6%) increase in F&I revenue. The $47.1 million (4%) increase in gross profit during 2018 was the result of a $7.8 million (6%) increase in used vehicle gross profit, a $17.1 million (6%) increase in F&I revenue and a $26.0 million (5%) increase in parts and service gross profit, partially offset by a $3.8 million (2%) decrease in new vehicle gross profit. Our total gross profit margin decreased 40 basis points from 16.4% in 2017 to 16.0% in 2018, primarily due to margin pressure in our new vehicle and used vehicle business lines.

Income from operations during 2018 increased by $23.2 million (8%) compared to 2017, primarily due to a $47.1 million increase in gross profit and a $2.4 million decrease in other operating (income) expense, net, partially offset by a $26.1 million increase in selling, general and administrative expenses and a $1.6 million (5%) increase in depreciation and amortization expenses.

Total other expenses, net increased by $7.5 million in 2018, primarily due to a $9.8 million increase in floor plan interest expense in 2018, partially offset by a $1.5 million decrease in swap interest expense and a $0.8 million decrease in other interest expense, net. As a result, income before income taxes increased by $15.7 million (8%) to $224.8 million in 2018. The $13.2 million (19%) decrease in income tax expense was primarily attributable to the decrease in our effective tax rate from 33.5% in 2017 to 25.3% for 2018. Overall, net income increased by $28.9 million (21%) from $139.1 million in 2017 to $168.0 million in 2018.

On January 1, 2018, we adopted ASC 606 using the modified retrospective method for all contracts not completed as of that date and recognized a cumulative effect adjustment to retained earnings. Our prior period comparative information has not been adjusted and continues to be reported under accounting standards in effect for those periods. The net impact of adopting ASC 606 for the year ended December 31, 2018 was a decrease to net income of $0.1 million. For additional information related to the adoption effects of this new revenue recognition standard, please refer to Note 2 "Revenue Recognition" within the accompanying Condensed Consolidated Financial Statements.

We assess the organic growth of our revenue and gross profit on a same store basis. We believe that our assessment on a same store basis represents an important indicator of comparative financial performance and provides relevant information to assess our performance. As such, for the following discussion, same store amounts consist of information from dealerships for identical months in each comparative period, commencing with the first month we owned the dealership. Additionally, amounts related to divested dealerships are excluded from each comparative period.

New Vehicle—

	For the Year Ended December 31,		Increase (Decrease)	% Change
	2018	2017		
	(Dollars in millions, except for per vehicle data)			
As Reported:				
Revenue:				
Luxury	$ 1,235.3	$ 1,200.2	$ 35.1	3 %
Import	1,790.2	1,637.4	152.8	9 %
Domestic	763.2	723.5	39.7	5 %
Total new vehicle revenue	$ 3,788.7	$ 3,561.1	$ 227.6	6 %
Gross profit:				
Luxury	$ 80.0	$ 78.9	$ 1.1	1 %
Import	52.6	56.8	(4.2)	(7)%
Domestic	32.6	33.3	(0.7)	(2)%
Total new vehicle gross profit	$ 165.2	$ 169.0	$ (3.8)	(2)%
New vehicle units:				
Luxury	22,979	22,525	454	2 %
Import	62,939	58,685	4,254	7 %
Domestic	19,357	18,765	592	3 %
Total new vehicle units	105,275	99,975	5,300	5 %
Same Store:				
Revenue:				
Luxury	$ 1,235.3	$ 1,200.2	$ 35.1	3 %
Import	1,706.7	1,636.2	70.5	4 %
Domestic	740.3	722.2	18.1	3 %
Total new vehicle revenue	$ 3,682.3	$ 3,558.6	$ 123.7	3 %
Gross profit:				
Luxury	$ 80.0	$ 78.9	$ 1.1	1 %
Import	49.7	56.7	(7.0)	(12)%
Domestic	31.7	33.2	(1.5)	(5)%
Total new vehicle gross profit	$ 161.4	$ 168.8	$ (7.4)	(4)%
New vehicle units:				
Luxury	22,979	22,525	454	2 %
Import	60,010	58,648	1,362	2 %
Domestic	18,676	18,727	(51)	— %
Total new vehicle units	101,665	99,900	1,765	2 %

New Vehicle Metrics—

	For the Year Ended December 31, 2018	2017	Increase (Decrease)	% Change
As Reported:				
Revenue per new vehicle sold	$ 35,989	$ 35,620	$ 369	1 %
Gross profit per new vehicle sold	$ 1,569	$ 1,690	$ (121)	(7)%
New vehicle gross margin	4.4%	4.7%	(0.3)%	
Luxury:				
Gross profit per new vehicle sold	3,481	3,503	(22)	(1)%
New vehicle gross margin	6.5%	6.6%	(0.1)%	
Import:				
Gross profit per new vehicle sold	$ 836	$ 968	$ (132)	(14)%
New vehicle gross margin	2.9%	3.5%	(0.6)%	
Domestic:				
Gross profit per new vehicle sold	$ 1,684	$ 1,775	$ (91)	(5)%
New vehicle gross margin	4.3%	4.6%	(0.3)%	
Same Store:				
Revenue per new vehicle sold	$ 36,220	$ 35,622	$ 598	2 %
Gross profit per new vehicle sold	$ 1,588	$ 1,690	$ (102)	(6)%
New vehicle gross margin	4.4%	4.7%	(0.3)%	
Luxury:				
Gross profit per new vehicle sold	$ 3,481	$ 3,503	$ (22)	(1)%
New vehicle gross margin	6.5%	6.6%	(0.1)%	
Import:				
Gross profit per new vehicle sold	$ 828	$ 967	$ (139)	(14)%
New vehicle gross margin	2.9%	3.5%	(0.6)%	
Domestic:				
Gross profit per new vehicle sold	$ 1,697	$ 1,773	$ (76)	(4)%
New vehicle gross margin	4.3%	4.6%	(0.3)%	

New vehicle revenue increased by $227.6 million (6%), primarily as a result of a 5% increase in new vehicle units sold and a 1% increase in revenue per new vehicle sold. Same store new vehicle revenue increased by $123.7 million (3%) as a result of increases in new vehicle units and revenue per new vehicle sold.

The 2% increase in same store unit sales volume was driven by a 2% increase in both luxury and import units. The 2% increase in same store unit sales slightly exceeded 2018 U.S. new vehicle sales, which increased 1% from 17.2 million in 2017 to 17.3 million in 2018.

Same store new vehicle gross profit in 2018 decreased by $7.4 million (4%), as a result of a 6% decrease in gross profit per new vehicle sold, partially offset by a 2% increase in unit volumes. The 30 basis point decrease in same store new vehicle gross margin from 4.7% in 2017 to 4.4% in 2018, was primarily attributable to a higher mix of revenue in our import brands, which have traditionally had lower margins than our luxury and domestic brands. In addition, we attribute some of the decrease in gross profit to increased competition created by price transparency and comparability as a result of internet based research and car buying services.

Used Vehicle—

	For the Year Ended December 31,		Increase (Decrease)	% Change
	2018	2017		
	(Dollars in millions, except for per vehicle data)			
As Reported:				
Revenue:				
Used vehicle retail revenues	$ 1,783.3	$ 1,635.3	$ 148.0	9 %
Used vehicle wholesale revenues	189.1	198.8	(9.7)	(5)%
Used vehicle revenue	$ 1,972.4	$ 1,834.1	$ 138.3	8 %
Gross profit:				
Used vehicle retail gross profit	$ 127.8	$ 121.1	$ 6.7	6 %
Used vehicle wholesale gross profit	1.9	0.8	1.1	138 %
Used vehicle gross profit	$ 129.7	$ 121.9	$ 7.8	6 %
Used vehicle retail units:				
Used vehicle retail units	82,377	76,929	5,448	7 %
Same Store:				
Revenue:				
Used vehicle retail revenues	$ 1,737.2	$ 1,625.0	$ 112.2	7 %
Used vehicle wholesale revenues	185.8	197.7	(11.9)	(6)%
Used vehicle revenue	$ 1,923.0	$ 1,822.7	$ 100.3	6 %
Gross profit:				
Used vehicle retail gross profit	$ 124.5	$ 120.4	$ 4.1	3 %
Used vehicle wholesale gross profit	2.1	1.2	0.9	75 %
Used vehicle gross profit	$ 126.6	$ 121.6	$ 5.0	4 %
Used vehicle retail units:				
Used vehicle retail units	79,789	76,285	3,504	5 %

Used Vehicle Metrics—

	For the Year Ended December 31,		Increase (Decrease)	% Change
	2018	2017		
As Reported:				
Revenue per used vehicle retailed	$ 21,648	$ 21,257	$ 391	2 %
Gross profit per used vehicle retailed	$ 1,551	$ 1,574	$ (23)	(1)%
Used vehicle retail gross margin	7.2%	7.4%	(0.2)%	
Same Store:				
Revenue per used vehicle retailed	$ 21,772	$ 21,302	$ 470	2 %
Gross profit per used vehicle retailed	$ 1,560	$ 1,578	$ (18)	(1)%
Used vehicle retail gross margin	7.2%	7.4%	(0.2)%	

Used vehicle revenue increased by $138.3 million (8%), as a result of a 7% increase in used vehicle retail units sold, and a 2% increase in revenue per used vehicle retailed.

In 2018, same store used vehicle retail gross profit increased by $4.1 million (3%). Overall, our gross margin percent decreased from 7.4% in 2017 to 7.2% in 2018. We primarily attribute the 20 basis point decrease in same store used vehicle retail gross margin to increased competition and price transparency within the used vehicle marketplace.

We believe that our used vehicle inventory continues to be well-aligned with current consumer demand, with approximately 34 days of supply as of December 31, 2018.

Parts and Service—

	For the Year Ended December 31,		Increase (Decrease)	% Change
	2018	2017		
	(Dollars in millions)			
As Reported:				
Parts and service revenue	$ 821.0	$ 786.1	$ 34.9	4 %
Parts and service gross profit:				
Customer pay	$ 292.0	$ 272.3	$ 19.7	7 %
Warranty	76.8	81.7	(4.9)	(6)%
Wholesale parts	22.8	21.2	1.6	8 %
Parts and service gross profit, excluding reconditioning and preparation	$ 391.6	$ 375.2	$ 16.4	4 %
Parts and service gross margin, excluding reconditioning and preparation	47.7%	47.7%	—%	
Reconditioning and preparation	124.2	114.6	9.6	8 %
Total parts and service gross profit	515.8	489.8	26.0	5 %
Total parts and service gross margin	62.8%	62.3%	0.5%	
Same Store:				
Parts and service revenue	$ 804.1	$ 785.6	$ 18.5	2 %
Parts and service gross profit:				
Customer pay	$ 286.2	$ 272.1	$ 14.1	5 %
Warranty	75.5	81.7	(6.2)	(8)%
Wholesale parts	22.3	21.1	1.2	6 %
Parts and service gross profit, excluding reconditioning and preparation	$ 384.0	$ 374.9	$ 9.1	2 %
Parts and service gross margin, excluding reconditioning and preparation	47.8%	47.7%	0.1%	
Reconditioning and preparation	121.1	114.3	6.8	6 %
Total parts and service gross profit	505.1	489.2	15.9	3 %
Total parts and service gross margin	62.8%	62.3%	0.5%	

The $34.9 million (4%) increase in parts and service revenue was primarily due to a $30.7 million (6%) increase in customer pay revenue and a $14.4 million (13%) increase in wholesale parts revenue, partially offset by a $10.2 million (7%) decrease in warranty revenue. Same store parts and service revenue increased $18.5 million (2%) from $785.6 million in 2017 to $804.1 million in 2018. The increase in same store parts and service revenue was due to a $20.2 million (4%) increase in customer pay revenue and a $11.1 million (10%) increase in wholesale parts revenue, partially offset by a $12.8 million (8%) decrease in warranty revenue.

Parts and service gross profit, excluding reconditioning and preparation, increased by $16.4 million (4%) to $391.6 million and same store gross profit, excluding reconditioning and preparation, increased by $9.1 million (2%) to $384.0 million. The $9.1 million increase in same store gross profit is primarily due to a $14.1 million (5%) increase in customer pay gross profit partially offset by a $6.2 million (8%) decrease in warranty gross profit. We attribute the increase in same store gross profit to our continued focus on customer retention and the recent trend of increasing new vehicle sales over the past few years.

We continue to focus on increasing our parts and service revenue, specifically our customer pay business, over the long-term by upgrading equipment, improving the customer experience and capitalizing on our dealership training programs. Further, we have recently enhanced our technicians benefit package with the goal of improving retention and attracting new technicians in order to maximize our fixed capacity.

Finance and Insurance, net—

	For the Year Ended December 31,		Increase (Decrease)	% Change
	2018	2017		
	(Dollars in millions, except for per vehicle data)			
As Reported:				
Finance and insurance, net	$ 292.3	$ 275.2	$ 17.1	6%
Finance and insurance, net per vehicle sold	$ 1,558	$ 1,556	$ 2	—%
Same Store:				
Finance and insurance, net	$ 284.9	$ 274.3	$ 10.6	4%
Finance and insurance, net per vehicle sold	$ 1,570	$ 1,557	$ 13	1%

F&I revenue, net increased by $17.1 million (6%) in 2018 when compared to 2017 primarily as a result of a 6% increase in new and used retail unit sales.

On a same store basis F&I revenue, net increased by $10.6 million (4%) in 2018 when compared to 2017 primarily as a result of a 3% increase in same store new and used retail unit sales and a 1% increase in F&I per vehicle retailed.

We continued to benefit from a favorable consumer lending environment, which allowed more of our customers to take advantage of a broader array of F&I products and our continued focus on improving the F&I results at our lower-performing stores through our F&I training programs.

Selling, General, and Administrative Expense—

	For the Year Ended December 31,					
	2018	% of Gross Profit	2017	% of Gross Profit	Increase (Decrease)	% of Gross Profit Increase (Decrease)
	(Dollars in millions)					
As Reported:						
Personnel costs	$ 362.6	32.9%	$ 348.7	33.0%	$ 13.9	(0.1)%
Sales compensation	115.6	10.5%	111.1	10.5%	4.5	— %
Share-based compensation	10.5	1.0%	13.6	1.3%	(3.1)	(0.3)%
Outside services	83.0	7.5%	80.8	7.7%	2.2	(0.2)%
Advertising	30.6	2.8%	30.3	2.9%	0.3	(0.1)%
Rent	25.6	2.3%	26.7	2.5%	(1.1)	(0.2)%
Utilities	16.2	1.5%	15.4	1.5%	0.8	— %
Insurance	14.7	1.3%	13.4	1.3%	1.3	— %
Other	97.0	8.7%	89.7	8.4%	7.3	0.3 %
Selling, general, and administrative expense	$ 755.8	68.5%	$ 729.7	69.1%	$ 26.1	(0.6)%
Gross profit	$ 1,103.0		$ 1,055.9			
Same Store:						
Personnel costs	$ 353.9	32.8%	$ 347.4	33.0%	$ 6.5	(0.2)%
Sales compensation	112.3	10.4%	110.7	10.5%	1.6	(0.1)%
Share-based compensation	10.5	1.0%	13.6	1.3%	(3.1)	(0.3)%
Outside services	81.1	7.5%	80.2	7.6%	0.9	(0.1)%
Advertising	29.1	2.7%	30.0	2.8%	(0.9)	(0.1)%
Rent	25.5	2.4%	26.7	2.5%	(1.2)	(0.1)%
Utilities	15.7	1.5%	15.3	1.5%	0.4	— %
Insurance	14.2	1.3%	13.3	1.3%	0.9	— %
Other	95.4	8.8%	89.3	8.4%	6.1	0.4 %
Selling, general, and administrative expense	$ 737.7	68.4%	$ 726.5	68.9%	$ 11.2	(0.5)%
Gross profit	$ 1,078.0		$ 1,053.9			

SG&A expense as a percentage of gross profit decreased 60 basis points from 69.1% in 2017 to 68.5% in 2018. Same store SG&A expense as a percentage of gross profit decreased by 50 basis points, from 68.9% in 2017 to 68.4% in 2018. The Company benefited from decreases in rent and share-based compensation expense on both a total company and same store basis. These decreases were partially offset by increases in other expenses including investments in our omni-channel initiatives intended to improve the customer experience and generate long-term operational efficiencies.

Depreciation and Amortization Expense —

The $1.6 million (5%) increase in depreciation and amortization expense during 2018 compared to 2017, was primarily the result of depreciation associated with the three dealership acquisitions made in 2018, additional assets placed into service during 2017 and 2018, as well as depreciation expense associated with the purchase of previously leased properties.

Franchise rights impairment —

We assessed our manufacturer franchise rights for impairment by comparing the present value of cash flows attributable to each franchise right to its carrying value. As a result of our impairment testing, we recognized a $3.7 million pretax non-cash charge related to three of our franchises.

Other Operating (Income) Expenses, net —

Other operating (income) expenses, net includes gains and losses from the sale of property and equipment, income derived from lease arrangements, and other non-core operating items. The $1.1 million in other operating income, net for 2018, is primarily due a $0.7 million gain resulting from legal settlements and $0.4 million of other non-core operating income.

The $1.3 million in Other operating expenses, net for 2017, is primarily due to recognized expenses associated with lease terminations of $3.1 million, partially offset by $0.9 million of other income, and a $0.9 million gain recognized for legal settlements.

Floor Plan Interest Expense —

The $9.8 million (43%) increase in floor plan interest expense during 2018 compared to 2017, was primarily the result of higher interest rates throughout 2018 compared with 2017 and, to a lesser extent, higher new vehicle inventory levels.

Income Tax Expense —

The $13.2 million (19%) decrease in income tax expense was the result of a lower effective tax rate due to the December 2017 enactment of the Tax Cuts and Jobs Act (the "Tax Act") which reduced the U.S. federal corporate income tax rate from 35% to 21%. The decrease in income tax expense was partially offset by a $15.7 million (8%) increase in income before income taxes. Our effective tax rate was 25.3% in 2018 compared to 33.5% in 2017. We expect our effective tax rate to be between 25% and 26% for 2019.

During the third quarter of 2018, the IRS released Notice 2018-68, which clarified a number of changes made to Section 162(m) of the Code by the Tax Act. After considering the additional guidance issued by the U.S. Treasury Department, state tax authorities and other standard-setting bodies we have completed our accounting for the Tax Act.

Refer to Note 15 "Income Taxes" for additional information regarding income taxes.

RESULTS OF OPERATIONS

The Year Ended December 31, 2017 Compared to the Year Ended December 31, 2016

	For the Year Ended December 31,		Increase (Decrease)	% Change
	2017	2016		
	(Dollars in millions, except per share data)			
REVENUE:				
New vehicle	$ 3,561.1	$ 3,611.9	$ (50.8)	(1)%
Used vehicle	1,834.1	1,876.4	(42.3)	(2)%
Parts and service	786.1	778.5	7.6	1 %
Finance and insurance, net	275.2	261.0	14.2	5 %
TOTAL REVENUE	6,456.5	6,527.8	(71.3)	(1)%
GROSS PROFIT:				
New vehicle	169.0	187.1	(18.1)	(10)%
Used vehicle	121.9	127.3	(5.4)	(4)%
Parts and service	489.8	483.3	6.5	1 %
Finance and insurance, net	275.2	261.0	14.2	5 %
TOTAL GROSS PROFIT	1,055.9	1,058.7	(2.8)	— %
OPERATING EXPENSES:				
Selling, general, and administrative	729.7	732.5	(2.8)	— %
Depreciation and amortization	32.1	30.7	1.4	5 %
Franchise rights impairment	5.1	—	5.1	— %
Other operating expenses (income), net	1.3	(2.3)	3.6	NM
INCOME FROM OPERATIONS	287.7	297.8	(10.1)	(3)%
OTHER EXPENSES (INCOME):				
Floor plan interest expense	22.7	19.3	3.4	18 %
Other interest expense, net	53.9	53.1	0.8	2 %
Swap interest expense	2.0	3.1	(1.1)	(35)%
Gain on divestitures	—	(45.5)	45.5	(100)%
Total other expenses, net	78.6	30.0	48.6	162 %
INCOME BEFORE INCOME TAXES	209.1	267.8	(58.7)	(22)%
Income tax expense	70.0	100.6	(30.6)	(30)%
NET INCOME	$ 139.1	$ 167.2	$ (28.1)	(17)%
Net income per common share—Diluted	$ 6.62	$ 7.40	$ (0.78)	(11)%

NM—Not Meaningful

	For the Year Ended December 31,	
	2017	2016
REVENUE MIX PERCENTAGES:		
New vehicles	55.2%	55.3 %
Used retail vehicles	25.2%	25.7 %
Used vehicle wholesale	3.1%	3.1 %
Parts and service	12.2%	11.9 %
Finance and insurance, net	4.3%	4.0 %
Total revenue	100.0%	100.0 %
GROSS PROFIT MIX PERCENTAGES:		
New vehicles	16.0%	17.7 %
Used retail vehicles	11.4%	12.3 %
Used vehicle wholesale	0.1%	(0.3)%
Parts and service	46.4%	45.6 %
Finance and insurance, net	26.1%	24.7 %
Total gross profit	100.0%	100.0 %
GROSS PROFIT MARGIN	16.4%	16.2 %
SG&A EXPENSES AS A PERCENTAGE OF GROSS PROFIT	69.1%	69.2 %

Total revenue during 2017 decreased by $71.3 million (1%) compared to 2016, due to a $42.3 million (2%) decrease in used vehicle revenue, and a $50.8 million (1%) decrease in new vehicle revenue, partially offset by a $14.2 million (5%) increase in F&I revenue and a $7.6 million (1%) increase in parts and service revenue. The $2.8 million decrease in gross profit during 2017 was a result of an $18.1 million (10%) decrease in new vehicle gross profit, and a $5.4 million (4%) decrease in used vehicle gross profit, partially offset by a $14.2 million (5%) increase in F&I gross profit, and a $6.5 million (1%) increase in parts and service gross profit. Our total gross profit margin improved 20 basis points to 16.4%, primarily due to our F&I and parts and service businesses, which had higher margins than new and used vehicle sales and represented a larger percentage of our total revenue for 2017 compared to 2016.

Income from operations during 2017 decreased by $10.1 million (3%) compared to 2016, primarily due to a $5.1 million impairment charge in 2017, a $3.6 million increase in other operating expense (income), net , and a $1.4 million (5%) increase in depreciation and amortization expenses, partially offset by a $2.8 million decrease in selling, general and administrative expenses. Total other expenses, net increased in 2017 by $48.6 million, primarily due to a $45.5 million gain on divestitures in 2016, a $3.4 million increase in floor plan interest expense in 2017, and a $0.8 million increase in other interest expense, net, partially offset by a $1.1 million decrease in swap interest expense. As a result, income before income taxes decreased by $58.7 million (22%) to $209.1 million in 2017 resulting in a decrease in income tax expense of $30.6 million (30%). Net income decreased by $28.1 million (17%) from $167.2 million in 2016 to $139.1 million in 2017.

We assess the organic growth of our revenue and gross profit on a same store basis. As such, for the following discussion, same store amounts consist of information from dealerships for identical months in each comparative period, commencing with the first month we owned the dealership. Additionally, amounts related to divested dealerships are excluded from each comparative period.

New Vehicle—

	For the Year Ended December 31,		Increase (Decrease)	% Change
	2017	2016		
	(Dollars in millions, except for per vehicle data)			
As Reported:				
Revenue:				
Luxury	$ 1,200.2	$ 1,251.3	$ (51.1)	(4)%
Import	1,637.4	1,617.8	19.6	1 %
Domestic	723.5	742.8	(19.3)	(3)%
Total new vehicle revenue	$ 3,561.1	$ 3,611.9	$ (50.8)	(1)%
Gross profit:				
Luxury	$ 78.9	$ 84.4	$ (5.5)	(7)%
Import	56.8	68.9	(12.1)	(18)%
Domestic	33.3	33.8	(0.5)	(1)%
Total new vehicle gross profit	$ 169.0	$ 187.1	$ (18.1)	(10)%
New vehicle units:				
Luxury	22,525	23,875	(1,350)	(6)%
Import	58,685	58,466	219	— %
Domestic	18,765	20,019	(1,254)	(6)%
Total new vehicle units	99,975	102,360	(2,385)	(2)%
Same Store:				
Revenue:				
Luxury	$ 1,200.2	$ 1,226.5	$ (26.3)	(2)%
Import	1,610.3	1,557.8	52.5	3 %
Domestic	652.2	698.4	(46.2)	(7)%
Total new vehicle revenue	$ 3,462.7	$ 3,482.7	$ (20.0)	(1)%
Gross profit:				
Luxury	$ 79.0	$ 82.4	$ (3.4)	(4)%
Import	56.3	67.0	(10.7)	(16)%
Domestic	28.7	31.9	(3.2)	(10)%
Total new vehicle gross profit	$ 164.0	$ 181.3	$ (17.3)	(10)%
New vehicle units:				
Luxury	22,525	23,424	(899)	(4)%
Import	57,813	56,430	1,383	2 %
Domestic	16,731	18,716	(1,985)	(11)%
Total new vehicle units	97,069	98,570	(1,501)	(2)%

New Vehicle Metrics—

	For the Year Ended December 31, 2017	2016	Increase (Decrease)	% Change
As Reported:				
Revenue per new vehicle sold	$ 35,620	$ 35,286	$ 334	1 %
Gross profit per new vehicle sold	$ 1,690	$ 1,828	$ (138)	(8)%
New vehicle gross margin	4.7%	5.2%	(0.5)%	
Luxury:				
Gross profit per new vehicle sold	$ 3,503	$ 3,535	$ (32)	(1)%
New vehicle gross margin	6.6%	6.7%	(0.1)%	
Import:				
Gross profit per new vehicle sold	$ 968	$ 1,178	$ (210)	(18)%
New vehicle gross margin	3.5%	4.3%	(0.8)%	
Domestic:				
Gross profit per new vehicle sold	$ 1,775	$ 1,688	$ 87	5 %
New vehicle gross margin	4.6%	4.6%	— %	
Same Store:				
Revenue per new vehicle sold	$ 35,673	$ 35,332	$ 341	1 %
Gross profit per new vehicle sold	$ 1,690	$ 1,839	$ (149)	(8)%
New vehicle gross margin	4.7%	5.2%	(0.5)%	
Luxury:				
Gross profit per new vehicle sold	$ 3,507	$ 3,518	$ (11)	— %
New vehicle gross margin	6.6%	6.7%	(0.1)%	
Import:				
Gross profit per new vehicle sold	$ 974	$ 1,187	$ (213)	(18)%
New vehicle gross margin	3.5%	4.3%	(0.8)%	
Domestic:				
Gross profit per new vehicle sold	$ 1,715	$ 1,704	$ 11	1 %
New vehicle gross margin	4.4%	4.6%	(0.2)%	

New vehicle revenue decreased by $50.8 million (1%), primarily as a result of a 2% decrease in new vehicle units sold, partially offset by a 1% increase in revenue per new vehicle sold. Same store new vehicle revenue decreased by $20.0 million (1%) as a result of a 2% decrease in new vehicle units sold partially offset by a 1% increase in revenue per new vehicle sold.

Same store unit volume decreased by 2% due to a 4% decrease in luxury units, and an 11% decrease in domestic units, partially offset by a 2% increase in import units. The 2% decrease in unit sales was in line with the overall decrease in 2017 U.S. new vehicle sales, which decrease 2% from 17.6 million in 2016 to 17.2 million in 2017

Same store new vehicle gross profit in 2017 decreased by $17.3 million (10%), as a result of the 2% decrease in unit volumes and an 8% decrease in gross profit per new vehicle sold. The 50 basis point decrease in same store new vehicle gross margin from 5.2% in 2016 to 4.7% in 2017, was primarily attributable to a higher mix of revenue and unit sales in our import brands, which have traditionally had lower margin than our luxury and domestic brands and experienced margin pressure during 2017.

Used Vehicle—

	For the Year Ended December 31,		Increase (Decrease)	% Change
	2017	2016		
	(Dollars in millions, except for per vehicle data)			
As Reported:				
Revenue:				
Used vehicle retail revenues	$ 1,635.3	$ 1,675.0	$ (39.7)	(2)%
Used vehicle wholesale revenues	198.8	201.4	(2.6)	(1)%
Used vehicle revenue	$ 1,834.1	$ 1,876.4	$ (42.3)	(2)%
Gross profit:				
Used vehicle retail gross profit	$ 121.1	$ 131.0	$ (9.9)	(8)%
Used vehicle wholesale gross profit	0.8	(3.7)	4.5	(122)%
Used vehicle gross profit	$ 121.9	$ 127.3	$ (5.4)	(4)%
Used vehicle retail units:				
Used vehicle retail units	76,929	79,259	(2,330)	(3)%
Same Store:				
Revenue:				
Used vehicle retail revenues	$ 1,577.3	$ 1,571.4	$ 5.9	— %
Used vehicle wholesale revenues	190.5	192.3	(1.8)	(1)%
Used vehicle revenue	$ 1,767.8	$ 1,763.7	$ 4.1	— %
Gross profit:				
Used vehicle retail gross profit	$ 115.4	$ 123.0	$ (7.6)	(6)%
Used vehicle wholesale gross profit	1.1	(2.9)	4.0	(138)%
Used vehicle gross profit	$ 116.5	$ 120.1	$ (3.6)	(3)%
Used vehicle retail units:				
Used vehicle retail units	73,772	73,490	282	— %

Used Vehicle Metrics—

	For the Year Ended December 31,		Increase (Decrease)	% Change
	2017	2016		
As Reported:				
Revenue per used vehicle retailed	$ 21,257	$ 21,133	$ 124	1 %
Gross profit per used vehicle retailed	$ 1,574	$ 1,653	$ (79)	(5)%
Used vehicle retail gross margin	7.4%	7.8%	(0.4)%	
Same Store:				
Revenue per used vehicle retailed	$ 21,381	$ 21,383	$ (2)	— %
Gross profit per used vehicle retailed	$ 1,564	$ 1,674	$ (110)	(7)%
Used vehicle retail gross margin	7.3%	7.8%	(0.5)%	

Used vehicle revenue decreased by $42.3 million (2%), as a result of a 3% decrease in used vehicle retail units sold, partially offset by a 1% increase in revenue per used vehicle retailed.

In 2017, same store used vehicle retail gross profit decreased by $7.6 million (6%), resulting in a slight decrease in gross margin from 7.8% in 2016 to 7.3% in 2017. We primarily attribute the 50 basis point decrease in same store used vehicle retail gross margin to increased competition and price transparency within the used vehicle marketplace.

Parts and Service—

	For the Year Ended December 31,		Increase (Decrease)	% Change
	2017	2016		
	(Dollars in millions)			
As Reported:				
Parts and service revenue	$ 786.1	$ 778.5	$ 7.6	1 %
Parts and service gross profit:				
Customer pay	$ 272.3	$ 268.2	$ 4.1	2 %
Warranty	81.7	73.7	8.0	11 %
Wholesale parts	21.2	20.7	0.5	2 %
Parts and service gross profit, excluding reconditioning and preparation	$ 375.2	$ 362.6	$ 12.6	3 %
Parts and service gross margin, excluding reconditioning and preparation	47.7%	46.6%	1.1%	
Reconditioning and preparation	114.6	120.7	(6.1)	(5)%
Total parts and service gross profit	$ 489.8	$ 483.3	$ 6.5	1 %
Total parts and service gross margin	62.3%	62.1%	0.2%	
Same Store:				
Parts and service revenue	$ 772.7	$ 743.8	$ 28.9	4 %
Parts and service gross profit:				
Customer pay	$ 267.2	$ 257.3	$ 9.9	4 %
Warranty	80.5	71.4	9.1	13 %
Wholesale parts	21.0	19.4	1.6	8 %
Parts and service gross profit, excluding reconditioning and preparation	$ 368.7	$ 348.1	$ 20.6	6 %
Parts and service gross margin, excluding reconditioning and preparation	47.7%	46.8%	0.9%	
Reconditioning and preparation	112.0	114.7	(2.7)	(2)%
Total parts and service gross profit	$ 480.7	$ 462.8	$ 17.9	4 %
Total parts and service gross margin	62.2%	62.2%	—%	

The $7.6 million (1%) increase in parts and service revenue is primarily due to $13.2 million (9%) increase in warranty revenue, partially offset by a $5.6 million (1%) decrease in customer pay revenue. Same store parts and service revenue increased $28.9 million (4%) from $743.8 million in 2016 to $772.7 million in 2017. The increase in same store parts and service revenue was primarily due to a $15.4 million (11%) increases in warranty revenue, $6.9 million (1%) increase in customer pay revenue , and a $6.6 million (6%) increase in wholesale parts revenue.

Parts and service gross profit, excluding reconditioning and preparation, increased by $12.6 million (3%) to $375.2 million and same store gross profit, excluding reconditioning and preparation, increased by $20.6 million (6%) to $368.7 million. The increase in same store gross profit is primarily due to an increase in customer pay gross profit, which has continued to benefit from our strategic focus to improve customer retention and the recent trend of increasing new vehicle sales over the past few years.

Finance and Insurance, net—

	For the Year Ended December 31,		Increase (Decrease)	% Change
	2017	2016		
	(Dollars in millions, except for per vehicle data)			
As Reported:				
Finance and insurance, net	$ 275.2	$ 261.0	$ 14.2	5%
Finance and insurance, net per vehicle sold	$ 1,556	$ 1,437	$ 119	8%
Same Store:				
Finance and insurance, net	$ 266.9	$ 249.1	$ 17.8	7%
Finance and insurance, net per vehicle sold	$ 1,562	$ 1,448	$ 114	8%

F&I revenue increased by $14.2 million (5%) during 2017 when compared to 2016 primarily as a result of a $119 (8%) increase in F&I per vehicle retailed partially offset by a 3% decrease in used and new retail units.

On a same store basis F&I revenue increased by $17.8 million (7%) in 2017 when compared to 2016 primarily as a result of a $114 (8%) increase in F&I per vehicle retailed partially offset by a 1% decrease in new and used retail unit sales.

For the year ended December 31, 2017, we benefited from increased up-front commissions as a result of our amended agreement with our primary insurance products underwriter which became effective during the fourth quarter of 2016.

Selling, General, and Administrative Expense—

	For the Year Ended December 31,					
	2017	% of Gross Profit	2016	% of Gross Profit	Increase (Decrease)	% of Gross Profit (Decrease) Increase
	(Dollars in millions)					
As Reported:						
Personnel costs	$ 348.7	33.0%	$ 343.1	32.4%	$ 5.6	0.6 %
Sales compensation	111.1	10.5%	112.0	10.6%	(0.9)	(0.1)%
Share-based compensation	13.6	1.3%	12.0	1.1%	1.6	0.2 %
Outside services	80.8	7.7%	78.3	7.4%	2.5	0.3 %
Advertising	30.3	2.9%	34.0	3.2%	(3.7)	(0.3)%
Rent	26.7	2.5%	29.9	2.8%	(3.2)	(0.3)%
Utilities	15.4	1.5%	15.5	1.5%	(0.1)	— %
Insurance	13.4	1.3%	15.9	1.5%	(2.5)	(0.2)%
Other	89.7	8.4%	91.8	8.7%	(2.1)	(0.3)%
Selling, general, and administrative expense	$ 729.7	69.1%	$ 732.5	69.2%	$ (2.8)	(0.1)%
Gross profit	$ 1,055.9		$ 1,058.7			
Same Store:						
Personnel costs	$ 338.2	32.9%	$ 327.1	32.3%	$ 11.1	0.6 %
Sales compensation	107.2	10.4%	106.6	10.5%	0.6	(0.1)%
Share-based compensation	13.6	1.3%	12.1	1.2%	1.5	0.1 %
Outside services	78.7	7.7%	73.6	7.3%	5.1	0.4 %
Advertising	28.9	2.8%	30.1	3.0%	(1.2)	(0.2)%
Rent	26.7	2.6%	29.9	3.0%	(3.2)	(0.4)%
Utilities	15.0	1.5%	14.5	1.4%	0.5	0.1 %
Insurance	13.0	1.3%	14.9	1.5%	(1.9)	(0.2)%
Other	87.8	8.5%	87.9	8.6%	(0.1)	(0.1)%
Selling, general, and administrative expense	$ 709.1	69.0%	$ 696.7	68.8%	$ 12.4	0.2 %
Gross profit	$ 1,028.1		$ 1,013.3			

SG&A expense as a percentage of gross profit decreased 10 basis points from 69.2% in 2016 to 69.1% for 2017. The decrease in SG&A expense is primarily attributable to decreases in advertising, rent and insurance, partially offset by increases in higher personnel costs and outside services.

Same store SG&A expense as a percentage of gross profit increased by 20 basis points, from 68.8% in 2016 to 69.0% in 2017. The increase in SG&A expense is primarily attributable to higher personnel costs and higher outside services predominately related to our investments in technologies to improve our customer experience and productivity, partially offset by decreases in insurance, advertising, and rent expense.

Depreciation and Amortization Expense —

The $1.4 million (5%) increase in depreciation and amortization expense during 2017 compared to 2016, was primarily the result of higher depreciable basis of assets placed in service during 2016.

Franchise rights impairment —

We assessed our manufacturer franchise rights for impairment by comparing the present value of cash flows attributable to each franchise right to its carrying value. As a result of our impairment testing, we recognized a $5.1 million pretax non-cash charge.

Other Operating Expense (income), net —

Other operating expense (income) net, includes gains and losses from the sale of property and equipment, income derived from lease arrangements, and other non-core operating items. The $1.3 million in other operating expense (income), net for 2017, is primarily due to recognized expenses associated with lease terminations of $3.1 million, partially offset by $0.9 million of other income, and a $0.9 million gain recognized for legal settlements.

Floor Plan Interest Expense —

The $3.4 million (18%) increase in floor plan interest expense during 2017 compared to 2016, was primarily the result of higher interest rates throughout 2017 compared to 2016.

Income Tax Expense—

The $30.6 million (30%) decrease in income tax expense, is primarily due to the $58.7 million (22%) decrease in income before income taxes in 2017 compared to 2016 coupled with a decrease in our effective tax rate. Our effective tax rate was 33.5% in 2017 compared to 37.6% in 2016.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Act. The Tax Act makes broad and complex changes to the U.S. tax code that affect 2017, including, but not limited to, accelerated depreciation that will allow for full expensing of qualified property. The Tax Act also establishes new tax laws that will affect 2018 and after, including a reduction in the U.S. federal corporate income tax rate from 35% to 21%. As a result of the reduction of the federal corporate income tax rate, we revalued our net deferred tax liabilities as of December 31, 2017 and recorded a $7.9 million reduction based on our provisional estimate, with the offset recorded as a reduction to income tax expense for the year ended December 31, 2017. Our effective tax rate decreased primarily as a result of the revaluation of our net deferred tax liability balance.

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2018, we had total available liquidity of $356.1 million, which consisted of cash and cash equivalents of $8.3 million, $32.2 million of available funds in our floor plan offset accounts, $190.0 million of availability under our new vehicle floor plan facility that is able to be re-designated to our revolving credit facility, $47.0 million of availability under our revolving credit facility, and $78.6 million of availability under our used vehicle revolving floor plan facility. The borrowing capacities under our revolving credit facility and our used vehicle revolving floor plan facility are limited by borrowing base calculations and, from time to time, may be further limited by our required compliance with certain financial covenants. As of December 31, 2018, these financial covenants did not further limit our availability under our other credit facilities. For more information on our financial covenants, see "Covenants and Defaults" below.

We continually 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 2016 Senior Credit Facility, our other floor plan facilities, our Prior Real Estate Credit Agreement, our Restated Master Loan Agreement, and our mortgage financings (each, as defined below), (iv) amounts in our new vehicle floor plan notes payable offset accounts, and (v) the potential impact of our capital allocation strategy and any contemplated or pending future transactions, including but not limited to, financings, acquisitions, dispositions, equity and/or debt repurchases, dividends, 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 currently are party to the following material credit facilities and agreements, and have the following material indebtedness outstanding. For a more detailed description of the material terms of these agreements and facilities, and this indebtedness, refer to the "Long-Term Debt" footnote included in the Notes to Consolidated Financial Statements.

- **2016 Senior Credit Facility —** On July 25, 2016, the Company and certain of its subsidiaries entered into an amended and restated senior secured credit agreement with Bank of America, as administrative agent, and the other lenders party thereto. The 2016 Senior Credit Facility amended and restated the Company's pre-existing senior secured credit agreement, dated as of August 8, 2013, by and among the Company and certain of its subsidiaries and Bank of America, as administrative agent, and the other agents and lenders party thereto (the "Restated Credit Agreement").

The 2016 Senior Credit Facility provides for the following:

Revolving Credit Facility — A $250.0 million revolving credit facility for, among other things, acquisitions, working capital and capital expenditures, including a $50.0 million sub-limit for letters of credit. As of December 31, 2018, we re-designated $190.0 million of availability from our revolving credit facility to our new vehicle floor plan facility, resulting in $60.0 million of borrowing capacity. In addition, we had $13.0 million in outstanding letters of credit, resulting in $47.0 million of borrowing availability as of December 31, 2018.

New Vehicle Floor Plan Facility — A $900.0 million new vehicle revolving floor plan facility. In connection, with the new vehicle floor plan facility, we established an account with Bank of America that allows us to transfer cash as an offset to floor plan notes payable. These transfers reduce the amount of outstanding new vehicle floor plan notes payable that would otherwise accrue interest, while retaining the ability to transfer amounts from the offset account into our operating cash accounts within one to two days. As a result of the use of our floor plan offset account, we experience a reduction in Floor Plan Interest Expense on our Consolidated Statements of Income. As of December 31, 2018, we had $822.1 million outstanding under our new vehicle floor plan facility, which is net of $20.9 million in our floor plan offset account.

Used Vehicle Floor Plan Facility — A $150.0 million used vehicle revolving floor plan facility to finance the acquisition of used vehicle inventory and for, among other things, working capital and capital expenditures, as well as to refinance used vehicles. Our borrowing capacity under the used vehicle floor plan facility was limited to $78.6 million, based on our borrowing base calculation as of December 31, 2018. We began the year with nothing drawn on our used vehicle floor plan facility and during the year ended December 31, 2018, we had borrowings of $300.0 million and made repayments of $270.0 million, resulting in $30.0 million outstanding under our used vehicle floor plan facility as of December 31, 2018.

Subject to compliance with certain conditions, the agreement governing the 2016 Senior Credit Facility provides that we have the ability, at our option and subject to the receipt of additional commitments from existing or new lenders, to increase the size of the facilities by up to $325.0 million in the aggregate without lender consent.

At our option, we have the ability to re-designate a portion of our availability under our Revolving Credit Facility to the New Vehicle Floor Plan Facility or the Used Vehicle Floor Plan Facility. The maximum amount we are allowed to re-designate is determined based on our current borrowing availability under our Revolving Credit Facility, less $50.0 million. In addition, we are able to re-designate any amounts moved to the New Vehicle Floor plan facility or Used Vehicle Floor Plan Facility back to the Revolving Credit Facility. As of December 31, 2018, we re-designated $190.0 million of availability under our Revolving Credit Facility to our New Vehicle Floor Plan facility. We re-designated this amount to take advantage of the lower commitment fee rates on our New Vehicle Floor Plan Facility when compared to our Revolving Credit Facility.

Borrowings under the 2016 Senior Credit Facility bear interest, at our option, based on the London Interbank Offered Rate ("LIBOR") or the Base Rate, in each case plus an Applicable Margin (as defined in the 2016 Senior Credit Facility). The Base Rate is the highest of the (i) Bank of America prime rate, (ii) Federal Funds rate plus 0.50%, and (iii) one month LIBOR plus 1.00%. The Applicable Margin, for borrowings under the Revolving Credit Facility, ranges from 1.25% to 2.50% for LIBOR loans and 0.25% to 1.50% for Base Rate loans, in each case based on the Company's total lease adjusted leverage ratio. Borrowings under the New Vehicle Floor Plan Facility bear interest, at the option of the Company, based on LIBOR plus 1.25% or the Base Rate plus 0.25%. Borrowings under the Used Vehicle Floor Plan Facility bear interest, at the option of the Company, based on LIBOR plus 1.50% or the Base Rate plus 0.50%.

In addition to the payment of interest on borrowings outstanding under the 2016 Senior Credit Facility, we are required to pay a quarterly commitment fee on the total commitments thereunder. The fee for commitments under the Revolving Credit Facility is between 0.20% and 0.45% per year, based on the Company's total lease adjusted leverage ratio, and the fee for commitments under the New Vehicle Facility Floor Plan and the Used Vehicle Facility Floor Plan Facility is 0.15% per year.

- **Manufacturer affiliated new vehicle floor plan facilities and other financing facilities** — We have a floor plan facility with the Ford Motor Credit Company ("Ford Credit") to purchase new Ford and Lincoln vehicle inventory, which matures on December 5, 2019. We also have a floor plan offset account with Ford Credit, which operates in a similar manner to our floor plan offset account with Bank of America. As of December 31, 2018, we had $114.0

million, outstanding under our floor plan facility which is net of $11.3 million in our floor plan offset account. Additionally, we had $87.5 million outstanding under facilities with certain manufacturers for the financing of loaner vehicles, which were presented within Accounts Payable and Accrued Liabilities in our Consolidated Balance Sheets. Neither our floor plan facility with Ford Credit nor our facilities for loaner vehicles have stated borrowing limitations.

- **6.0% Senior Subordinated Notes due 2024 ("6.0% Notes") —** as of December 31, 2018 we had $600.0 million in aggregate principal amounts outstanding related to our 6.0% Notes. We are required to pay interest on the 6.0% Notes on June 15 and December 15 of each year until maturity on December 15, 2024.

- **Mortgage notes —** as of December 31, 2018, we had $132.2 million of mortgage note obligations. These obligations are collateralized by the associated real estate at our dealership locations.

- **Restated Master Loan Agreement —** provides for term loans to certain of our subsidiaries in an aggregate amount not to exceed $100.0 million. Borrowings under the Restated Master Loan Agreement are guaranteed by us and are collateralized by the real property financed under the Restated Master Loan Agreement. As of December 31, 2018, the outstanding balance under the Restated Master Loan Agreement was $83.3 million. There is no further borrowing availability under this facility.

- **Prior Real Estate Credit Agreement —** a real estate term loan credit agreement (the "Prior Real Estate Credit Agreement"), with an initial principal value of $75.0 million collateralized by first priority liens, subject to certain permitted exceptions, on all of the real property financed thereunder. As of December 31, 2018, we had $40.8 million of mortgage note obligations outstanding under the Prior Real Estate Credit Agreement. There is no further borrowing availability under the Prior Real Estate Credit Agreement.

- **2018 Bank of America Facility -** On November 13, 2018, the Company and certain of its subsidiaries entered into a real estate term loan credit agreement (the “Bank of America Credit Agreement") with Bank of America N.A. which provides for term loans in an aggregate amount not to exceed $128.1 million (the "Bank of America Facility"). The borrowers under the Bank of America Credit Agreement may borrow thereunder from time to time during the period beginning on November 13, 2018 until and including November 12, 2019. On November 13, 2018, certain of the borrowers borrowed an aggregate amount of $25.7 million under the Bank of America Credit Agreement, a portion of which was used to refinance certain of the Company’s other outstanding mortgage indebtedness. All of the real property financed by an operating dealership subsidiary of the Company under the Bank of America Facility is collateralized by first priority liens, subject to certain permitted exceptions. As of December 31, 2018, we had $25.7 million of outstanding borrowings under the Bank of America Facility.

- **2018 Wells Fargo Master Loan Facility -** On November 16, 2018, certain subsidiaries of the Company entered into a master loan agreement (the “Wells Fargo Master Loan Agreement”) with Wells Fargo Bank, National Association, as lender which provides for term loans to certain of the Company’s subsidiaries that are borrowers under the Wells Fargo Master Loan Agreement in an aggregate amount not to exceed $100.0 million (the "Wells Fargo Master Loan Facility"). The borrowers under the Wells Fargo Master Loan Agreement may borrow thereunder from time to time during the period beginning on November 16, 2018 until and including December 31, 2019 (the "Wells Fargo Draw Termination Date"). On November 16, 2018, certain of the borrowers borrowed an aggregate amount of $25.0 million under the Wells Fargo Master Loan Facility, the proceeds of which were used for general corporate purposes. Borrowings under the Wells Fargo Master Loan Facility are guaranteed by the Company pursuant to a unconditional guaranty (the "Company Guaranty"), and all of the real property financed by any operating dealership subsidiary of the Company under the Wells Fargo Master Loan Facility is collateralized by first priority liens, subject to certain permitted exceptions. As of December 31, 2018, we had $25.0 million outstanding borrowings under the Wells Fargo Master Loan Facility.

Covenants and Defaults

We are subject to a number of customary covenants in our various debt and lease agreements, including those described below. We were in compliance with all of our covenants as of December 31, 2018. 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 were 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.

The representations and covenants contained in the 2016 Senior Credit Facility include, among others, a requirement to comply with a minimum consolidated current ratio, consolidated fixed charge coverage ratio and a maximum consolidated total lease adjusted leverage ratio, in each case as set out in the 2016 Senior Credit Facility. In addition, certain other covenants could restrict our ability to incur additional debt, pay dividends or acquire or dispose of assets.

The 2016 Senior Credit Facility also provides for events of default that are customary for financing transactions of this nature, including cross-defaults to other material indebtedness. In certain instances, an event of default under either the revolving credit facility or the used vehicle floor plan facility could be, or result in, an event of default under the new vehicle floor plan facility, and vice versa. Upon the occurrence of an event of default, we could be required to immediately repay all amounts outstanding under the 2016 Senior Credit Facility.

The representations and covenants contained in the Prior Real Estate Credit Agreement are customary for financing transactions of this nature including, among others, a requirement to comply with a minimum consolidated current ratio, minimum consolidated fixed charge coverage ratio, and a maximum consolidated total lease adjusted leverage ratio, in each case as set out in the Prior Real Estate Credit Agreement. In addition, certain other covenants could restrict our ability to incur additional debt, pay dividends or acquire or dispose of assets.

The representations and covenants contained in the Bank of America Credit Agreement are customary for financing transactions of this nature, including, among others, a requirement to comply with a minimum consolidated current ratio, minimum consolidated fixed charge coverage ratio and maximum consolidated total lease adjusted leverage ratio, in each case as set out in the Bank of America Credit Agreement. In addition, certain other covenants could restrict the Company's ability to incur additional debt, pay dividends or acquire or dispose of assets. The Bank of America Credit Agreement also provides for events of default that are customary for financing transactions of this nature, including cross-defaults to other material indebtedness. Upon the occurrence of an event of default, the Company could be required by the Bank of America Facility to immediately repay all amounts outstanding thereunder.

The representations, warranties and covenants contained in the Wells Fargo Master Loan Agreement, the Company Guaranty and the related documents are customary for financing transactions of this nature, including, among others, a requirement to comply with a minimum consolidated current ratio, minimum consolidated fixed charge coverage ratio and maximum consolidated total lease adjusted leverage ratio, in each case as set out in the Company Guaranty. In addition, certain other covenants could restrict the Company's ability to incur additional debt, pay dividends or acquire or dispose of assets.

The representations, warranties, and covenants contained in the Restated Master Loan Agreement and the related documents include, among others, a requirement to comply with a minimum consolidated current ratio, minimum consolidated fixed charge coverage ratio and maximum consolidated total lease adjusted leverage ratio, in each case as set out in the Restated Master Loan Agreement. In addition, certain other covenants could restrict our ability to incur additional debt, pay dividends, or acquire or dispose of assets. The Restated Master Loan Agreement also provides for events of default that are customary for financing transactions of this nature, including cross-defaults to other material indebtedness. Upon the occurrence of an event of default, the Real Estate Borrowers or, failing such compliance, we could be required to immediately repay all amounts outstanding under the Restated Master Loan Agreement.

Certain of our lease agreements also require compliance with various financial covenants and incorporate by reference the financial covenants set forth in the 2016 Senior 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: (i) termination of the applicable lease and/or other leases with the same or an affiliated landlord under a cross-default provision, (ii) eviction from the premises, and (iii) the landlord having a claim for various damages.

The 2016 Senior Credit Facility and the Indenture currently allow for restricted payments without limit so long as our Consolidated Total Leverage ratio (as defined in the 2016 Senior Credit Facility and the Indenture) is no greater than 3.0 to 1.0 after giving effect to such proposed restricted payments. Restricted payments generally include items such as dividends, share repurchases, unscheduled repayments of subordinated debt, or purchases of certain investments. In the event that our Consolidated Total Leverage ratio does (or would) exceed 3.0 to 1.0, the 2016 Senior Credit Facility and the Indenture would then also allow for restricted payments under the following mutually exclusive parameters, subject to certain exclusions:

- Restricted payments in an aggregate amount not to exceed $20.0 million in any fiscal year;
- General restricted payments allowance of $150.0 million; and
- Subject to our continued compliance with a minimum consolidated current ratio, a consolidated fixed charge coverage ratio and a maximum consolidated total lease adjusted leverage ratio, in each case as set out in the Indenture, restricted payments capacity additions (or subtractions if negative) equal to (i) 50% of our net income (as defined in the 2016 Senior Credit Facility and the Indenture) beginning on October 1, 2014 and ending on the date of the most recently

completed fiscal quarter (the "Measurement Period"), plus (ii) 100% of any cash proceeds we receive from the sale of equity interests during the Measurement Period minus (iii) the dollar amount of share purchases made and dividends paid on or after December 4, 2014.

Share Repurchases and Dividend Restrictions

Our ability to repurchase shares or pay dividends on our common stock is subject to our compliance with the covenants and restrictions described in "Covenants and Defaults" above.

On January 30, 2014, our Board of Directors authorized the Repurchase Program. We began 2018 with $53.3 million in remaining share repurchase authorization. On both January 24, 2018 and October 19, 2018, our Board of Directors reset the authorization under our Repurchase Program to $100.0 million in the aggregate, for the repurchase of our common stock in open market transactions or privately negotiated transactions, from time to time. During 2018, we repurchased 1,580,910 shares of our common stock under the Repurchase Program for a total of $105.4 million. As of December 31, 2018 we had remaining authorization to repurchase $81.5 million in shares of our common stock under the Repurchase Program.

During 2018, we repurchased 71,434 shares of our common stock for $4.8 million from employees in connection with a net share settlement feature of employee equity-based awards.

Contractual Obligations

As of December 31, 2018, we had the following contractual obligations (in millions; note references are to the notes to our Consolidated Financial Statements included elsewhere herein):

	Payments due by period						
	2019	2020	2021	2022	2023	Thereafter	Total
Floor plan notes payable (Notes10&11)	$ 966.1	$ —	$ —	$ —	$ —	$ —	$ 966.1
Operating leases (Note 18)	22.5	22.2	19.2	14.0	6.0	25.5	109.4
Long-term debt (Note 13)	40.8	33.9	17.2	32.0	53.9	732.3	910.1
Interest on long-term debt (a)	50.2	48.5	47.6	45.5	43.5	42.0	277.3
Total contractual obligations	$ 1,079.6	$ 104.6	$ 84.0	$ 91.5	$ 103.4	$ 799.8	$ 2,262.9

(a) Includes variable rate interest payments calculated using an estimated LIBOR rate of 2.52%, and assumes that borrowings will not be refinanced prior to or upon maturity.

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 used 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 and repayments made in connection with all divestitures are classified as a financing activity in the accompanying Consolidated Statement of Cash Flows. 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. The majority of our floor plan notes are payable to parties unaffiliated with the entities from which we purchase our new vehicle inventory, with the exception of floor plan notes payable relating to the financing of new Ford and Lincoln vehicles.

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 "cash provided by operating activities, as adjusted" (defined below) 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 new vehicles and all floor plan notes payable relating to used vehicles. Cash provided by operating activities, as adjusted, has material limitations, and therefore, 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 Years Ended December 31,		
	2018	2017	2016
	(In millions)		
Reconciliation of Cash provided by operating activities to Cash provided by operating activities, as adjusted			
Cash provided by operating activities, as reported	$ 10.1	$ 266.3	$ 142.5
New vehicle floor plan borrowings (repayments)—non-trade, net	171.5	(70.7)	118.0
Cash provided by operating activities, as adjusted	$ 181.6	$ 195.6	$ 260.5

Operating Activities—

Net cash provided by operating activities totaled $10.1 million, $266.3 million, and $142.5 million for the years ended December 31, 2018, 2017, and 2016, respectively. Net cash provided by operating activities, as adjusted, totaled $181.6 million, $195.6 million, and $260.5 million for the years ended December 31, 2018, 2017, and 2016, respectively. Net cash provided by operating activities, as adjusted, includes net income, adjustments to reconcile net income to net cash provided by operating activities, changes in working capital, and changes in floor plan notes payable—non-trade.

The $14.0 million decrease in our net cash provided by operating activities, as adjusted, for the year ended December 31, 2018 compared to the year ended December 31, 2017, was primarily the result of the following:

- $19.8 million related to the change in inventory, net of floor plan notes payable, including both trade and non-trade;
- $13.6 million related to the change in accounts payable and accrued liabilities;
- $6.0 million related timing and collection of accounts receivable and contracts-in-transit during 2018 as compared to 2017; and
- $2.0 million related to the change in other current and non-current assets and liabilities.

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

- $27.4 million related to non-cash adjustments to net income.

The $64.9 million decrease in our net cash provided by operating activities, as adjusted, for the year ended December 31, 2017 as compared to the year ended December 31, 2016 was primarily the result of the following:

- $29.4 million related to an increase in inventory, net of floor plan notes payable, including both trade and non-trade;
- $47.1 million related to the change in other current and non-current assets and liabilities; and
- $34.0 million related to the change in accounts payable and accrued liabilities.

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

- $25.9 million related to sales volume and the timing of collection of accounts receivable and contracts-in-transit during 2017 as compared to 2016; and
- $19.7 million related to non-cash adjustments to net income.

Investing Activities—

Net cash used in investing activities totaled $149.6 million and $127.8 million for the years ended December 31, 2018 and 2017, respectively. Net cash provided by investing activities totaled $4.9 million for the year ended December 31, 2016. Cash flows from investing activities relate primarily to capital expenditures, acquisitions, divestitures, and the sale of property and equipment.

Capital expenditures, excluding the purchase of real estate and acquisitions, were $40.3 million, $42.3 million, and $81.4 million for the years ended December 31, 2018, 2017, and 2016, respectively. Purchases of real estate totaled $17.6 million, $5.8 million, and $10.6 million for the years ended December 31, 2018, 2017, and 2016, respectively. In addition, we purchased previously leased facilities for $4.4 million, $5.4 million, and 19.6 million during the years ended December 31, 2018, 2017, and 2016, respectively.

We expect that capital expenditures during 2019 will total approximately $55.0 million to upgrade or replace our existing facilities, construct new facilities, expand our service capacity, and invest in technology and equipment. In addition, as part of our capital allocation strategy, we continually evaluate opportunities to purchase properties currently under lease and acquire properties in connection with future dealership relocations. 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.

During the years ended December 31, 2018 and 2017 we acquired three franchises (three dealership locations) for an aggregate purchase price of $91.3 million and two franchises (two dealership locations) and one collision center for an aggregate purchase price of 80.1 million, respectively. We did not acquire any franchises during the year ended December 31, 2016.

There were no divestitures during the year ended December 31, 2018 and 2017. During the year ended December 31, 2016, we divested five franchises (four dealership locations) and two collision centers for proceeds of $114.3 million. Additionally, proceeds from the sale of assets, unrelated to the dealership divestitures, were $4.0 million, $5.8 million and $2.2 million for the years ended December 31, 2018, 2017, and 2016, respectively.

Financing Activities—

Net cash provided by financing activities totaled $143.1 million for the year ended December 31, 2018. Net cash used in financing activities totaled $137.2 million and $146.8 million for the years ended December 31, 2017 and 2016, respectively.

During the years ended December 31, 2018, 2017, and 2016, we had non-trade floor plan borrowings of $4.59 billion, $3.85 billion, and $3.87 billion, respectively. Included in our non-trade floor plan borrowings, were borrowings of $300.0 million, $35.0 million, and $55.0 million, for the years ended December 31, 2018, 2017, and 2016, respectively, related to our used vehicle floor plan facility. In addition, during the years ended December 31, 2018, and 2017, we had non-trade floor plan borrowings of $22.7 million, and 25.1 million, respectively, related to acquisitions. There were no borrowings related to acquisitions during the year ended December 31, 2016. The majority of our floor plan notes are payable to parties unaffiliated with the entities from which we purchase our new vehicle inventory, with the exception of floor plan notes payable relating to the financing of new Ford and Lincoln vehicles.

During the years ended December 31, 2018, 2017, and 2016, we made non-trade floor plan repayments of $4.39 billion, $3.92 billion, and $3.75 billion, respectively. Included in our non-trade floor plan repayments were repayments of $270.0 million, $35.0 million, and $55.0 million for the years ended December 31, 2018, 2017, and 2016, respectively, related to our used vehicle floor plan facility. In addition, during the years ended December 31, 2016, we had floor plan repayments associated with dealership divestitures of $31.2 million. There were no repayments related to divestitures during the year ended December 31, 2018 and 2017.

Repayments of borrowings totaled $19.9 million, $52.0 million, and $15.2 million, for the years ended December 31, 2018, 2017, and 2016, respectively.

During the year ended December 31, 2018, we received proceeds from borrowings totaling $50.7 million.

During the year ended December 31, 2017 we repaid three mortgages prior to their maturity date for a total of $36.6 million.

During the year ended December 31, 2018, we repurchased a total of 1,580,910 shares of our common stock under our Repurchase Program for a total of $105.4 million and 71,434 shares of our common stock for $4.8 million from employees in connection with a net share settlement feature of employee equity-based awards.

Off Balance Sheet Arrangements

We had no off balance sheet arrangements during any of the periods presented other than those disclosed in Note 18 "Lease Obligations" and Note 19 "Commitments and Contingencies" of the Notes to Consolidated Financial Statements thereto.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We are exposed to risk from changes in interest rates on a significant portion of our outstanding indebtedness. Based on $999.3 million of total variable interest rate debt, which includes our floor plan notes payable and certain mortgage liabilities, outstanding as of December 31, 2018, a 100 basis point change in interest rates would result in a change of $10.0 million in annual interest expense.

We periodically receive floor plan assistance from certain automobile manufacturers. Floor plan assistance reduced our cost of sales for the years ended December 31, 2018, 2017, and 2016, by $39.2 million, $36.4 million, and $35.3 million, respectively. We cannot provide assurance as to the future amount of floor plan assistance and these amounts may be negatively impacted due to future changes in interest rates.

As part of our strategy to mitigate our exposure to fluctuations in interest rates, we have various interest rate swap agreements. All of our interest rate swaps qualify for hedge accounting treatment and do not contain any ineffectiveness.

In June 2015, we entered into an interest rate swap agreement with a notional principal amount of $100.0 million. This swap was designed to provide a hedge against changes in variable rate cash flows regarding fluctuations in the one month LIBOR rate, through maturity in February 2025. The notional value of this swap was $85.1 million and $90.4 million as of December 31, 2018 and 2017, respectively, and is reducing over its remaining term to $53.1 million at maturity.

In November 2013, we entered into an interest rate swap agreement with a notional principal amount of $75.0 million. This swap was designed to provide a hedge against changes in variable rate cash flows regarding fluctuations in the one month LIBOR rate, through maturity in September 2023. The notional values of this swap as of December 31, 2018 and 2017, were $56.5 million and $60.2 million, respectively, and the notional value will reduce over its remaining term to $38.7 million at maturity.

For additional information about the effect of our derivative instruments on the accompanying Consolidated Financial Statements, see Note 14 "Financial Instruments and Fair Value" of the Notes thereto.

Item 8. Financial Statements and Supplementary Data

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Asbury Automotive Group, Inc. as of December 31, 2018 and 2017, the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2018, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Company at December 31, 2018 and 2017, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, 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) (PCAOB), the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 28, 2019 expressed an unqualified opinion thereon.

Adoption of ASU No. 2014-09

As discussed in Note 2 to the consolidated financial statements, the Company changed its method of accounting for revenue in 2018 due to the adoption of Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606), and the related amendments.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2008.

Atlanta, Georgia
February 28, 2019

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on Internal Control over Financial Reporting

We have audited Asbury Automotive Group, Inc.'s internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Asbury Automotive Group, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on the COSO criteria.

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 three franchises acquired during 2018, which are included in the 2018 consolidated financial statements of the Company and constituted $105.3 million of consolidated assets as of December 31, 2018 and $166.8 million of consolidated revenues for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of the three franchises.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of Asbury Automotive Group, Inc. as of December 31, 2018 and 2017, the related consolidated statements of comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2018, and the related notes and our report dated February 28, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

The Company'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 are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. 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.

Definition and Limitations of Internal Control Over Financial Reporting

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.

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.

/s/ Ernst & Young LLP

Atlanta, Georgia
February 28, 2019

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

	As of December 31,	
	2018	2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 8.3	$ 4.7
Contracts-in-transit, net	198.3	193.3
Accounts receivable, net	130.3	128.5
Inventories, net	1,067.6	826.0
Assets held for sale	26.3	30.3
Other current assets	122.2	119.3
Total current assets	1,553.0	1,302.1
PROPERTY AND EQUIPMENT, net	886.1	834.2
GOODWILL	181.2	160.8
INTANGIBLE FRANCHISE RIGHTS	65.8	49.6
OTHER LONG-TERM ASSETS	9.3	10.0
Total assets	$ 2,695.4	$ 2,356.7
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Floor plan notes payable—trade, net	$ 114.0	$ 104.2
Floor plan notes payable—non-trade, net	852.1	627.9
Current maturities of long-term debt	38.8	12.9
Accounts payable and accrued liabilities	298.4	313.2
Total current liabilities	1,303.3	1,058.2
LONG-TERM DEBT	866.5	862.6
DEFERRED INCOME TAXES	21.7	12.5
OTHER LONG-TERM LIABILITIES	30.7	29.2
COMMITMENTS AND CONTINGENCIES (Note 19)		
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; 41,065,069 and 40,969,987 shares issued, including shares held in treasury, respectively	0.4	0.4
Additional paid-in capital	572.9	563.5
Retained earnings	922.7	750.3
Treasury stock, at cost; 21,719,339 and 20,156,962 shares, respectively	(1,023.4)	(919.1)
Accumulated other comprehensive loss	0.6	(0.9)
Total shareholders' equity	473.2	394.2
Total liabilities and shareholders' equity	$ 2,695.4	$ 2,356.7

See accompanying Notes to Consolidated Financial Statements

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

	For the Year Ended December 31,		
	2018	**2017**	**2016**
REVENUE:			
New vehicle	$ 3,788.7	$ 3,561.1	$ 3,611.9
Used vehicle	1,972.4	1,834.1	1,876.4
Parts and service	821.0	786.1	778.5
Finance and insurance, net	292.3	275.2	261.0
TOTAL REVENUE	6,874.4	6,456.5	6,527.8
COST OF SALES:			
New vehicle	3,623.5	3,392.1	3,424.8
Used vehicle	1,842.7	1,712.2	1,749.1
Parts and service	305.2	296.3	295.2
TOTAL COST OF SALES	5,771.4	5,400.6	5,469.1
GROSS PROFIT	1,103.0	1,055.9	1,058.7
OPERATING EXPENSES:			
Selling, general, and administrative	755.8	729.7	732.5
Depreciation and amortization	33.7	32.1	30.7
Franchise rights impairment	3.7	5.1	—
Other operating (income) expenses, net	(1.1)	1.3	(2.3)
INCOME FROM OPERATIONS	310.9	287.7	297.8
OTHER EXPENSES (INCOME):			
Floor plan interest expense	32.5	22.7	19.3
Other interest expense, net	53.1	53.9	53.1
Swap interest expense	0.5	2.0	3.1
Gain on divestitures	—	—	(45.5)
Total other expenses, net	86.1	78.6	30.0
INCOME BEFORE INCOME TAXES	224.8	209.1	267.8
Income tax expense	56.8	70.0	100.6
NET INCOME	$ 168.0	$ 139.1	$ 167.2
EARNINGS PER COMMON SHARE:			
Basic—			
Net Income	$ 8.36	$ 6.69	$ 7.43
Diluted—			
Net Income	$ 8.28	$ 6.62	$ 7.40
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
Basic	20.1	20.8	22.5
Restricted stock	0.1	0.1	0.0
Performance share units	0.1	0.1	0.1
Diluted	20.3	21.0	22.6

See accompanying Notes to Consolidated Financial Statements

ASBURY AUTOMOTIVE GROUP, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)

	For the Year Ended December 31,		
	2018	2017	2016
Net income	$ 168.0	$ 139.1	$ 167.2
Other comprehensive income (loss):			
Change in fair value of cash flow swaps	2.3	1.9	2.3
Income tax expense associated with cash flow swaps	(0.8)	(0.7)	(0.9)
Comprehensive income	$ 169.5	$ 140.3	$ 168.6

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	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount			Shares	Amount		
Balances, December 31, 2015	40,507,313	$ 0.4	$ 537.2	$ 444.3	15,696,543	$ (663.9)	$ (3.5)	$ 314.5
Comprehensive Income:								
Net income	—	—	—	167.2	—	—	—	167.2
Change in fair value of cash flow swaps, net of reclassification adjustment and $0.9 tax expense	—	—	—	—	—	—	1.4	1.4
Comprehensive income	—	—	—	167.2	—	—	1.4	168.6
Share-based compensation	—	—	12.0	—	—	—	—	12.0
Issuance of common stock in connection with share-based payment arrangements, including $0.2 excess tax benefit	243,452	—	0.2	—	—	—	—	0.2
Repurchase of common stock associated with net share settlements of employee share-based awards	—	—	—	—	70,411	(3.7)	—	(3.7)
Purchase of treasury shares	—	—	—	—	3,730,642	(211.9)	—	(211.9)
Balances, December 31, 2016	40,750,765	$ 0.4	$ 549.4	$ 611.5	19,497,596	$ (879.5)	$ (2.1)	$ 279.7
Comprehensive Income:								
Net income	—	—	—	139.1	—	—	—	139.1
Change in fair value of cash flow swaps, net of reclassification adjustment and $0.7 tax expense	—	—	—	—	—	—	1.2	1.2
Comprehensive income	—	—	—	139.1	—	—	1.2	140.3
Cumulative Effect Adjustment of ASU 2016-09			0.5	(0.3)				0.2
Share-based compensation	—	—	13.6	—	—	—	—	13.6
Issuance of common stock in connection with share-based payment arrangements	219,222	—	—	—	—	—	—	—
Repurchase of common stock associated with net share settlements of employee share-based awards	—	—	—	—	74,670	(4.8)	—	(4.8)
Purchase of treasury shares	—	—	—	—	584,696	(34.8)	—	(34.8)
Balances, December 31, 2017	40,969,987	$ 0.4	$ 563.5	$ 750.3	20,156,962	$ (919.1)	$ (0.9)	$ 394.2
Comprehensive Income:								
Net income	—	—	—	168.0	—	—		168.0
Change in fair value of cash flow swaps, net of reclassification adjustment and $0.8 tax expense	—	—	—	—	—	—	1.5	1.5
Comprehensive income	—	—	—	168.0	—	—	1.5	169.5
Cumulative Effect Adjustment of ASU 2014-09 (Note 2)	—	—	—	9.2	—	—	—	9.2
Share-based compensation	—	—	10.5			—	—	10.5
Issuance of common stock in connection with share-based payment arrangements	185,049	—	—	—	—	—	—	—
Repurchase of common stock associated with net share settlements of employee share-based awards	—	—	—	—	71,434	(4.8)	—	(4.8)
Purchase of treasury shares		—	—	—	1,580,910	(105.4)	—	(105.4)
Retirement of previously repurchased common stock	(89,967)	—	(1.1)	(4.8)	(89,967)	5.9	—	—
Balances, December 31, 2018	41,065,069	$ 0.4	$ 572.9	$ 922.7	21,719,339	$ (1,023.4)	$ 0.6	$ 473.2

See accompanying Notes to Consolidated Financial Statements

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

	For the Year Ended December 31,		
	2018	**2017**	**2016**
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income	$ 168.0	$ 139.1	$ 167.2
Adjustments to reconcile net income to net cash provided by operating activities—			
Depreciation and amortization	33.7	32.1	30.7
Share-based compensation	10.5	13.6	12.0
Deferred income taxes	5.3	2.8	6.1
Franchise rights impairment	3.7	5.1	—
Non-cash impairment charges	—	—	3.6
Loaner vehicle amortization	22.5	22.4	21.5
Gain on divestitures	—	—	(45.5)
Other adjustments, net	3.1	4.3	4.1
Changes in operating assets and liabilities, net of acquisitions and divestitures—			
Contracts-in-transit	(5.0)	(10.7)	(6.9)
Accounts receivable	(1.5)	10.2	(19.5)
Inventories	(24.4)	251.5	105.3
Other current assets	(200.8)	(197.2)	(152.2)
Floor plan notes payable—trade, net	9.8	(4.1)	(17.2)
Accounts payable and accrued liabilities	(16.2)	(2.6)	31.4
Other long-term assets and liabilities, net	1.4	(0.2)	1.9
Net cash provided by operating activities	10.1	266.3	142.5
CASH FLOW FROM INVESTING ACTIVITIES:			
Capital expenditures—excluding real estate	(40.3)	(42.3)	(81.4)
Capital expenditures—real estate	(17.6)	(5.8)	(10.6)
Purchases of previously leased real estate	(4.4)	(5.4)	(19.6)
Acquisitions	(91.3)	(80.1)	—
Divestitures	—	—	114.3
Proceeds from the sale of assets	4.0	5.8	2.2
Net cash (used in) provided by investing activities	(149.6)	(127.8)	4.9
CASH FLOW FROM FINANCING ACTIVITIES:			
Floor plan borrowings—non-trade	4,591.9	3,850.3	3,866.3
Floor plan borrowings—acquisitions	22.7	25.1	—
Floor plan repayments—non-trade	(4,390.4)	(3,921.0)	(3,748.3)
Floor plan repayments—divestitures	—	—	(31.2)
Proceeds from borrowings	50.7	—	—
Repayments of borrowings	(19.9)	(52.0)	(15.2)
Payment of debt issuance costs	(1.7)	—	(2.8)
Repurchases of common stock, including amounts associated with net share settlements of employee share-based awards	(110.2)	(39.6)	(215.6)
Net cash provided by (used in) financing activities	143.1	(137.2)	(146.8)
Net increase in cash and cash equivalents	3.6	1.3	0.6
CASH AND CASH EQUIVALENTS, beginning of period	4.7	3.4	2.8
CASH AND CASH EQUIVALENTS, end of period	$ 8.3	$ 4.7	$ 3.4

See Note 17 for supplemental cash flow information
See accompanying Notes to Consolidated Financial Statements

ASBURY AUTOMOTIVE GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(December 31, 2018, 2017, and 2016)

1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

We are one of the largest automotive retailers in the United States. As of December 31, 2018, we owned and operated 97 new vehicle franchises (83 dealership locations), representing 29 brands of automobiles, and 25 collision centers, in 17 metropolitan markets, within nine states. Our stores offer an extensive range of automotive products and services, including new and used vehicles, repair and maintenance services, collision repair services, and finance and insurance products. As of December 31, 2018, our new vehicle revenue brand mix consisted of 47% imports, 33% luxury, and 20% domestic brands.

Our operating results are generally subject to seasonal variations. Demand for new vehicles is generally highest during the second, third, and fourth quarters of each year and, accordingly, we expect our revenues to generally be higher during these periods. In addition, we typically experience higher sales of luxury vehicles in the fourth quarter, which have higher average selling prices and gross profit per vehicle retailed. Revenues and operating results may be impacted significantly from quarter to quarter by changing economic conditions, vehicle manufacturer incentive programs, or adverse weather events.

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. If necessary, reclassifications of amounts previously reported have been made to the accompanying Consolidated Financial Statements in order to conform to current presentation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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 any 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, those relating to inventory valuation reserves, reserves for chargebacks against revenue recognized from the sale of finance and insurance products, reserves for insurance programs, certain assumptions related to intangible and long-lived assets, and reserves for certain legal or similar proceedings relating to our business operations.

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.

Inventories

Inventories are stated at the lower of cost and net realizable value. We use the specific identification method to value vehicle inventories and the "first-in, first-out" method ("FIFO") to account for our parts inventories. Our new vehicle sales histories have indicated that the vast majority of the new vehicles we sell are sold for, or in excess of, our cost to purchase those vehicles. Therefore, we generally do not maintain a reserve for new vehicle inventory. We maintain a reserve for used vehicle inventory where cost basis exceeds net realizable value. In assessing lower of cost and net realizable value for used vehicles, we consider (i) the aging of our used vehicles, (ii) historical sales experience of used vehicles, and (iii) current market conditions and trends in used vehicle sales. We also review and consider the following metrics related to used vehicle sales (both on a recent and longer-term historical basis): (i) days of supply in our used vehicle inventory, (ii) used vehicle units sold at less than original cost as a percentage of total used vehicles sold, and (iii) average vehicle selling price of used vehicle units sold at less than original cost. We then determine the appropriate level of reserve required to reduce our used vehicle inventory to the lower of cost and net realizable value, and record the resulting adjustment in the period in which we determine a loss has

occurred. The level of reserve determined to be appropriate for each reporting period is considered to be a permanent inventory write-down, and therefore is only released upon the sale of the related inventory.

We receive assistance from certain automobile manufacturers in the form of advertising and floor plan 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 floor plan 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 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 on the accompanying Consolidated Statements of Income. 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 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.

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 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. We did not record an impairment of our property and equipment in 2018, 2017, and 2016.

Acquisitions

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

Goodwill and Other Intangible Assets

Goodwill represents the excess cost of an acquired business over the fair market value of its 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 how we review the results of our operations, that we have several geographic market-based operating segments. We have determined that the dealerships in each of our operating segments are components that are aggregated into several geographic market-based reporting units for the purpose of testing goodwill for impairment, as they (i) have similar economic characteristics, (ii) offer similar products and services (all of our dealerships offer new and used vehicles, service, parts and third-party finance and insurance products), (iii) have similar customers, (iv) have similar distribution and marketing practices (all of our dealerships distribute products and services through dealership facilities that market to customers in similar ways), and (v) operate under similar regulatory environments.

Our only significant identifiable intangible assets, other than goodwill, are our rights under franchise agreements with manufacturers, which are recorded at an individual franchise level. The fair value of our manufacturer franchise rights are determined at the acquisition date, by 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, contractual 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.

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

Debt Issuance Costs

Debt issuance costs are presented as a contra-liability within Current Maturities of Long-Term Debt or Long-Term Debt on our Consolidated Balance Sheets, except for debt issuance costs associated with our line-of-credit arrangements, which are presented as an asset within Other Current Assets or Other Long-Term Assets on our Consolidated Balance Sheets. Debt issuance costs are amortized to Floor Plan Interest Expense and Other Interest Expense, net in the accompanying Consolidated Statements of Income through maturity using the effective interest method.

Derivative Instruments and Hedging Activities

From time to time, we utilize derivative financial instruments to manage our interest rate risk. The types of risks hedged are those relating to the variability of cash flows caused by fluctuations in interest rates. We document our risk management strategy and assess hedge effectiveness at each interest rate swaps 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 hedges is reported as a component of Accumulated Other Comprehensive Loss on the accompanying Consolidated Balance Sheets, and reclassified to Swap Interest Expense in the accompanying Consolidated Statements of Income in the 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 same critical terms of the defined hedged items. Ineffective portions of these interest rate swaps are reported as a component of Swap Interest Expense in the accompanying Consolidated Statements of Income, in the period during which any ineffectiveness is identified.

Insurance

We are self-insured for employee medical claims and maintain stop-loss insurance for large-dollar individual claims. We have high 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. Provisions for retained losses and deductibles are made by charges to expense based upon periodic evaluations of the estimated ultimate liabilities on reported and unreported claims.

Revenue Recognition

The Company adopted ASU 2014-09, Revenue from Contracts with Customers (Topic 606) and all subsequent amendments issued thereafter (collectively "ASC 606"), on January 1, 2018. Refer to Note 2 "Revenue Recognition" for additional information related to the impact of the Company’s adoption of ASC 606.

Internal Profit

Revenues and expenses associated with 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 upon the sale of the vehicle. The costs incurred by our new and used vehicle 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, depending on the classification of the vehicle serviced. We maintain a reserve to eliminate the 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, unless the awards are subject to performance conditions, in which case we recognize the expense over the requisite service period of each separate vesting tranche. In addition, we account for the forfeiture of share-based awards as they occur.

Share Repurchases

Share repurchases may be made from time-to-time in open market transactions or through privately negotiated transactions under the authorization approved by the Board of Directors. Periodically, the Company may retire repurchased shares of common stock previously held by the Company as Treasury Shares. In accordance with our accounting policy, we allocate any excess share repurchase price over par value between additional paid-in capital, which is limited to amounts initially recorded for the same issue, and retained earnings.

During the year ended December 31, 2018, the Company retired 89,967 shares of its common stock repurchased pursuant to the Repurchase Program ("Retired Shares") and previously held by the Company as Treasury Shares in the amount of $5.9 million.

Earnings per Common Share

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

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 received from certain automobile manufacturers. Advertising expense from continuing operations totaled $30.6 million, $30.3 million and $34.0 million for the years ended December 31, 2018, 2017 and 2016, which was net of earned advertising credits of $21.0 million, $18.0 million, and $16.8 million, respectively, and is included in Selling, General, and Administrative expense in the accompanying Consolidated Statements of Income.

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 tax 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.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Act. The Tax Act makes broad and complex changes to the U.S. tax code, including, but not limited to, a reduction in the U.S. federal corporate income tax rate from 35% to 21%. In 2017, we remeasured certain deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future, which is generally 21%. The provisional amount recorded related to the remeasurement of our deferred tax balance resulted in a $7.9 million reduction to our net deferred tax liability as of December 31, 2017.

The staff of the U.S. Securities and Exchange Commission issued Staff Accounting Bulletin No. 118 ("SAB 118") on December 22, 2017, which provided guidance on accounting for the income tax effects of the Tax Act. SAB 118 provides a measurement period that should not extend beyond one year from December 22, 2017, the Tax Act enactment date, for companies to complete the accounting under ASC 740, Income Taxes ("ASC 740"). In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the Tax Act for which the accounting under ASC 740 is complete.

During the third quarter of 2018, the IRS released Notice 2018-68, which clarified a number of changes made to Section 162(m) of the Code by the Tax Act. As a result of this new guidance, we recorded $0.6 million of additional income tax expense related to an adjustment to the deferred tax asset for certain components of share-based compensation. After considering the additional guidance issued by the U.S. Treasury Department, state tax authorities and other standard-setting bodies we have completed our accounting for the Tax Act.

Assets Held for Sale and Liabilities Associated with Assets Held for Sale

Certain amounts have been classified as Assets Held for Sale as of December 31, 2018 and 2017 in the accompanying Consolidated Balance Sheets. Assets and liabilities classified as held for sale include assets and liabilities associated with pending dealership disposals, real estate not currently used in our operations that we are actively marketing to sell, and any related mortgage notes payable, if applicable. Classification as held for sale begins on the date that we have met all of the criteria for classification as held for sale.

At the time of classifying assets as held for sale, we compare the carrying value of these assets to estimates of fair value to assess for impairment. We compare the carrying value to estimates of fair value utilizing the assistance of third-party broker opinions of value and third-party desktop appraisals to assist in our fair value estimates related to real estate properties.

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 (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 and repayments made in connection with all divestitures are classified as a financing activity in the accompanying Consolidated Statement of Cash Flows. 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.

Loaner vehicles account for a significant portion of Other Current Assets. We acquire loaner vehicles either with available cash or through borrowings from either our manufacturer affiliated lenders or through our senior secured credit agreement with Bank of America, as administrative agent, and the other agents and lenders party thereto (the "2016 Senior Credit Facility"). Loaner vehicles are initially used by our service department for only a short period of time (typically 6 to 12 months) before we seek to sell them. Therefore, we classify the acquisition of loaner vehicles in Other Current Assets and the borrowings and repayments of loaner vehicle notes payable in Accounts Payable and Accrued Liabilities in the accompanying Consolidated Statements of Cash Flows. Loaner vehicles are depreciated over the service period to their estimated value. At the end of the loaner service period, loaner vehicles are transferred from Other Current Assets to used vehicle inventory. These transfers are reflected as non-cash transfers between Other Current Assets and Inventory in the accompanying Consolidated Statements of Cash Flows.

Business and Credit Concentration Risk

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

We have substantial debt service obligations. As of December 31, 2018, we had total debt of $910.1 million, excluding floor plan notes payable, the debt premium on the 6.0% Senior Subordinated Notes due 2024 ("6.0% Notes"), and debt issuance costs. 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, share repurchases or for other purposes, although such borrowings are subject to the restrictions contained in the second amended and restated senior secured credit agreement with Bank of America, N.A. ("Bank of America"), as administrative agent, and the other lenders party thereto (the "2016 Senior Credit Facility"), the indenture governing our 6.0% Senior Subordinated Notes due 2024 (the "Indenture"), and our other debt instruments. We will have substantial debt service obligations, consisting of required cash payments of principal and interest, for the foreseeable future.

We are subject to operating and financial restrictions and covenants in certain of our leases and in our debt instruments, including the 2016 Senior Credit Facility, the Indenture, and the credit agreements covering our 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 failure to comply with any of these covenants in the future would constitute a default under the relevant agreement, which would, depending on the relevant agreement, (i) entitle the creditors 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; (iii) entitle the creditors under such agreement to foreclose on the property securing the relevant indebtedness; and/or (iv) prevent us from making debt service payments on certain of our other indebtedness, any of which would have a material adverse effect on our business, financial condition or results of operations. In many cases, a default under one of our debt or mortgage, agreements could trigger cross-default provisions in one or more of our other debt or mortgages.

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, 2018, manufacturers representing 5% or more of our revenues from new vehicle sales were as follows:

Manufacturer (Vehicle Brands):	% of Total New Vehicle Revenues
American Honda Motor Co., Inc. *(Honda and Acura)*	23.7%
Toyota Motor Sales, U.S.A., Inc. *(Toyota and Lexus)*	18.4%
Nissan North America, Inc. *(Nissan and Infiniti)*	14.4%
Ford Motor Company *(Ford and Lincoln)*	11.1%
Mercedes-Benz USA, LLC (*Mercedes-Benz, Smart and Sprinter*)	6.5%
BMW of North America, LLC *(BMW and Mini)*	5.6%

No other manufacturers individually accounted for more than 5% of our total new vehicle revenue for the year ended December 31, 2018.

Segment Reporting

Our operations are organized by management into geographic market-based dealership groups. Our Chief Operating Decision Maker is our Chief Executive Officer who manages the business, regularly reviews financial information and allocates resources at the geographic market level. The geographic operating segments have been aggregated into one reportable segment as their operations (i) have similar economic characteristics (our markets all have similar long-term average gross margins), (ii) offer similar products and services (all of our markets offer new and used vehicles, parts and service, and third-party finance and insurance products), (iii) have similar customers, (iv) have similar distribution and marketing practices (all of our markets distribute products and services through dealership facilities that market to customers in similar ways), and (v) operate under similar regulatory environments.

Recent Accounting Pronouncements

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments. The amendments in this update address several specific cash flow issues with the objective of reducing the diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The amendments in this update were effective for interim and annual periods beginning after December 15, 2017 and include retrospective application. The Company adopted this update on January 1, 2018. The adoption of this update did not have a material impact to our consolidated financial statements for the years ended December 31, 2018, 2017, and 2016.

In January 2017, the FASB issued ASU 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business. The amendments in this update clarify the definition of a business in order to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The amendments in this update were to be applied prospectively and were effective for interim and annual periods beginning after December 15, 2017. The Company adopted this update on January 1, 2018. The adoption of this update did not have a material impact to our consolidated financial statements for the year ended December 31, 2018 .

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The new standard, and its related amendments, establishes a right-of-use model ("ROU") that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with the classification affecting the pattern and classification of expense recognition reflected in the income statement. A modified retrospective transition approach is required, applying the new standard to all leases existing either as of the effective date or as of the beginning of the earliest comparative period presented in the financial statements at the date of adoption.

The new standard is effective for us on January 1, 2019 and the Company plans to adopt the new standard using the effective date method as the date of initial application. As a result, financial information and disclosures will not be updated under the new standard for periods ending prior to January 1, 2019. Moreover, the Company expects to elect the package of practical expedients to use in transition, which permits us not to reassess under the new standard our prior conclusions about lease identification and lease classification. In addition, we expect to elect the short-term lease exemption for all leases that qualify as well as the practical expedient to not separate lease and non-lease components for all leases.

The adoption of the new standard will have a material impact to our consolidated financial statements due to the recognition of ROU assets and liabilities for real estate and equipment leases on our consolidated balance sheet. In preparation for adoption of the new standard, the Company established an implementation team to assist with the implementation of key controls for transition as well as controls related to on-going accounting considerations. The Company is currently in the process of finalizing the transition amounts of ROU assets and liabilities that will be recorded on the balance sheet as a result of the adoption of the new standard.

In August 2017, the FASB issued ASU 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities. This update is intended to simplify hedge accounting by better aligning how an entity's risk management activities and hedging relationships are presented in its financial statements and simplifies the application of hedge accounting guidance in certain situations and is effective for the Company on January 1, 2019. This update expands and refines hedge accounting for both non-financial and financial risk components and aligns the recognition and presentation of the effects of the hedging instrument and the hedged item in the financial statements. For cash flow hedges existing at the adoption date, this update requires adoption on a modified retrospective basis with a cumulative-effect adjustment to retained earnings as of the effective date. The amendments to presentation guidance and disclosure requirements are required to be adopted prospectively. We are currently evaluating this update and the significance of any impact this update may have to our consolidated financial statements.

2. REVENUE RECOGNITION

On January 1, 2018, the Company adopted ASC 606 using the modified retrospective method for all contracts not completed as of the date of adoption. We recognized the cumulative effect of initially applying the new revenue standard as an adjustment to retained earnings as of January 1, 2018. Therefore, prior period comparative information has not been adjusted and continues to be reported under accounting standards ("previous guidance" or "ASC 605") in effect for those periods.

Disaggregation of Revenue

The following table summarizes revenue from contracts with customers for the twelve months ended December 31, 2018:

	For the Year Ended December 31, 2018
Revenue:	
New vehicle	$ 3,788.7
Used vehicle retail	1,783.3
Used vehicle wholesale	189.1
New and used vehicle	5,761.1
Sale of vehicle parts and accessories	139.2
Vehicle repair and maintenance services	681.8
Parts and services	821.0
Finance and insurance, net	292.3
Total revenue	$ 6,874.4

The Company satisfies performance obligations either over time or at a point in time as discussed in further detail below. Revenue is recognized at the time the related performance obligation is satisfied by transferring a promised good or service to a customer. Sales and other taxes we collect concurrent with revenue-producing activities are excluded from revenue.

New vehicle and used vehicle retail

Revenue from the sale of new and used vehicles (which excludes sales and other taxes) is recognized when the terms of the customer contract are satisfied which generally occurs with the signing of the sales contract and transfer of control of the vehicle to the customer. Incidental items that are immaterial in the context of the contract are accrued at the time of sale.

Used vehicle wholesale

Proceeds from the sale of these vehicles are recognized in used vehicle revenue upon transfer of control to end-users at auction.

Sale of vehicle parts and accessories

The Company recognizes revenue upon transfer of control to the customer which occurs at a point in time. When the Company performs shipping and handling activities after the transfer of control to the customer (e.g., when control transfers prior to delivery), they are considered as fulfillment activities, and accordingly, the costs are accrued for when the related revenue is recognized.

Vehicle repair and maintenance services

The Company provides vehicle repair and maintenance services to its customers pursuant to the terms and conditions included within the customer contract ("repair order"). Satisfaction of this performance obligation creates an asset with no alternative use for which an enforceable right to payment for performance to date exists within our contractual agreements. As such, the Company recognizes revenue over time as the Company satisfies its performance obligation. Additionally, the Company has determined that parts and labor are not individually distinct in the context of a repair order and therefore are treated as a single performance obligation.

Finance and Insurance, net

We receive commissions from third-party lending and insurance institutions for arranging customer financing and from the sale of vehicle service contracts, guaranteed auto protection (known as "GAP") insurance, and other insurance, to end-users. Finance and insurance commission revenue is recognized at the point of sale since our performance obligation is to arrange financing or facilitating the sale of a third party’s products or services to our customers.

The Company’s commission arrangements with third-party lenders and insurance administrators consists of fixed ("upfront") and variable consideration. Variable consideration includes commission chargebacks ("chargebacks") in the event a contract is prepaid, defaulted upon, or terminated by the end-user. The Company reserves for future chargebacks based on historical chargeback experience and the termination provisions of the applicable contract and these reserves are established in the same period that the related revenue is recognized.

We also participate in future profits pursuant to retrospective commission arrangements, which meet the definition of variable consideration, for certain insurance products associated with a third-party portfolio. The Company estimates the amount of variable consideration to be included in the transaction price based on historical payment trends and further constrains the variable consideration such that it is probable that a significant reversal of previously recognized revenue will not occur. In making these assessments the Company considers the likelihood and magnitude of a potential reversal of revenue and updates its assessment when uncertainties associated with the constraint are removed.

Financial Statement Impact of Adopting ASC 606

The Company adopted ASC 606 using the modified retrospective method. The cumulative effect of applying the new guidance to all contracts with customers that were not completed as of January 1, 2018 was recorded as an adjustment to retained earnings as of the adoption date. As a result of applying the modified retrospective method to adopt the new revenue guidance, the following adjustments were made to accounts on the Company's Condensed Consolidated Balance Sheet as of January 1, 2018:

	As Reported	Adjustments		Balance at
	December 31, 2017	Vehicle Repair and Maintenance Services	Finance and Insurance, net	January 1, 2018
		(In millions)		
Assets:				
Inventories	$ 826.0	$ (4.1)	$ —	$ 821.9
Other current assets	119.3	6.4	10.0	135.7
Liabilities:				
Deferred income taxes	$ 12.5	$ 0.6	$ 2.5	$ 15.6
Equity:				
Retained earnings	$ 750.3	$ 1.7	$ 7.5	$ 759.5

Vehicle repair and maintenance services

Under the previous guidance, revenue was recognized at the time all repairs were completed. Under ASC 606, revenue is recognized as the Company satisfies its performance obligation. The amounts reflected within the table above relate to the Company's measure of progress for open contracts as of January 1, 2018. In addition, contract assets are reported within Other Current Assets on the Company's Consolidated Balance Sheets.

Finance and Insurance, net

Under the previous guidance, retrospective commissions were not fixed or determinable, and as a result, the associated revenue was recognized on a cash basis. Under ASC 606, the Company recognizes an estimate of the variable consideration to be received, subject to constraint, as it satisfies its performance obligation. As the Company's performance obligation is satisfied at the time of arranging the insurance product sale, the Company recorded a contract asset and corresponding increase to retained earnings based on an estimate, subject to constraint, of amounts expected to be received associated with previously satisfied performance obligations.

Impact of New Revenue Guidance on Financial Statement Line Items

In accordance with the new revenue standard requirements, the disclosure of the impact of adoption on our Consolidated Balance Sheets and Statements of Income was as follows:

	As of December 31, 2018		
	As Reported	Amounts Under ASC 605	Effect of Change Increase/(Decrease)
		(In millions)	
Balance Sheet:			
Assets:			
Accounts receivable	$ 130.3	$ 143.6	$ (13.3)
Inventories	1,067.6	1,070.2	(2.6)
Other current assets	122.2	107.5	14.7
Liabilities:			
Accounts payable and accrued liabilities	$ 298.4	$ 298.5	$ (0.1)
Deferred income taxes	21.7	18.6	3.1
Equity:			
Retained earnings	$ 922.7	$ 926.9	$ (4.2)

	For the Year Ended December 31, 2018		
	As Reported	Amounts Under ASC 605	Effect of Change Increase/(Decrease)
	(In millions, except per share data)		
Statement of Income:			
Revenue:			
Parts and service	$ 821.0	$ 823.3	$ (2.3)
Finance and insurance, net	292.3	291.7	0.6
Cost of Sales:			
Parts and service	305.2	306.7	(1.5)
Income before income taxes	224.8	225.0	(0.2)
Income tax expense	56.8	56.9	(0.1)
Net income	$ 168.0	$ 168.1	$ (0.1)
Earnings Per Common Share:			
Basic	$ 8.36	$ 8.36	$ —
Diluted	$ 8.28	$ 8.28	$ —

The following summarizes the changes to the Company's Condensed Consolidated Statements of Income for the year ended December 31, 2018 as a result of the adoption of ASC 606 on January 1, 2018 compared to if the Company had continued to recognize revenues under ASC 605:

- ASC 606 accelerated the recognition of revenue and costs related to open vehicle repair orders in which recognition was previously deferred until the completion of the repair order. For the year ended December 31, 2018, gross profit decreased $0.8 million due to differences in open repair orders as of December 31, 2018 compared to open repair orders as of December 31, 2017.
- ASC 606 accelerated the timing of recognition of certain retro-commission arrangements (i.e. variable consideration) reported within finance and insurance, net. Under ASC 605, retro-commission income was recorded at the time it was received from our third-party provider. For the year ended December 31, 2018, net revenue increased $0.6 million due to the difference between the amounts received compared to the Company's estimate of variable consideration, subject to a constraint, for products arranged during the same comparative period.

Contract Assets

Changes in contract assets during the period are reflected in the table below. Contract assets related to vehicle repair and maintenance services are transferred to receivables when a repair order is completed and invoiced to the customer.

	Vehicle Repair and Maintenance Services	Finance and Insurance, net	Total
		(In millions)	
Contract Assets (Current), January 1, 2018	$ 6.4	$ 10.0	$ 16.4
Transferred to receivables from contract assets recognized at the beginning of the period	(6.4)	(3.2)	(9.6)
Increases related to revenue recognized, inclusive of adjustments to constraint, during the period	5.1	2.6	7.7
Contract Assets (Current), March 31, 2018	5.1	9.4	14.5
Transferred to receivables from contract assets recognized at the beginning of the period	(5.1)	(3.2)	(8.3)
Increases related to revenue recognized, inclusive of adjustments to constraint, during the period	4.0	2.7	6.7
Contract Assets (Current), June 30, 2018	4.0	8.9	12.9
Transferred to receivables from contract assets recognized at the beginning of the period	(4.0)	(3.0)	(7.0)
Increases related to revenue recognized, inclusive of adjustments to constraint, during the period	4.3	3.1	7.4
Contract Assets (Current), September 30, 2018	4.3	9.0	13.3
Transferred to receivables from contract assets recognized at the beginning of the period	$ (4.3)	$ (3.9)	$ (8.2)
Increases related to revenue recognized, inclusive of adjustments to constraint, during the period	$ 4.1	$ 5.5	$ 9.6
Contract Assets (Current), December 31, 2018	$ 4.1	$ 10.6	$ 14.7

3. ACQUISITIONS AND DIVESTITURES

Results of acquired dealerships are included in our accompanying Consolidated Statements of Income commencing on the date of acquisition. Our acquisitions are accounted for using the acquisition method of accounting, which requires, among other things, that the assets acquired and liabilities assumed be recognized at their acquisition date fair values, with any excess of the consideration transferred over the estimated fair values of the identifiable net assets acquired recorded as goodwill. Goodwill 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.

During the year ended December 31, 2018, we acquired the assets of one franchise (one dealership location) in the Indianapolis, Indiana market and two franchises (two dealership locations) in the Atlanta, Georgia market for a combined aggregate purchase price of $93.2 million. Consideration paid (or payable) to fund these acquisitions included $68.6 million of cash, $22.7 million of floor plan borrowings for the purchase of the related new vehicle inventory, and purchase price holdbacks of $1.9 million for potential indemnity claims made by us with respect to the acquired franchises.

During the year ended December 31, 2017, we acquired the assets of two franchises (two dealership locations) and one collision center in the Indianapolis, Indiana market for an aggregate purchase price of $80.1 million. We financed these acquisitions with $55.0 million of cash and $25.1 million of floor plan borrowings for the purchase of the related new vehicle inventory. We did not acquire any dealerships during the year ended December 31, 2016.

Below is the allocation of purchase price for these acquisitions. Goodwill and manufacturer franchise rights associated with our acquisitions will be deductible for federal and state income tax purposes ratably over a 15-year period.

	For the Year Ended December 31,	
	2018	2017
	(In millions)	
Inventory	$ 27.3	$ 25.9
Real estate	23.5	12.2
Property and equipment	0.6	1.4
Goodwill	20.4	32.7
Manufacturer franchise rights	19.9	6.2
Loaner vehicles	1.7	3.2
Liabilities assumed	(0.2)	$ (1.5)
Total purchase price	$ 93.2	$ 80.1

We did not divest any dealerships during the years ended December 31, 2018 and 2017.

During the year ended December 31, 2016, we sold the remaining five franchises (four dealership locations) and two collision centers in the Little Rock, Arkansas market. We recorded a gain associated with the sale of the franchises totaling $45.5 million ($28.4 million net of tax) in our accompanying Consolidated Statements of Income. Our 2016 divestitures are not considered significant subsidiaries as defined in Rule 1-02(w) of Regulation S-X.

4. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following:

	As of December 31,	
	2018	2017
	(In millions)	
Vehicle receivables	$ 45.7	$ 48.3
Manufacturer receivables	51.2	47.0
Other receivables	34.7	34.8
Total accounts receivable	131.6	130.1
Less—Allowance for doubtful accounts	(1.3)	(1.6)
Accounts receivable, net	$ 130.3	$ 128.5

5. INVENTORIES

Inventories consisted of the following:

	As of December 31,	
	2018	2017
	(In millions)	
New vehicles	$ 867.2	$ 646.5
Used vehicles	158.9	135.9
Parts and accessories	41.5	43.6
Total inventories	$ 1,067.6	$ 826.0

The lower of cost and net realizable value reserves reduced total inventory cost by $6.1 million and $5.7 million as of December 31, 2018 and December 31, 2017, respectively. As of December 31, 2018 and December 31, 2017, certain automobile manufacturer incentives reduced new vehicle inventory cost by $10.1 million and $7.4 million, respectively, and reduced new vehicle cost of sales from continuing operations for the years ended December 31, 2018, 2017, and 2016 by $42.4 million, $40.1 million, and $40.6 million, respectively.

6. ASSETS HELD FOR SALE

Assets held for sale, comprising real estate not currently used in our operations and that we are actively marketing to sell, totaled $26.3 million and $30.3 million as of December 31, 2018 and 2017, respectively. There were no liabilities associated with the real estate assets held for sale. Additionally, during the years ended December 31, 2018 and 2017, we sold two vacant properties each year with total net book values of $4.0 million and $5.7 million, respectively. In January 2019, the Company's Board of Directors authorized Management's request for approval to divest of one dealership location. The Company is currently in negotiations with a potential buyer for this dealership.

During the year ended December 31, 2016, we recorded $2.7 million of impairment expense related to real estate properties we were actively marketing to sell, based on offers received from prospective buyers and third-party brokers' opinions of value. We did not record any impairment expense associated with real estate properties that we were actively marketing to sell during the years ended December 31, 2018 or 2017.

In addition to the above impairments, during the year ended December 31, 2016, we recognized a $0.9 million non-cash impairment associated with a lease buyout and lease termination related to real estate not classified as held for sale. This was recorded in Other Operating (income) expenses, net in our accompanying Consolidated Statements of Income.

7. OTHER CURRENT ASSETS

Other current assets consisted of the following:

	As of December 31,	
	2018	2017
	(In millions)	
Service loaner vehicles	$ 87.0	$ 85.4
Contract Assets (see Note 2)	14.7	—
Prepaid expenses	5.9	5.2
Prepaid taxes	9.1	19.5
Other	5.5	9.2
Other current assets	$ 122.2	$ 119.3

8. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following:

	As of December 31,	
	2018	2017
	(In millions)	
Land	$ 330.4	$ 303.9
Buildings and leasehold improvements	617.5	582.0
Machinery and equipment	94.8	93.7
Furniture and fixtures	62.2	61.7
Company vehicles	8.8	8.8
Construction in progress	30.1	22.4
Gross property and equipment	1,143.8	1,072.5
Less—Accumulated depreciation	(257.7)	(238.3)
Property and equipment, net	$ 886.1	$ 834.2

During the years ended December 31, 2018, 2017, and 2016, we capitalized $0.5 million, $0.2 million, and $1.1 million, respectively, of interest in connection with various capital projects to upgrade or remodel our facilities. Depreciation expense was $33.7 million, $32.1 million, and $30.7 million for the years ended December 31, 2018, 2017, and 2016, respectively.

9. GOODWILL AND INTANGIBLE FRANCHISE RIGHTS

Our acquisitions have resulted in the recording of goodwill and intangible franchise rights. Goodwill 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. Intangible franchise rights is an asset representing our rights under franchise agreements with vehicle manufacturers. The changes in goodwill and intangible franchise rights for the years ended

December 31, 2018 and 2017 are as follows:

	Goodwill
	(In millions)
Balance as of December 31, 2016 (a)	$ 128.1
Acquisitions	32.7
Balance as of December 31, 2017 (a)	160.8
Acquisitions	20.4
Balance as of December 31, 2018 (a)	$ 181.2

(a) Net of accumulated impairment losses of $537.7 million recorded prior to the year ended December 31, 2016.

	Intangible Franchise Rights
	(In millions)
Balance as of December 31, 2016	$ 48.5
Acquisitions	6.2
Impairments	(5.1)
Balance as of December 31, 2017	$ 49.6
Acquisitions	$ 19.9
Impairments	$ (3.7)
Balance as of December 31, 2018	$ 65.8

Goodwill and intangible franchise rights are tested annually as of October 1st or more frequently in the event that facts and circumstances indicate a triggering event has occurred.

Goodwill impairment is recognized based on the difference between the carrying value of a reporting unit and its fair value. We elected to perform a qualitative assessment for our October 1, 2018 goodwill impairment testing and determined that it was more likely than not that the fair value exceeded the carrying value of our reporting units. The Company elected to perform a quantitative assessment for our October 1, 2017 goodwill impairment assessment and concluded the fair value of each our reporting units exceeded its carrying value.

The quantitative impairment test for franchise rights includes comparison of the estimated fair value to the carrying value for each of our intangible franchise rights. The Company estimates fair value by using a discounted cash flow model (income approach) based on assumptions related to the cash flows directly attributable to the franchise. These assumptions include revenue growth rates, working capital requirements, weighted average cost of capital, future gross margins, and future selling, general, and administrative expenses.

We elected to perform a quantitative assessment for our October 1, 2018 and 2017 franchise rights impairment testing. In connection with our testing, we identified the carrying values of certain of our intangible franchise rights exceeded fair value, and as a result, recognized $3.7 million and $5.1 million in pre-tax non-cash impairment charges during the years ended December 31, 2018 and 2017, respectively.

10. FLOOR PLAN NOTES PAYABLE—TRADE

We consider floor plan notes payable to a party that is affiliated with the entity from which we purchase our new vehicle inventory as Floor Plan Notes Payable—Trade on our Consolidated Balance Sheets. Floor plan notes payable—trade, net consisted of the following:

	As of December 31,	
	2018	2017
	(In millions)	
Floor plan notes payable—trade	$ 125.3	$ 114.8
Floor plan notes payable offset account	(11.3)	(10.6)
Total floor plan notes payable—trade, net	$ 114.0	$ 104.2

We have a floor plan facility with the Ford Motor Credit Company ("Ford Credit") to purchase new Ford and Lincoln vehicle inventory. Our floor plan facility with Ford Credit matures on December 5, 2019 and does not have a stated borrowing limitation.

We established a floor plan offset account with Ford Credit, that allows us to transfer cash as an offset to floor plan notes payable. These transfers reduce the amount of outstanding new vehicle floor plan notes payable that would otherwise accrue interest, while retaining the ability to transfer amounts from the offset account into our operating cash accounts within one to two days. As a result of using our floor plan offset account, we experience a reduction in Floor Plan Interest Expense on our Consolidated Statements of Income.

The representations and covenants contained in the agreement governing our floor plan facility with Ford Credit are customary for financing transactions of this nature. Further, the agreement governing our floor plan facility with Ford Credit also provides for events of default that are customary for financing transactions of this nature, including cross-defaults to other material indebtedness. Upon the occurrence of an event of default, the Company could be required to immediately repay all outstanding amounts under our floor plan facility with Ford Credit.

11. FLOOR PLAN NOTES PAYABLE—NON-TRADE

We consider floor plan notes payable to a party that is not affiliated with the entity from which we purchase our new vehicle inventory as Floor Plan Notes Payable—Non-Trade on our Consolidated Balance Sheets. Floor plan notes payable—non-trade, net consisted of the following:

	As of December 31,	
	2018	2017
	(In millions)	
Floor plan notes payable—new non-trade	$ 843.0	$ 666.6
Floor plan notes payable—used non-trade	30.0	—
Floor plan notes payable offset account	(20.9)	(38.7)
Total floor plan notes payable—non-trade, net	$ 852.1	$ 627.9

On July 25, 2016, the Company and certain of its subsidiaries entered into a second amended and restated senior secured credit agreement with Bank of America, as administrative agent, and the other lenders party thereto. The 2016 Senior Credit Facility amended and restated the Company's pre-existing senior secured credit agreement, dated as of August 8, 2013, by and among the Company and certain of its subsidiaries and Bank of America, as administrative agent, and the other agents and lenders party thereto (the "Restated Credit Agreement").

The 2016 Senior Credit Facility provides for the following, in each case subject to limitations on availability as set forth therein:

- a $250.0 million revolving credit facility (the "Revolving Credit Facility") with a $50.0 million sublimit for letters of credit;
- a $900.0 million new vehicle revolving floor plan facility (the "New Vehicle Floor Plan Facility"); and
- a $150.0 million used vehicle revolving floor plan facility (the "Used Vehicle Floor Plan Facility").

Subject to compliance with certain conditions, the agreement governing the 2016 Senior Credit Facility provides that the Company and its subsidiaries that are borrowers under the 2016 Senior Credit Facility (collectively, the "Borrowers") have the ability, at their option and subject to the receipt of additional commitments from existing or new lenders, to increase the size of the facilities by up to $325.0 million in the aggregate without lender consent.

At our option, we have the ability to re-designate a portion of our availability under our Revolving Credit Facility to the New Vehicle Floor Plan facility or the Used Vehicle Floor Plan Facility. The maximum amount we are allowed to re-designate is determined based on our current borrowing availability, less $50.0 million. In addition, we are able to re-designate any amounts moved to the New Vehicle Floor Plan Facility or Used Vehicle Floor Plan Facility back to the Revolving Credit Facility. As of December 31, 2018, we re-designated $190.0 million of availability under our Revolving Credit Facility to our New Vehicle Floor Plan Facility. We re-designated this amount to take advantage of the lower commitment fee rates on our new vehicle floor plan facility when compared to our revolving credit facility.

In connection, with the New Vehicle Floor Plan Facility, we established an account with Bank of America that allows us to transfer cash as an offset to floor plan notes payable. These transfers reduce the amount of outstanding new vehicle floor plan notes payable that would otherwise accrue interest, while retaining the ability to transfer amounts from the offset account into our operating cash accounts within one to two days. As a result of the use of our floor plan offset account, we experience a reduction in Floor Plan Interest Expense on our Consolidated Statements of Income.

In addition to using proceeds from borrowings under the 2016 Senior Credit Facility to repay amounts outstanding under the Restated Credit Agreement, proceeds from borrowings from time to time under the (i) Revolving Credit Facility may be used for, among other things, acquisitions, working capital and capital expenditures; (ii) New Vehicle Floor Plan Facility may be used to finance the acquisition of new vehicle inventory and to refinance new vehicle inventory at acquired dealerships; and (iii) Used Vehicle Floor Plan Facility may be used to finance the acquisition of used vehicle inventory and for, among other things, other working capital and capital expenditures.

Borrowings under the 2016 Senior Credit Facility bear interest, at the option of the Company, based on the London Interbank Offered Rate ("LIBOR") or the Base Rate, in each case plus an Applicable Margin. The Base Rate is the highest of the (i) Bank of America prime rate, (ii) Federal Funds rate plus 0.50%, and (iii) one month LIBOR plus 1.00%. Borrowings under the New Vehicle Floor Plan Facility bear interest, at the option of the Company, based on LIBOR plus 1.25% or the Base Rate plus 0.25%. Borrowings under the Used Vehicle Floor Plan Facility bear interest, at the option of the Company, based on LIBOR plus 1.50% or the Base Rate plus 0.50%. In addition to the payment of interest on borrowings outstanding under the 2016 Senior Credit Facility, we are required to pay a quarterly commitment fee of 0.15% per year on both the New Vehicle Facility Floor Plan and the Used Vehicle Facility Floor Plan Facility.

The 2016 Senior Credit Facility is guaranteed by each existing, and will be guaranteed by each future, direct and indirect domestic subsidiary of the Company, other than, at the option of the Company, certain immaterial subsidiaries. The 2016 Senior Credit Facility is also guaranteed by the Company. The obligations under each of the Revolving Credit Facility and the Used Vehicle Floor Plan Facility are collateralized by liens on substantially all of the present and future assets, other than real property, of the Company and the guarantors. The obligations under the New Vehicle Floor Plan Facility are collateralized by liens on substantially all of the present and future assets, other than real property, of the Borrowers under the New Vehicle Floor Plan Facility.

Each of the above provisions is subject to limitations on borrowing availability as set out in the 2016 Senior Credit Facility. Based on these borrowing base limitations, as of December 31, 2018 we had $78.6 million of borrowing availability under our used vehicle revolving floor plan facility. The 2016 Senior Credit Facility matures, and all amounts outstanding thereunder will be due and payable, on July 25, 2021.

See the "Representations and Covenants" section below under our "Long-Term Debt" footnote for a description of the representations, covenants and events of default contained in the 2016 Senior Credit Facility.

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following:

	As of December 31,	
	2018	2017
	(In millions)	
Accounts payable	$ 81.9	$ 92.4
Loaner vehicle notes payable	87.5	86.8
Accrued compensation	27.6	24.9
Accrued finance and insurance chargebacks	23.0	23.3
Accrued insurance	20.9	20.4
Taxes payable	23.7	26.6
Accrued advertising	3.9	6.5
Accrued interest	6.6	5.1
Other	23.3	27.2
Accounts payable and accrued liabilities	$ 298.4	$ 313.2

13. LONG-TERM DEBT

Long-term debt consisted of the following:

	As of December 31,	
	2018	2017
	(In millions)	
6.0% Senior Subordinated Notes due 2024	$ 600.0	$ 600.0
Mortgage notes payable bearing interest at fixed rates (the weighted average interest rates were 5.2% and 5.4% for the years ended December 31, 2018 and 2017, respectively)	132.2	139.1
2018 Bank of America Facility	25.7	—
2018 Wells Fargo Master Loan Facility	25.0	—
Prior real estate credit agreement	40.8	48.5
Restated master loan agreement	83.3	88.5
Capital lease obligations	3.1	3.2
Total debt outstanding	910.1	879.3
Add—unamortized premium on 6.0% Senior Subordinated Notes due 2024	6.0	6.8
Less—debt issuance costs	(10.8)	(10.6)
Long-term debt, including current portion	905.3	875.5
Less—current portion, net of current portion of debt issuance costs	(38.8)	(12.9)
Long-term debt	$ 866.5	$ 862.6

The aggregate maturities of long-term debt as of December 31, 2018 are as follows (in millions):

2019	$ 40.8
2020	33.9
2021	17.2
2022	32.0
2023	53.9
Thereafter	732.3
Total maturities of long-term debt	$ 910.1

6.0% Senior Subordinated Notes due 2024

In December 2014, we completed a refinancing of certain of our long-term debt, which included the issuance of $400.0 million of 6.0% Notes, the proceeds of which were used to redeem the $300.0 million in outstanding aggregate principal of our 8.375% Senior Subordinated Notes due 2020 (the "8.375% Notes").

In October 2015, we completed an add-on issuance of $200.0 million aggregate principal amount of our 6.0% Notes at a price of 104.25% of par, plus accrued interest from June 15, 2015 (the "October 2015 Offering"). After deducting the initial purchasers' discounts and expenses we received net proceeds of approximately $210.2 million from this offering. The $8.5 million premium paid by the initial purchasers of the 6.0% Notes was recorded as a component of Long-Term Debt on our Consolidated Balance Sheet and is being amortized as a reduction of interest expense over the remaining term of the 6.0% Notes. Based on the amortization of the debt premium, the effective interest rate on the 6.0% Notes issued in the October 2015 Offering is 5.41%. In addition, we capitalized $3.8 million of costs associated with the issuance and sale of the 6.0% Notes, of which $2.8 million of underwriters fees were withheld from the proceeds received from the issuance. These costs are being amortized to interest expense over the remaining term of the 6.0% Notes using the effective interest method.

We are a holding company with no independent assets or operations. For all relevant periods presented, our 6.0% Notes have been fully and unconditionally guaranteed, on a joint and several basis, by substantially all of our subsidiaries. Any subsidiaries that have not guaranteed such notes are "minor" (as defined in Rule 3-10(h) of Regulation S-X). As of December 31, 2018, there were no significant restrictions on the ability of our subsidiaries to distribute cash to us or our guarantor subsidiaries.

Mortgage Notes Payable

We have multiple mortgage agreements with finance companies affiliated with our vehicle manufacturers ("captive mortgages") and other lenders. As of December 31, 2018 and 2017, we had total mortgage notes payable outstanding of $132.2 million and $139.1 million, respectively, which are collateralized by the associated real estate.

2018 Bank of America Facility

The Bank of America Credit Agreement provides for term loans to certain of the Company’s subsidiaries that are borrowers under the Bank of America Credit Agreement in an aggregate amount not to exceed $128.1 million ("Bank of America Facility"), subject to customary terms and conditions.

The borrowers under the Bank of America Credit Agreement may borrow thereunder from time to time during the period beginning on November 13, 2018 until and including November 12, 2019. On November 13, 2018, certain of the borrowers borrowed an aggregate amount of $25.7 million under the Bank of America Credit Agreement, a portion of which was used to repay certain existing mortgage indebtedness outstanding on the Prior Real Estate Credit Agreement.

Term loans under the Bank of America Facility bear interest, at the option of the Company, based on the London Interbank Offered Rate ("LIBOR") plus 1.90% or the Base Rate (as described below) plus 0.90%. The Base Rate is the highest of (i) the Federal Funds rate plus 0.50%, (ii) the Bank of America prime rate, and (iii) one month LIBOR plus 1.00%. The Company is required to make quarterly principal payments of 1.25% of the initial amount of each loan on a twenty year repayment schedule, with a balloon repayment of the outstanding principal amount of loans due on November 13, 2025, subject to an earlier maturity if the Company’s existing senior secured credit facility matures or is not otherwise refinanced by certain dates.

Borrowings under the Bank of America Facility are guaranteed by each applicable operating dealership subsidiary of the Company and all of the real property financed by such operating dealership under the Bank of America Facility is collateralized by first priority liens, subject to certain permitted exceptions.

2018 Wells Fargo Master Loan Facility

The Wells Fargo Master Loan Agreement provides for term loans to certain of the Company’s subsidiaries that are borrowers under the Wells Fargo Master Loan Agreement in an aggregate amount not to exceed $100.0 million (the "Wells Fargo Master Loan Facility"), subject to customary terms and conditions.

The borrowers under the Wells Fargo Master Loan Agreement may borrow thereunder from time to time during the period beginning on November 16, 2018 until and including December 31, 2019 (the "Wells Fargo Draw Termination Date"). On November 16, 2018, certain of the borrowers borrowed an aggregate amount of $25.0 million under the Wells Fargo Master Loan Facility, the proceeds of which were used for general corporate purposes.

Loans under the Wells Fargo Master Loan Facility bear interest based on LIBOR plus 1.85%. After the Wells Fargo Draw Termination Date, the borrowers will be required to make 108 equal monthly principal payments based on a hypothetical 19 year amortization schedule, with a balloon repayment of the outstanding principal amount of loans due on December 1, 2028. The borrowers can voluntarily prepay any loan in whole or in part any time without premium or penalty.

Borrowings under the Wells Fargo Master Loan Facility are guaranteed by the Company pursuant to a unconditional guaranty (the "Company Guaranty"), and all of the real property financed by any operating dealership subsidiary of the Company under the Wells Fargo Master Loan Facility, is collateralized by first priority liens, subject to certain permitted exceptions.

Prior Real Estate Credit Agreement

We are also party to a separate real estate term loan credit agreement with Bank of America, as the lender (the "Prior Real Estate Credit Agreement"). The Prior Real Estate Credit Agreement provides for term loans in an aggregate amount not to exceed $75.0 million, subject to customary terms and conditions. Concurrent with the execution of the Bank of America Facility, the Prior Real Estate Credit Agreement was modified to incorporate the pricing terms provided within the Bank of America Facility. Accordingly, term loans under the Prior Real Estate Credit Agreement bear interest, at our option, based on the LIBOR plus 1.90% or the Base Rate (as described below) plus 0.90%. The Base Rate is the highest of (i) the Federal Funds rate plus 0.50%, (ii) the Bank of America prime rate, and (iii) one month LIBOR plus 1.00%. We are required to make quarterly principal payments of 1.25% of the initial amount of each loan on a twenty year repayment schedule, with a balloon repayment of the outstanding principal amount of loans due on September 26, 2023, subject to an earlier maturity if our existing revolving credit facility matures or is not otherwise refinanced by certain dates.

Borrowings under the Prior Real Estate Credit Agreement are guaranteed by each operating dealership subsidiary of ours whose real estate is financed under the Prior Real Estate Credit Agreement, and collateralized by first priority liens, subject to certain permitted exceptions, on all of the real property financed thereunder.

Restated Master Loan Agreement

On February 3, 2015, certain of our subsidiaries entered into an amended and restated master loan agreement (the "Restated Master Loan Agreement") with Wells Fargo. In June 2015, we made additional borrowings under the Restated Master Loan Agreement with Wells Fargo, resulting in our having drawn the full $100.0 million (the "Restated Master Loan Facility") of availability thereunder. Concurrent with execution of the Wells Fargo Master Loan Facility, the Restated Master Loan Agreement was modified to incorporate the pricing terms provided within the Wells Fargo Master Loan Facility. Accordingly, loans under the Restated Master Loan Agreement bear interest based on LIBOR plus 1.85%.

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, 2018 and 2017:

	As of December 31, 2018			As of December 31, 2017		
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**
Captive mortgages	$ 111.6	$ 185.5	2019-2024	$ 116.8	$ 179.3	2018-2024
Other mortgage debt	20.6	43.3	2020-2022	22.3	45.3	2018-2022
2018 Bank of America Facility	25.7	137.2	2025	—	—	
2018 Wells Fargo Master Loan Facility	25.0	114.3	2028	—	—	
Prior real estate credit agreement	40.8	82.2	2023	48.5	89.8	2023
Restated master loan agreement	83.3	130.2	2025	88.5	132.7	2025
Total mortgage debt	$ 307.0	$ 692.7		$ 276.1	$ 447.1	

Revolving Credit Facility

As discussed above under our "Floor Plan Notes Payable—Non-Trade" footnote, the 2016 Senior Credit Facility includes a $250.0 million Revolving Credit Facility. We may request Bank of America to issue letters of credit on our behalf thereunder up to $50.0 million. Availability under the Revolving Credit Facility is limited by borrowing base calculations. Availability is reduced on a dollar-for-dollar basis by the aggregate face amount of any outstanding letters of credit. As of December 31, 2018, we re-designated $190.0 million of borrowing capacity from our Revolving Credit Facility to our New Vehicle Revolving Floor Plan Facility, resulting in $60.0 million of borrowing capacity. In addition, we had $13.0 million in outstanding letters of credit, resulting in $47.0 million of borrowing availability as of December 31, 2018. Proceeds from borrowings from time to time under the revolving credit facility may be used for among other things, acquisitions, working capital and capital expenditures.

Borrowings under the 2016 Senior Credit Facility bear interest, at the option of the Company, based on LIBOR or the Base Rate, in each case plus an Applicable Margin (as defined in the 2016 Senior Credit Facility). The Base Rate is the highest of the

(i) Bank of America prime rate, (ii) Federal Funds rate plus 0.50%, and (iii) one month LIBOR plus 1.00%. The Applicable Margin, for borrowings under the Revolving Credit Facility, ranges from 1.25% to 2.50% for LIBOR loans and 0.25% to 1.50% for Base Rate loans, in each case based on the Company's total lease adjusted leverage ratio. In addition to the payment of interest on borrowings outstanding under the 2016 Senior Credit Facility, we are required to pay a quarterly commitment fee between 0.20% and 0.45% per year, based on the Company's total lease adjusted leverage ratio on the Revolving Credit Facility.

Stock Repurchase and Dividend Restrictions

The 2016 Senior Credit Facility and the Indenture currently allow for restricted payments without limit so long as our consolidated total leverage ratio (as defined in the 2016 Senior Credit Facility and the Indenture) is not greater than 3.0 to 1.0 after giving effect to such proposed restricted payments. Restricted payments generally include items such as dividends, share repurchases, unscheduled repayments of subordinated debt, or purchases of certain investments. In the event that our consolidated total leverage ratio does (or would) exceed 3.0 to 1.0, the 2016 Senior Credit Facility and the Indenture would then also allow for restricted payments under the following mutually exclusive parameters, subject to certain exclusions:

- Restricted payments in an aggregate amount not to exceed $20.0 million in any fiscal year;
- General restricted payments allowance of $150.0 million; and
- Subject to our continued compliance with a minimum consolidated current ratio, a consolidated fixed charge coverage ratio and a maximum consolidated total lease adjusted leverage ratio, in each case as set out in the Indenture, restricted payments capacity additions (or subtractions if negative) equal to (i) 50% of our net income (as defined in the 2016 Senior Credit Facility and the Indenture) beginning on October 1, 2014 and ending on the date of the most recently completed fiscal quarter (the "Measurement Period"), plus (ii) 100% of any cash proceeds we receive from the sale of equity interests during the Measurement Period, minus (iii) the dollar amount of share repurchases made and dividends paid on or after December 4, 2014.

Representations and 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 2018. 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.

The representations and covenants contained in the Bank of America Credit Agreement are customary for financing transactions of this nature, including, among others, a requirement to comply with a minimum consolidated current ratio, minimum consolidated fixed charge coverage ratio and maximum consolidated total lease adjusted leverage ratio, in each case as set out in the Bank of America Credit Agreement. In addition, certain other covenants could restrict the Company’s ability to incur additional debt, pay dividends or acquire or dispose of assets. The Bank of America Credit Agreement also provides for events of default that are customary for financing transactions of this nature, including cross-defaults to other material indebtedness. Upon the occurrence of an event of default, the Company could be required by the Bank of America Facility to immediately repay all amounts outstanding thereunder.

The representations, warranties and covenants contained in the Wells Fargo Master Loan Agreement, the Company Guaranty and the related documents are customary for financing transactions of this nature, including, among others, a requirement to comply with a minimum consolidated current ratio, minimum consolidated fixed charge coverage ratio and maximum consolidated total lease adjusted leverage ratio, in each case as set out in the Company Guaranty. In addition, certain other covenants could restrict the Company’s ability to incur additional debt, pay dividends or acquire or dispose of assets.

The representations and covenants contained in the Prior Real Estate Credit Agreement are customary for financing transactions of this nature including, among others, a requirement to comply with a minimum consolidated current ratio, minimum consolidated fixed charge coverage ratio, and a maximum consolidated total lease adjusted leverage ratio, in each case as set out in the Prior Real Estate Credit Agreement. In addition, certain other covenants could restrict our ability to incur additional debt, pay dividends or acquire or dispose of assets.

Our guarantees under the Restated Master Loan Agreement also require compliance with certain financial covenants, including a consolidated current ratio, consolidated fixed charge coverage ratio, and an adjusted net worth calculation. Further,

the Restated Master Loan Agreement 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 Restated Master Loan Agreement; and (iii) enter into any sale-leaseback transactions in connection with the underlying properties.

The representations and covenants contained in the agreement governing the 2016 Senior Credit Facility are customary for financing transactions of this nature including, among others, a requirement to comply with a minimum consolidated current ratio, minimum consolidated fixed charge coverage ratio and maximum consolidated total lease adjusted leverage ratio, in each case as set out in the agreement governing the 2016 Senior Credit Facility. In addition, certain other covenants could restrict the Company's ability to incur additional debt, pay dividends or acquire or dispose of assets.

The agreement governing the 2016 Senior Credit Facility also provides for events of default that are customary for financing transactions of this nature, including cross-defaults to other material indebtedness. In certain instances, an event of default under either the Revolving Credit Facility or the Used Vehicle Floor Plan Facility could be, or result in, an event of default under the New Vehicle Floor Plan Facility, and vice versa. Upon the occurrence of an event of default, the Company could be required to immediately repay all amounts outstanding under the applicable facility.

14. FINANCIAL INSTRUMENTS AND FAIR VALUE

In determining fair value, we use various valuation approaches, including market and income 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.

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 interest rate swap instruments, exchange-traded debt securities that are not actively traded or do not have a high trading volume, mortgage notes payable, and certain real estate properties on a non-recurring basis.

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 the fair value of certain non-financial assets and non-financial liabilities in purchase acquisitions and those used in the assessment of impairment for goodwill and intangible franchise rights.

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 exit price 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 of significant market fluctuations.

Financial instruments consist primarily of cash and cash equivalents, contracts-in-transit, accounts receivable, cash surrender value of corporate-owned life insurance policies, accounts payable, floor plan notes payable, subordinated long-term debt, mortgage notes payable, and interest rate swap instruments. The carrying values of our financial instruments, with the exception of subordinated long-term debt and mortgage notes payable, approximate fair value due to (i) their short-term nature, (ii) recently completed market transactions, or (iii) existence of variable interest rates, which approximate market rates. The fair value of our subordinated long-term debt is based on reported market prices in an inactive market that reflects Level 2 inputs. We estimate the fair value of our mortgage notes payable using a present value technique based on current market interest rates for similar types of financial instruments that reflect Level 2 inputs.

A summary of the carrying values and fair values of our 6.0% Notes and our mortgage notes payable is as follows:

	As of December 31,	
	2018	2017
	(In millions)	
Carrying Value:		
6.0% Senior Subordinated Notes due 2024	$ 606.0	$ 606.8
Mortgage notes payable	307.0	276.1
Total carrying value	$ 913.0	$ 882.9
Fair Value:		
6.0% Senior Subordinated Notes due 2024	$ 570.0	$ 625.5
Mortgage notes payable	306.7	275.3
Total fair value	$ 876.7	$ 900.8

Interest Rate Swap Agreements

In June 2015, we entered into an interest rate swap agreement with a notional principal amount of $100.0 million. This swap was designed to provide a hedge against changes in variable rate cash flows regarding fluctuations in the one month LIBOR rate, through maturity in February 2025. The notional values of this swap as of December 31, 2018 and 2017, were $85.1 million and $90.4 million, respectively, and the notional value will reduce over its remaining term to $53.1 million at maturity.

In November 2013, we entered into an interest rate swap agreement with a notional principal amount of $75.0 million. This swap was designed to provide a hedge against changes in variable rate cash flows regarding fluctuations in the one month LIBOR rate, through maturity in September 2023. The notional values of this swap as of December 31, 2018 and 2017, were $56.5 million and $60.2 million, respectively, and the notional value will reduce over its remaining term to $38.7 million at maturity.

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. Fair value estimates reflect a credit adjustment to the discount rate applied to all expected cash flows under the swaps. Other than this input, all other inputs used in the valuation for these swaps are designated to be Level 2 fair values. The fair value related to the swaps for the years ended December 31, 2018 and 2017, reflect an asset of $0.6 million and liability of $1.7 million, respectively. The following table provides information regarding the fair value of our interest rate swap agreements and the impact on the Consolidated Balance Sheets:

	As of December 31,	
	2018	2017
	(In millions)	
Other current assets	$ (0.2)	$ —
Accounts payable and accrued liabilities	—	1.0
Other long-term (assets) liabilities	(0.4)	0.7
Total fair value	$ (0.6)	$ 1.7

All of our interest rate swaps qualify for cash flow hedge accounting treatment. For the years ended December 31, 2018, 2017, and 2016, neither of our cash flow swaps contained any ineffectiveness, nor was any ineffectiveness recognized in earnings. Information about the effect of our interest rate swap agreements on the accompanying Consolidated Statements of Income and Consolidated Statements of Comprehensive Income, are as follows (in millions):

For the Year Ended December 31,	Results Recognized in Accumulated Other Comprehensive Loss (Effective Portion)	Location of Results Reclassified from Accumulated Other Comprehensive Loss to Earnings	Results Reclassified from Accumulated Other Comprehensive Loss to Earnings
2018	$ 1.8	Swap interest expense	$ (0.5)
2017	$ (0.1)	Swap interest expense	$ (2.0)
2016	$ (0.8)	Swap interest expense	$ (3.1)

On the basis of yield curve conditions as of December 31, 2018 and including assumptions about future changes in fair value, we expect the amount to be reclassified out of Accumulated Other Comprehensive Loss into earnings within the next 12 months will be income of $0.2 million.

15. INCOME TAXES

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

	For the Years Ended December 31,		
	2018	2017	2016
	(In millions)		
Current:			
Federal	$ 43.8	$ 59.1	$ 83.8
State	7.1	8.3	10.7
Total current income tax expense	50.9	67.4	94.5
Deferred:			
Federal	3.9	1.2	4.9
State	2.0	1.4	1.2
Total deferred income tax expense	5.9	2.6	6.1
Total income tax expense	$ 56.8	$ 70.0	$ 100.6

A reconciliation of the statutory federal rate to the effective tax rate from continuing operations is as follows (dollar amounts shown in millions):

	For the Years Ended December 31,					
	2018	%	2017	%	2016	%
Income tax provision at the statutory rate	$ 47.2	21.0	$ 73.2	35.0	$ 93.7	35.0
State income tax expense, net of federal benefit	8.7	3.9	6.4	3.0	7.8	2.9
Non-deductible / non-tax items	0.4	0.2	(0.3)	(0.1)	0.2	0.1
Effect of enactment of tax reform	0.6	0.2	(7.9)	(3.8)	—	—
Adjustments and settlements	—	—	(0.6)	(0.3)	(0.8)	(0.3)
Other, net	(0.1)	—	(0.8)	(0.3)	(0.3)	(0.1)
Income tax expense	$ 56.8	25.3	$ 70.0	33.5	$ 100.6	37.6

Deferred income tax asset and liability components consisted of the following:

	As of December 31,	
	2018	2017
	(In millions)	
Deferred income tax assets:		
F&I chargeback liabilities	$ 11.0	$ 11.1
Other accrued liabilities	3.2	3.4
Stock-based compensation	2.4	3.9
Other, net	3.9	5.5
Total deferred income tax assets	20.5	23.9
Deferred income tax liabilities:		
Intangible asset amortization	(12.5)	(8.4)
Depreciation	(26.4)	(27.1)
Other, net	(3.3)	(0.9)
Total deferred income tax liabilities	(42.2)	(36.4)
Net deferred income tax liabilities	$ (21.7)	$ (12.5)

There were no valuation allowances recorded against the deferred tax assets as of December 31, 2018 or 2017. As of December 31, 2018 and 2017, we had pre-paid income taxes of $4.6 million and $15.2 million, respectively, which were included in Other Current Assets.

As of December 31, 2016, the net amount of our unrecognized tax benefits was $0.8 million, which if recognized, would not impact our effective tax rate. There was no unrecognized tax benefits as of December 31, 2018 or 2017.

The statutes of limitations related to our consolidated Federal income tax returns are closed for all tax years up to and including 2014. The expiration of the statutes of limitations related to the various state income tax returns that we and our subsidiaries file varies by state. The 2011 through 2017 tax years generally remain subject to examination by most state tax authorities. We believe that our tax positions comply with applicable tax law and that we have adequately provided for these matters.

Tax Reform

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Act. The Tax Act made broad and complex changes to the U.S. tax code that affects 2017, including, but not limited to, accelerated depreciation that will allow for full expensing of qualified property. The Tax Act also established new tax laws including a reduction in the U.S. federal corporate income tax rate from 35% to 21%.

The SEC staff issued SAB 118 on December 22, 2017, which provided guidance on accounting for the tax effects of the Tax Act. SAB 118 allowed for a measurement period, not extend beyond one year from the Tax Act enactment date, for companies to complete the accounting under ASC 740, Income Taxes.

In 2017, we remeasured certain deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future, which was generally 21%. We recorded a $7.9 million reduction to our net deferred tax liability for the year ended December 31, 2017 related to the remeasurement of our deferred tax balance.

During the third quarter of 2018, the IRS released Notice 2018-68, which clarified a number of changes made to Section 162(m) of the Code by the Tax Act. As a result of this new guidance, we recorded $0.6 million of additional income tax expense related to an adjustment to the December 31, 2017 deferred tax asset for certain components of share-based compensation. After considering the additional guidance issued by the U.S. Treasury Department, state tax authorities and other standard-setting bodies we have completed our accounting for the Tax Act.

16. OTHER LONG-TERM LIABILITIES

Other long-term liabilities consisted of the following:

	As of December 31,	
	2018	2017
	(In millions)	
Accrued finance and insurance chargebacks	$ 21.2	$ 20.4
Deferred rent	4.5	5.0
Swap fair value	—	0.7
Unclaimed property	3.3	3.0
Other	1.7	0.1
Other long-term liabilities	$ 30.7	$ 29.2

17. SUPPLEMENTAL CASH FLOW INFORMATION

During the years ended December 31, 2018, 2017, and 2016, we made interest payments, including amounts capitalized, totaling $82.5 million, $76.0 million, and $73.8 million, respectively. Included in these interest payments are $31.2 million, $22.3 million, and $19.1 million, of floor plan interest payments for the years ended December 31, 2018, 2017, and 2016, respectively.

During the years ended December 31, 2018, 2017, and 2016 we made income tax payments, net of refunds received, totaling $40.4 million, $102.7 million, and $79.6 million, respectively.

During the years ended December 31, 2018, 2017, and 2016, we transferred $193.9 million, $156.2 million, and $121.9 million, respectively, of loaner vehicles from Other Current Assets to Inventory on our Consolidated Balance Sheets.

There were no divestitures during the years ended December 31, 2018 and 2017. During the year ended December 31, 2016, we received $114.3 million of proceeds from the sale of dealerships, and $13.1 million of mortgage note repayments were paid directly by the buyer as part of these divestitures.

During the year ended December 31, 2017, we had non-cash investing and financing activities of $4.1 million related to purchases of real estate properties that were previously leased.

The following items are included in Other Adjustments, net to reconcile net income to net cash provided by operating activities:

	For the Years Ended December 31,		
	2018	2017	2016
Amortization of debt issuance costs	$ 2.5	$ 3.2	$ 2.6
Loss on disposal of fixed assets	0.9	2.1	0.4
Other individually immaterial items	(0.3)	(1.0)	1.1
Other adjustments, net	$ 3.1	$ 4.3	$ 4.1

18. LEASE OBLIGATIONS

We lease real estate and equipment primarily under operating lease agreements, most of which have terms ranging from one to twenty years. Escalation clauses, lease payments dependent on existing rates/indexes, and other lease incentives are included in the minimum lease payments and are recognized on a straight-line basis over the minimum lease term. Rent expense under such arrangements totaled $25.6 million, $26.7 million, and $29.9 million for the years ended December 31, 2018, 2017, and 2016, respectively.

During the year ended December 31, 2018, we entered into one transaction in which we purchased previously leased real estate for $4.4 million.

During the year ended December 31, 2017, we entered into two transactions in which we purchased previously leased real estate for an aggregate purchase price of $9.5 million. These transactions included the termination of the related lease obligations, resulting in $0.2 million of lease termination charges, which were included in Other operating (income) expenses, net in our Consolidated Statement of Income for the year ended December 31, 2017.

During the year ended December 31, 2016, we entered into three transactions in which we purchased previously leased real estate for an aggregate purchase price of $19.6 million. These transactions included the termination of the related lease obligations, resulting in $2.1 million of lease termination charges and $0.9 million of real estate impairment charges, which were based on the associated property appraisals. Both the lease termination charges and the real estate impairment charges were included in Other operating (income) expenses, net in our Consolidated Statement of Income for the year ended December 31, 2016.

Future minimum payments under non-cancelable leases with initial terms in excess of one year at December 31, 2018, are as follows:

	Capital	Operating
	(In millions)	
2019	$ 0.4	$ 22.5
2020	0.4	22.2
2021	0.4	19.2
2022	0.4	14.0
2023	0.4	6.0
Thereafter	2.8	25.5
Total minimum lease payments	4.8	109.4
Less: Amounts representing interest	(1.7)	N/A
	$ 3.1	$ 109.4

Certain of our lease agreements include financial covenants and incorporate by reference the financial covenants set forth in the 2016 Senior 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: (i) termination of the applicable lease and/or other leases with the same or an affiliated landlord under a cross-default provision, (ii) eviction from the premises; and (iii) the landlord having a claim for various damages.

19. COMMITMENTS AND CONTINGENCIES

Our dealerships are party to dealer and framework agreements with applicable vehicle manufacturers. In accordance with these agreements, each dealership has certain rights and is subject to restrictions typical in the industry. The ability of these manufacturers to influence the operations of the dealerships or the loss of any of these agreements could have a materially negative impact on our operating results.

In some instances, manufacturers may have the right, and may direct us, to implement costly capital improvements to dealerships as a condition to entering into, renewing, or extending 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.

From time to time, we and our dealerships are or may become involved in various claims relating to, and arising out of, our business and our operations. These claims may involve, but not be limited to, financial and other audits by vehicle manufacturers or lenders and certain federal, state, and local government authorities, which have historically related primarily to (i) incentive and warranty payments received from vehicle manufacturers, or allegations of violations of manufacturer agreements or policies, (ii) compliance with lender rules and covenants, and (iii) 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, could relate to, but may not be limited to, the practice of charging administrative fees and other fees and commissions, employment-related matters, truth-in-lending and other dealer assisted financing obligations, 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 believe we have adequately accrued for the potential impact of loss contingencies that are probable and reasonably estimable. Based on our review of the various types of claims currently known to us, there is no indication of material reasonably possible losses in excess of amounts accrued in the aggregate. We currently do not anticipate that any known claim will materially adversely affect our financial condition, liquidity, or results of operations. However, the outcome of any 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, or results of operations.

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

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.

We had $13.0 million of letters of credit outstanding as of December 31, 2018, which are required by certain of our insurance providers. In addition, as of December 31, 2018, we maintained a $5.0 million surety bond line in the ordinary course of our business. Our letters of credit and surety bond line are considered to be off balance sheet arrangements.

Our 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.

20. SHARE-BASED COMPENSATION AND EMPLOYEE BENEFIT PLANS

On March 13, 2012, our Board of Directors, upon the recommendation of our Compensation and Human Resources Committee, approved the 2012 Equity Incentive Plan (the "Plan"). On April 18, 2012, our shareholders approved the Plan, which replaced our previous equity incentive plan. The Plan expires on March 13, 2022 and provides for the grant of options, performance share units, restricted share units, and shares of restricted stock to our directors, officers, and employees in the total amount of 1.5 million shares. Since the inception of the Plan, we have granted 0.8 million performance share units and 0.8 million shares of restricted stock. There have been 0.8 million shares that have either been forfeited or repurchased in

association with the net share settlement of employee share-based awards, both of which are added back to shares available for grant. As such, there were approximately 0.8 million shares available for grant in accordance with the Plan as of December 31, 2018.

We issue shares of our common stock upon the vesting of performance share units or restricted stock. These shares are issued from our authorized and not outstanding common stock. In addition, in connection with the vesting of performance share units or restricted stock, we expect to repurchase a portion of the shares issued equal to the amount of employee income tax withholding.

We have recognized $10.5 million ($2.6 million tax benefit), $13.6 million ($4.5 million tax benefit), and $12.0 million ($4.5 million tax benefit) in share-based compensation expense for the years ended December 31, 2018, 2017, and 2016, respectively. As of December 31, 2018, there was $10.3 million of total unrecognized share-based compensation expense related to non-vested share-based awards granted under the Plan, and the weighted average period over which it is expected to be recognized is 2.15 years. Further, we expect to recognize $6.3 million of this expense in 2019, $3.3 million in 2020, and $0.7 million in 2021.

Performance Share Units

During the year ended December 31, 2018, the Compensation and Human Resources Committee of the Board of Directors approved the grant of up to 101,802 performance share units, which represents 150% of the target award. Performance share units provide an opportunity for the employee-recipient to receive a number of shares of our common stock based on our performance during a specified year period following the grant as measured against objective performance goals as determined by the Compensation and Human Resources Committee of our Board of Directors. The actual number of units earned may range from 0% to 150% of the target number of units depending upon achievement of the performance goals. Performance share units vest in three equal annual installments with one-third of the award vesting on each of the (i) later of the first anniversary of the grant date, or the date the Compensation and Human Resources Committee determines the actual award, (ii) second anniversary of the grant date and (iii) third anniversary of the grant date. Upon vesting, each performance share unit equals one share of common stock of the Company. Compensation cost for performance share units is based on the closing price of our common stock on the date of grant and the ultimate performance level achieved, and is recognized on a graded basis over the three-year vesting period.

The following table summarizes information about performance share units for 2018:

	Shares	Weighted Average Grant Date Fair Value
Non-vested at January 1, 2018	229,651	$ 57.21
Granted	101,802	68.50
Vested	(95,472)	59.27
Forfeited or unearned	(30,245)	56.64
Non-vested at December 31, 2018	205,736	$ 61.28

The weighted average grant-date fair value of performance share units and total fair value of performance share units vested are summarized in the following table:

	For the Years Ended December 31,		
	2018	2017	2016
Weighted average grant-date fair value of performance share units granted	$ 68.50	$ 65.65	$ 46.70
Total fair value of performance share units vested (in millions)	$ 6.4	$ 6.5	$ 6.0

Restricted Stock Awards

During the year ended December 31, 2018, the Compensation and Human Resources Committee of the Board of Directors approved the grant of 71,575 shares of restricted stock. Restricted stock awards vest in three equal annual installments commencing on the first anniversary of the grant date. Compensation cost for restricted stock awards is based on the closing price of our common stock on the date of grant and is recognized on a straight-line basis over the three-year vesting period.

The following table summarizes information about restricted stock awards for 2018:

	Shares	Weighted Average Grant Date Fair Value
Non-vested at January 1, 2018	224,826	$ 60.36
Granted	71,575	71.18
Vested	(82,961)	61.34
Forfeited	(14,664)	63.09
Non-vested at December 31, 2018	198,776	$ 63.65

The weighted average grant-date fair value of restricted stock awards and total fair value of restricted stock awards vested are summarized in the following table:

	For the Years Ended December 31,		
	2018	2017	2016
Weighted average grant-date fair value of restricted stock granted	$ 71.18	$ 63.64	$ 47.07
Total fair value of restricted stock awards vested (in millions)	$ 5.5	$ 5.3	$ 3.7

Employee Retirement Plan

We sponsor the Asbury Automotive Retirement Savings Plan (the "Retirement Savings Plan"), a 401(k) plan, for eligible employees. Employees are eligible to participate in the Retirement Savings Plan on or after 12 weeks of service with us. Employees electing to participate in the Retirement Savings Plan may contribute up to 75% of their annual eligible compensation. IRS rules limited total participant contributions during 2018 to $18,500, or $24,500 if age 50 or more. For non-highly compensated employees, after one year of employment we match 50% of employees' contributions up to 4% of their eligible compensation. Employer contributions vest on a graded basis over 4 years after the date of hire. Expenses from continuing operations related to employer matching contributions totaled $3.2 million, $3.0 million, and $2.7 million for the years ended December 31, 2018, 2017, and 2016, respectively.

21. 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)			
2017:				
Revenues	$ 1,551.7	$ 1,631.8	$ 1,602.1	$ 1,670.9
Gross profit	$ 260.1	$ 267.1	$ 260.3	$ 268.4
Net income (2)(3)(4)	$ 34.0	$ 31.9	$ 30.7	$ 42.5
Net income per common share:				
Basic (1)(2)(3)(4)	$ 1.62	$ 1.53	$ 1.49	$ 2.06
Diluted (1)(2)(3)(4)	$ 1.61	$ 1.52	$ 1.48	$ 2.03
2018:				
Revenues	$ 1,609.2	$ 1,723.6	$ 1,757.4	$ 1,784.2
Gross profit	$ 265.4	$ 277.8	$ 278.0	$ 281.8
Net income (5)(6)(7)	$ 40.1	$ 43.2	$ 44.3	$ 40.4
Net income per common share:				
Basic (1)(5)(6)(7)	$ 1.95	$ 2.13	$ 2.22	$ 2.09
Diluted (1)(5)(6)(7)	$ 1.93	$ 2.11	$ 2.18	$ 2.06

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

(2) Results for the three months ended March 31, 2017 were increased by $0.6 million as a result of gains from legal settlements, net of tax, or $0.03 per basic and diluted share.

(3) Results for the three months ended June 30, 2017 were increased by $0.5 million from investment income, partially offset by a $1.8 million loss on real estate-related charges, all previous items were net of tax, or $0.06 per basic and diluted share.

(4) Results for the three months ended December 31, 2017 were increased by a $7.9 million income tax benefit, partially offset by $3.2 million of franchise rights impairment, net of tax, or $0.22 per basic and diluted share, respectively, in the aggregate.

(5) Results for the three months ended June 30, 2018 were increased by $0.5 million as a result of gains from legal settlements, net of tax, or $0.03 per basic and diluted share.

(6) Results for the three months ended June 30, 2018 were decreased by $0.6 million as a result of an adjustment to the deferred tax asset related to certain components of share-based compensation, net of tax, or $0.03 per basic and diluted share.

(7) Results for the three months ended December 31, 2018 were decreased by a $2.8 million franchise rights impairment, net of tax, or $0.14 per basic and diluted share, respectively, in the aggregate.

22. SUBSEQUENT EVENTS

In February 2019, the Company closed on the acquisition of four stores in the Indianapolis market, increasing our total stores in the Indianapolis market to six.

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, we conducted an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"). Based on this evaluation, our 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 us in reports we file or submit 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. 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 intentional 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 13(a)-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, including the principal executive officer and the principal financial officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2018. 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 (2013 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, 2018. Our auditors, Ernst & Young LLP, an independent registered public accounting firm, have audited and reported on our consolidated financial statements and on the effectiveness of our internal controls over financial reporting. Their reports are contained herein.

During 2018, we acquired substantially all of the assets, including certain real estate, of three franchises (three dealership locations). As permitted by the Securities and Exchange Commission, the scope of our Section 404 evaluation for the fiscal year ended December 31, 2018 does not include an evaluation of the internal control over financial reporting of these acquired operations. The results for these acquisitions are included in our consolidated financial statements from the date of acquisition and represented approximately $105.3 million of consolidated assets as of December 31, 2018, and approximately $166.8 million of consolidated revenues for the year then ended.

From the acquisition dates to December 31, 2018, the processes and systems of the acquired operations did not significantly impact the internal control over financial reporting of the Company and our other consolidated subsidiaries.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2018 that have materially affected, or are 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," "2018 Director Compensation Table-Code of Business Conduct and Ethics and Corporate Governance Guidelines," "Section 16(a) Beneficial Ownership Reporting Compliance," and "Executive 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 "Compensation Discussion & Analysis," "Compensation and Human Resources Committee Report," "Compensation Committee Interlocks and Insider Participation," "Executive Compensation," "2018 Director Compensation Table," and "Governance of the Company" 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 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" and "Securities Authorized for Issuance under Equity Compensation Plans" 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 13. Certain Relationships and Related Transactions, and Director Independence.

Reference is made to the information to be set forth in the "Related Person Transactions" and "Governance of the Company" 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 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, Financial Statement Schedules

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

(1) Financial Statements: See index to Consolidated Financial Statements.
(2) Financial Statement Schedules: None required.
(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	Amended and Restated Certificate of Incorporation 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 April 25, 2016)*
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 April 21, 2014)*
4.1	Indenture, dated as of December 4, 2014, among Asbury Automotive Group, Inc., each of the Guarantors named therein and U.S. Bank National Association, as Trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on December 4, 2014)*
4.2	Form of 6.0% Senior Subordinated Note due 2024 (included as Exhibit A in Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on December 4, 2014)*
4.3	First Supplemental Indenture, dated as of July 29, 2015, by and among Asbury Automotive Group, Inc., Asbury Jax Ford, LLC and U.S. Bank National Association, as Trustee (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015)*
4.4	Second Supplemental Indenture, dated as of October 28, 2015, among Asbury Automotive Group, Inc., each of the guarantors named therein and U.S. Bank National Association, as Trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on October 28, 2015)*
4.5	Third Supplemental Indenture, dated as of July 20, 2016, among Asbury Automotive Group, Inc., each of the guarantors named therein and U.S. Bank National Association, as Trustee (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016)*
4.6	Fourth Supplemental Indenture, dated as of February 17, 2017, among Asbury Automotive Group, Inc., Asbury IN Chev, LLC, and U.S.Bank National Association, as Trustee (filed as Exhibit 4.6 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016)*
4.7	Fifth Supplemental Indenture, dated as of February 5, 2018, among Asbury Automotive Group, Inc., Asbury IN Chev, LLC, and U.S.Bank National Association, as Trustee (filed as Exhibit 4.7 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017)*
4.8	Sixth Supplemental Indenture, dated as of May 30, 2018, among Asbury Automotive Group, Inc., Asbury Atlanta CHEV, LLC, Asbury Georgia TOY, LLC, and U.S. Bank National Association, as Trustee (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018)*
10.1**	Amended and Restated 2002 Equity Incentive Plan (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 14, 2012)*
10.2**	2012 Equity Incentive Plan (filed as Appendix A to the Company's Definitive Proxy Statement on Schedule 14A filed with the SEC on March 16, 2012)*
10.3**	First Amendment to 2012 Equity Incentive Plan (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on January 27, 2017)*
10.4**	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)*
10.5**	Amendment No. 1 to Amended and Restated Key Executive Incentive Compensation Plan (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018)*

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**	Employment Agreement between Asbury Automotive Group, Inc. and David W. Hult, dated as of October 23, 2014 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on October 23, 2014)*
10.8**	First Amendment to Employment Agreement between Asbury Automotive Group, Inc. and David W. Hult, dated as of August 21, 2017 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on August 22, 2017)*
10.9**	Termination and Separation Agreement between Asbury Automotive Group, Inc. and Craig T. Monaghan, dated as of August 21, 2017 (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on August 22, 2017)*
10.10**	Letter Agreement between Asbury Automotive Group, Inc. and Sean Goodman, dated as of May 3, 2017 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on May 5, 2017)*
10.11**	Severance Pay Agreement for key employees between Asbury Automotive Group, Inc. and Sean Goodman, dated as of July 7, 2017 (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017)*
10.12**	Amended and Restated Severance Pay Agreement for Key Employee between Asbury Automotive Group, Inc. and George A. Villasana, dated as of February 21, 2017 (filed as Exhibit 10.12 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016)*
10.13**	Severance Pay Agreement for Key Employee between Asbury Automotive Group, Inc. and Jed M. Milstein, dated as of February 21, 2017 (filed as Exhibit 10.13 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016)*
10.14**	Severance Pay Agreement for Key Employee between Asbury Automotive Group, Inc. and William F. Stax, dated as of February 21, 2017 (filed as Exhibit 10.14 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016)*
10.15**	Severance Pay Agreement for Key Employee between Asbury Automotive Group, Inc. and John Hartman dated January 4, 2018 (filed as Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017)*
10.16**	Severance Pay Agreement for Key Employee between Asbury Automotive Group, Inc. and George C. Karolis dated July 18, 2005 (filed as Exhibit 10.16 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017)*
10.17**	Form of Equity Award Agreement under the 2012 Equity Incentive Plan (filed as Exhibit 10.19 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012)*
10.18	Asbury Automotive Group, Inc. Deferred Compensation Plan (Filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on October 23, 2017)*
10.19	Ford Sales and Service Agreement (filed as Exhibit 10.13 to Amendment No. 2 to the Company's Registration Statement on Form S-1, File No. 333-65998, filed with the SEC on October 12, 2001)*
10.20	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, File No. 333-65998, filed with the SEC on October 12, 2001)*
10.21	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, File No. 333-65998, filed with the SEC on October 12, 2001)*
10.22	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, File No. 333-65998, filed with the SEC on October 12, 2001)*
10.23	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, File No. 333-65998, filed with the SEC on October 12, 2001)*

10.24	Toyota Dealer Agreement (filed as Exhibit 10.18 to Amendment No. 2 to the Company's Registration Statement on Form S-1, File No. 333-65998, filed with the SEC on October 12, 2001)*
10.25	Credit Agreement, dated as of September 26, 2013, among Asbury Automotive Group, Inc., certain of subsidiaries of Asbury Automotive Group, Inc. and Bank of America, N.A. (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on September 30, 2013)*
10.26	Second Amended and Restated Credit Agreement, dated as of July 25, 2016, by and among Asbury Automotive Group, Inc., as a Borrower, and certain of its Subsidiaries, as Vehicle Borrowers, Bank of America, N.A., as Administrative Agent, Revolving Swing Line Lender, New Vehicle Floorplan Swing Line Lender, Used Vehicle Floorplan Swing Line Lender and an L/C Issuer, and the other Lenders party thereto, JPMorgan Chase Bank, N.A. and Wells Fargo Bank, N.A., as Co-Syndication Agents, Toyota Motor Credit Corporation and Mercedes-Benz Financial Services USA LLC, as Co-Documentation agents, and Merrill Lynch, Pierce, Fenner & Smith Incorporated as Sole Lead Arranger and Sole Bookrunner (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016)*
10.27	Second Amended and Restated Company Guaranty Agreement, dated as of July 25, 2016, by and among Asbury Automotive Group, Inc. and Bank of America, N.A., as Administrative Agent (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016)*
10.28	Second Amended and Restated Subsidiary Guaranty Agreement, dated as of July 25, 2016, by and among certain subsidiaries of Asbury Automotive Group, Inc. and Bank of America, N.A., as Administrative Agent (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016)*
10.29	Second Amended and Restated Security Agreement, dated as of July 25, 2016, by and among Asbury Automotive Group, Inc., certain of its subsidiaries and Bank of America, N.A., as Administrative Agent (filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016)*
10.30	Second Amended and Restated Escrow & Security Agreement, dated as of July 25, 2016, by and among Asbury Automotive Group, Inc., certain of its subsidiaries and Bank of America, N.A., a national banking association, as Administrative Agent (filed as Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016)*
10.31	Amended and Restated Master Loan Agreement, dated as of February 3, 2015, by and among certain subsidiaries of Asbury Automotive Group, Inc. and Wells Fargo Bank, National Association (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 4, 2015)*
10.32	Second Amended and Restated Unconditional Guaranty, dated as of February 3, 2015, by and between Asbury Automotive Group, Inc. and Wells Fargo Bank, National Association (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on February 4, 2015)*
10.33	Credit Agreement, dated as of November 13, 2018, among Asbury Automotive Group, Inc., certain subsidiaries of Asbury Automotive Group, Inc. and Bank of America, N.A.
10.34	Master Loan Agreement, dated as of November 16, 2018, by and among certain subsidiaries of Asbury Automotive Group, Inc. and Wells Fargo Bank, National Association
10.35	Unconditional Guaranty, dated as of November 16, 2018, between Asbury Automotive Group, Inc. and Wells Fargo Bank, National Association
21	Subsidiaries of the Company
23.1	Consent of Ernst & Young LLP
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

101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
*	Incorporated by reference.
**	Management contract or compensatory plan or arrangement.

Item 16. Form 10-K Summary

None.

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 28, 2019

By: /s/ David W. Hult
Name: **David W. Hult**
Title: **Chief Executive Officer and President**

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/ David W. Hult **(David W. Hult)**	Chief Executive Officer, President and Director	February 28, 2019
/s/ Sean D. Goodman **(Sean D. Goodman)**	Senior Vice President and Chief Financial Officer	February 28, 2019
/s/ William F. Stax **(William F. Stax)**	Vice President, Controller and Chief Accounting Officer	February 28, 2019
/s/ Thomas C. DeLoach, Jr. **(Thomas C. DeLoach, Jr.)**	Director Non-Executive Chairman of the Board	February 28, 2019
/s/ Joel Alsfine **(Joel Alsfine)**	Director	February 28, 2019
/s/ Dennis E. Clements **(Dennis E. Clements)**	Director	February 28, 2019
/s/ Juanita T. James **(Juanita T. James)**	Director	February 28, 2019
/s/ Eugene S. Katz **(Eugene S. Katz)**	Director	February 28, 2019
/s/ Philip F. Maritz **(Philip F. Maritz)**	Director	February 28, 2019
/s/ Maureen F. Morrison **(Maureen F. Morrison)**	Director	February 28, 2019
/s/ Bridget R. Berman **(Bridget R. Berman)**	Director	February 28, 2019
/s/ Thomas J. Reddin **(Thomas J. Reddin)**	Director	February 28, 2019

INDEX TO EXHIBITS

Exhibit Number	Description of Documents
3.1	Amended and Restated Certificate of Incorporation 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 April 25, 2016)*
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 April 21, 2014)*
4.1	Indenture, dated as of December 4, 2014, among Asbury Automotive Group, Inc., each of the Guarantors named therein and U.S. Bank National Association, as Trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on December 4, 2014)*
4.2	Form of 6.0% Senior Subordinated Note due 2024 (included as Exhibit A in Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on December 4, 2014)*
4.3	First Supplemental Indenture, dated as of July 29, 2015, by and among Asbury Automotive Group, Inc., Asbury Jax Ford, LLC and U.S. Bank National Association, as Trustee (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015)*
4.4	Second Supplemental Indenture, dated as of October 28, 2015, among Asbury Automotive Group, Inc., each of the guarantors named therein and U.S. Bank National Association, as Trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on October 28, 2015)*
4.5	Third Supplemental Indenture, dated as of July 20, 2016, among Asbury Automotive Group, Inc., each of the guarantors named therein and U.S. Bank National Association, as Trustee (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016)*
4.6	Fourth Supplemental Indenture, dated as of February 17, 2017, among Asbury Automotive Group, Inc., Asbury IN Chev, LLC, and U.S.Bank National Association, as Trustee (filed as Exhibit 4.6 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016)*
4.7	Fifth Supplemental Indenture, dated as of February 5, 2018, among Asbury Automotive Group, Inc., Asbury IN Chev, LLC, and U.S.Bank National Association, as Trustee (filed as Exhibit 4.7 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017)*
4.8	Sixth Supplemental Indenture, dated as of May 30, 2018, among Asbury Automotive Group, Inc., Asbury Atlanta CHEV, LLC, Asbury Georgia TOY, LLC, and U.S. Bank National Association, as Trustee (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018)*
10.1**	Amended and Restated 2002 Equity Incentive Plan (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 14, 2012)*
10.2**	2012 Equity Incentive Plan (filed as Appendix A to the Company's Definitive Proxy Statement on Schedule 14A filed with the SEC on March 16, 2012)*
10.3**	First Amendment to 2012 Equity Incentive Plan (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on January 27, 2017)*
10.4**	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)*
10.5**	Amendment No. 1 to Amended and Restated Key Executive Incentive Compensation Plan (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018)*
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**	Employment Agreement between Asbury Automotive Group, Inc. and David W. Hult, dated as of October 23, 2014 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on October 23, 2014)*
10.8**	First Amendment to Employment Agreement between Asbury Automotive Group, Inc. and David W. Hult, dated as of August 21, 2017 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on August 22, 2017)*
10.9**	Termination and Separation Agreement between Asbury Automotive Group, Inc. and Craig T. Monaghan, dated as of August 21, 2017 (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on August 22, 2017)*

10.10**	Letter Agreement between Asbury Automotive Group, Inc. and Sean Goodman, dated as of May 3, 2017 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on May 5, 2017)*
10.11**	Severance Pay Agreement for key employees between Asbury Automotive Group, Inc. and Sean Goodman, dated as of July 7, 2017 (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017)*
10.12**	Amended and Restated Severance Pay Agreement for Key Employee between Asbury Automotive Group, Inc. and George A. Villasana, dated as of February 21, 2017 (filed as Exhibit 10.12 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016)*
10.13**	Severance Pay Agreement for Key Employee between Asbury Automotive Group, Inc. and Jed M. Milstein, dated as of February 21, 2017 (filed as Exhibit 10.13 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016)*
10.14**	Severance Pay Agreement for Key Employee between Asbury Automotive Group, Inc. and William F. Stax, dated as of February 21, 2017 (filed as Exhibit 10.14 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016)*
10.15**	Severance Pay Agreement for Key Employee between Asbury Automotive Group, Inc. and John Hartman dated January 4, 2018 (filed as Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017)*
10.16**	Severance Pay Agreement for Key Employee between Asbury Automotive Group, Inc. and George C. Karolis dated July 18, 2005 (filed as Exhibit 10.16 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017)*
10.17**	Form of Equity Award Agreement under the 2012 Equity Incentive Plan (filed as Exhibit 10.19 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012)*
10.18	Asbury Automotive Group, Inc. Deferred Compensation Plan (Filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on October 23, 2017)*
10.19	Ford Sales and Service Agreement (filed as Exhibit 10.13 to Amendment No. 2 to the Company's Registration Statement on Form S-1, File No. 333-65998, filed with the SEC on October 12, 2001)*
10.20	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, File No. 333-65998, filed with the SEC on October 12, 2001)*
10.21	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, File No. 333-65998, filed with the SEC on October 12, 2001)*
10.22	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, File No. 333-65998, filed with the SEC on October 12, 2001)*
10.23	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, File No. 333-65998, filed with the SEC on October 12, 2001)*
10.24	Toyota Dealer Agreement (filed as Exhibit 10.18 to Amendment No. 2 to the Company's Registration Statement on Form S-1, File No. 333-65998, filed with the SEC on October 12, 2001)*
10.25	Credit Agreement, dated as of September 26, 2013, among Asbury Automotive Group, Inc., certain of subsidiaries of Asbury Automotive Group, Inc. and Bank of America, N.A. (filed as Exhibit 10.1 to the Company’s Current Report on Form 8-K filed with the SEC on September 30, 2013)*
10.26	Second Amended and Restated Credit Agreement, dated as of July 25, 2016, by and among Asbury Automotive Group, Inc., as a Borrower, and certain of its Subsidiaries, as Vehicle Borrowers, Bank of America, N.A., as Administrative Agent, Revolving Swing Line Lender, New Vehicle Floorplan Swing Line Lender, Used Vehicle Floorplan Swing Line Lender and an L/C Issuer, and the other Lenders party thereto, JPMorgan Chase Bank, N.A. and Wells Fargo Bank, N.A., as Co-Syndication Agents, Toyota Motor Credit Corporation and Mercedes-Benz Financial Services USA LLC, as Co-Documentation agents, and Merrill Lynch, Pierce, Fenner & Smith Incorporated as Sole Lead Arranger and Sole Bookrunner (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016)*
10.27	Second Amended and Restated Company Guaranty Agreement, dated as of July 25, 2016, by and among Asbury Automotive Group, Inc. and Bank of America, N.A., as Administrative Agent (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016)*

10.28	Second Amended and Restated Subsidiary Guaranty Agreement, dated as of July 25, 2016, by and among certain subsidiaries of Asbury Automotive Group, Inc. and Bank of America, N.A., as Administrative Agent (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016)*
10.29	Second Amended and Restated Security Agreement, dated as of July 25, 2016, by and among Asbury Automotive Group, Inc., certain of its subsidiaries and Bank of America, N.A., as Administrative Agent (filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016)*
10.30	Second Amended and Restated Escrow & Security Agreement, dated as of July 25, 2016, by and among Asbury Automotive Group, Inc., certain of its subsidiaries and Bank of America, N.A., a national banking association, as Administrative Agent (filed as Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016)*
10.31	Amended and Restated Master Loan Agreement, dated as of February 3, 2015, by and among certain subsidiaries of Asbury Automotive Group, Inc. and Wells Fargo Bank, National Association (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 4, 2015)*
10.32	Second Amended and Restated Unconditional Guaranty, dated as of February 3, 2015, by and between Asbury Automotive Group, Inc. and Wells Fargo Bank, National Association (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on February 4, 2015)*
10.33	Credit Agreement, dated as of November 13, 2018, among Asbury Automotive Group, Inc., certain subsidiaries of Asbury Automotive Group, Inc. and Bank of America, N.A.
10.34	Master Loan Agreement, dated as of November 16, 2018, by and among certain subsidiaries of Asbury Automotive Group, Inc. and Wells Fargo Bank, National Association
10.35	Unconditional Guaranty, dated as of November 16, 2018, between Asbury Automotive Group, Inc. and Wells Fargo Bank, National Association
21	Subsidiaries of the Company
23.1	Consent of Ernst & Young LLP
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
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*	Incorporated by reference.
**	Management contract or compensatory plan or arrangement.

Exhibit 10.33

CREDIT AGREEMENT

Dated as of November 13, 2018

among

ASBURY AUTOMOTIVE GROUP, INC.,
as the Company,

CERTAIN OF ITS SUBSIDIARIES,
as Borrowers,

and

BANK OF AMERICA, N.A.,
as Lender

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SCHEDULES

EXHIBITS *Form of*

CREDIT AGREEMENT

This CREDIT AGREEMENT ("Agreement") is entered into as of November 13, 2018, among ASBURY AUTOMOTIVE GROUP, INC., a Delaware corporation (the "Company"), certain Subsidiaries of the Company party hereto as borrowers pursuant to Section 2.10 (each such Subsidiary, a "Borrower" and collectively, the "Borrowers") and BANK OF AMERICA, N.A., as lender (the "Lender").

WHEREAS, the Company and the Borrowers have requested that the Lender make loans and other financial accommodations to the Borrowers in an aggregate amount of up to $128,120,500.00.

WHEREAS, the Lender has agreed to make such loans and other financial accommodations to the Loan Parties on the terms and subject to the conditions set forth herein.

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

ARTICLE I. DEFINITIONS AND ACCOUNTING TERMS

1.01 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

"Added Property" has the meaning specified in the definition of "Collateral Substitution".

"Adjusted FIRREA Appraisal Value " means, with respect to a Financed Property, the value set forth for such Financed Property in the most recent FIRREA Appraisal, as accepted by the Lender following its internal review and, if applicable, adjustment thereof by the Lender, based on criteria and factors then generally used and considered by Lender in determining the value of similar real estate properties and any applicable rules or regulations adopted by any Governmental Authority. The Adjusted FIRREA Appraised Value of each Financed Property (other than an Added Property) is set forth on Schedule 2.01.

"Affiliate" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agreement" has the meaning specified in the introductory paragraph hereto.

"Applicable Rate" means a per annum rate equal to:

(a) with respect to Eurodollar Rate Loans, 1.90%; and

(b) with respect to Base Rate Loans, 0.90%.

"Attributable Indebtedness" means, on any date, (a) in respect of any capital lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on

a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a capital lease.

"Audited Financial Statements" means the audited consolidated balance sheet of the Company and its Subsidiaries for the fiscal year ended December 31, 2017, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year of the Company and its Subsidiaries, including the notes thereto.

"Austin Financed Property" means the Financed Property located at 13573 Research Boulevard, Austin, Texas.

"Automatic Debit Date" means the first Business Day of a calendar month.

"Availability Period" means the period from and including the Closing Date to the earliest of (i) the date that is one year after the Closing, (ii) the date of termination of the Commitment pursuant to Section 2.04, and (iii) the date of termination of the commitment of Lender to make Loans pursuant to Section 8.02,

"Bank of America" means Bank of America, N.A. and its successors.

"Base Rate" means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate," and (c) the Eurodollar Rate plus 1.00%. The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

"Base Rate Loan" means a Loan that bears interest based on the Base Rate.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. §1010.230.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"Borrower" and "Borrowers" each has the meaning specified in the introductory paragraph hereto.

"Borrowings" means a borrowing consisting of simultaneous Loans of the same Type made by the Lender pursuant to Section 2.01.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where

the Lender's Office is located and, if such day relates to any Eurodollar Rate Loan, means any such day that is also a London Banking Day.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Closing Date" means the first date all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 9.01.

"Code" means the Internal Revenue Code of 1986.

"Collateral" means, collectively, the interests in real property, fixtures, related real property interests, related contracts and proceeds of the foregoing in which a Lien is granted or purported to be granted pursuant to the Mortgages.

"Collateral Substitution" means the removal of all or a portion of a Financed Property (such Financed Property or portion thereof, a "Removed Property") from the Property Pool (and the release of any Liens of the Lender on such Removed Property and any Collateral related to such Removed Property, as applicable) substantially simultaneously with, and in any event on the same day as, the addition of a different Financed Property (the "Added Property") to the Property Pool; provided that, (i) there shall exist no Default or Event of Default at the time of any such Collateral Substitution, (ii) any such Collateral Substitution shall be subject to satisfaction of those requirements set forth in Section 4.02 and such Added Property (and any Collateral related to such property) shall be subject to a Mortgage and Real Estate Support Documents, (iii) in the event any Subsidiary which owns or leases the real property proposed to be Added Property in connection with such Collateral Substitution is not an existing Borrower or Subsidiary Guarantor, as the case may be, such Subsidiary shall have complied with the provisions of Section 6.05 prior to or substantially simultaneously with the addition of such proposed Added Property to the Property Pool, (iv) the Company shall have paid all fees related to any such Collateral Substitution, and (v) in the event of a Collateral Substitution for a portion of a Financed Property, such substitution shall be effected in connection with a Permitted Financed Property Disposition.

"Collateral Substitution Test" shall mean:

(i) with respect to a Collateral Substitution of an entire Financed Property, that the Lender shall have received a FIRREA Appraisal of the Added Property dated no more than six (6) months before such Collateral Substitution which evidences an Adjusted FIRREA Appraisal Value of the

Added Property equal to at least the Initial FIRREA Appraisal Value of the Initial Financed Property associated with the Related Loan applicable to such Removed Property; and

(ii) with respect to a Collateral Substitution of a portion of a Financed Property (such Financed Property (including the respective Removed Property and the respective Remaining Property) being referred to as, the "Subject Financed Property"), that:

(x) the Lender shall have received FIRREA Appraisals dated no more than six (6) months before such Collateral Substitution of (1) the portion of the Financed Property that will remain as Collateral after Collateral Substitution (the "Remaining Property") and (2) any Added Property proposed to be added to the Property Pool in connection with such Collateral Substitution; and

(y) (1) the Adjusted FIRREA Appraisal Value of the Remaining Property, plus the Adjusted FIRREA Appraisal Value of any such Added Property shall be equal to at least the Initial FIRREA Appraisal Value of the Initial Financed Property associated with the Related Loan applicable to such Subject Financed Property or (2) in the event the proportionate amount of the Initial Adjusted FIRREA Appraisal Value associated with such Removed Property is readily identifiable by the applicable initial FIRREA Appraisal for such Subject Financed Property (as determined by Lender), the Adjusted FIRREA Appraisal Value of any such Added Property shall be equal to at least such readily identifiable proportionate amount of such Initial FIRREA Appraisal Value (and in which case of this clause (2), the FIRREA Appraisal referenced in clause (x)(1) above shall not be required to be delivered to Lender).

"Commitment" means the Lender's obligation to make Loans to the Borrowers pursuant to Section 2.01 in an aggregate principal amount not to exceed $128,120,500.00.

"Company" has the meaning specified in the introductory paragraph hereto.

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means an interest rate equal to (a) the Base Rate plus (b) the Applicable Rate, if any, applicable to Base Rate Loans plus (c) 2% per annum; provided, however, that with respect to a Eurodollar Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan plus 2% per annum.

"Delaware LLC" means any limited liability company organized or formed under the laws of the State of Delaware.

"Delaware Divided LLC" means any Delaware LLC which has been formed upon consummation of a Delaware LLC Division.

"Delaware LLC Division" means the statutory division of any Delaware LLC into two or more Delaware LLCs pursuant to Section 18-217 of the Delaware Limited Liability Company Act.

"Designated Jurisdiction" means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) of any property by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith and including any disposition of property to a Delaware Divided LLC or pursuant to a Delaware LLC Division.

"Dollar" and "$" mean lawful money of the United States.

"Domestic Subsidiary" means any Subsidiary that is organized under the laws of any political subdivision of the United States.

"Environmental Issue" means, with respect to a Financed Property, any potential or existing Environmental Liability relating to such Financed Property that is identified in any environmental reports obtained by any Borrower as requiring further remediation or investigation, including, without limitation, any potential Environmental Liability of which any Borrower or any Borrower's environmental consultant becomes aware.

"Environmental Laws" means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Company, any other Loan Party or any of their respective Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the Company within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of the Company or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Company or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 305 of ERISA; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Company or any ERISA Affiliate.

"Eurodollar Rate" means:

(a) With respect to a Eurodollar Rate Loan, the rate per annum equal to (i) the London Interbank Offered Rate ("LIBOR") or a comparable or successor rate which rate is approved by the Lender, as published on the Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Lender from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period;

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to LIBOR, at approximately 11:00 a.m., London time determined two Business Days prior to such date for U.S. Dollar deposits with a term of one month commencing that day; and

(c) if the Eurodollar Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement;

provided that to the extent a comparable or successor rate is approved by the Lender in connection herewith, the approved rate shall be applied to the applicable Interest Period in a manner consistent with market practice; provided, further that to the extent such market practice is not administratively feasible for the Lender, such approved rate shall be applied to the applicable Interest Period as otherwise reasonably determined by the Lender.

A Loan bearing interest at the Eurodollar Rate may be (a) borrowed on any day (whether or not it is the first day of the applicable Interest Period) and (b) repaid or converted to a different Type of Loan on any day (whether or not it is the last day of an Interest Period) without giving rise to any additional payment for "break funding" losses.

"Eurodollar Rate Loan" means a Loan that bears interest at a rate based on clause (a) of the definition of "Eurodollar Rate."

"Event of Default" has the meaning specified in Section 8.01.

"Excluded Swap Obligation" means, with respect to any Loan Party, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Loan Party of, the joint and several liability of such Loan Party for, or the grant by such Loan Party of a security interest to secure, such Swap Obligation (or any Guarantee thereof or joint and several liability therefor) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Loan Party's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act (determined after giving effect to Section 9.18 and any other "keepwell, support or other agreement" for the benefit of such Loan Party and any and all guarantees of such Loan Party's Swap Obligations by other Loan Parties) at the time the Guarantee of such Loan Party, the joint and several liability of such Loan Party or a grant by such Loan Party of a security interest, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes excluded in accordance with the first sentence of this definition. The parties hereto agree that if any Loan Party has granted a Lien on any Collateral of such Loan Party pursuant to any Security Instrument, the obligations secured by such Lien shall exclude any Excluded Swap Obligation with respect to such Loan Party, and such Security Instrument is hereby deemed amended to effect such exclusion.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of the Lender, its Lender's Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of the Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of the Lender with respect to an applicable interest in a Loan or Commitment pursuant

to a law in effect on the date on which the Lender changes its Lender's Office, except in each case to the extent that, pursuant to Section 3.01(a)(ii), (a)(iii) or (c), amounts with respect to such Taxes were payable to the Lender immediately before it changed its Lender's Office, and (c) any U.S. federal withholding Taxes imposed pursuant to FATCA.

"Facility Termination Date" means the date as of which all of the following shall have occurred: (a) the Commitment has terminated, and (b) all Obligations have been indefeasibly paid in full in cash (other than (x) contingent indemnification obligations as to which no claim has been made and (y) obligations and liabilities under Secured Hedge Agreements as to which arrangements satisfactory to the applicable Hedge Bank have been made).

"FASB ASC" means the Accounting Standards Codification of the Financial Accounting Standards Board.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471 (b) (1) of the Code.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Lender.

"Financed Property" means a real property parcel (and improvements related thereto) which (a) is owned in fee by a Borrower and located at or near a dealership or otherwise used or to be used by a dealership in its business, (b) is located in any state of the United States of America or the District of Columbia, (c) has been identified as a Financed Property with respect to any Loans on the applicable Loan Notice and (d) is one of the properties identified on Schedule 2.01 or an Added Property that has been added pursuant to a Collateral Substitution in accordance with the terms hereof. The Lender may revise Schedule 2.01 from time to time to reflect any Added Property that has been added to the Property Pool, or any Removed Property that has been removed from the Property Pool, from time to time.

"FIRREA Appraisal" means an appraisal of a Financed Property that is commissioned by the Lender and satisfies the requirement of the Federal Institutions Reform, Recovery and Enforcement Act or is otherwise acceptable to the Lender in its sole discretion.

"Flood Hazard Property" means any real property with respect to which the Lender requests a flood hazard determination in its sole discretion and which is determined to be in an area designated by the Federal Emergency Management Agency as having special flood or mudslide hazards.

"Flood Requirements" means the following, with respect to any Flood Hazard Property, in each case in form and substance satisfactory to the Lender: (a) the applicable Loan Party's written acknowledgment of receipt of written notification from the Lender (i) as to the fact that such real property is a Flood Hazard Property, (ii) as to whether the community in which each such Flood Hazard Property is located is participating in the National Flood Insurance Program and (iii) such other flood hazard determination forms, notices and confirmations thereof as requested by the Lender and naming the Lender as lender's loss payee; (b) copies of insurance policies or certificates of insurance of the applicable Loan Parties and naming the Lender as lender's loss payee; and (c) property level information sufficient for the Lender to determine the adequacy of flood insurance.

"Foreign Lender" means, in the event of an assignment pursuant to Section 9.06 any Lender that is organized under the Laws of a jurisdiction other than that in which the Company is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"FRB" means the Board of Governors of the Federal Reserve System of the United States.

"Framework Agreement" means a framework agreement, in each case between the Company or any Subsidiary and a manufacturer or distributor of Vehicles.

"Franchise Agreement" means any dealer franchise agreement, dealer sales and service agreement or similar agreement.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guarantee" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness (the "primary obligations") payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such primary obligations, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such primary obligations of the payment or performance of such primary obligations, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such primary obligations, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such primary obligations of the payment or performance thereof or to

protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any primary obligations of any primary obligor, whether or not such primary obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such primary obligation to obtain any such Lien). The amount of any Guarantee (other than a Guarantee of the type described in clause (b) above) shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as reasonably determined by the guaranteeing Person in good faith. The amount of any Guarantee of the type described in clause (b) above shall be deemed to be an amount equal to the lesser of (x) the fair market value of the property subject to such Lien and (y) the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning. The term "Guarantee" shall not include endorsements of instruments for deposit or collection in the ordinary course of business.

"Guaranty" means the Guaranty Agreement made by the Guarantors in favor of the Lender, substantially in the form of Exhibit C as supplemented from time to time by execution and delivery of Joinder Agreements pursuant to Section 6.05 and as otherwise supplemented, amended, or modified from time to time.

"Guarantors" means, collectively, (a) the Company, (b) the Subsidiary Guarantors, and (c) with respect to (i) Obligations owing by any Loan Party or any Subsidiary of a Loan Party under any Swap Contract and (ii) the payment and performance by each Specified Loan Party of its obligations under its Guarantee with respect to all Swap Obligations, each Borrower.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Hedge Bank" means any Person that, (a) at the time it enters into a Swap Contract not prohibited under Article VI or VII, is the Lender or an Affiliate of the Lender, or (b) at the time it (or its Affiliate) becomes the Lender, is a party to a Swap Contract not prohibited under Article VI or VII, in each case, in its capacity as a party to such Swap Contract.

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments;

(c) net obligations of such Person under any Swap Contract;

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and, in each case, not past due for more than 60 days after the original specified due date thereof, or if such trade account payable has no specified due date, the date on which such trade account payable was created);

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) capital leases and Synthetic Lease Obligations;

(g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends; and

(h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any capital lease or Synthetic Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date. The amount of Indebtedness of the type described in clause (e) above to the extent the recourse for such Indebtedness is limited to recourse against the property subject to the Lien described in clause (e) shall be deemed to be an amount equal to the lesser of (x) the fair market value of the property subject to such Lien and (y) the outstanding amount if indebtedness secured by such Lien. The term "Indebtedness" shall not include (x) customer deposits and interest payable thereon in the ordinary course of business or (y) indebtedness to the extent that it has been defeased or satisfied and discharged in accordance with the terms of the documents governing such indebtedness; provided that (i) to the extent the deposit of assets with the applicable holders (or trustee on behalf of such holders) is required in connection with the defeasance or satisfaction and discharge of such indebtedness, such assets are limited to cash and cash equivalents and (ii) none of the assets associated with such defeasance, or any income earned on such assets, shall be included in the calculation of any financial covenant or ratio or incurrence test hereunder, any borrowing base hereunder or the Prepayment Test Amount.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Indemnitees" has the meaning specified in Section 9.04(b).

"Indenture" means that certain Indenture, dated as of December 4, 2014 (as amended, supplemented and otherwise modified prior to the date hereof, and as further amended, supplemented or otherwise modified from time to time to the extent permitted hereunder), governing the $600,000,000 aggregate principal amount of outstanding 6.0% Senior Subordinated Notes due 2024 of the Company.

"Information" has the meaning specified in Section 9.07.

"Initial Financed Property" means, with respect to any Related Loan, each Financed Property as it existed at the time it was financed by such Loan on the Closing Date or during the Availability Period, as applicable.

"Initial FIRREA Appraisal Value " means, with respect to any Initial Financed Property, the Adjusted FIRREA Appraisal Value applicable to such Initial Financed Property at the time the initial Related Loan was made for such Initial Financed Property.

"Interest Payment Date" means the Automatic Debit Date of each calendar month.

"Interest Period" means a period of approximately one month commencing on the first Business Day of each month and ending on the first Business Day of the following month.

"IRS" means the United States Internal Revenue Service.

"Joinder Agreement" means each Joinder Agreement, substantially in the form of Exhibit D, executed and delivered by a Subsidiary or any other Person to the Lender, pursuant to Section 6.05.

"Laws" means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"Lease" means each operating lease or capital lease of all or any portion of a Financed Property, including but not limited to those leases set forth on Schedule 5.26.

"Lender" has the meaning specified in the introductory paragraph hereto.

"Lender's Office" means, the Lender's address and, as appropriate, account as set forth on Schedule 9.02, or such other address or account as the Lender may from time to time notify to the Company.

"LIBOR" has the meaning specified in the definition of "Eurodollar Rate".

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or

other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"Loan" has the meaning specified in Section 2.01(a).

"Loan Documents" means this Agreement, the Master Note, each Mortgage, each other Security Instrument, any Joinder Agreement and the Guaranty.

"Loan Notice" means a notice of (a) a Borrowing relating to one or more Financed Properties, or (b) a conversion of Loans from one Type to the other, pursuant to Section 2.02(a), which, if in writing, shall be substantially in the form of Exhibit A.

"Loan Parties" means, collectively, the Company, each Borrower, each Guarantor, and each Person (other than the Lender or any landlord executing a landlord waiver) executing a Security Instrument.

"London Banking Day" means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

"Marietta/2086 Cobb Financed Property" means the Financed Property located at 2086 Cobb Parkway SE, Marietta, Georgia.

"Marietta/2086 Cobb Cell Tower Lessee" means the current lessee of a portion of the Marietta/2086 Cobb Financed Property for use as the site of a cell tower.

"Marietta/2086 Cobb Restaurant Lessee" means the current lessee of a portion of the Marietta/2086 Cobb Financed Property for use as a restaurant.

"Master Note" means a master promissory note made by the Borrowers in favor of the Lender, evidencing Loans made by the Lender, substantially in the form of Exhibit B.

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), or financial condition of the Company and its Subsidiaries taken as a whole; (b) a material impairment of the rights and remedies of the Lender under any Loan Document, or of ability of the Loan Parties taken as a whole to perform their respective obligations under the respective Loan Documents to which any of them is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Loan Parties taken as a whole of the Loan Documents.

"Maturity Date" means the earlier of (i) November 13, 2025, (ii) the maturity date of the Syndicated Credit Agreement (as amended from time to time, including amendments which extend the maturity date thereunder) if such maturity date is earlier than July 25, 2021, (iii) April 25, 2021, if the Syndicated Credit Agreement is not refinanced, replaced or restated prior to April 25, 2021 or the maturity date of the Syndicated Credit Agreement has not been extended beyond July 25, 2021 and (iv) if the Syndicated Credit Agreement is refinanced, replaced or restated with a credit facility having a maturity date prior to November 13, 2025, or if the maturity date of the Syndicated Credit Agreement has been extended beyond July 25, 2021 but before November 13, 2025, such prior maturity date; provided, however, that, in each case, if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day.

"Memorandum of Lease" means each memorandum of lease of all or any portion of a Financed Property.

"Mortgage Permitted Liens" means, with respect to any Financed Property, the "Permitted Liens" as defined in the Mortgage for such Financed Property.

"Mortgaged Property" means, with respect to any Financed Property, the "Mortgaged Property" as defined in the Mortgage related to such Financed Property.

"Mortgages" means, collectively, the mortgages, deeds of trust or security deeds now or hereafter encumbering any portion of any Borrower's interests in the Financed Properties and other property as described therein in favor of, or for the benefit of, the Lender.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Company or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"Multiple Employer Plan" means a Plan which has two or more contributing sponsors (including the Company or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"New Vehicle" means a Vehicle which has never been owned except by a manufacturer, distributor or dealer and has never been registered.

"Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Secured Hedge Agreement, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding; provided, that Obligations of a Loan Party shall exclude any Excluded Swap Obligation with respect to such Loan Party.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"Organization Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable 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.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.05).

"Outstanding Amount" means, on any date, the aggregate outstanding principal amount of all Loans after giving effect to any borrowings and prepayments or repayments of Loans occurring on such date.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Act" means the Pension Protection Act of 2006.

"Pension Funding Rules" means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, after the effective date of the Pension Act, Sections 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

"Pension Plan" means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by the Company and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

"Permitted Financed Property Disposition" means a sale of a Financed Property in whole or in part by a Borrower, provided that (i) such Financed Property is sold at a time when no Default or Event of Default exists, (ii) such sale shall be on fair and reasonable terms substantially as favorable to such Borrower as would be obtainable by such Borrower at the time in an arm's-length commercial transaction, (iii) substantially simultaneously with such sale, such Borrower shall either (x) repay to the Lender in full the entire outstanding principal balance of the Loan associated with such Financed Property and all accrued and unpaid interest and any fees associated therewith or (y) effectuate a Collateral Substitution pursuant to the terms and conditions of this Agreement, and (iv) in the event of any such Collateral Substitution, the Collateral Substitution Test shall have been met.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan), maintained for employees of the Company or any ERISA Affiliate or any such Plan to which the Company or any ERISA Affiliate is required to contribute on behalf of any of its employees.

"Principal Amortization Payment Date" means, with respect to any Loan made as of the Closing Date, the first Business Day of each January, April, July and October commencing January 1, 2019, and with respect to any Loan made after the Closing Date, the first Business Day of each January, April, July and October which is more than 90 days after the date on which such Loan as made.

"Property Pool" means, collectively, as of any date, the Financed Properties constituting Collateral as of such date.

"Qualified ECP Guarantor" shall mean, at any time, each Loan Party with total assets exceeding $10,000,000 or that qualifies at such time as an "eligible contract participant" under the Commodity Exchange Act and can cause another Person to qualify as an "eligible contract participant" at such time under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"Real Estate Support Documents" means, for each Financed Property, (a) mortgagee title insurance policies (in amounts and with endorsements reasonably acceptable to the Lender and insuring over, and without exception for, any then existing or future mechanics, materialmen or similar Liens), and such surveys (certified to the Lender and applicable title insurance company), zoning reports, appraisals (including FIRREA Appraisals), environmental reports (including Phase I and if requested by the Lender, Phase II environmental assessments) and other mortgage-related documents, as the Lender may reasonably request, (b) a lessee estoppel, subordination and attornment agreement in substantially the form attached hereto as Exhibit E, or such other form as the Lender may accept in its sole discretion, (c) third party consents, flood hazard certifications, and evidence of flood insurance (if required), as the Lender may reasonably request; and (d) such lessee's affidavits and opinions of local counsel with respect to the Mortgages as the Lender may reasonably request. Each Phase I or Phase II environmental assessment described above shall be (i) prepared by an environmental expert acceptable to the Lender and (ii) dated as of a date within twelve (12) months before the Closing Date (or, if the applicable Financed Property is an Added Property, a date within twelve (12) months before the date of addition of such property to the Property Pool).

"Recipient" means the Lender or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder.

"Related Loan" means, with respect to any Financed Property, (a) the Loan made with respect to such Financed Property or (b) the Loan made with respect to another Financed Property that was replaced by such Financed Property (either directly through a Collateral Substitution or indirectly through a series of successive Collateral Substitutions).

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Remaining Property" has the meaning specified in the definition of "Collateral Substitution Test".

"Removal Event" has the meaning specified in the definition of "Syndicated Credit Agreement".

"Removed Property" has the meaning specified in the definition of "Collateral Substitution".

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

"Revolving Administrative Agent" has the meaning specified in the definition of Syndicated Credit Agreement.

"Responsible Officer" means the chief executive officer, president, chief financial officer, treasurer, assistant treasurer or controller of a Loan Party and solely for purposes of the delivery of incumbency certificates pursuant to Section 4.01, the secretary or any assistant secretary of a Loan Party and, solely for purposes of notices given pursuant to Article II, any other officer or employee of the applicable Loan Party so designated by any of the foregoing officers in a notice to the Lender. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

"Sanction(s)" means any international economic sanction administered or enforced by the United States Government (including without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Secured Hedge Agreement" means any Swap Contract permitted under Article VII that is (a) entered into by and between any Loan Party and any Hedge Bank and (b) related to any Loan or portion thereof.

"Security Instruments" means, collectively or individually as the context may indicate, the Mortgages and all other agreements, instruments and other documents, whether now existing or hereafter in effect, pursuant to which any Borrower, any other Loan Party or any other Person shall grant or convey to the Lender a Lien on, or any other Person shall acknowledge any such Lien on, property as security for all or any portion of the Obligations, any other obligation under any Loan Document.

"Specified Financed Properties" means the Financed Properties owned by Atlanta Real Estate Holdings L.L.C. and located at 2551 The Nalley Way, Atlanta, GA 30360, 2550 The Nalley Way, Atlanta, GA 30360 and 2500 The Nalley Way, Atlanta, GA 30360.

"Specified Loan Party" means any Loan Party that is not then an "eligible contract participant" under the Commodity Exchange Act (determined prior to giving effect to Section 9.18).

"Subordination and Attornment Agreement" has the meaning specified in Section 7.06.

"Subsequent Provision" means (a) any amendment to, consent to, or waiver of any covenant or agreement contained in Article VI (Affirmative Covenants) or Article VII (Negative Covenants) of the Syndicated Credit Agreement which has been incorporated by reference into Article VI (Affirmative Covenants) or Article VII (Negative Covenants) or (b) any covenant or agreement that is added to Article VI (Affirmative Covenants) or Article VII (Negative Covenants) of the Syndicated Credit Agreement, in each case after the date hereof (and including pursuant to any amendment or restatement of the Syndicated Credit Agreement), as such amended or additional covenant, or agreement is in effect on the date so amended or added (without giving effect to any subsequent amendment or other modification thereof unless the terms thereof qualify as a "Subsequent Provision" hereunder); provided that, in the event Bank of America shall have received any amendment, consent, waiver or work fee in its capacity as a "Lender" under the Syndicated Credit Agreement in connection with such amendment, consent, amendment and restatement, waiver or agreement, (a "Syndicated Lender Fee"), in order for such amendment, consent, amendment and restatement, wavier or agreement to be considered a "Subsequent Provision" hereunder, the Lender shall have received fees equal to (x) fifty percent (50%) times (y) the basis points used in calculating the Syndicated Lender Fee times (z) the Outstanding Amount, received by Bank of America (in its capacity as a lender) under the Syndicated Credit Agreement; provided further however, (A) such fees shall not exceed five (5) basis points of the Outstanding Amount and (B) such fees shall only be required to be paid in the case when such Subsequent Provision provides an accommodation to or is otherwise less restrictive on the Company and its Subsidiaries than the covenants and agreements in effect immediately prior to such Subsequent Provision.

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Company.

"Subsidiary Guarantors" means, collectively, all Subsidiaries executing the Guaranty on the Closing Date and all other Subsidiaries that enter into a Joinder Agreement as a Subsidiary Guarantor.

"Swap Contract" means any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement.

"Swap Obligations" means with respect to any Guarantor any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include the Lender or any Affiliate of the Lender).

"Syndicated Credit Agreement" means that certain Second Amended and Restated Credit Agreement dated as of July 25, 2016 among the Company, as a Borrower, certain of its Subsidiaries as Vehicle Borrowers, Bank of America, N.A., as Administrative Agent (in such capacity, the "Revolving Administrative Agent"), Revolving Swing Line Lender, New Vehicle Floorplan Swing Line Lender and Used Vehicle Floorplan Swing Line Lender and L/C Issuer, and the other lenders party thereto, as the same Second Amended and Restated Credit Agreement may be amended, amended and restated, modified, supplemented or replaced from time to time, provided, that, at the time upon which Bank of America (i) is no longer the Revolving Administrative Agent or (ii) is no longer the left-lead arranger (either event of clause (i) or (ii) above being hereinafter referred to as a "Removal Event") under such facility (including any such replacement facility), any references herein to the Syndicated Credit Agreement shall be to the Syndicated Credit Agreement as in effect immediately prior to such Removal Event. In the event that (x) all outstanding loans and other obligations under the then existing Syndicated Credit Agreement have been paid in full (other than (1) contingent indemnification obligations as to which no claim has been made and (2) obligations and liabilities under secured hedge agreements as to which arrangements satisfactory to the applicable hedge bank have been made), (y) all commitments under such Syndicated Credit Agreement have terminated and (z) such Syndicated Credit Agreement has not been replaced by a credit agreement that constitutes a Syndicated Credit Agreement (such event satisfying all of conditions (x), (y) and (z) being referred to as an "SCA Termination Event"), any references herein to the Syndicated Credit Agreement shall be to the Syndicated Credit Agreement as in effect immediately prior to such SCA Termination Event.

"Synthetic Lease Obligation" means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Type" means with respect to a Loan, its character as a Base Rate Loan or a Eurodollar Rate Loan.

"UCC" means the Uniform Commercial Code as in effect in the State of New York; provided that, if perfection or the effect of perfection or non-perfection or the priority of any security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"United States" and "U.S." mean the United States of America.

"Used Vehicle" means a Vehicle other than a New Vehicle.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"Vehicle" means any automobile or truck approved for highway use by any State of the United States.

"2013 Real Estate Credit Agreement" means the Credit Agreement dated as of September 26, 2013 among the Company, certain of its Subsidiaries, as Borrowers, and Bank of America, N.A., as lender, as the same Credit Agreement may be amended, amended and restated, modified, supplemented or replaced from time to time.

1.02 Other Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Any capitalized terms used herein but not defined herein that are defined in the UCC shall have the respective meanings assigned to such terms in the UCC. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "hereto," "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

(d) Any reference herein to a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of or by a limited liability company, or any allocation of assets to a series of a limited liability company (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company shall constitute a separate Person hereunder (and each division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

1.03 Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Company and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Company or the Lender shall so request, the Lender and the Company shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Company shall provide to the Lender financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Notwithstanding anything else set forth herein, any lease that was or would have been treated as an operating lease under GAAP as in effect on the Closing Date that would become or be treated as a capital lease solely as a result of a change in GAAP after the Closing Date shall always be treated as an operating lease for all purposes and at all times under this Agreement; provided that, the Company shall nonetheless provide to the Lender financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

(c) Rounding. Any financial ratios required to be maintained by the Company pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.04 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

1.05 References to Defined Terms in the Syndicated Credit Agreement.

(a) The following terms shall have the meanings assigned thereto in the Syndicated Credit Agreement, as of the date hereof:

(i) Acquisition,

(ii) Aggregate Revolving Commitments,

(iii) Approved Fund,

(iv) Available Unused Revolving Commitments,

(v) Investment,

(vi) New Vehicle Floorplan Commitments,

(vii) Permitted Floorplan Indebtedness,

(viii) Permitted Liens,

(ix) Permitted Real Estate Debt,

(x) Restricted Subsidiary,

(xi) Revolving Commitments,

(xii) Subordinated Indebtedness,

(xiii) Subordinated Indenture Indebtedness, and

(xiv) Used Vehicle Floorplan Commitments.

(b) The following terms shall have the meanings assigned thereto in the Syndicated Credit Agreement in effect from time to time (including all related defined terms referred to therein), provided that, in the event of any Removal Event, any references to such terms shall be as such terms were defined in the Syndicated Credit Agreement as in effect immediately prior to such Removal Event:

(i) Change of Control, and

(ii) Threshold Amount.

ARTICLE II. THE COMMITMENTS AND LOANS

2.01 Loans. Subject to the terms and conditions set forth herein, the Lender agrees to make up to fourteen (14) term loans (each such term loan, a "Loan") to the Borrowers from time to time on any Business Day during the Availability Period; provided however, that, (a) each Loan shall be made to the applicable Borrower with respect to a single Financed Property (except that in the case of the Specified Financed Properties, a Loan may be made to the applicable Borrower with respect to all three Specified Financed Properties) identified in the Loan Notice for such Loan (it being understood and agreed that any Financed Property may only be used for one such Loan); (b) each Loan shall be made only on a Business Day; (c) more than one Loan may be made on the same day, but the number of days on which Loans are made shall not exceed four (4) in the aggregate; (d) after giving effect to any Borrowing, the aggregate Outstanding Amount shall not exceed the Lender's Commitment; (e) the aggregate principal amount of the applicable Loan with respect to any Financed Property or Financed Properties (i) identified on Schedule 2.01 shall not exceed the amount indicated with respect to such property or properties under the column "Maximum Amount" on Schedule 2.01 or (ii) included in the Property Pool pursuant to clause (e)(ii) below shall not exceed an amount equal to eighty-five percent (85%) of the Adjusted FIRREA Appraisal Value of such Financed Property; and (f) no Loan shall be advanced with respect to any Financed Property other than those properties (i) listed on Schedule 2.01 or (ii) for which all the requirements set forth in Section 4.02(d) have been satisfied. The principal amount of each Loan outstanding hereunder from time to time shall bear interest, and the Loans shall be repayable, in each case, as herein provided. No amount of any Loan repaid or prepaid by any Borrower may be reborrowed. Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein. No Financed Property may be the subject of more than one Loan.

2.02 Borrowings, Conversions and Continuations of Loans.

(a) Each Borrowing and each conversion of Loans from one Type to the other shall be made upon the Company's irrevocable notice to the Lender, which may be given by telephone. Each such notice must be received by the Lender not later than 1:00 p.m. (i) one Business Day prior to the requested date of any Borrowing of Eurodollar Rate Loans or of any conversion of Eurodollar Rate Loans to Base Rate Loans, and (ii) one Business Day prior to the requested date of any Borrowing of Base Rate Loans; provided that any such notice of Borrowing delivered in connection with initial funding on the Closing Date may be provided on the Closing Date. Each telephonic notice by the Company pursuant to this Section 2.02(a) must be confirmed promptly by delivery to the Lender of a written Loan Notice, appropriately completed and signed by a Responsible Officer of the Company. Each Borrowing of, conversion to or continuation of Eurodollar Rate Loans shall be in a principal amount of $1,000,000 or a whole multiple of $100,000 in excess thereof. Each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof. Each Loan Notice (whether telephonic or written) shall specify (i) whether the Company is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of Eurodollar Rate Loans, (ii) the requested date of the Borrowing or conversion, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed or converted, (iv) the Type of Loans to be borrowed or to which existing Loans are to be converted, (v) the applicable Borrower and (vi) the applicable Financed Property or Financed Properties. If the Company fails to provide a timely Loan Notice requesting a conversion of Eurodollar Rate Loans to Base Rate Loans, such Loans shall, subject to Article III, continue as Eurodollar Rate Loans. If the Company fails to specify a Type of Loan in a Loan Notice, then the applicable Loans shall, subject to Article III, be made as, or converted to, Eurodollar Rate Loans.

(b) Upon satisfaction of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is an initial Borrowing, Section 4.01), the Lender shall make all funds available to the applicable Borrower either by (i) crediting the account of such Borrower on the books of the Lender with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Lender by the Company.

(c) The Lender shall promptly notify the Company of the interest rate applicable to any Eurodollar Rate Loans upon determination of such interest rate. At any time that Base Rate Loans are outstanding, the Lender shall notify the Company of any change in Bank of America's prime rate used in determining the Base Rate promptly following the public announcement of such change.

2.03 Prepayments; Termination or Reduction of Commitment.

(a) Each Borrower may, upon notice by the Company to the Lender, at any time or from time to time voluntarily prepay Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Lender not later than 1:00 p.m. on the date of prepayment of such Loans; (ii) any prepayment of Loans shall be (A) in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof, or (B) in the case of the prepayment in full of any Loan with respect to a particular Financed Property or particular Financed Properties, in the aggregate outstanding amount of the Loan made in connection with such Financed Property or Financed Properties and all accrued but unpaid interest thereon. Each such notice shall specify the

date and amount of such prepayment, the Type(s) of Loans to be prepaid and the particular Financed Property or Financed Properties relating to each Loan being prepaid. If such notice is given by the Company, the applicable Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Each such prepayment shall be applied to the remaining installments of principal of the Loans in the inverse order of maturity.

(b) If for any reason the Outstanding Amount at any time exceeds the Commitment then in effect, the Borrowers shall immediately prepay Loans in an aggregate amount equal to such excess. The Lender, in its sole discretion, shall determine which Loans (or portions thereof) are deemed prepaid by such prepayment.

(c) If the Austin Financed Property or any building located at such Financed Property is damaged or destroyed to such an extent that, under applicable Law, such Financed Property or such building may not be repaired, redeveloped or rebuilt or such Financed Property may not be used as a Vehicle dealership (an "Austin Casualty Event"), then the Borrowers shall, within twelve (12) months after the date of such Austin Casualty Event, either: (a) repay to the Lender the entire outstanding principal balance of any Loan associated with the Austin Financed Property and all accrued and unpaid interest and any fees associated therewith, (b) obtain an amendment to, or a variance under, such Law so that such repair, redevelopment or rebuilding is permitted and the Austin Financed Property may continue to be used as a Vehicle dealership at all times after the end of such 12-month period, or (c) effectuate a Collateral Substitution for the entire Austin Financed Property pursuant to the terms and conditions of this Agreement, and, in the case of such a Collateral Substitution, satisfy the Collateral Substitution Test.

2.04 Repayment of Loans.

(a) Each Borrower shall make quarterly amortization payments with respect to each of its respective Loans on each Principal Amortization Payment Date. Each such quarterly amortization payment shall be in an amount equal to 1.25% of the initial principal amount of such Loan.

(b) The Borrowers shall repay to the Lender on the date of any Permitted Financed Property Disposition any amounts required to be paid as set forth in the definition of "Permitted Financed Property Disposition."

(c) The Borrowers shall repay to the Lender on the Maturity Date the aggregate principal amount of Loans outstanding on such date.

2.05 Interest.

(a) Subject to the provisions of subsection (b) below, (i) each Eurodollar Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Eurodollar Rate plus the Applicable Rate; and (ii) each Base Rate Committed Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate.

(b)

(i) If any amount of principal of any Loan is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) Upon the request of the Lender, if any amount (other than principal of any Loan) payable by any Borrower under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iii) Upon the request of the Lender, while any Event of Default exists (other than as set forth in clauses (b)(i) and (b)(ii) above), the applicable Borrowers shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iv) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.06 Automatic Debit Authorization. The Company and each Borrower hereby agree that interest on Loans and principal payments with respect to Loans required to be paid pursuant to this Agreement may be deducted from the Company's account with Bank of America referenced below or such other account as identified in writing by the Company from time to time:

Account Name: **Asbury Automotive Group, LLC**

Account Name: **3447413354**

ABA Number: **026009593**

Bank: **Bank of America, N.A.**

Without limiting the generality of the foregoing, the Lender may debit such account (a) for interest on each Interest Payment Date and on the Maturity Date and (b) for scheduled principal payments on each Principal Amortization Payment Date and on the Maturity Date. The Company and the Borrowers will maintain sufficient funds in the account on the dates the Lenders enters debits authorized by this Section. If there are insufficient funds in the account on the date the Lender enters any debit authorized by this Agreement, the debit will be reversed. Nothing contained in

this Section will alter any obligation of any Loan Party to pay any amount required by this Agreement or any other Loan Document.

2.07 Computation of Interest and Fees; Retroactive Adjustments of Applicable Rate. All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to the Eurodollar Rate) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.09(a), bear interest for one day. Each determination by the Lender of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

2.08 Evidence of Debt. The Loans made by the Lender shall be evidenced by one or more accounts or records maintained by the Lender in the ordinary course of business. The accounts or records maintained by the Lender shall be conclusive absent manifest error of the amount of the Loans made by the Lender to the Borrowers and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrowers hereunder to pay any amount owing with respect to the Obligations. Upon the request of the Lender, the Borrowers shall execute and deliver to the Lender a Master Note, which shall evidence the Loans in addition to such accounts or records. The Lender may attach schedules to the Master Note and endorse thereon the date, Type (if applicable), amount and maturity of the Loans and payments with respect thereto.

2.09 Payments Generally.

(a) General. All payments to be made by any Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by any Borrower hereunder shall be made to the Lender, at the Lender's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. All payments received by the Lender after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by any Borrower or the Company shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) Funding Source. Nothing herein shall be deemed to obligate the Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by the Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.10 Borrowers.

(a) Effective as of the date hereof, each Subsidiary that has executed this Agreement as a Borrower shall be a "Borrower" hereunder and may receive or cause the Company (as agent for such Subsidiary) to receive Loans for the account of such Subsidiary on the terms and conditions set forth in this Agreement.

(b) In the event of any proposed Collateral Substitution wherein any Subsidiary which owns the real property proposed to be a Financed Property in connection with such Collateral Substitution is not an existing Borrower, the Company shall designate such Subsidiary as a Borrower and such Subsidiary shall deliver the documents required by Section 6.05 prior to or substantially simultaneously with such proposed Financed Property entering the Property Pool, including the delivery of a Joinder Agreement executed by such Subsidiary identifying such Subsidiary as a Borrower. The parties hereto acknowledge and agree that prior to any such Subsidiary becoming entitled to receive Loans hereunder, the Lender shall have received the documents required by Section 6.05. Upon satisfaction of the foregoing requirements and any other requirements herein applicable to any such Subsidiary becoming a Borrower hereunder and any proposed Financed Property entering the Property Pool, the Lender agrees to permit such Borrower to receive Loans hereunder on the terms and conditions set forth herein, and each of the parties agrees that such Borrower otherwise shall be a Borrower for all purposes of this Agreement.

(c) Notwithstanding any other provision of this Agreement, each Borrower shall be jointly and severally liable as a primary obligor, and not merely as surety, for any and all Obligations, whether voluntary or involuntary and however arising, whether direct or acquired by the Lender by assignment or succession, whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined (such Obligations, the "Borrowers' Liabilities").

(d) Each Borrower expressly waives any and all defenses now or hereafter arising or asserted by reason of (i) any lack of legality, validity or enforceability of this Agreement, of the Master Note, of any other Loan Document, or of any other agreement or instrument creating, providing security for, or otherwise relating to any of the Obligations or any guaranty of any of the Borrowers' Liabilities (the Loan Documents and all such other agreements and instruments being collectively referred to as the "Related Agreements"); (ii) any action taken under any of the Related Agreements, any exercise of any right or power therein conferred, any failure or omission to enforce any right conferred thereby, or any waiver of any covenant or condition therein provided; (iii) any acceleration of the maturity of any of the Borrowers' Liabilities or of any other obligations or liabilities of any Person under any of the Related Agreements; (iv) any release, exchange, non-perfection, lapse in perfection, disposal, deterioration in value, or impairment of any security for any of the Borrowers' Liabilities, or for any other obligations or liabilities of any Person under any of the Related Agreements; (v) any dissolution of any Borrower, any Loan Party or any other party to a Related Agreement, or the combination or consolidation of any Borrower, any Loan Party or any other party to a Related Agreement into or with another entity or any transfer or disposition of any assets of any Borrower, any Loan Party or any other party to a Related Agreement; (vi) any extension (including without limitation extensions of time for payment), renewal, amendment, restructuring or restatement of, any acceptance of late or partial payments under, or any change in the amount of any borrowings or any credit facilities available under, this Agreement, the Master Note or any other Loan Document or any other Related Agreement, in whole or in part; (vii) the existence, addition, modification, termination, reduction or impairment of value, or release of any other guaranty (or security therefor) of the Borrowers' Liabilities; (viii) any waiver of, forbearance or indulgence under, or other consent to any change in or departure from any term or provision contained in this Agreement, any other Loan Document or any other Related Agreement, including without limitation any term pertaining to the payment or performance of any of the Borrowers' Liabilities, or any of the obligations or liabilities of any party to any other Related Agreement; and

(ix) any other circumstance whatsoever (with or without notice to or knowledge of such Borrower) which may or might in any manner or to any extent vary the risks of such Borrower, or might otherwise constitute a legal or equitable defense available to, or discharge of, a surety or a guarantor, including without limitation any right to require or claim that resort be had to any Borrower or any other Loan Party or to any collateral in respect of the Borrowers' Liabilities. It is the express purpose and intent of the parties hereto that the joint and several liability of each Borrower for the Borrowers' Liabilities shall be absolute and unconditional under any and all circumstances and shall not be discharged except by payment as herein provided. Notwithstanding the foregoing, the liability of each Borrower with respect to its Borrowers' Liabilities shall be limited to an aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance under Section 548 of the Bankruptcy Code of the United States or any comparable provisions of any applicable state law.

(e) Each Borrower hereby irrevocably appoints the Company as its agent for all purposes relevant to this Agreement and each of the other Loan Documents, including (i) the giving and receipt of notices, (ii) the execution and delivery of all documents, instruments and certificates contemplated herein and all modifications hereto, and (iii) the receipt of the proceeds of any Loan made by the Lender to any such Borrower hereunder. Any acknowledgment, consent, direction, certification or other action which might otherwise be valid or effective only if given or taken by all Borrowers, or by any Borrower acting singly, shall be valid and effective if given or taken only the Company, whether or not any such other Borrower joins therein. Any notice, demand, consent, acknowledgement, direction, certification or other communication delivered the Company in accordance with the terms of this Agreement shall be deemed to have been delivered the Company and each other Borrower.

2.11 [Reserved].

2.12 Amendments to 2013 Real Estate Credit Agreement. At such time as the outstanding amount of the Loans hereunder exceeds $20,000,000, Bank of America, N.A., in its capacity as the lender under the 2013 Real Estate Credit Agreement, agrees to enter into an amendment to the 2013 Real Estate Credit Agreement to (a) reduce the interest rate pricing (including "Applicable Rates") thereunder to match the interest rate pricing (including Applicable Rates) in this Agreement, (b) amend the definition of "Syndicated Credit Agreement" in the 2013 Real Estate Credit Agreement to match the definition of "Syndicated Credit Agreement" in this Agreement and (c) add a covenant substantively similar to Section 6.12, provided that the amendment to the 2013 Real Estate Credit Agreement would not (y) permit raw land that is not under development or (z) contain exceptions for (i) the use of a portion of the Marietta/2086 Cobb Financed Property as a restaurant or (ii) the use of a portion of the Marietta/2086 Cobb Financed Property for use as the site of a cell tower.

ARTICLE III. TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes,

except as required by applicable Laws. If any applicable Laws (as determined in the good faith discretion of the Lender) require the deduction or withholding of any Tax from any such payment by the Lender or a Loan Party, then the Lender or such Loan Party shall be entitled to make such deduction or withholding, upon the basis of the information and documentation to be delivered pursuant to this Agreement.

(ii) If any Loan Party or the Lender shall be required by the Code to withhold or deduct any Taxes, including both United States Federal backup withholding and withholding taxes, from any payment, then (A) the Lender shall withhold or make such deductions as are determined by the Lender to be required based upon the information and documentation it has received pursuant to this Agreement, (B) the Lender shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the Code, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(iii) If any Loan Party or the Lender shall be required by any applicable Laws other than the Code to withhold or deduct any Taxes from any payment, then (A) such Loan Party or the Lender, as required by such Laws, shall withhold or make such deductions as are determined by it to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) such Loan Party or the Lender, to the extent required by such Laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Borrowers. Without limiting the provisions of subsection (a) above, each Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Lender timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnifications.

(i) Each Borrower shall, and does hereby, jointly and severally indemnify each Recipient, and shall make payment in respect thereof within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the

relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Company by the Lender shall be conclusive absent manifest error.

(ii) The Lender shall, and does hereby, severally indemnify, and shall make payment in respect thereof within 10 days after demand therefor, the Borrowers, as applicable, against any Excluded Taxes attributable to such Lender that are payable or paid by a Borrower in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority.

(d) Evidence of Payments. Upon request by any Borrower or the Lender after any payment of Taxes by any Borrower or the Lender to a Governmental Authority as provided in this Section 3.01, such Borrower shall deliver to the Lender or the Lender shall deliver to such Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to the Company or such Borrower or the Lender, as the case may be.

(e) Status of Lender; Tax Documentation.

(i) If Lender is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document, the Lender shall deliver to the Company, at the time or times reasonably requested by the Company, such properly completed and executed documentation reasonably requested by the Company as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, the Lender, if reasonably requested by the Company, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Company as will enable the Company to determine whether or not the Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(e)(ii)(A), and (ii)(B) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject the Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of the Lender.

(ii) Without limiting the generality of the foregoing, in the event that any Borrower is a U.S. Person,

(A) the Lender (to the extent it is a U.S. Person) shall deliver to the Company on or prior to the Closing Date (and from time to time thereafter upon the reasonable request of the Company), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) in the event Lender is a Foreign Lender, such Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Company (in such number of copies as shall be requested by the recipient) on or prior to the date on which such

Foreign Lender becomes the Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Company), whichever of the following is applicable:

(I) in the case of any such Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(II) executed originals of IRS Form W-8ECI;

(III) in the case of any such Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit G-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of any Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN; or

(IV) to the extent any such Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-2 or Exhibit G-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if such Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-4 on behalf of each such direct and indirect partner;

(C) in the event Lender is a Foreign Lender, any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Company (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Company), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Company to determine the withholding or deduction required to be made; and

(D) if a payment made to the Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if the Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), the Lender shall deliver to the Company at the time or times prescribed by law and at such time or times reasonably requested by the Company such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Company as may be necessary for the Company to comply with its obligations under FATCA and to determine that the Lender has complied with the Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (B), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iii) Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Company and the Lender in writing of its legal inability to do so.

(f) Treatment of Certain Refunds. If any Recipient determines, in its sole discretion, that it has received a refund of any Taxes as to which it has been indemnified by the Company or any other Borrower or with respect to which the Company or any Borrower has paid additional amounts pursuant to this Section 3.01, it shall pay to the Company or such Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Company under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Company and each other Borrower, upon the request of the Recipient, agrees to repay the amount paid over to the Company or such Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to the Company or any other Borrower pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Company, any Borrower, or any other Person.

(g) Survival. Each party's obligations under this Section 3.01 shall survive any assignment of rights by, the Lender, the termination of the Commitment and the repayment, satisfaction or discharge of all other Obligations.

3.02 Illegality. If the Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for the Lender or its Lender's Office to make, maintain or fund Loans whose interest is determined by reference to the Eurodollar Rate, or to determine or charge interest rates based upon the Eurodollar Rate, or any Governmental Authority has imposed material restrictions on the authority of the Lender to purchase or sell, or to take deposits

of, Dollars in the London interbank market, then, on notice thereof by the Lender to the Company, (a) any obligation of the Lender to make or continue Eurodollar Rate Loans or to convert Base Rate Loans to Eurodollar Rate Loans shall be suspended, and (b) if such notice asserts the illegality of the Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Eurodollar Rate component of the Base Rate, the interest rate on which Base Rate Loans of the Lender shall, if necessary to avoid such illegality, be determined by the Lender without reference to the Eurodollar Rate component of the Base Rate, in each case until the Lender notifies the Company that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (i) each Borrower (jointly and severally) shall, upon demand from the Lender, prepay or, if applicable, convert all Eurodollar Rate Loans to Base Rate Loans (the interest rate on which Base Rate Loans shall, if necessary to avoid such illegality, be determined by the Lender without reference to the Eurodollar Rate component of the Base Rate), either on the last day of the Interest Period therefor, if the Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or immediately, if the Lender may not lawfully continue to maintain such Eurodollar Rate Loans and (ii) if such notice asserts the illegality of the Lender determining or charging interest rates based upon the Eurodollar Rate, the Lender shall during the period of such suspension compute the Base Rate without reference to the Eurodollar Rate component thereof until the Lender determines that it is no longer illegal for the Lender to determine or charge interest rates based upon the Eurodollar Rate. Upon any such prepayment or conversion, each Borrower (jointly and severally) shall also pay accrued interest on the amount so prepaid or converted.

3.03 Inability to Determine Rates.

(a) If in connection with any request for a Eurodollar Rate Loan or a conversion to or continuation thereof, (i) the Lender determines that (A) Dollar deposits are not being offered to banks in the applicable offshore interbank market for such currency for the applicable amount and Interest Period of such Eurodollar Rate Loan, or (B) adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or in connection with an existing or proposed Base Rate Loan (in each case with respect to clause (i) above, "Impacted Loans"), or (ii) the Lender determines that for any reason the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan does not adequately and fairly reflect the cost to the Lender of funding such Eurodollar Rate Loan, the Lender will promptly so notify the Company. Thereafter, (x) the obligation of the Lender to make or maintain Eurodollar Rate Loans shall be suspended (to the extent of the affected Eurodollar Rate Loans or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the Eurodollar Rate component of the Base Rate, the utilization of the Eurodollar Rate component in determining the Base Rate shall be suspended, in each case until the Lender revokes such notice. Upon receipt of such notice, the Company may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans (to the extent of the affected Eurodollar Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein. Notwithstanding the foregoing, if the Lender has made the determination described in clause (i) of the first sentence of this clause (a), the Lender, in consultation with the Company, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (1) the Lender revokes

the notice delivered with respect to the Impacted Loans under clause (i) of the first sentence of this section, (2) the Lender notifies the Company that such alternative interest rate does not adequately and fairly reflect the cost to the Lender of funding the Impacted Loans, or (3) the Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for the Lender or its applicable Lender's Office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of the Lender to do any of the foregoing and provides the Company written notice thereof.

(b) LIBOR Successor Rate. Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, if the Lender determines (which determination shall be conclusive absent manifest error), or the Borrowers notify the Lender that the Borrowers have determined, that:

(i) adequate and reasonable means do not exist for ascertaining LIBOR for any applicable interest period, including, without limitation, because the LIBOR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) the administrator of the LIBOR Screen Rate or a Governmental Authority having jurisdiction over the Lender has made a public statement identifying a specific date after which LIBOR or the LIBOR Screen Rate shall no longer be made available, or used for determining the interest rate of loans (such specific date, the "Scheduled Unavailability Date"), or

(iii) syndicated loans currently being executed, or that include language similar to that contained in this Section, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace LIBOR,

then, reasonably promptly after such determination by the Lender or receipt by the Lender of such notice, as applicable, the Lender and the Borrowers may amend this Agreement to replace LIBOR with an alternate benchmark rate (including any mathematical or other adjustments to the benchmark (if any) incorporated therein), giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated syndicated credit facilities for such alternative benchmarks (any such proposed rate, a "LIBOR Successor Rate"), together with any proposed LIBOR Successor Rate Conforming Changes (as defined below) and any such amendment shall become effective at 5:00 p.m. (New York time) on the fifth Business Day after the Lender shall have posted such proposed amendment to the Borrowers.

If no LIBOR Successor Rate has been determined and the circumstances under clause (i) above exist or the Scheduled Unavailability Date has occurred (as applicable), the Lender will promptly so notify the Borrower. Thereafter, (x) any obligation of the Lender to make or maintain Loans based on LIBOR shall be suspended (to the extent of the affected Loans or applicable interest periods), and (y) the LIBOR Rate component shall no longer be utilized in determining the Base Rate. Upon receipt of such notice, any affected Loans will be subject to the foregoing clause (y).

Notwithstanding anything else herein, any definition of LIBOR Successor Rate shall provide that in no event shall such LIBOR Successor Rate be less than zero for purposes of this Agreement.

As used above:

"LIBOR Screen Rate" means the LIBOR quote on the applicable screen page the Lender designates to determine LIBOR (or such other commercially available source providing such quotations as may be designated by the Lender from time to time).

"LIBOR Successor Rate Conforming Changes" means, with respect to any proposed LIBOR Successor Rate, any conforming changes to the definition of Base Rate, timing and frequency of determining rates and making payments of interest and other administrative matters as may be appropriate, in the discretion of the Lender, to reflect the adoption of such LIBOR Successor Rate and to permit the administration thereof by the Lender in a manner substantially consistent with market practice (or, if the Lender determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such LIBOR Successor Rate exists, in such other manner of administration as the Lender determines in consultation with the Borrower).

3.04 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Lender (except any reserve requirement contemplated by Section 3.04(e));

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on the Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Eurodollar Rate Loans made by the Lender;

and the result of any of the foregoing shall be to increase the cost to the Lender of making or maintaining any Loan the interest on which is determined by reference to the Eurodollar Rate (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by the Lender (whether of principal, interest or any other amount) then, upon request of the Lender, each Borrower (jointly and severally) will pay to the Lender, as the case may be, such additional amount or amounts as will compensate the Lender, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If the Lender determines that any Change in Law affecting the Lender or any Lender's Office of the Lender or the Lender's holding company, if any, regarding

capital requirements has or would have the effect of reducing the rate of return on the Lender's capital or on the capital of the Lender's holding company, if any, as a consequence of this Agreement, the Commitment of the Lender or the Loans made by, the Lender, to a level below that which the Lender or the Lender's holding company could have achieved but for such Change in Law (taking into consideration the Lender's policies and the policies of the Lender's holding company with respect to capital adequacy), then from time to time each Borrower (jointly and severally) will pay to the Lender such additional amount or amounts as will compensate the Lender or the Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of the Lender setting forth the amount or amounts necessary to compensate the Lender or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Company shall be conclusive absent manifest error. Each Borrower shall pay the Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of the Lender to demand compensation pursuant to the foregoing provisions of this Section 3.04 shall not constitute a waiver of the Lender's right to demand such compensation, provided that no Borrower shall be required to compensate the Lender pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that the Lender notifies the Company of the Change in Law giving rise to such increased costs or reductions and of the Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine (9) month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Reserves on Eurodollar Rate Loans. Each Borrower, jointly and severally, shall pay to the Lender, as long as the Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each Eurodollar Rate Loan equal to the actual costs of such reserves allocated to such Loan by the Lender (as determined by the Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, provided the Company shall have received at least ten (10) days' prior notice of such additional interest from the Lender. If the Lender fails to give notice ten (10) days prior to the relevant Interest Payment Date, such additional interest shall be due and payable ten (10) days from receipt of such notice.

3.05 Designation of a Different Lender's Office. If the Lender requests compensation under Section 3.04, or requires any Borrower to pay any Indemnified Taxes or additional amounts to the Lender or any Governmental Authority for the account of the Lender pursuant to Section 3.01, or if the Lender gives a notice pursuant to Section 3.02, then at the request of the Company, the Lender shall use reasonable efforts to designate a different Lender's Office for funding or booking the Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of the Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject the Lender to any unreimbursed cost or expense and would not otherwise be

disadvantageous to the Lender. Each Borrower (jointly and severally) hereby agrees to pay all reasonable costs and expenses incurred by the Lender in connection with any such designation or assignment.

3.06 Survival. All of the Company's and each other Borrower's obligations under this Article III shall survive termination of the Commitment, repayment of all other Obligations hereunder, and the Maturity Date.

ARTICLE IV. CONDITIONS PRECEDENT TO LOANS

4.01 Conditions of Initial Loans. This Agreement shall be effective subject to satisfaction of the following conditions precedent:

(a) The Lender's receipt of the following, each of which shall be originals or telecopies (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance satisfactory to the Lender:

(i) executed counterparts of (A) this Agreement (B) the Mortgages set forth on Schedule 4.01(a)(i), (C) the Guaranty and (D) the Subordination and Attornment Agreements required to be delivered in connection herewith, in each case, sufficient in number for distribution to the Lender, the Lender's counsel and the Company;

(ii) the Master Note executed by the Borrowers in favor of the Lender;

(iii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Lender may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party;

(iv) such documents and certifications as the Lender may reasonably require to evidence that each Loan Party is duly organized or formed, and that each Loan Party is validly existing, in good standing and qualified to engage in business in the respective jurisdictions specified in Schedule 4.01(a)(iv), which includes each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect;

(v) a favorable opinion of Jones Day, counsel to the Loan Parties, addressed to the Lender, in the form attached as Exhibit F

(vi) a favorable opinion of local counsel to the Loan Parties in Indiana, Texas, Georgia and North Carolina, addressed to the Lender in form and substance reasonably satisfactory to the Lender, as to such matters concerning the Borrowers the Guarantors, and the Loan Documents as the Lender may reasonably request;

(vii) a certificate of a Responsible Officer of each Loan Party either (A) attaching copies of all consents, licenses and approvals (including pursuant to any Franchise Agreement or Framework Agreement) required in connection with the execution, delivery and performance by such Loan Party and the validity against such Loan Party of the Loan Documents to which it is a party, and such consents, licenses and approvals shall be in full force and effect, or (B) stating that no such consents, licenses or approvals are so required;

(viii) a certificate signed by a Responsible Officer of the Company certifying (A) that the conditions specified in Sections 4.02(a) and (b) have been satisfied, and (B) that there has been no event or circumstance since the date of the Audited Financial Statements that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect;

(ix) a certificate signed by the chief financial officer, treasurer or chief accounting officer of the Company, certifying that the Company individually is Solvent and the Loan Parties taken as a whole are Solvent, in each case after giving effect to this Agreement and the other Loan Documents and the Indebtedness pursuant hereto and thereto;

(x) With respect to each Financed Property identified on Schedule 2.01, the Lender shall have received each of the following, each of which shall be originals or telecopies (followed promptly by originals) unless otherwise specified, each dated as of the Closing Date or a recent date before the Closing Date and each in form and substance reasonably satisfactory to the Lender:

(A) a satisfactory FIRREA Appraisal;

(B) (x) a Mortgage properly executed by a Responsible Officer of the signing Loan Party and evidence of the proper recordation of such Mortgage in the appropriate filing office (or delivery of such Mortgage to the applicable title company for recordation), and (y) the Real Estate Support Documents with respect to such Financed Property;

(C) environmental reports (including Phase I and if requested by the Lender, Phase II environmental assessments) as the Lender may reasonably request, in each case (x) prepared by an environmental expert acceptable to Lender and (y) dated as of a date within twelve (12) months before the Closing Date;

(D) evidence that such Financed Property is not a Flood Hazard Property;

(E) a copy of the Lease of such Financed Property to the applicable Subsidiary and any sublease or Memorandum of Lease associated therewith, if any;

(xi) evidence that all insurance (including flood insurance, if applicable) required to be maintained pursuant to the Loan Documents has been obtained and is in effect, including endorsements naming the Lender as an additional insured or lender's loss payee, as the case may be, on all insurance policies maintained with respect to properties of the Company of any Loan Party constituting part of the Collateral;

(xii) UCC financing statements and fixture filings for filing in all places required by applicable law to perfect the Liens of the Lender under the Security Instruments as a perfected Lien as to items of Collateral in which a security interest may be perfected by the filing of financing statements or fixture filings and such other documents and/or evidence of other actions as may be necessary under applicable Law to perfect the Liens of the Lender under the Mortgages and other Security Instruments as a first priority Lien (subject only to Mortgage Permitted Liens) in and to such other Collateral as the Lender may require;

(xiii) UCC search results with respect to the Loan Parties showing only Liens acceptable to the Lender (or pursuant to which arrangements reasonably satisfactory to the Lender shall have been made to remove any unacceptable Liens promptly after the Closing Date);

(xiv) the documentation and other information requested by Lender in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including the PATRIOT Act, in each case at least five days prior to the Closing Date; and

(xv) such other assurances, certificates, documents, consents or opinions as the Lender reasonably may require.

(b) Any fees required to be paid on or before the Closing Date shall have been paid.

(c) Unless waived by the Lender, the Company shall have paid all accrued fees, charges and disbursements of counsel to the Lender (directly to such counsel if requested by the Lender) to the extent invoiced prior to or on the Closing Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Company and the Lender).

4.02 Conditions to all Borrowings. The obligation of the Lender to honor any Loan Notice (other than a Loan Notice requesting only a conversion of Loans to the other Type) or to make any Loan pursuant to Section 2.01, or to effect any Collateral Substitution, is subject to the following conditions precedent:

(a) The representations and warranties of the Company and each other Loan Party contained in Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct on and as of the date of such Borrowing or Collateral Substitution, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date, and except that for purposes of this Section 4.02, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01 of the Syndicated Credit Agreement.

(b) No Default shall exist or would result from such proposed Borrowing or Collateral Substitution or from the application of the proceeds thereof.

(c) In the event of a Borrowing, the Lender shall have received a Loan Notice in accordance with the requirements hereof.

(d) With respect to each Financed Property which is added to the Property Pool by such Collateral Substitution, the Lender shall have received each of the following, each of which shall be originals or telecopies (followed promptly by originals) unless otherwise specified, each dated as of the date of such Loan (or a recent date before the date of such Loan, or, with respect to such Financed Properties to be financed as of the Closing Date, except to the extent permitted to be delivered in accordance with Section 6.10) and each in form and substance reasonably satisfactory to the Lender:

(i) a satisfactory FIRREA Appraisal;

(ii) (x) a Mortgage properly executed by a Responsible Officer of the signing Loan Party and evidence of the proper recordation of such Mortgage in the appropriate filing office (or delivery of such Mortgage to the applicable title company for recordation), and (y) the Real Estate Support Documents with respect to such Financed Property;

(iii) environmental reports (including Phase I and if requested by the Lender, Phase II environmental assessments) as the Lender may reasonably request, in each case (x) prepared by an environmental expert acceptable to Lender and (y) dated as of a date within twelve (12) months before the date of addition of such property to the Property Pool;

(iv) a copy of the Lease of such Financed Property to the applicable Subsidiary and any sublease or Memorandum of Lease associated therewith, if any;

(v) to the extent the applicable lessee is not already a party to the Guaranty, a fully executed Joinder Agreement executed by the lessee under any Lease of such Financed Property joining such lessee to the Guaranty;

(vi) a favorable opinion of local counsel to the Borrowers in the state where such Financed Property is located, addressed to the Lender, as to such matters concerning the Borrowers owning such Financed Property, any Guarantor leasing such property, and the Loan Documents as the Lender may reasonably request;

(vii) a certificate of a Responsible Officer of the Company in form and detail reasonably satisfactory to the Lender (which may be contained in the applicable Loan Notice) demonstrating that the Collateral Substitution Test shall have been met;

(viii) Uniform Commercial Code search results showing no Liens on the Financed Property other than Mortgage Permitted Liens and those liens acceptable to the Lender in its sole discretion;

(ix) delivery of Uniform Commercial Code financing statements and fixture filings suitable in form and substance for filing in all places required by applicable Law to perfect the Liens of the Lender under the Mortgage and other Security Instruments related to such Financed Property as a first priority Lien (subject only to Mortgage Permitted Liens) as to items of Collateral in which a security interest may be perfected by the filing of financing statements or fixture filings, and such other documents and/or evidence of other actions as

may be necessary under applicable Law to perfect the Liens of the Lender under the Mortgage and other Security Instruments related to such Financed Property as a first priority Lien (subject only to Mortgage Permitted Liens) in and to such other Collateral as the Lender may require;

(x) evidence that all insurance (including flood insurance, if applicable) required to be maintained pursuant to the Loan Documents with respect to such Financed Property has been obtained and is in effect; and endorsements naming the Lender as an additional insured and loss payee, as the case may be, on all such insurance policies maintained with respect to such Financed Property; and

(xi) evidence that such Financed Property is not a Flood Hazard Property; and

(xii) with respect to the applicable Borrower associated with such Financed Property (to the extent not previously delivered):

(A) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of such Borrower as the Lender may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with the Loan Documents to which such Borrower is a party;

(B) such documents and certifications as the Lender may reasonably require (x) to evidence that each Loan Party is duly organized or formed, and (y) to evidence that such Borrower is validly existing, in good standing and qualified to engage in business in each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect;

(C) a certificate of a Responsible Officer of such Borrower either (A) attaching copies of all consents, licenses and approvals required in connection with the execution, delivery and performance by such Borrower and the validity against such Borrower of the Loan Documents to which it is a party, and such consents, licenses and approvals shall be in full force and effect, or (B) stating that no such consents, licenses or approvals are so required; and

(D) a certificate signed by the chief financial officer, treasurer or chief accounting officer of the Company, certifying that the Company individually is Solvent and the Loan Parties taken as a whole are Solvent, in each case after giving effect to the Collateral Substitution and the other Loan Documents and the Indebtedness pursuant hereto and thereto.

(e) The applicable Borrower associated with such Financed Property must be a Borrower as of the Closing Date or pursuant to Section 6.05.

(f) With respect to each Collateral Substitution, (i) the Lender shall have received a $7,500.00 collateral substitution fee and (ii) the Lender shall have determined that no Environmental

Issue exists with respect to any Financed Property that is added to the Collateral Pool by such Collateral Substitution.

(g) Any fees required to be paid on or before the date of the applicable Borrowing or Collateral Substitution shall have been paid.

Each Loan Notice (other than a Loan Notice requesting only a conversion of Loans to the other Type) submitted by the Company and each Collateral Substitution shall be deemed to be a representation and warranty that the conditions specified in Sections 4.02(a) and (b) have been satisfied on and as of the date of the applicable Borrowing or Collateral Substitution.

The Company and the Borrowers, jointly and severally, shall pay to the Lender any collateral substitution fees required by this Section 4.02.

ARTICLE V. REPRESENTATIONS AND WARRANTIES

The Company and each Borrower represents and warrants to the Lender that:

5.01 Existence, Qualification and Power. Each Loan Party and each Subsidiary thereof (a) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.02 Authorization; No Contravention. The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is party, have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries, or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law; except, in the case of clause (b)(i) or (c), to the extent such contravention, conflict or violation would not reasonably be expected to have Material Adverse Effect.

5.03 Governmental Authorization; Other Consents. No registration with, or consent or approval of, or other action by, any federal, state or other Governmental Authority is or will be required in connection with the execution, delivery and performance of this Agreement or any other Loan Document, the execution and delivery of the Master Note or repayment of the Borrowings hereunder.

5.04 Binding Effect. This Agreement and each of the Loan Documents have been duly executed and delivered by each Loan Party which is a party thereto and constitute legal, valid and binding obligations of each Loan Party thereto enforceable in accordance with their respective terms, subject, as to the enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium and similar Laws affecting creditors' rights generally and general principles of equity.

5.05 Financial Statements; No Material Adverse Effect.

(a) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (ii) fairly present in all material respects the financial condition of the Company and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein.

(b) The unaudited consolidated and consolidating balance sheets of the Company and its Subsidiaries dated June 30, 2018, and the related consolidated and consolidating statements of income or operations, shareholders' equity and cash flows for the fiscal quarter ended on that date (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present in all material respects the financial condition of the Company and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments.

(c) Since the date of the Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

5.06 Litigation. There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Company after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against the Company or any of its Subsidiaries or against any of their properties or revenues that (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby, or (b) except as specifically disclosed in Schedule 5.06, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.07 No Default. Neither any Loan Party nor any Subsidiary thereof is in default under or with respect to any Contractual Obligation that could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

5.08 Ownership of Property; Liens. Except as specifically disclosed in Schedule 5.08 (a) each of the Company and each Subsidiary has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, and (b) each of the Company and each Subsidiary owns all property necessary in the

operation of its business, except in each case for such defects in title or such failure to own or lease property as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The property of the Company and its Subsidiaries is subject to no Liens, other than Permitted Liens.

5.09 Environmental Compliance. The Company and each of its Subsidiaries has complied in all respects with all Environmental Laws except where the failure to comply could not be expected to have a Material Adverse Effect. Neither the Company nor any of its Subsidiaries has received written notice of any failure so to comply except where the failure to comply could not be expected to have a Material Adverse Effect. Neither the Company nor any of its Subsidiaries manages any hazardous wastes, hazardous substances, hazardous materials, toxic substances or toxic pollutants in a manner that violates any regulations promulgated pursuant to Environmental Laws except for any such violation that could not be expected to have a Material Adverse Effect.

5.10 Insurance. The properties of the Company and its Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of the Company, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Company or the applicable Subsidiary operates.

5.11 Taxes. The Company and its Subsidiaries have filed all Federal, state and other material tax returns required to be filed, and have paid, or have made adequate provision for payment of, all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves or other appropriate provisions have been provided in accordance with GAAP. There is no proposed tax assessment against the Company or any Subsidiary that would, if made, have a Material Adverse Effect.

5.12 ERISA Compliance.

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other Federal or state laws. Each Pension Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the Internal Revenue Service or, in the case of a Pension Plan that is maintained pursuant to the adoption of a master or prototype or volume submitter document, the sponsor of such master or prototype or volume submitter document has obtained from the Internal Revenue Service a favorable opinion letter stating that the form of such master or prototype or volume submitter document is acceptable for the establishment of a tax-qualified plan under Section 401(a) of the Code. To the best knowledge of the Company, nothing has occurred that would prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the best knowledge of the Company, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) No ERISA Event has occurred that would reasonably be expected to result in a material liability, and neither the Company nor any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA event that would result in a material liability. Except to the extent the following would not reasonably be expected to have a Material Adverse Effect, (i) the Company and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; (ii) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is 60% or higher and neither the Company nor any ERISA Affiliate knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage for any such plan to drop below 60% as of the most recent valuation date; (iii) neither the Company nor any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; (iv) neither the Company nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; and (v) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan.

(d) Neither the Company nor any ERISA Affiliate maintains or contributes to, or has any unsatisfied obligation to contribute to, or liability under, any active or terminated Pension Plan other than (A) on the Closing Date, those listed on Schedule 5.12(d) hereto and (B) thereafter, Pension Plans not otherwise prohibited by this Agreement.

(e) Each Borrower represents and warrants as of the Closing Date that such Borrower is not and will not be using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans or the Commitments.

5.13 Loan Party Information; Subsidiaries; Addresses; Equity Interests. As of the Closing Date, the Company has no Subsidiaries other than those specifically disclosed in Part (a) of Schedule 5.13, and all of the outstanding Equity Interests in such Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by a Loan Party in the percentages specified on Part (a) of Schedule 5.13 free and clear of all Liens (except for Liens permitted by Section 7.02(a), (c) or (d) of the Syndicated Credit Agreement, and transfer restrictions contained in the Franchise Agreements and the Framework Agreements). As of the Closing Date, the addresses set forth in Schedule 5.13 are each Loan Party's place of business, name, type or organization, state organization number, jurisdiction of organization and each Loan Party is formed or incorporated only in the state shown for it on Schedule 5.13 hereto. Each of the Company and each Borrower

shall, and shall cause each other Loan Party to, promptly (but in any event within five (5) Business Days) report to the Lender any change in any such Person's name, type of organization, state organization number, jurisdiction of organization or federal employers identification number.

5.14 Margin Regulations; Investment Company Act.

(a) Neither the Company nor any Borrower is engaged or will engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock.

(b) None of the Company, any Person Controlling the Company, or any Subsidiary is or is required to be registered as an "investment company" under the Investment Company Act of 1940.

5.15 Disclosure. Neither this Agreement, the other Loan Documents, nor any other document delivered by or with the knowledge and consent of the Company on behalf of the Company or any Subsidiary in connection with the transactions contemplated hereby and the negotiation of this Agreement or in connection with any Loan Document or included therein contained or contains any material misstatement of fact or omitted or omits to state any fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading; provided that, with respect to projected financial information, the Company and the Borrowers represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time prepared, it being understood that projections by their nature are uncertain and no assurance is given that the results reflected in such projections will be achieved.

5.16 Compliance with Laws. Each of the Company and each Subsidiary thereof is in compliance in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

5.17 Intellectual Property; Licenses, Etc. The Company and its Subsidiaries own, or possess the right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses and other intellectual property rights (collectively, "IP Rights") that are reasonably necessary for the operation of their respective businesses, without conflict with the rights of any other Person, except to the extent such conflict would not reasonably be expected to result in a Material Adverse Effect. No slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by the Company or any Subsidiary infringes upon any rights held by any other Person in a manner that would reasonably be expected to result in a Material Adverse Effect.

5.18 Books and Records. Each of the Company and each Subsidiary maintains proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied have been made of all financial transactions and matters involving the assets and business of the Company or such Subsidiary, as the case may be.

5.19 Franchise Agreements and Framework Agreements. As of the Closing Date, neither the Company nor any of its Subsidiaries is a party to any dealer Franchise Agreements, or any Framework Agreements, other than those listed in Schedule 5.19, which schedule shows the manufacturer and the Loan Party which is a party to each such agreement. Each of the Franchise Agreements and Framework Agreements is currently in full force and effect, and as of the Closing Date no Loan Party has received any notice of termination with respect to any such agreements; and, except as disclosed on Schedule 5.19, no Loan Party is aware of any event which with notice, lapse of time, or both would allow any manufacturer which is a party to any of the Franchise Agreements or Framework Agreements to terminate any such agreements. There exists no present condition or state of facts or circumstances in regard to said Franchise Agreements or Framework Agreements, in the aggregate, which could reasonably be expected to have a Material Adverse Effect.

5.20 Engaged in Business of Vehicle Sales and Related Businesses. Neither the Company nor any Borrower is engaged in any business other than (a) in the case of each Borrower, the business of owning and operating the applicable Financed Property and business ancillary thereto and (b) in the case of the Company and each Borrower which is a dealership, the business of (i) selling Vehicles and related activities and (ii) acquiring, owning, operating and, in some cases, selling dealerships engaged in such businesses.

5.21 Collateral. The provisions of each of the Security Instruments are effective to create in favor of the Lender, a legal, valid and enforceable perfected security interest in all right, title and interest of each applicable Loan Party in the Collateral described therein, except as otherwise permitted hereunder.

5.22 Solvency. Both before and after giving effect to the Loans hereunder, the Company individually is Solvent, and the Loan Parties taken as a whole are Solvent.

5.23 Labor Matters. As of the Closing Date, to the Company's and its Subsidiaries' knowledge, there are no material labor disputes to which the Company or any of its Subsidiaries are or are reasonably expected to become a party, including, without limitation, any strikes, lockouts or other disputes relating to such Persons' plants and other facilities.

5.24 Taxpayer Identification Number. The Company's true and correct U.S. taxpayer identification number is set forth on Schedule 9.02.

5.25 OFAC. No Borrower, nor any of their respective Subsidiaries, nor, to the knowledge of any Borrower and their respective Subsidiaries, any director, officer, employee, agent, affiliate or representative thereof, is an individual or entity currently the subject of any Sanctions or included on OFAC's List of Specially Designated Nationals, HMT's Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by any other relevant sanctions authority, nor is any Borrower or any Subsidiary located, organized or resident in a Designated Jurisdiction.

5.26 Anti-Corruption Laws. Each Borrower and its Subsidiaries have conducted their businesses in compliance in all material respects with the United States Foreign Corrupt Practices Act of 1977 and other similar anti-corruption legislation in other jurisdictions that are applicable to any Borrower or its Subsidiaries (including, if applicable, the UK Bribery Act 2010), and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

5.27 Leases. There is a Lease in force for each Financed Property listed on Schedule 5.27, each Lease is in full force and effect without amendment or modification from the form or copy delivered to the Lender except for amendments permitted hereunder; no default by any party exists under any such Lease that could result in termination of such Lease, nor has any event occurred which, with the passage of time or the giving of notice, or both, would constitute such a default under any such Lease. Schedule 5.27 is a complete and correct listing of all Leases as of the Closing Date.

5.28 Beneficial Ownership. As of the date that any Beneficial Ownership Certification is delivered to Lender pursuant to Section 6.11, the information included in such Beneficial Ownership Certification delivered to the Lender is true and correct in all respects.

ARTICLE VI. AFFIRMATIVE COVENANTS

The Company and the Borrowers covenant that, so long as the Lender shall have a Commitment hereunder or any Loan or other Obligation shall remain unpaid or outstanding, the covenants and agreements applicable to the Company and its Subsidiaries which are contained in Sections 6.01, 6.02 and 6.03 of the Syndicated Credit Agreement (including all related exhibits, schedules and defined terms referred to therein) are hereby (or, in the case of each Subsequent Provision, shall, upon its effectiveness, be) incorporated herein by reference as if set forth in full herein, mutatis mutandis; and the Company and each Borrower shall comply, and shall cause their respective Subsidiaries to comply, with such incorporated covenants and agreements.

The Company and the Borrowers further covenant that, so long as the Lender shall have a Commitment hereunder or any Loan or other Obligation shall remain unpaid or unsatisfied, all covenants and agreements (other than the covenants and agreements specified in the immediately preceding paragraph and those covenants and agreements set forth in Sections 6.05, 6.07, 6.10, 6.11, 6.12, 6.13, 6.14, 6.16, and 6.17 of the Syndicated Credit Agreement) set forth in Article VI of the Syndicated Credit Agreement (including all related exhibits, schedules and defined terms referred to therein) are hereby (or, in the case of each Subsequent Provision, shall, upon its effectiveness, be) incorporated herein by reference as if set forth in full herein, mutatis mutandis, but only to the extent as they apply to the Company or any other Loan Party; and the Company and each Borrower shall comply, and cause each other Loan Party to comply, with the covenants and agreements incorporated by reference pursuant to this sentence.

So long as the Lender shall have a Commitment hereunder or any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, the Company and each other Borrower shall, and shall cause each Loan Party to:

6.01 Notices. Promptly notify the Lender:

(a) of the occurrence of any Default;

(b) of any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect, including any report, study, inspection or test that indicates the presence of any Hazardous Materials on or about any Financed Property or any adverse condition relating to any Financed Property, any buildings or any such materials which presence or adverse condition could reasonably be expected to have a Material Adverse Effect;

(c) of (i) any Lease (and deliver to the Lender a copy of such Lease) entered into after the Closing Date, (ii) any amendment or other modification (and deliver to the Lender a copy of such amendment or modification) of any Lease, (iii) the termination or expiration of any Lease and (iv) any material adverse change in the relationship between the applicable Borrower and any lessee under any Lease;

Each notice pursuant to this Section 6.01 shall be accompanied by a statement of a Responsible Officer of the Company setting forth details of the occurrence referred to therein and stating what action the Company or the applicable Borrower has taken and proposes to take with respect thereto. Each notice pursuant to Section 6.01(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

6.02 Maintenance of Insurance.

(a) Maintain, on a consolidated basis, insurance to such extent and against such hazards and liabilities as is commonly maintained by companies similarly situated (and in any event each Borrower will maintain such insurance). In addition to the insurance referred to above, with respect to each Mortgaged Property, each Borrower will maintain the following policies:

(i) Prior to construction of any improvements on any Mortgaged Property, an "all-risk", completed value, non-reporting builder's risk insurance policy or policies that provide coverage similar to the foregoing must be submitted to the Lender, unless such construction is covered by a policy already provided to the Lender. This policy must be from a company and in an amount satisfactory to the Lender, must have a vandalism and malicious mischief endorsement and must be sufficient to avoid the application of any co-insurance provisions, must include provisions for a minimum 30-day advance written notice of any intended policy cancellation or non-renewal, and must designate the Lender as mortgagee and loss payee in a standard mortgagee endorsement with the following address:

Bank of America, N.A.
NC4-105-02-17
4161 Piedmont Parkway
Greensboro NC 27410
Attn: Monitoring and Compliance

(ii) Each Borrower covenants to maintain or cause to be maintained, by such Borrower and, during the construction of any improvements on any Mortgaged Property, the general contractor, general accident and public liability insurance against all claims for bodily injury, death or property damage occurring upon, in or about any part of such Mortgaged Property. The policies must be from companies and in amounts satisfactory to the Lender. The contractor's policy must include worker's compensation coverage in an amount sufficient to satisfy statutory requirements;

(iii) An "all-risk" property insurance policy must be in effect, and an original certificate from the issuing insurance company evidencing that the policy is in full force and effect must be submitted to the Lender; provided that such insurance shall include coverage for earthquakes and against wind damage on such terms as the Lender may reasonably require. The policy must be from a company satisfactory to the Lender, must be in an amount satisfactory to the Lender, must eliminate all co-insurance provisions, must include a Replacement Cost and Agreed Amount/Stipulated Value Endorsement (or policy provisions providing similar coverage), must include provisions for a minimum 30-day advance written notice to the Lender of any intended policy cancellation or non-renewal, and must designate the Lender as mortgagee and loss payee in a standard mortgagee endorsement, as its interest may appear;

(iv) If, and to the extent that, any Mortgaged Property is or becomes a Flood Hazard Property, the Company shall carry flood insurance with respect to such Mortgaged Property in an amount not less than the maximum amount available under the Flood Disaster Protection Act of 1973 and the regulations issued pursuant thereto, as amended from time to time, in form complying with the "insurance purchase" requirement of that act;

(v) Each such liability insurance policy shall name the Lender as an additional insured party with respect to such Mortgaged Property, and each such casualty insurance policy shall name the Lender as a loss payee, and shall provide by way of endorsements, riders or otherwise that (i) proceeds will be payable to the Lender as its interest may appear; (ii) such insurance policy shall be renewed, if renewal is available, and shall not be canceled and further, shall not be endorsed, altered or reissued to effect a change in coverage in any manner materially adverse to the Lender, for any reason and to any extent whatsoever unless such insurer shall have first given the Lender thirty (30) days' prior written notice thereof; (iii) such insurance policy shall not be impaired by any act or neglect of any Borrower or any use of such Mortgaged Property for purposes more hazardous than are permitted by such policy; and (iv) the Lender may, but shall not be obliged to, make premium payments to prevent any nonrenewal, cancellation, endorsement, alteration or reissuance and such payments shall be accepted by the insurer to prevent same;

(vi) The Lender shall be furnished with the original of each such initial policy (or a binder for the issuance of such policy) or a certificate with a duplicate of such original policy (or binder) coincident with the execution of the Mortgage related to such Mortgaged Property and satisfactory evidence of renewal thereof upon expiration of the initial or each preceding renewal policy (provided that the coverage required hereunder remains in effect

at all times), together with receipts or other evidence that the premiums thereon have been paid within thirty (30) days following the billing for such renewal, with the original of each renewal policy or a certificate with a duplicate of such renewal policy to follow as soon as available or, in any such case, an appropriate broker's certificate in respect thereto. Upon request by the Lender, each Borrower shall furnish to the Lender a statement certified by such Borrower or a duly authorized officer of such Borrower of the amounts of insurance maintained in compliance with this Section 6.02, a general description of the risks covered by such insurance and of the insurance company or companies which carry such insurance. In addition, each Borrower will promptly comply with any and all requirements of any insurer of any portion of any Mortgaged Property and any and all rules and regulations of any insurance commission or board of fire underwriters having jurisdiction over such Mortgaged Property; and

(vii) Without limiting any of the other provisions of this Section 6.02, all losses under, and the proceeds payable under, any policies of insurance that any Borrower may elect to obtain, whether or not required hereunder, which insure, cover or relate to any Mortgaged Property, or any portion thereof, shall be applied in the same manner and to the same extent as provided herein with respect to any insurance required to be carried by such Borrower.

(b) Unless the Company or a Borrower provides the Lender with evidence of the insurance coverage as required by this Agreement or any other Loan Document, the Lender (at its discretion) may purchase insurance at the Company's and the Borrowers' expense to protect the Lender's interest. This insurance may, but need not, also protect the Company's and the Borrowers' interest. If the Collateral becomes damaged, the coverage the Lender purchases may not pay any claim the Company, any Borrower or any of their Subsidiaries makes or any claim made against the Company, any Borrower or any of their Subsidiaries. The Company or a Borrower, as applicable, may later cancel this coverage by providing evidence that the Company or such Borrower, as applicable, has obtained property coverage elsewhere.

(c) The Company and the Borrowers (jointly and severally) are responsible for the cost of any insurance purchased by the Lender. The cost of this insurance may be added to the Obligations. If the cost is added to the Obligations, the interest rate provided in Section 2.05(b)(i) shall apply to such added amount. The effective date of coverage may be the date the Company's or the applicable Borrower's prior coverage lapsed or the date the Company or the applicable Borrower failed to provide proof of coverage.

(d) Each of the Company and each Borrower acknowledges that the coverage the Lender purchases may be considerably more expensive than insurance the Company or such Borrower can obtain on its own and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

6.03 Inspection Rights. Permit representatives and independent contractors of the Lender to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at such reasonable

times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Company; provided, however, that (a) without limiting any expense amounts that may be owned under the Syndicated Credit Agreement or any documents relating thereto, while no Event of Default exists the Borrowers shall be responsible for expenses associated with only one such visit or inspection by the Lender and its contractors per calendar year, and (b) when an Event of Default exists the Lender (or any of its respective representatives or independent contractors) may do any of the foregoing at any time or times (all at the expense of the Borrowers) during normal business hours and without advance notice.

6.04 Use of Proceeds. The Borrowers shall use the proceeds of the Loans for general working capital, capital expenditures and other lawful purposes of the Company (including, without limitation, the repayment of Indebtedness). No Loans shall be used for any purpose which would be in contravention of any requirement of Law.

6.05 Additional Subsidiaries. (a) As soon as practicable (but in any event within ten (10) days or such longer period as the Lender may agree in its sole discretion) after the acquisition or creation of any Subsidiary which is or will be a lessee of Financed Property or the designation of any existing Subsidiary as a lessee of Financed Property or (b) prior to or simultaneously with any Collateral Substitution, in the event any Subsidiary which owns real property proposed to be Financed Property in connection with such Collateral Substitution is not an existing Borrower (or any Subsidiary which leases such property, Subsidiary Guarantor, as the case may be), cause to be delivered to the Lender (in addition to any other documents required to be delivered under this Agreement, including pursuant to Section 4.02 or otherwise) each of the following:

(a) a Joinder Agreement duly executed by such Subsidiary with all schedules and information thereto appropriately completed with respect to such Subsidiary becoming a "Borrower" or a "Subsidiary Guarantor", as applicable;

(b) in the case of any such Subsidiary becoming a "Borrower", UCC financing statements naming such Subsidiary as "Debtor" and naming the Lender as "Secured Party," in form, substance and number sufficient in the reasonable opinion of the Lender and its counsel to be filed in all UCC filing offices in which filing is necessary or advisable to perfect in favor of the Lender the Liens on the Collateral conferred under such Joinder Agreement and other Security Instruments to the extent such Lien may be perfected by UCC filings;

(c) an opinion or opinions of counsel to such Subsidiary dated as of the date of delivery of such Joinder Agreements (and other Loan Documents) provided for in this Section 6.05 and addressed to the Lender, in form and substance acceptable to the Lender;

(d) the documents described in Sections 4.01(a)(iii), (iv), (vii), (xi), (xiii) and (xv) with respect to such Subsidiary; and

(e) evidence satisfactory to the Lender that all taxes, filing fees, recording fees related to the perfection of the Liens securing the Obligations have been paid and all reasonable costs and expenses of the Lender in connection therewith have been paid.

6.06 Preservation of Existence, Etc.. (a) Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization

except in a transaction permitted by Section 7.03 or 7.04 of the Syndicated Credit Agreement; (b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

6.07 Further Assurances. Each of the Company and the Borrowers shall, and shall cause each of the Loan Parties to, to the extent applicable, execute, acknowledge, deliver, and record or file such further instruments, including, without limitation, further security agreements, financing statements, and continuation statements, and do such further acts as may be reasonably necessary, desirable, or proper to carry out more effectively the purposes of this Agreement, and to protect the Liens granted in this Agreement or the Loan Documents to which any of them respectively is a party and against the rights or interests of third persons, and the Company and the Borrowers (jointly and severally) will pay all reasonable costs connected with any of the foregoing.

6.08 Leases. At all times, comply in all material respects with the terms and provisions of the Leases of the Financed Properties, and cause such Leases to be kept in full force and effect without termination, amendment or modification, except for (i) any modification or amendment of a Lease made in the ordinary course of business consistent with past practices of the Loan Parties, and which amendment or modification is not materially adverse to the Loan Parties or the Lender or (ii) renewals or extensions (A) on either substantially the same terms as the existing Lease of a Financed Property, or (B) as otherwise approved by the Lender in writing.

6.09 Syndicated Credit Agreement. On or after the date of any Removal Event, all certificates or notices required to be delivered to under Section 6.01, 6.02 or 6.03 of the Syndicated Credit Agreement shall be delivered to Lender hereunder.

6.10 Anti-Corruption Laws. Conduct its businesses in material compliance with the United States Foreign Corrupt Practices Act of 1977 and other similar anti-corruption legislation in other jurisdictions that are applicable to any Borrower or its Subsidiaries (including, if applicable, the UK Bribery Act 2010), and maintain policies and procedures designed to promote and achieve compliance with such laws.

6.11 Patriot Act and Beneficial Ownership Regulation. Promptly following any request therefor, information and documentation reasonably requested by the Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation. Without limiting the generality of the foregoing, promptly following any request therefor made by the Lender at any time, the Borrowers shall deliver to the Lender a Beneficial Ownership Certification with respect to any Borrower or other Loan Party identified by the Lender in such request.

6.12 Use of Financed Properties as Vehicle Dealerships. Ensure that each Financed Property is at all times either (a) used (or under development for use) by a Borrower as a Vehicle dealership, (b) used (or under development for use) by a Borrower as a facility for the sale, repair, service or storage of Vehicles or the provision of related goods or services, (c) used by a Borrower for any purpose ancillary to the uses described in clause (a) or (b), or (d) raw land; except that (Y) the portion of the Marietta/2086 Cobb Financed Property currently sub-leased through 2021 to the Marietta/2086 Cobb Restaurant Lessee for use as a restaurant may continue to be used for such

purpose through 2021 and (Z) the portion of the Marietta/2086 Cobb Financed Property currently sub-leased to the Marietta/2086 Cobb Cell Tower Lessee for use as the site of a cell tower may continue to be used for such purpose.

ARTICLE VII. NEGATIVE COVENANTS

The Company and the Borrowers covenant that, so long as the Lender shall have a Commitment hereunder or any Loan or other Obligation shall remain unpaid or outstanding, the covenants and agreements applicable to the Company and its Subsidiaries which are contained in Sections 7.01, 7.04, 7.05, 7.07, 7.08, 7.10, 7.11, 7.14, 7.16 and 7.19 of the Syndicated Credit Agreement (including all related exhibits, schedules and defined terms referred to therein) are hereby (or, in the case of each Subsequent Provision, shall, upon its effectiveness, be) incorporated herein by reference as if set forth in full herein, mutatis mutandis; and the Company and each Borrower shall comply, and shall cause their respective Subsidiaries to comply, with such incorporated covenants and agreements.

The Company and the Borrowers further covenant that, so long as the Lender shall have a Commitment hereunder or any Loan or other Obligation shall remain unpaid or unsatisfied, all covenants and agreements (other than the covenants and agreements specified in the immediately preceding paragraph and those covenants and agreements set forth in Sections 7.13, 7.17. 7.21 and 7.22 of the Syndicated Credit Agreement) set forth in Article VII of the Syndicated Credit Agreement (including all related exhibits, schedules and defined terms referred to therein) are hereby (or, in the case of each Subsequent Provision, shall, upon its effectiveness, be) incorporated herein by reference as if set forth in full herein, mutatis mutandis, but only to the extent as they apply to the Company or any other Loan Party; and the Company and each Borrower shall comply, and cause each other Loan Party to comply, with the covenants and agreements incorporated by reference pursuant to this sentence.

So long as the Lender shall have any Commitment hereunder or any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, neither the Company nor any other Loan Party shall, nor shall it permit any Borrower to, directly or indirectly:

7.01 Use of Proceeds. Use the proceeds of any Loan, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

7.02 Amendments of Certain Indebtedness. Amend, modify or change in any manner, any term or condition of any Subordinated Indenture Indebtedness or any refinancing of any Subordinated Indenture Indebtedness so that the terms and conditions thereof are less favorable in all material respects to the Lender than the terms and conditions of the relevant Subordinated Indenture Indebtedness as of the later of the Closing Date or the date of incurrence thereof; provided that the Company may enter into supplements to the Indenture (as required by the terms of the Indenture) if the sole effect of such supplements is to add additional guarantors of the Subordinated Indenture Indebtedness.

7.03 Dispositions. Permit any Subsidiary to, permit any Disposition (whether in one or a series of transactions) of any Financed Property or any portion of any Financed Property, or enter into any agreement so to do, except Permitted Financed Property Dispositions.

7.04 Amendments of Organizational Documents. Amend its Organizational Documents in a manner that could reasonably be expect to (a) impair the enforceability of any Loan Document in any material respect or the perfection or priority of any Lien created thereunder, (b) impair in any material respect its ability to perform its obligations under the Loan Documents or (c) otherwise have a Material Adverse Effect.

7.05 Sanctions. Directly or indirectly, use the proceeds of any Loan, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other individual or entity, to fund any activities of or business with any individual or entity, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any individual or entity (including any individual or entity participating in the transaction) of Sanctions.

7.06 Leases. Permit any Person to occupy, lease or sublease any Financed Property except for (i) the current Lease of a portion of the Marietta/2086 Cobb Financed Property to the Marietta/2086 Cobb Restaurant Lessee, (ii) the Lease of a portion of the Marietta/2086 Cobb Financed Property to the Marietta/2086 Cobb Cell Tower Lessee, provided (in the case of this clause (ii)) that the Company has used commercially reasonable efforts to obtain a subordination and attornment agreement reasonably acceptable to the Lender from such lessee, and (iii) a Lease of a Financed Property to a Subsidiary that has executed and delivered to the Lender a Subordination and Attornment agreement in substantially the form of Exhibit E (each a "Subordination and Attornment Agreement") and has joined the Subsidiary Guaranty and provided to the Lender the documents required by Section 6.05.

7.07 Collateral. Permit to exist any Lien or security interest on the Collateral other than (i) the Liens and security interests of the Lender and (b) Mortgage Permitted Liens.

7.08 Anti-Corruption Laws. Directly or indirectly use the proceeds of any Loan for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other similar anti-corruption legislation in other jurisdictions.

7.09 Use of Financed Properties. Use any Financed Property for any purpose except for uses expressly permitted by Section 6.12.

ARTICLE VIII. EVENTS OF DEFAULT AND REMEDIES

8.01 Events of Default. Any of the following shall constitute an Event of Default:

(a) Non-Payment. Any Borrower or any other Loan Party fails to pay (i) any principal of any Loan when and as the same shall become due and payable pursuant to the terms of this Agreement, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise, or (ii) within five (5) days after the same becomes due, any interest

on any Loan or any other amount due under this Agreement (other than principal of any Loan) when and as the same shall become due and payable; or

(b) Specific Covenants. The Company or any Borrower fails to perform or observe any term, covenant or agreement contained in any of (x) Section 6.01, 6.02(a) or (b), 6.03, or 6.05 (as it relates to maintenance of existence), of the Syndicated Credit Agreement as incorporated by reference in Article VI, (y) Section 6.01, 6.03, 6.04 or 6.05 or Article VII (including any covenant or agreement incorporated into Article VII by reference); or

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty (30) days after the giving of written notice to such Loan Party specifying the alleged default; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Company or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect when made or deemed made; or

(e) Cross-Default. (i) The Company or any Subsidiary (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness or Guarantee (other than Indebtedness hereunder and Indebtedness under Swap Contracts and Indebtedness under the Syndicated Credit Agreement) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than the Threshold Amount, or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness or Guarantee or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which the Company or any Subsidiary is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which the Company or any Subsidiary is an Affected Party (as so defined) and, in either event, the Swap Termination Value owed by the Company or such Subsidiary as a result thereof is greater than the Threshold Amount; or

(f) Insolvency Proceedings, Etc. Any Loan Party or any of its Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar

officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for 60 calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding; or

(g) Inability to Pay Debts; Attachment. (i) The Company or any Subsidiary becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within thirty (30) days after its issue or levy; or

(h) Judgments. There shall be entered against the Company or any of its Subsidiaries (i) one or more judgments or decrees in excess of the Threshold Amount in the aggregate at any one time outstanding for the Company and all its Subsidiaries or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of 60 consecutive days during which such judgment is not satisfied and a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect, excluding (in the case of clause (i)) those judgments or decrees for which and to the extent that the Company or any such Subsidiary is insured and with respect to which the insurer has not contested or denied responsibility in writing (subject to usual deductibles); or

(i) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan, Multiemployer Plan or Multiple Employer Plan which has resulted or could reasonably be expected to result in liability of the Company under Title IV of ERISA to the Pension Plan, Multiemployer Plan, Multiple Employer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, or (ii) the Company or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount; or

(j) Invalidity of Loan Documents. (i) Any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or (ii) any Security Instrument shall for any reason (other than pursuant to the terms thereof or as a result of the failure of the Lender to file UCC financing statements or UCC continuation statements) cease to create a valid security interest in the Collateral purported to be covered thereby or such security interest shall for any reason cease to be a perfected security interest with the priority provided therefor in such Security Instrument subject only to Mortgage Permitted Liens;

(k) Change of Control. There occurs any Change of Control;

(l) Default Under Syndicated Credit Agreement. Any "Event of Default" specified in the Syndicated Credit Agreement exists, after giving effect to any waiver or amendment thereof under the Syndicated Credit Agreement (it being agreed that each such "Event of Default" shall

survive any termination, cancellation, discharge or replacement of the Syndicated Credit Agreement); or

(m) Default Under 2013 Real Estate Credit Agreement. Any "Event of Default" specified in the 2013 Real Estate Credit Agreement exists, after giving effect to any waiver or amendment thereof under the 2013 Real Estate Credit Agreement (it being agreed that each such "Event of Default" shall survive any termination, cancellation, discharge or replacement of the 2013 Real Estate Credit Agreement).

8.02 Remedies Upon Event of Default. If any Event of Default occurs and is continuing, the Lender may take any or all of the following actions:

(a) declare the Commitment of the Lender to make Loans to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document with respect to the Loans to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Company and each Borrower;

(c) exercise all rights and remedies available to the Lender under the Loan Documents;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to any Borrower under the Bankruptcy Code of the United States, the obligation of the Lender to make Loans shall automatically terminate and the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable without further act of the Lender.

8.03 Application of Funds. After the exercise of remedies provided for in this Article VIII (or after the Loans have automatically become immediately due and payable), any amounts received on account of the Obligations shall be applied by the Lender in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Lender and amounts payable under Article III) payable to the Lender;

Second, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans and other Obligations (other than in respect of Swap Contracts);

Third, on a pari passu basis, to payment of that portion of (a) the Obligations constituting unpaid principal of the Loans and (b) that portion of the Obligations constituting Obligations then owing under Secured Hedge Agreements, ratably among the Hedge Banks in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to the payment of all other Obligations of the Loan Parties owing under or in respect of the Loan Documents that are due and payable to the Lender on such date; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Company or as otherwise required by Law;

provided that, Excluded Swap Obligations with respect to any Loan Party shall not be paid with amounts received from such Loan Party or its assets, but appropriate adjustments shall be made with respect to payments from other Loan Parties to preserve the allocation to Obligations otherwise set forth above in this Section.

Notwithstanding the foregoing, Obligations arising under Secured Hedge Agreements shall be excluded from the application described above if the Lender has not received written notice thereof, together with such supporting documentation as the Lender may request, from the applicable Hedge Bank. Excluded Swap Obligations with respect to any Loan Party shall not be paid with amounts received from such Loan Party, but appropriate adjustments shall be made with respect to payments from other Loan Parties to preserve the allocation to Obligations otherwise set forth above in this Section.

ARTICLE IX. MISCELLANEOUS

9.01 Amendments, Etc. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Company or any other Loan Party therefrom, shall be effective unless in writing signed by the Lender and the Company or the applicable Loan Party, as the case may be, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

9.02 Notices; Effectiveness; Electronic Communication.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier or other electronic mail transmission to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 9.02 and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number.

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. The Lender or the Company may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications

pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Lender otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Change of Address, Etc. Each of the Company and the Lender may change its address, facsimile number or telephone number or electronic mail address for notices and other communications hereunder by notice to the other parties hereto.

(d) Reliance by Lender. The Lender shall be entitled to rely and act upon any notices (including telephonic or electronic Loan Notices) purportedly given by or on behalf of the Company or any Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Company and each Borrower shall indemnify the Lender and its Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Company or any Borrower. All telephonic notices to and other telephonic communications with the Lender may be recorded by the Lender, and each of the parties hereto hereby consents to such recording.

9.03 No Waiver; Cumulative Remedies; Enforcement. No failure by the Lender, to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under any other Loan Document preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

9.04 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Company and each Borrower (jointly and severally) shall pay (i) all reasonable out-of-pocket expenses incurred by the Lender and its Affiliates (including, but not limited to, the reasonable fees, charges and disbursements of one law firm acting as outside counsel for the Lender and one law firm acting as local counsel in each jurisdiction where necessary, the costs of appraisals, environmental reports and reviews thereof, title work, recording fees, recording taxes and the costs of any other Real Estate Support Documents), in connection with the

syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all reasonable out-of-pocket expenses incurred by the Lender (including the fees, charges and disbursements of any counsel for the Lender), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made hereunder, including all such out of pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) Indemnification by the Borrowers. The Company and each Borrower (jointly and severally) shall indemnify the Lender and each Related Party of the Lender (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (but limited, in the case of legal fees and expenses, to the reasonable and documented fees, disbursements and other charges of (i) one counsel for the Lender, and (ii) one local counsel in each relevant jurisdiction), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Company or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or the administration of this Agreement and the other Loan Documents (including in respect of any matters addressed in Section 3.01), (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Company, any Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Company, any Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Company or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, (y) result from a claim brought by the Company or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Company or such other Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction or (z) arise out of a dispute solely between or among Indemnitees that does not involve an act or omission by any Loan Party or any Loan Party's Affiliates other than any action, suit, proceeding or claim against any Indemnitee or any of its Related Parties in its capacity or in fulfilling its role as an agent or similar role under hereunder or under any other Loan Document. Without limiting the provisions of Section 3.01(c), this Section 9.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, neither the Company nor any Borrower shall assert, and each of the Company and each Borrower

hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(d) Payments. All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

(e) Survival. The agreements in this Section and the indemnity provisions of Section 9.02(e) shall survive the termination of the Commitment and the repayment, satisfaction or discharge of all the other Obligations.

9.05 Payments Set Aside. To the extent that any payment by or on behalf of the Company or any Borrower is made to the Lender, or the Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred.

9.06 Successors and Assigns.

(a) Successors and Assigns Generally. This Agreement and the other Loan Documents shall be binding on and shall inure to the benefit of the parties hereto and thereto and their respective successors and assigns permitted hereby, except that neither the Company nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the Lender's prior written consent. The Lender may at any time (i) assign all or any part of its rights and obligations hereunder to any other Person, and (ii) grant to any other Person participating interests in all or part of its rights and obligations hereunder, provided, however, the consent of the Company (such consent not to be unreasonably withheld) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to an Affiliate of a Lender or an Approved Fund; provided further that the Company shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Lender within ten (10) Business Days after having received notice thereof. The Company and each Borrower agrees to execute any documents reasonably requested by the Lender in connection with any such assignment. All information provided by or on behalf of the Company or any Borrower to the Lender or its Affiliates may be furnished by the Lender to its Affiliates and to any actual or proposed assignee or participant.

(b) Certain Pledges. The Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under the Master Note) to secure obligations of the Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release the Lender from any of its obligations hereunder or substitute any such pledgee or assignee for the Lender as a party hereto.

9.07 Treatment of Certain Information; Confidentiality. The Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, trustees, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Company or any Borrower and its obligations, (g) on a confidential basis to (i) any rating agency in connection with rating the Company or its Subsidiaries or the credit facilities provided hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, (h) with the consent of the Company or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Lender or any of its Affiliates on a nonconfidential basis from a source other than the Company. For purposes of this Section, "Information" means all information received from the Company or any Subsidiary relating to Company or any Subsidiary or any of its respective businesses, other than any such information that is available to the Lender on a nonconfidential basis prior to disclosure by the Company or any Subsidiary, provided that, in the case of information received from the Company or any Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

The Lender acknowledges that (a) the Information may include material non-public information concerning the Company or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

9.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, the Lender and its respective Affiliates is hereby authorized at any time and from time to time, to the

fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by the Lender, or any such Affiliate to or for the credit or the account of the Company or any Loan Party against any and all of the obligations of the Company or any Loan Party, as applicable, now or hereafter existing under this Agreement or any other Loan Document to the Lender or its Affiliates, irrespective of whether or not the Lender or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Company or such Loan Party may be contingent or unmatured, or are owed to a branch, office or Affiliate of the Lender different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; The rights of the Lender, and its Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that the Lender, or its Affiliates may have. The Lender agrees to notify the Company promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

9.09 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Company or the Borrowers. In determining whether the interest contracted for, charged, or received by Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

9.10 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Lender and when the Lender shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means (e.g. "pdf or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement.

9.11 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Lender, regardless of any investigation made by the Lender or on their behalf and notwithstanding that the Lender may have had notice or knowledge of any Default at the time of any Loan, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied.

9.12 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the

remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

9.13 Governing Law; Jurisdiction; Etc.

(a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) SUBMISSION TO JURISDICTION. THE COMPANY AND EACH BORROWER IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE COMPANY OR ANY BORROWER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. THE COMPANY AND EACH BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 9.02.

NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

9.14 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

9.15 Electronic Execution of Assignments and Certain Other Documents. The words "execution," "signed," "signature," and words of like import in any amendment, assignment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Lender, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

9.16 USA PATRIOT Act . The Lender hereby notifies the Company and the other Borrowers that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the " Act"), it is required to obtain, verify and record information that identifies the Company and the other Borrowers, which information includes the name and address of the Company and the other Borrowers and other information that will allow such Lender to identify the Company and each other Borrower in accordance with the Act. The Company and each other Borrower shall, promptly following a request by the Lender, provide all documentation and other information that the Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act.

9.17 Designated Senior Debt. Each party acknowledges and agrees that the Indebtedness under the Loan Documents is "Designated Senior Debt" (or any similar term) under, and as defined in, each of the Indenture, any other indenture and any other Subordinated Indebtedness.

9.18 Keepwell. Each Borrower that is a Qualified ECP Guarantor at the time the joint and several liability of any Specified Loan Party (pursuant to Section 2.10), or the Guaranty or the grant of a Lien under the Loan Documents, in each case, by any Specified Loan Party, becomes

effective with respect to any Swap Obligation, hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Loan Party with respect to such Swap Obligation as may be needed by such Specified Loan Party from time to time to honor all of its obligations under the Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Borrower's obligations and undertakings under this Article X voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations and undertakings of each Borrower under this Section shall remain in full force and effect until the Obligations have been indefeasibly paid and performed in full. Each Borrower intends this Section to constitute, and this Section shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support or other agreement" for the benefit of, each Specified Loan Party for all purposes of the Commodity Exchange Act.

9.19 Releases.

(a) On the Facility Termination Date, the Collateral shall be released from the Liens created by the Loan Documents, without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Loan Parties, except for Collateral as to which the Lender has exercised any remedies. At the request and sole expense of any Loan Party following the Facility Termination Date, the Lender shall execute and deliver to such Loan Party such documents as such Loan Party shall reasonably request to evidence such payment and release.

(b) Any of the Collateral sold, transferred or otherwise disposed of by any Loan Party in a Permitted Financed Property Disposition, shall be transferred free of the security interest created hereby on such Collateral, and such security interest shall automatically terminate upon such permitted disposition, in each case upon the satisfaction of any conditions set forth in the Loan Documents with respect to such Permitted Financed Property Disposition. The Lender, at the request and sole expense of such Loan Party, shall execute and deliver to such Loan Party all releases or other documents reasonably necessary to evidence such release of the Liens created under the Loan Documents on such Collateral.

[Signature pages follow.]

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

COMPANY:

ASBURY AUTOMOTIVE GROUP, INC.

By: /s/ Matthew Pettoni
Name: Matthew Pettoni
Title: Vice President and Treasurer

BORROWERS:

ASBURY AUTOMOTIVE TEXAS REAL ESTATE HOLDINGS L.L.C., a Delaware limited liability company
ASBURY IN CHEV, LLC, a Delaware limited liability company
ASBURY IN HON, LLC, a Delaware limited liability company
ATLANTA REAL ESTATE HOLDINGS L.L.C., a Delaware limited liability company
CROWN CHH L.L.C., a Delaware limited liability company
CROWN FDO L.L.C., a Delaware limited liability company
MCDAVID AUSTIN-ACRA, L.L.C., a Delaware limited liability company
MCDAVID FRISCO-HON, L.L.C., a Delaware limited liability company
MCDAVID HOUSTON-NISS, L.L.C., a Delaware limited liability company
Q AUTOMOTIVE CUMMING GA, LLC, a Delaware limited liability company

By: /s/ Matthew Pettoni
Name: Matthew Pettoni
Title: Vice President and Treasurer

LENDER:

BANK OF AMERICA, N.A.

By: /s/ M. Patricia Kay
Name: M. Patricia Kay
Title: Senior Vice President

Exhibit 10.34

MASTER LOAN AGREEMENT

THIS MASTER LOAN AGREEMENT (the "Agreement") is entered into as of November 16, 2018, by and between ATLANTA REAL ESTATE HOLDINGS L.L.C., a Delaware limited liability company, ASBURY JAX FORD, LLC, a Delaware limited liability company, COGGIN CARS L.L.C., a Delaware limited liability company, WTY MOTORS, L.P., a Delaware limited partnership, Q AUTOMOTIVE BRANDON FL, LLC, a Delaware limited liability company, ASBURY ST. LOUIS M L.L.C., a Delaware limited liability company, ASBURY ATLANTA CHEV, LLC, a Delaware limited liability company, and ASBURY GEORGIA TOY, LLC, a Delaware limited liability company (each referred to herein individually and collectively as "Borrower"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (together with its successors and assigns, "Lender").

W I T N E S S E T H :

In consideration of the premises and of the mutual covenants herein contained and to induce Lender to extend credit to Borrower, the parties agree as follows:

1. Definitions Capitalized terms that are not otherwise defined herein shall have the meanings set forth in this Section 1.

1.1 Defined Terms: "Advance" or "Advances" has the meaning set forth in Section 2.1 hereof.

"Affiliate" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Aggregate Commitment" has the meaning set forth in Section 2.1.1 hereof.

"ALTA" means American Land Title Association, or any successor thereto.

"Applicable Margin" means as to any portion of any Loan that is a LIBOR Loan, 1.85% per annum.

"Appraisal" means an appraisal prepared in accordance with the requirements of FIRREA, prepared by an independent third party appraiser holding an MAI designation, and who is State licensed or State certified if required under the laws of the State where the Property is located, who meets the requirements of FIRREA and who is otherwise acceptable to Lender in all respects.

"Appraised Value" means, as to any Property, the value of the Property determined by Appraisal as set forth on Exhibit A-3 attached hereto and made a part hereof.

"Arbitration Rules" has the meaning set forth in Section 11.16.

"Asbury" means Asbury Automotive Group, Inc., a Delaware corporation.

"Attributable Indebtedness" means, on any date, (a) in respect of any capital lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a

balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a capital lease.

"Borrower" means individually and collectively, the entities listed in the preamble to this Agreement and any other Person now or hereafter otherwise becoming liable for the Obligations, other than as a Guarantor.

"Business Day" means a weekday on which Lender is open for business in Charlotte, North Carolina.

"Change of Control", as to any Borrower, means the occurrence of any of the following: (a) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of transactions, of all of the properties or assets of Borrower to any Person the result of which Borrower ceases to be a Subsidiary of Asbury; (b) the adoption of a plan relating to the liquidation or dissolution of Borrower; or (c) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that Borrower ceases to be a Subsidiary of Asbury.

"Closing Date" means the date on which all of the conditions precedent in Section 3 of this Agreement are satisfied and the Loan is made under this Agreement.

"Code" means the Uniform Commercial Code (or any successor statute), as adopted and in force in the Jurisdiction or, when the laws of any other state govern the method or manner of the perfection or enforcement of any security interest in any of the Collateral, the Uniform Commercial Code (or any successor statute) of such state. Any term used in this Agreement and in any financing statement filed in connection herewith which is defined in the Code and not otherwise defined in this Agreement or in any other Loan Document has the meaning given to the term in the Code.

"Collateral" means the Property and all Fixtures of the Property pledged by a Borrower to Lender as security for the Loan.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Dealership Property" means each Property at which the primary use is the sale of motor vehicles pursuant to a Franchise Agreement with an automobile manufacturer, as such Dealership Properties are designated on Exhibit A-2 attached hereto and made a part hereof.

"Debt" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP: (a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments, (b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments, (c) net obligations of such Person under any Swap Agreements, (d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and, in each case, not past due for more than 60 days after the original specified due date thereof, or if such trade account payable has no specified due date, the date on which such trade account payable was created), (e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse,

(f) capital leases and Synthetic Lease Obligations, (g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any equity interest in such Person or any other Person, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends, and (h) all guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Debt of any Person shall include the Debt of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Debt is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Agreement on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any capital lease or Synthetic Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date. The amount of Debt of the type described in clause (e) above to the extent the recourse for such Debt is limited to recourse against the property subject to the Lien described in clause (e) shall be deemed to be an amount equal to the lesser of (x) the fair market value of the property subject to such Lien and (y) the outstanding amount if indebtedness secured by such Lien. The term "Debt" shall not include indebtedness to the extent that it has been defeased or satisfied and discharged in accordance with the terms of the documents governing such indebtedness; provided that (i) to the extent the deposit of assets with the applicable holders (or trustee on behalf of such holders) is required in connection with the defeasance or satisfaction and discharge of such indebtedness, such assets are limited to cash and cash equivalents and (ii) none of the assets associated with such defeasance, or any income earned on such assets, shall be included in the calculation of any financial covenant or ratio or incurrence test hereunder.

"Default" has the meaning set forth in the definition of Event of Default.

"Default Rate" on any date, means a rate per annum that is equal to 2.0% in excess of the rate otherwise applicable to the Loan or any other Obligations outstanding on such date, provided that Obligations under Swap Agreements shall bear interest at the Default Rate determined in accordance with the terms of said Swap Agreements.

"Default Period" means a period, occurring from time to time during the term of the Loan, commencing on the date on which an Event of Default occurs and continuing until the date ending on which the applicable Event of Default has been cured and such cure has been accepted by Lender in its sole and absolute discretion or waived by Lender in its sole and absolute discretion.

"Deposit Account" has the meaning set forth in the Code.

"Draw Period" means the period from and including the date hereof through but excluding the Draw Termination Date.

"Draw Termination Date" means December 31, 2019.

"Environmental Laws" means, collectively the following acts and laws, as amended: the Comprehensive Environmental Response, Compensation and Liability Act of 1980; the Superfund Amendments and Reauthorization Act of 1986; the Resource Conservation and Recovery Act; the Toxic Substances Act; the Clean Water Act; the Clean Air Act; the Oil Pollution and Hazardous Substances Control Act of 1978; and any other "Superfund" or "Superlien" law or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree relating to, or imposing liability or standards

of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect.

"ERISA" has the meaning set forth in Section 4.14.

"Event of Default" means any event specified as such in Section 9.1 hereof ("Event of Default"), provided that there shall have been satisfied any requirement in connection with such event for the giving of notice or the lapse of time, or both; "Default" or "default" means any of such events, whether or not any such requirement for the giving of notice or the lapse of time or the happening of any further condition, event or act shall have been satisfied.

"Excluded Rate Contract Obligation" means, with respect to any Borrower or Guarantor, any guarantee of any Swap Agreement if, and only to the extent that and for so long as, all or a portion of the guarantee of such Borrower or Guarantor of, or the grant by such Borrower or Guarantor of a security interest to secure, such Swap Agreement (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Borrower's or Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act at the time the guarantee or the grant of such security interest becomes effective with respect to such Swap Agreement. If an obligation under a Swap Agreement arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such obligation under a Swap Agreement that is attributable to swaps for which such guarantee or security interest is or becomes illegal.

"FIRREA" means the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as the same may be amended from time to time.

"Fixtures" has the meaning set forth in the Code.

"Franchise Agreements" means all franchise, personal sales and service, dealer term sales and service, public ownership agreements and other operating agreements (including, without limitation, any buy-sell agreements or similar agreements affecting the control of the business being operated at or from the Property) pursuant to which the business is being operated at or from the Property.

"GAAP" means generally accepted accounting principles as in effect in the United States from time to time.

"Governmental Authority" means any court, board, agency, commission, office or other authority of any nature whatsoever for any governmental unit (federal, State, county, district, municipal, city or otherwise) whether now or hereafter in existence.

"Guarantor" means each, any and all of (a) Asbury, (b) Asbury Atlanta Toy L.L.C., (c) Asbury Atlanta Toy 2 L.L.C., (d) Asbury Atlanta Hund L.L.C., (e) Asbury Atlanta Hon L.L.C., and (f) any other Person now or hereafter guaranteeing, endorsing or otherwise becoming liable for any Obligations of Borrower.

"Guaranty Agreement" means any guaranty now or hereafter executed and delivered by any Guarantor to Lender, as it may be modified.

"Hazardous Materials" means oil, petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials, radioactive materials,

polychlorinated biphenyls ("PCBs"), and compounds containing them; lead and lead based paint, asbestos and asbestos-containing materials in any form that is or could become friable, underground or above-ground storage tanks, whether empty or containing any substance; any substance the presence of which at any Property is prohibited by any Governmental Authority; any substance that requires special handling; and any other hazardous or toxic substances, hazardous waste, regulated substances or hazardous air pollutants defined as such under any existing or future Environmental Law.

"Improvements" means all buildings and improvements now or hereafter erected on the Property and all Fixtures now or hereafter attached to or installed in or upon the Property or any buildings or improvements situated thereon.

"Jurisdiction" means the State of New York.

"Knowledge" means the actual knowledge of any Person obtained after making reasonable inquiry and exercising reasonable diligence with respect to the particular matter in question.

"Lease" means each, any and all present and future leases, subleases, licenses, or occupancy agreements of all or any portion of any Property, together with any renewals, modifications or replacements thereof, and any options, rights of first refusal or guarantees of any lease now or hereafter in effect.

"LIBOR" means, with respect to each LIBOR Period, the rate for U.S. dollar deposits with a one month maturity as reported on Reuters Screen LIBOR01 page (or any successor page) at approximately 11:00 a.m., London time, on the second London LIBOR Business Day before such LIBOR Period begins (or if not so reported, then as determined by the Bank from another recognized source or interbank quotation); provided, however, that if LIBOR determined as provided above for a LIBOR Period would be less than zero percent (0.0%), then LIBOR shall be deemed to be zero percent (0.0%) for such LIBOR Period.

"LIBOR Business Day" means with respect to all notices and determinations in connection with, and payments of principal and interest on, any LIBOR Loan, any day that is a Business Day and that is also a day for trading by and between banks in Dollar deposits in the London interbank market.

"LIBOR Loan" means a Loan, or portion thereof, during any period in which it bears interest at a rate based upon the LIBOR Rate.

"LIBOR Period" means, as to any LIBOR Loan, a period of one (1) month during which the entire outstanding principal balance of the LIBOR Loan bears interest determined in relation to LIBOR, with the understanding that:

(a) the initial LIBOR Period shall commence on the date such LIBOR Loan is disbursed and shall continue up to, but shall not include, the first day of the immediately following month, subject to the provisions of (c) below;

(b) thereafter each LIBOR Period shall commence automatically, without notice to or consent from Borrower, on the first day of each month and shall continue up to, but shall not include, the first day of the immediately following month;

(c) if any LIBOR Period is scheduled to commence on a day that is not a LIBOR Business Day, then such LIBOR Period shall commence on the next succeeding

LIBOR Business Day (and the preceding LIBOR Period shall continue up to, but shall not include, the first day of such LIBOR Period), unless the result of such extension would be to cause such LIBOR Period to begin in the next calendar month, in which event such LIBOR Period shall commence on the immediately preceding LIBOR Business Day (and the preceding LIBOR Period shall continue up to, but shall not include, the first day of such LIBOR Period); and

(d) if, on the first day of the last LIBOR Period applicable hereto the remaining term of the LIBOR Loan is less than one (1) month, said LIBOR Period shall be in effect only until the scheduled maturity date hereof.

"Lien" means any mortgage, deed of trust, deed to secure debt, pledge, statutory lien or other lien arising by operation of law, security interest, trust arrangement, security deed, financing lease, collateral assignment or other encumbrance, conditional sale or title retention agreement, or any other interest in property designed to secure the repayment of Obligations, whether arising by agreement or under any statute or law or otherwise.

"Loan" or "Loans" means the Term Loan with Draw Period.

"Loan Documents" means this Agreement, each Mortgage, Note, Guaranty Agreement, Security Agreement, UCC-1 financing statement 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.

"Loan to Value Ratio" means the aggregate outstanding principal balance of the Loans as of any date of determination, divided by an amount equal to the sum of the Appraised Value of each of the Properties.

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), or financial condition of the Borrowers and the Guarantors taken as a whole; (b) a material impairment of the rights and remedies of the Lender under any Loan Document, or of ability of the Borrowers and the Guarantors taken as a whole to perform their respective obligations under the respective Loan Documents to which any of them is a party; (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Borrowers and the Guarantors taken as a whole of the Loan Documents; or (d) a material adverse effect on the Collateral, taken as a whole.

"Material Agreement" means an agreement to which Borrower or Guarantor is a party (other than the Loan Documents) (a) which is deemed to be a material contract as provided in Regulation S-K promulgated by the Securities and Exchange Commission under the Securities Act of 1933 or (b) for which breach, termination, cancellation, nonperformance or failure to renew could reasonably be expected to have a Material Adverse Effect and shall include, without limitation, any operating lease of any Property or any Franchise Agreement or dealership agreement.

"Material Casualty Loss" has the meaning set forth in Section 5.6.4 hereof.

"Maximum Aggregate Amount" has the meaning set forth in Section 2.1.1 hereof.

"Mortgage" means any mortgage, deed of trust or similar instrument now or hereafter executed by Borrower or other Person granting Lender a security interest in any Collateral and granting Lender an assignment of the Leases to secure the Obligations of such Borrower, as modified, restated or replaced from time to time.

"Note" or "Notes" shall mean each Term Note and any other promissory note now or hereafter evidencing any Obligations, and all modifications, extensions and renewals thereof.

"OFAC" means the United States Department of the Treasury's Office of Foreign Assets Control or any successor thereto.

"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 in each case to the extent otherwise payable under the Loan Documents; provided, that Obligations of any Borrower or any Guarantor shall not include any Excluded Rate Contract Obligations solely of such Person.

"Parent" means any corporation, partnership or other entity that directly or indirectly, owns more than fifty percent (50%) of the stock, capital or income interests, or other beneficial interests, of a Person or which effectively controls such Person.

"Permitted Debt" has the meaning set forth in Section 6.1 hereof.

"Permitted Liens" has the meaning set forth in Section 6.2 hereof.

"Person" means any natural person, corporation, unincorporated organization, trust, joint-stock company, joint venture, association, company, limited or general partnership, limited liability company, any government or any agency or political subdivision of any government, or any other entity or organization.

"Properly Contested" means, in the case of any Debt of any Borrower or Guarantor (including any taxes) that is not paid as and when due or payable by reason of such Borrower's or Guarantor's bona fide dispute concerning its liability to pay same or concerning the amount thereof, (a) such Debt is being properly contested in good faith by appropriate proceedings timely instituted and diligently conducted; (b) such Borrower or Guarantor has established appropriate reserves as shall be required in conformity with GAAP; (c) the non-payment of such Debt will not have a Material Adverse Effect and will not result in a forfeiture or sale of any assets of such Borrower or Guarantor; (d) no Lien is imposed upon any of such Borrower's or Guarantor's assets with respect to such Debt unless such Lien is at all times junior and subordinate in priority to the Liens in favor of Lender (except only with respect to property taxes that have priority as a matter of applicable state law) and enforcement of such Lien is stayed during the period prior to the final resolution or disposition of such dispute; (e) if the Debt

results from, or is determined by the entry, rendition or issuance against such Borrower or Guarantor or any of its assets of a judgment, writ, order or decree, enforcement of such judgment, writ, order or decree is stayed pending a timely appeal or other judicial review; (f) if such contest is abandoned, settled or determined adversely (in whole or in part) to such Borrower or Guarantor, such Borrower or Guarantor forthwith pays such Debt and all penalties, interest and other amounts due in connection therewith; and (g) such Borrower shall notify Lender thereof.

"Property" has the meaning set forth in Section 2.1.4 of this Agreement.

"Regulated Materials" means any hazardous, toxic or dangerous waste, substance or material, the generation, handling, storage, disposal, treatment or emission of which is subject to any Environmental Law.

"Revolving Credit Agreement" means that certain Second Amended and Restated Credit Agreement, dated as of July 25, 2016, among Asbury as a Borrower, and certain of its subsidiaries as Vehicle Borrowers, Bank of America, N.A., as Administrative Agent, Revolving Swing Line Lender, New Vehicle Floorplan Swing Line Lender and Used Vehicle Floorplan Swing Line Lender and an L/C Issuer, and The Other Lenders Party thereto, as renewed and/or extended from time to time. For so long as Lender is a lender under the Revolving Credit Facility, the defined term "Revolving Credit Agreement" also shall include any amendments, modifications, replacements and/or amendments and restatements thereto.

"Revolving Credit Facility" means that certain senior credit facility evidenced in part by the Revolving Credit Agreement, as renewed and/or extended from time to time. For so long as Lender is a lender under the Revolving Credit Facility, the defined term "Revolving Credit Facility" also shall include any amendments, modifications, replacements and/or amendments and restatements thereto.

"Sanctioned Country" means a country subject to the sanctions program identified on the list maintained by OFAC and available at http://www.treas.gov/offices/enforcement/ofac/programs/ or as otherwise published from time to time.

"Sanctioned Person" means (a) a Person named on the list of Specially Designated Nationals or Blocked Persons maintained by OFAC available at http://www.treas.gov/offices/eotffc/ofac/sdn/index.html or as otherwise published from time to time, or (b) (i) an agency of the government of a Sanctioned Country, (ii) an organization controlled by a Sanctioned Country, or (iii) a Person resident in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC.

"Security Agreement" means any security agreement now or hereafter executed and delivered by any Borrower to Lender, as it may be modified.

"Senior Officer" means the chief executive officer, president, chief financial officer, treasurer, assistant treasurer, secretary, assistant secretary or controller of a Borrower, and any other officer or employee of the applicable Borrower so designated by any of the foregoing officers in a notice to the Lender.

"Solvent" means, as to any Person, that such Person has capital sufficient to carry on its business and transactions in which it is currently engaged and all business and transactions in which it is about to engage, is able to pay its debts as they mature, and has assets having a fair value greater than its liabilities, at fair valuation.

"Subsidiary" or "Subsidiaries" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities

or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person.

"Survey" means a survey prepared by a surveyor located in the state where the applicable Property is located and reasonably satisfactory to Lender and the company or companies issuing the Title Insurance Policy and containing a certification of such surveyor reasonably satisfactory to Lender.

"Swap Agreement" has the meaning for swap agreement as defined in 11 U.S.C. § 101, as in effect from time to time, or any successor statute, and includes, without limitation, any rate swap agreement, forward rate agreement, commodity swap, commodity option, interest rate option, forward foreign exchange agreement, spot foreign exchange agreement, rate cap agreement, rate floor agreement, rate collar agreement, currency swap agreement, cross-currency rate swap agreement, currency option and any other similar agreement.

"Swap Termination Value" means, in respect of any one or more Swap Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Agreements, (a) for any date on or after the date such Swap Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Agreements, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Agreements (which may include the Lender or any Affiliate of the Lender).

"Synthetic Lease Obligation" means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"Tenant" means each, any and all of the tenants on each Property as set forth on Exhibit 4.21 of this Agreement and each other tenant under a Lease for any Property.

"Termination Date" means the earliest of (a) the Term Loan Maturity Date, and (b) the date on which Lender terminates its obligation to make Loans and other extensions of credit to Borrower pursuant to Section 9.2 hereof.

"Term Loan with Draw Period" means the term loan with draw period made by Lender to Borrower pursuant to Section 2.1 of this Agreement.

"Term Loan with Draw Period Commitment" means the commitment of Lender to make the Term Loan with Draw Period in accordance with the provisions of Section 2.1.1 of this Agreement.

"Term Loan Maturity Date" means December 1, 2028.

"Term Note" has the meaning set forth in Section 2.1.2 of this Agreement.

"Third Party Agreement" means a waiver or subordination of Liens reasonably satisfactory to Lender from any Tenants, subtenants, lessors, mortgagees or other third parties (in each case other than any Borrower or any Guarantor) that might have lienholders' enforcement rights against any Collateral, waiving or subordinating those rights in favor of Lender and assuring Lender's access

to the Collateral in exercise of Lender's rights hereunder and such estoppel certificates, subordination and attornment agreements and other documents or agreements as Lender may reasonably require from any such Tenant or subtenant.

"Title Insurance Policy" means an ALTA mortgagee title insurance policy (or if the Property is located in a State which does not permit the issuance of such ALTA policy, such form as shall be permitted by such State and acceptable to Lender) in form and substance and containing endorsements to the extent available under the title insurance regulations under the law of the applicable State) and affirmative coverages (to the extent available under the title insurance regulations under the law of the applicable State) reasonably acceptable to Lender and issued with respect to each Property and insuring the lien of the Mortgage encumbering the Property.

"Unused Commitment Fee" has the meaning set forth in Section 2.7 hereof.

"USA Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001.

1.2 Financial Terms. All financial terms used herein shall have the meanings assigned to them under GAAP unless another meaning shall be specified.

2. The Credit Facility Interest and Fees.

2.1 The Credit Facility.

2.1.1 Term Loan with Draw Period Commitment. Lender agrees, on the terms and conditions set forth in this Agreement and the Term Note, to make a Term Loan with Draw Period (the "Term Loan with Draw Period Commitment") in the maximum principal amount of ONE HUNDRED MILLION AND 00/100 DOLLARS ($100,000,000.00) (the "Aggregate Commitment"). Subject to all of the terms and conditions of this Agreement and the Term Note, during the Draw Period, Lender agrees from time to time at the request of Borrower to make advances (each, an "Advance" and collectively, the "Advances") to Borrower in a maximum aggregate principal amount not to exceed the Maximum Aggregate Amount. Subject to all of the terms and conditions of this Agreement and the Term Note, during the Draw Period the Borrower may borrow, repay and reborrow under this Section 2.1.1. Unless Lender otherwise determines in its sole and absolute commercially reasonable discretion, the "Maximum Aggregate Amount" means 80% of the sum of the Appraised Value of each of the Properties; provided, however, that as to the Properties listed on Schedule A-2, the Maximum Aggregate Amount shall not be less than 80% of the sum of the Appraised Value of each such Property except as otherwise set forth herein and on Schedule A-2 with respect to the Property located at 1207 East Brandon Boulevard, Brandon, Hillsborough County, Florida, designated as Property Number 14. Borrower acknowledges that the Lender has determined that the "Maximum Aggregate Amount" for the Property located at 1207 East Brandon Boulevard, Brandon, Hillsborough County, Florida, designated as Property Number 14 means 60% of the sum of the Appraised Value for such Property. As of the date hereof, the maximum aggregate principal amount available for borrowing is NINETY-FOUR MILLION FOUR HUNDRED TWELVE THOUSAND AND 00/100 DOLLARS ($94,412,000.00) (the "Initial Aggregate Amount"). Commencing as of the Draw Termination Date, the principal balance of the Term Loan with Draw Period then outstanding shall be due and payable over a nine (9) year term in accordance with the terms of the Term Note and this Agreement. The proceeds of the Term Loan with Draw Period shall be used for general corporate purposes. From and after the Closing Date up to the Draw Termination Date, the Borrower shall have the option to include additional Properties as Collateral and increase the

maximum aggregate principal amount available for borrowing from the Initial Aggregate Amount to the Aggregate Commitment, subject to the following:

(a) Any request for an increase to the Maximum Aggregate Amount from the Initial Aggregate Amount shall be made by delivering to Lender a written request in a form satisfactory to Lender. The request shall include, without limitation, (i) the amount of the requested increase up to the Maximum Aggregate Amount from the Initial Aggregate Amount, (ii) the proposed Property to be added as Collateral, (iii) the current use of the proposed Property, (iv) the names of any tenants at the applicable Property, (e) the names of any lease guarantors that are guaranteeing the leases at the applicable Property, (v) copies of any leases and lease guarantees for the applicable Property, with the leases having a remaining term of not less than ten (10) years, and (vi) any other information regarding the applicable Property as the Lender may reasonably request. Any such delivery may be made by facsimile or email delivered to the individuals designated by the Lender to receive such notice.

(b) Upon receiving a request from the Borrower, the Lender shall determine, in its commercially reasonable discretion, (i) if the proposed Property is acceptable, (ii) if the lease and lease guarantees (if any) for the applicable Property are acceptable, (iii) the due diligence to be required with respect to such Property, and (d) the amount and requirements of any fees and expenses to be borne by Borrower with respect to including such Property in the Collateral, including, without limitation, the fees and expenses for the initial Appraisal, and for a survey, environmental due diligence, legal, and title work.

(c) The date for inclusion of each such Property and any increase to the Maximum Aggregate Amount as a result of adding a Property to the Collateral shall occur upon satisfaction of all conditions precedent set forth in Section 3 hereof, in the sole opinion of Lender and its counsel together with such additional reasonable requirements, if any, of Lender and its counsel.

2.1.2 Term Loan with Draw Period Note. On the Closing Date, Borrower shall execute and deliver to Lender a promissory note (the "Term Note"), in the form of Exhibit A-1 attached hereto and made a part hereof, which Term Note, in addition to the records of Lender, shall evidence the Term Loan with Draw Period and interest accruing thereon. The outstanding principal amount and all accrued interest under the Term Note shall be due and payable in accordance with the terms of the Term Note and this Agreement.

2.1.3 Request for Borrowing; Funding Date. Any request for an Advance shall be made by Borrower delivering to Lender a written request for borrowing in a form satisfactory to Lender no later than 3:00 p.m. (eastern time) on the date of funding of the Advance. Any such delivery may be made by electronic mail delivered to the individuals designated by Lender to receive such requests. Contemporaneously with each written request for borrowing, Borrower shall deliver or cause to be delivered to Lender a certificate from Asbury, in the form attached as Exhibit 4.11 to the Guaranty Agreement of Asbury, signed by a principal financial officer of Asbury 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, has occurred, and (b) except as disclosed to Lender in writing, the representations and warranties contained in the Loan Documents are true and correct in all material respects (except to the extent relating to an earlier date, in which case such representation and warranty shall be true and correct in all material respects as of such earlier date).

2.1.4 Mortgages. On the Closing Date, each Borrower shall execute and deliver to Lender a Mortgage as to each property owned by such Borrower as set forth on Exhibit A-2 attached hereto and made a part hereof (each property set forth on Exhibit A-2, a "Property"). After the Closing Date, Exhibit A-2 shall be amended from time to time to provide for (a) Advances being made hereunder and additional Properties being mortgaged as a result thereof, and (b) a Mortgage on a Property being released as provided in Section 2.4.5 hereof; provided, however, that the failure to update or amend Exhibit A-2 shall not affect the validity or enforceability of the Loan or any Advance made hereunder, Lender's interest in the Collateral, Lender's rights under the Loan Documents and/or the Obligations of the Borrower or the Guarantors under the Loan Documents.

2.2 Interest. Each Borrower agrees to pay interest in respect of all unpaid principal amounts of the Loan from the respective dates such principal amounts are advanced until paid (whether at stated maturity, on acceleration or otherwise) at the Applicable Margin for such LIBOR Loan plus LIBOR. Such interest rate shall be fixed for each LIBOR Period for which it is determined and shall apply for that Loan.

2.3 Repayment of Loans. The principal amount of the Term Loan with Draw Period is due and payable and shall be repaid by Borrower in accordance with the provisions of the Term Note.

2.4 Additional Payment Provisions.

2.4.1 Payment of Other Obligations. The balance of the Obligations under the Loan Documents requiring the payment of money shall be repaid by Borrower to Lender as and when provided in the relevant Loan Documents, or, if no date of payment is otherwise specified in the Loan Documents, **on demand**.

2.4.2 Time and Location of Payment. Borrower shall make each payment of principal of and interest on the Loan and fees hereunder not later than 2:00 p.m. (local time Charlotte, North Carolina) on the date when due, without set off, counterclaim or other deduction. Whenever any payment of principal of, or interest on, the Loan or of fees shall be due on a day which is not a Business Day, the date for payment thereof shall be extended to the next succeeding Business Day. If the date for any payment of principal is extended by operation of law or otherwise, interest thereon shall be payable for such extended time.

2.4.3 Late Charge. If any payments are not timely made, Borrower shall also pay to Lender a late charge equal to 5% of each payment past due for 10 or more days. This late charge shall not apply to payments due at maturity or by acceleration of the Loan, unless such late payment is in an amount not greater than the highest periodic payment due hereunder.

2.4.4 Swaps are Independent. Any prepayment shall not affect Borrower's obligation to continue making payments under any Swap Agreement, which shall remain in full force and effect notwithstanding such prepayment, subject to the terms of such Swap Agreement.

2.4.5 Releases of Property. So long as no Default or Event of Default shall have occurred and be continuing under the Loan Documents, Lender agrees, upon the request of Borrower, to release a Property from the lien of the Mortgage securing the Term Loan with Draw Period upon the

payment to Lender of the Required Release Amount (as hereinafter defined). During the Draw Period, the "Required Release Amount", if any, means an amount equal to the aggregate outstanding principal balance of the Term Loan with Draw Period at such time, minus the Maximum Aggregate Amount immediately following the release of the applicable Property. Upon the expiration of the Draw Period and at all times thereafter, the "Required Release Amount" means an amount equal to the sum of (a) the aggregate outstanding principal balance of the Term Loan with Draw Period at such time, minus (b) an amount equal to the Loan to Value Ratio at such time multiplied by the Appraised Value of each of the Properties for which a release has not been requested or required as hereinafter provided, plus (c) all accrued interest and other expenses payable under the Loan Documents.

Upon payment by Borrower of the Required Release Amount and release of the applicable Property from the lien of the Mortgage, any Guarantor (other than Asbury) that occupies and operates the applicable Property as a Tenant shall be released as a Guarantor and its Guaranty Agreement terminated; provided, however, that if such Guarantor occupies and operates more than one Property as a Tenant, such Guarantor shall be released from its Guaranty Agreement only as to the portion of the Loan allocated to the released Property. Notwithstanding anything to the contrary set forth herein, (i) Certain Properties listed on Exhibit A-3 are designated as being affiliated with and/or useful to the operations of one or more other Properties listed on Exhibit A-3. Any such Properties which are so designated as being so affiliated/useful to the operations of another are referred to as an "Affiliated Property Group". If Borrower shall request release of a Property from the lien of the Mortgage securing the Term Loan with Draw Period and such Property is included within an Affiliated Property Group, Lender reserves the right, within three (3) days of receipt of Borrower's written request for release of such Property from the lien of the Mortgage, to require that the Required Release Amount be paid for each and/or any other Property included within such Affiliated Property Group and each such Property included within such Affiliated Property Group also shall be released upon payment of the Required Release Amount for such Property; and (ii) At such time as the aggregate Appraised Values of the Dealership Properties comprise less than fifty (50%) percent of the aggregate Appraised Values of all of the then remaining Properties, Lender reserves the right at any time thereafter, upon thirty (30) days prior written notice, to require that the Required Release Amount be paid for each and/or any Property which is not a Dealership Property and each such Property which is not a Dealership Property also shall be released upon payment of the Required Release Amount for such Property.

2.5 Default Rate. In addition to all other rights contained in the Loan Documents, if an Event of Default occurs, the principal amount of all outstanding Obligations, other than Obligations under any Swap Agreements between Borrower and Lender or its Affiliates, may, at Lender's option, bear interest at the Default Rate. The Default Rate shall apply from acceleration until such Obligations or any judgment thereon is paid in full.

2.6 Calculation of Interest. All fees and other charges provided for in this Agreement that are calculated as a per annum percentage of any amount and all interest shall be calculated daily and shall be computed on the actual number of days elapsed over a year of 360 days.

2.7 Unused Commitment Fee. During the Draw Period, Borrower shall pay to Lender a non-refundable fee ("Unused Commitment Fee") equal to 0.02% per month on the difference between (a) the Aggregate Commitment and (b) the aggregate Advances outstanding during such month; provided, however, so long as the aggregate Advances outstanding during any applicable month shall exceed fifty percent (50%) of the Aggregate Commitment, no such Unused Commitment Fee shall be due and payable

for such month. The Unused Commitment Fee for any month shall be due and payable by Borrower on or before the 1st day of the immediately succeeding month.

2.8 Statement of Account. If Lender provides Borrower with a statement of account on a periodic basis, such statement will be presumed complete and accurate and will be definitive and binding on Borrower, unless objected to with specificity by Borrower in writing within forty-five (45) days after receipt.

2.9 USA Patriot Act Notice. To help fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each Person who opens an account. For purposes of this Section, account shall be understood to include loan accounts.

3. Conditions Precedent to Extensions of Credit.

3.1 Conditions Precedent to Initial Extensions of Credit. Lender shall not be required to fund any Advance or make any other extension of credit hereunder unless and until the following initial conditions shall have been satisfied by Borrower, in the sole opinion of Lender and its counsel:

3.1.1 Loan Documents. Borrower and each other party to any Loan Document, as applicable, shall have executed and delivered this Agreement, the Note, the Mortgages and other required Loan Documents, as applicable, all in form and substance satisfactory to Lender.

3.1.2 Supporting Documents and Other Conditions. Borrower shall cause to be delivered to Lender the following documents and shall satisfy the following conditions:

(a) Governing Documents. A copy of the governing instruments of each Borrower and Guarantor, and good standing certificates of each Borrower and Guarantor certified by the appropriate official of their respective states of incorporation and such other states requested by Lender in which the Collateral is located;

(b) Incumbency Certificates and Resolutions. Incumbency certificate and certified resolutions of the board of directors (or other appropriate governing body) of each Borrower and Guarantor, signed by the Secretary or another authorized officer of each Borrower or Guarantor, as the case may be, authorizing the execution, delivery and performance of the Loan Documents;

(c) Legal Opinions. The legal opinions of Borrower's and Guarantor's legal counsel, each addressed to Lender regarding such matters as Lender and its counsel may request;

(d) Property Searches. Title Insurance Commitment, Surveys, zoning reports, evidence of zoning compliance and such other searches and due diligence as the Lender shall require regarding each Property;

(e) Additional Searches. UCC-11 searches and other Lien searches showing no existing security interests in or Liens on the Collateral other than Permitted Liens;

(f) Insurance. Satisfactory evidence of insurance meeting the requirements of Section 5.6;

(g) Security Interest Documents. The Mortgages and UCC-1 financing statements covering the Collateral shall duly have been recorded or filed in the manner and places required by law to establish, preserve, protect and perfect the interests and rights created or intended to be created by the Loan Documents; and all taxes, fees and other charges in connection with the execution, delivery and filing thereof shall duly have been paid;

(h) Subordinations. Subordinations satisfactory to Lender from all Affiliates (other than Asbury) as required by Section 5.15;

(i) Third Party Agreements. Third Party Agreements as required by Lender;

(j) Payoff Letters. A complete and final payoff letter from any lender whose outstanding Debt is to be satisfied by remittance of proceeds of the Loan, and, if applicable, such disbursement letter as shall be required to direct the payment of loan proceeds and discharges and/or other termination documents to release and discharge all Liens encumbering the Collateral all in recordable form and reasonably satisfactory to Lender;

(k) Appraisals. All required appraisals shall have been completed to Lender's satisfaction;

(l) Environmental. All required environmental due diligence shall have been completed to Lender's satisfaction;

(m) Additional Documents. All additional opinions, documents, certificates and other assurances that Lender or its counsel may reasonably require;

(n) Payment of Fees. Satisfactory evidence of payment of all fees due and reimbursement of all costs incurred by Lender, and evidence of payment to other parties of all fees or costs which Borrower is required under the Loan Documents to pay by the date of the Loan;

(o) No Litigation. There shall be no litigation in which any Borrower or Guarantor is a party defendant, which Lender reasonably determines may have a Material Adverse Effect; and

(p) Financial Information. Such financial information regarding each Borrower and Guarantor as Lender shall have requested, and Lender shall be satisfied therewith.

3.2 Conditions Precedent to All Extensions of Credit. In addition to any other requirement set forth in this Agreement, Lender shall not be required to fund any Advance or make any other extension of credit hereunder unless and until the following conditions shall have been satisfied by Borrower, in the sole opinion of Lender and its counsel:

3.2.1 Compliance. The representations and warranties contained herein and in each of the other Loan Documents shall be true on and as of the date of the signing of this Agreement and true and correct in all material respects on the date of each Advance or other extension of credit by Lender pursuant hereto (except to the extent relating to an earlier date, in which case such representation or warranty shall be true and correct in all material respects as of such earlier date), with the same effect as though such representations and warranties had been made on and as of each such date, and on each such date, no Default or Event of Default shall have occurred and be continuing.

3.2.2 Additional Documentation. Lender shall have received all additional documents which may be otherwise required under the Loan Documents in connection with such Advance or other extension of credit.

4. Representations and Warranties. In order to induce Lender to enter into this Agreement and to make the Loan or otherwise extend credit as provided for herein, Borrower, jointly and severally, makes the following representations and warranties, all of which shall survive the execution and delivery of the Loan Documents. Unless otherwise specified, such representations and warranties shall be deemed made as of the date hereof and as of the date of each extension of credit hereunder:

4.1 Valid Existence and Power. Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and is duly qualified or licensed to transact business in all places where the failure to be so qualified would have a Material Adverse Effect on it. Borrower has the power to make and perform the Loan Documents executed by it and all such instruments will constitute the legal, valid and binding obligations of Borrower, enforceable in accordance with their respective terms, subject only to bankruptcy and similar laws affecting creditors' rights generally.

4.2 Authority. The execution, delivery and performance thereof by Borrower of the Loan Documents (a) have been duly authorized by all necessary actions of Borrower, and do not and will not violate any provision of law or regulation, or any writ, order or decree of any court or governmental or regulatory authority or agency or any provision of the governing instruments of Borrower, and (b) do not and will not, with the passage of time or the giving of notice, result in a breach of, or constitute a default or require any consent under, or result in the creation of any Lien upon any property or assets of Borrower pursuant to, any law, regulation, instrument or agreement to which Borrower is a party or by which Borrower or its properties may be subject, bound or affected, except, (i) solely in the case of a breach or default (and not in the case of any consent or Lien) under clause (b), to the extent such breach or default would not reasonably be expected to have a Material Adverse Effect, and (ii) any such consent that has been obtained.

4.3 Financial Condition. Borrower is not aware of any material adverse fact (other than facts which are generally available to the public and not particular to Borrower, such as general economic trends) concerning the conditions or future prospects of Borrower (taken as a whole) which has not been fully disclosed to Lender, including any material adverse change in the operations or financial condition of Borrower (taken as a whole) since the date of the most recent financial statements delivered to Lender. Borrower (taken as a whole) is Solvent, and after consummation of the transactions set forth in this Agreement and the other Loan documents, Borrower (taken as a whole) will be Solvent.

4.4 Litigation. Except as disclosed on Exhibit 4.4 hereof, there are no suits or proceedings pending, or to the Knowledge of Borrower threatened, before any court or by or before any governmental or regulatory authority, commission, bureau or agency or public regulatory body against or affecting Borrower, or its assets, which would reasonably be expected to have a Material Adverse Effect.

4.5 Agreements, Etc. Borrower is not a party to any agreement or instrument or subject to any court order, governmental decree or any charter or other corporate restriction, which would have a Material Adverse Effect. Borrower is in compliance in all material respects with the requirements of all applicable laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

4.6 Authorizations. All authorizations, consents, approvals and licenses required under applicable law or regulation for the ownership or operation of the property owned or operated by Borrower, or for the conduct of any business in which it is engaged have been duly issued and are in full force and effect, except in each case to the extent that failure of the foregoing to be duly issued and in full force and effect would not reasonably be expected to have a Material Adverse Effect. Borrower is not in default, nor has any event occurred which with the passage of time or the giving of notice, or both, would constitute a default, under any of the terms or provisions of any part thereof, or under any order, decree, ruling, regulation, closing agreement or other decision or instrument of any governmental commission, bureau or other administrative agency or public regulatory body having jurisdiction over Borrower, which default would have a Material Adverse Effect on Borrower. Borrower has all requisite governmental licenses, authorizations, consents and approvals to execute, deliver and perform its obligations under the Loan Documents to which it is a party.

4.7 Title. Borrower has insurable title to the Property and owns all property necessary in the operation of its business, except in each case for such defects in title or such failure to own or lease property as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Borrower owns the Property free and clear of all Liens, except Permitted Liens. Except as disclosed on Exhibit 4.7 hereof, Borrower alone has full ownership rights in the Collateral.

4.8 Collateral. The security interests granted to Lender pursuant to any Mortgage (a) constitute and, as to subsequently acquired property included in the Collateral covered by the Mortgage, will constitute, security interests entitled to all of the rights, benefits and priorities provided by the Code (to the extent such Collateral is personal property subject to 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, subject only to Permitted Liens. The Collateral is intended for use solely in Borrower's business.

4.9 Jurisdiction of Organization. The jurisdiction in which Borrower is organized, existing and in good standing, the chief executive office of Borrower where Borrower's business records are located, all of Borrower's other places of business and any other places where any information regarding Collateral is kept, are all correctly and completely indicated on Exhibit 4.9 hereof.

4.10 Taxes. Except to the extent Properly Contested, Borrower has filed all federal and state income and other tax returns which are required to be filed, and has paid all taxes as shown on said returns and all taxes, including withholding, FICA and ad valorem taxes, shown on all assessments received by it to the extent that such taxes have become due. Except to the extent Properly Contested, Borrower is not subject to any federal, state or local tax Liens nor has Borrower received any notice of deficiency or other official notice to pay any taxes. Except to the extent Properly Contested, Borrower has paid all sales and excise taxes payable by it.

4.11 Labor Law Matters. No goods or services have been or will be produced by Borrower in violation of any applicable labor laws or regulations or any collective bargaining agreement or other labor agreements or in violation of any minimum wage, wage-and-hour or other similar laws or regulations.

4.12 Judgment Liens. Neither Borrower nor any of its assets are subject to any unpaid judgments (whether or not stayed) or any judgment liens in any jurisdiction as of the date hereof or, as to any time after the date hereof, except to the extent that (a) such unpaid judgments or judgment liens would not reasonably be expected to result in a Material Adverse Effect or (b) such unpaid judgments or judgments liens are not senior to or pari passu with the Lien of Lender on any of the Collateral.

4.13 Environmental. The Borrower has complied in all respects with all Environmental Laws except where the failure to comply could not be expected to have a Material Adverse Effect. Borrower has not received written notice of any failure so to comply except where the failure to comply could not be expected to have a Material Adverse Effect. Borrower does not manage any Hazardous Materials in a manner that violates any regulations promulgated pursuant to Environmental Laws except for any such violation that could not be expected to have a Material Adverse Effect. To Borrower's Knowledge, no portion of any Property is a protected wetland.

4.14 ERISA. Each plan (a "Plan") maintained for employees of Borrower or any Subsidiary and covered by Title IV of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") is in compliance in all material respects with the applicable provisions of ERISA, the Internal Revenue Code of 1986, as amended, and other federal or state laws. No Termination Event (as hereinafter defined) with respect to any Plan has occurred and is continuing that would reasonably be expected to result in a Material Adverse Effect. For the purposes of this Agreement, a "Termination Event" shall mean a "reportable event" as defined in Section 4043(b) of ERISA, or the filing of a notice of intent to terminate under Section 4041 of ERISA. Except as disclosed on Exhibit 4.14, neither Borrower nor any Subsidiary has any unfunded liability with respect to any such Plan that would reasonably be expected to have a Material Adverse Effect.

4.15 Investment Company Act. Neither Borrower nor any Subsidiary nor Guarantor is an "investment company" as defined in the Investment Company Act of 1940, as amended.

4.16 Sanctioned Persons; Sanctioned Countries. Borrower (a) is not a Sanctioned Person nor (b) does it do business in a Sanctioned Country or with a Sanctioned Person in violation of the economic sanctions of the United States administered by OFAC. The proceeds of any Loan will not be used to fund any operation in, finance any investments or activities in or make any payments to, a Sanctioned Person or a Sanctioned Country.

4.17 Compliance with Covenants; No Default. Borrower is, and upon funding of the Loans on the Closing Date will be, in compliance with all of the covenants hereof. No Event of Default has occurred, and the execution, delivery and performance of the Loan Documents and the funding of the Loans on the Closing Date will not cause an Event of Default.

4.18 Full Disclosure. There is no material fact of which Borrower has Knowledge that Borrower has not disclosed to Lender which could reasonably be expected to have a Material Adverse Effect. No Loan Document, nor any agreement, document, certificate or statement delivered by Borrower to Lender, contains any untrue statement of a material fact or omits to state any material fact which Borrower has Knowledge of necessary to keep the other statements from being misleading in any material respect.

4.19 Utilities and Public Access. To Borrower's Knowledge, the Property has any necessary rights of access to public ways and is served by public water, sewer, sanitary sewer and drain facilities adequate to service the Property for its intended use. All public utilities necessary to the full use and enjoyment of the Property are located either in the public right of way abutting such Property (which are connected so as to serve such Property without passing over other property) or in recorded easements serving such Property and such easements are set forth in and insured by the respective Title Insurance Policy. To Borrower's Knowledge, all roads necessary for the use of the Property for its current respective purpose have been completed, are physically open and dedicated to public use and have been accepted by all Governmental Authorities.

4.20 Condemnation. Except as described in Exhibit 4.20 hereof, no condemnation or other similar proceeding has been commenced, or to Borrower's Knowledge, is overtly threatened or contemplated with respect to all or any portion of any Property or for the relocation of roadways providing access to such Property.

4.21 Use and Operation of Property. Each Property is occupied, used and operated by each applicable Borrower or each applicable Tenant as set forth on Exhibit 4.21 exclusively for the franchised retail motor vehicle sales, service or other related purposes as identified on Exhibit 4.21 hereof or for such other purposes as identified on Exhibit 4.21 hereof.

4.22 Certificate of Occupancy; Licenses. Except to the extent disclosed on Exhibit 4.22, to Borrower's Knowledge, all material certifications, permits, licenses and approvals, including without limitation, certificates of completion and occupancy permits required for the legal use, occupancy and operation of the Property for its permitted use (collectively, the "Licenses") pursuant to Section 4.21, have been obtained and are in full force and effect and are not subject to revocation, suspension or forfeiture. Borrower shall keep and maintain all licenses necessary for the operation of the Property for its permitted use. To Borrower's Knowledge, the use being made of the Property is in conformity with the certificate of occupancy issued for the Property.

4.23 Flood Zone. To Borrower's Knowledge, except as shown on the related Survey, none of the Improvements on the Property are located in an area as identified by the Federal Emergency Management Agency as an area having special flood hazards and, if so located, the flood insurance required pursuant to Section 5.6.1 is in full force and effect with respect to the Property.

4.24 Physical Condition. Except to the extent disclosed on Exhibit 4.24 hereof as of the date hereof or except to the extent Borrower is diligently making repairs and/or replacements in the

ordinary course of business after the date hereof, the Property, including, without limitation, all buildings, improvements, parking facilities, sidewalks, storm drainage systems, roofs, plumbing systems, HVAC systems, fire protection systems, electrical systems, equipment, elevators, exterior sidings and doors, irrigation systems and all structural components, is in good condition, order and repair in all material respects; and there exists no structural or other material defects or damages in the Property, whether latent or otherwise. Borrower has not received notice from any insurance company or bonding company of any defects or inadequacies in the Property, or any part thereof, which would adversely affect the insurability of the same or cause the imposition of extraordinary premiums or charges thereon or of any termination or threatened termination of any policy of insurance or bond. Except to the extent disclosed on Exhibit 4.24 hereof as of the date hereof or to the extent disclosed in writing to Lender as to damage occurring after the date hereof, the Property is free from material damage caused by fire or other casualty. Except to the extent disclosed on Exhibit 4.13 hereof as of the date hereof or except to the extent Borrower is diligently making repairs and/or replacements in the ordinary course of business after the date hereof, to Borrower's Knowledge, all liquid and solid waste disposal, septic and sewer systems located on the Property are in a good and safe condition and repair and in material compliance with all applicable legal requirements.

4.25 Boundaries. All of the Improvements which were included in determining the appraised value of the Property lie wholly within the boundaries and building restriction lines of the Property, and no improvements on adjoining properties encroach upon the Property, and no easements or other encumbrances upon the Property encroach upon any of the Improvements, in any such case so as to adversely affect the value or marketability of the Property, except those which are insured against by the applicable Title Insurance Policy and/or disclosed on the related Survey.

4.26 Possession of Property. Other than Borrower, no Person has any possessory interest in the Property or right to occupy the same except for the Tenant under the provisions of each Lease as identified on Exhibit 4.26.

4.27 Survey. To Borrower's Knowledge, the Survey for the Property delivered to Lender in connection with this Agreement does not fail to reflect any material matter affecting the Property or the title thereto.

4.28 Illegal Activity. No portion of the Property has been or will be purchased with proceeds of any illegal activity and, to Borrower's Knowledge, there are no illegal activities or activities relating to any controlled substances at the Property that would reasonably be expected to result in (a) the forfeiture or seizure of all or any portion of the Property or (b) a Material Adverse Effect.

4.29 Management Agreement. Except as set forth on Exhibit 4.29 hereto, the Property is self-managed by Borrower and, therefore, there are no property management agreements pursuant to which a third party is to provide property management services with respect to the Property.

4.30 Brokerage/Developer Fees. There are no brokerage commissions or developers fees or agreements pursuant to which a third party is entitled to payment from Borrower or Guarantor relating to the acquisition of the Collateral.

4.31 Franchise Agreements. Each Franchise Agreement is valid and in full force and effect and, to Borrower's Knowledge, no Borrower is aware of any event which with notice, lapse of

time, or both would allow any manufacturer which is a party to any of the Franchise Agreements to terminate any such agreements. Borrower has not received any notice of termination of any Franchise Agreement.

4.32 Inter-Company Debt. Other than trade payables incurred and receivables established in the ordinary course of business, there is no outstanding debt owed by any Borrower to any Affiliate.

4.33 Leases. Borrower is the owner and lessor of landlord's interest in each Lease at the Property (if applicable). There has been no prior sale, transfer or assignment, hypothecation or pledge of the Lease or of the rents received therein. 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 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; and (j) the related Franchise Agreements are in full force and effect.

5. Affirmative Covenants of Borrower. Borrower, jointly and severally, covenants and agrees that from the date hereof and until payment in full of the Obligations and the formal termination of this Agreement:

5.1 Inspections; Access to Books and Records.

5.1.1 Inspections of Books and Records. Borrower will allow Lender, or its agents, during normal business hours, access to the books, records and such other documents of Borrower as Lender shall reasonably require, and allow Lender, at Borrower's expense, to inspect, audit and examine the same and to make extracts therefrom and to make copies thereof. At any time other than during a Default Period, Lender shall provide reasonable notice prior to any inspection and/or audit and shall not conduct such inspection and/or audit more than once in any twelve (12) month period.

5.1.2 Environmental Inspections. Lender shall have the right to arrange for or conduct environmental inspections of each Property from time to time (including the taking of soil, water, air or material samples). The cost of such inspections shall be borne by Borrower only in the case of such inspections made during a Default Period or which are required by laws or regulations applicable to Lender.

5.1.3 Property Inspections. Lender, or its representatives or agents, are authorized to enter at any reasonable time upon any part of any Property for the purpose of inspecting any Property and for the purpose of performing any of the acts it is authorized to perform under the terms of the Mortgage. At any time other than during a Default Period, Lender shall provide reasonable notice prior to any such Property inspection.

5.2 Business Continuity. Borrower will conduct its business in substantially the same manner as such business is now conducted, and businesses ancillary or reasonably related thereto. If any Borrower ceases to conduct business at any Property owned by such Borrower, Borrower will provide written notice thereof to Lender together with a description of any alternate or substitute location in respect thereof, if any.

5.3 Intentionally Omitted.

5.4 Compliance with Swap Agreements. Borrower will comply with all terms and conditions contained in any Swap Agreements, if applicable, as in effect from time to time, except to the extent that noncompliance therewith would not reasonably be expected to result in a Material Adverse Effect. Nothing in this Section 5.4 shall affect or negate any applicable notice, grace and/or cure periods provided for in this Agreement, any other Loan Documents or any Swap Agreements, if applicable, as in effect from time to time.

5.5 Intentionally Omitted.

5.6 Insurance.

5.6.1 Required Insurance. Borrower shall maintain with respect to each Property: (a) during construction of any Improvements on each Property, "all-risk" builders risk insurance which must include windstorm, hail damage, fire and vandalism (non-reporting Completed Value with Special Cause of Loss form), in an amount not less than the completed replacement value of the Improvements under construction, naming Lender as mortgagee and loss payee; (b) upon completion of construction, upon occupancy of any Improvements, and at all other times, insurance against loss or damage by fire and other casualties and hazards by insurance written on an "all risks" basis, including malicious mischief coverage, in an amount not less than the replacement cost thereof, including coverage for loss of rents or business interruption if applicable, naming Lender as loss payee and mortgagee; (c) if any Property is required to be insured pursuant to the National Flood Reform Act of 1994, and the regulations promulgated thereunder, flood insurance is required in the amount equal to the lesser of the loan amount or maximum available under the National Flood Insurance Program, but in no event should the amount of coverage be less than the value of the improved structure, naming Lender as mortgagee and loss payee. If, after closing, any Property (or any part thereof) is remapped and if the vertical Improvements are determined to be located in a special flood hazard area, Borrower must obtain and maintain a flood insurance policy. If, within forty-five (45) days of receipt of notification from Lender that any Property has been reclassified by FEMA as being located in a special flood hazard area, Borrower has not provided sufficient evidence of flood insurance, Lender is mandated under federal law to purchase flood insurance on behalf of Borrower, and Lender will add the associated costs to the principal balance of the applicable Note. If the land or any portion thereof is located in a special flood hazard area, this Agreement may be terminated by Lender at its sole option; (d) as applicable, insurance which complies with the workers' compensation and employers' liability laws of all states in which

Borrower shall be required to maintain such insurance; and (e) commercial general liability insurance providing coverage in such amount as Lender may require but in no event less than $1,000,000.00 combined single limit, naming Lender as an additional insured; and (f) such other insurance as Lender may reasonably require from time to time.

5.6.2 Insurance Endorsement. All property insurance policies shall contain an endorsement or agreement by the insurer in form satisfactory to Lender that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of Borrower and the further agreement (within both the property and liability policies) of the insurer waiving rights of subrogation against Lender, and rights of set-off, counterclaim or deductions against Borrower.

5.6.3 Type. All insurance policies shall be in form, provide coverages, be issued by companies and be in amounts reasonably satisfactory to Lender. At least 30 days prior to the expiration of each such policy, Borrower shall furnish Lender with evidence satisfactory to Lender that such policy has been renewed or replaced or is no longer required hereunder. All such policies shall provide that the policy will not be canceled or materially amended without at least 30 days prior written notice to Lender. In the event Borrower fails to provide, maintain, keep in force, and furnish to Lender the policies of insurance required by this paragraph, Lender may procure such insurance or single-interest insurance in such amounts, at such premium, for such risks and by such means as Lender chooses, at Borrower's expense; provided however, Lender shall have no responsibility to obtain any insurance, but if Lender does obtain insurance, Lender shall have no responsibility to assure that the insurance obtained shall be adequate or provide any protection to Borrower.

5.6.4 Insurance Proceeds. After occurrence of any loss to all or any part of any Property the cost of repair, replacement or restoration of which is reasonably anticipated to exceed $2,000,000 individually or in the aggregate (a "Material Casualty Loss"), Borrower shall give prompt written notice thereof to Lender. In the event of a Material Casualty Loss, all insurance proceeds, including unearned premiums, shall be payable to Lender, and Borrower hereby authorizes and directs any affected insurance company to make payment of such proceeds directly to Lender and not to Lender and Borrower jointly. In the event of any Material Casualty Loss, Lender is hereby authorized by Borrower to make proof of loss if not promptly made by Borrower, and to settle, adjust or compromise any claims for loss or damage under any policy or policies of insurance and Borrower appoints Lender as its attorney-in-fact to receive and endorse any insurance proceeds to Lender, which appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain unsatisfied. Borrower shall pay the costs of collection, including attorneys' fees, of insurance proceeds payable on account of such damage or destruction. Except to the extent provided herein, Borrower shall have no claim against the insurance proceeds, or be entitled to any portion thereof, and all rights to the insurance proceeds are hereby assigned to Lender as security for payment of the Obligations. In the event of any Material Casualty Loss, Lender shall have the option of applying or paying all or part of the insurance proceeds to (a) the Obligations in such order as Lender may determine, (b) restoration, replacement or repair of such Property in accordance with Lender's standard construction loan disbursement conditions and requirements, or (c) Borrower. Nothing herein shall be deemed to excuse Borrower from restoring, repairing and maintaining each Property as required herein. Notwithstanding the foregoing, provided that so long as either (a) the Material Casualty Loss affects less than fifty (50%) percent of the then current fair market value of the Property, as determined by Appraisal reviewed and approved by Lender in its reasonable judgment, and no Event of Default or event, which, with the giving of notice or the passage of time, or both, would constitute an Event of Default shall have occurred, or (b) all of the

following conditions are fully satisfied by Borrower, Lender shall disburse insurance proceeds from a Material Casualty Loss for repair and restoration of a Property in accordance with Lender's standard construction loan disbursement conditions and requirements: (i) no Event of Default or event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default shall have occurred and be continuing; (ii) Borrower shall have delivered evidence satisfactory to Lender that such Property can be fully repaired and restored at least six (6) months prior to the maturity of the Obligations; (iii) no Lease of such Property is cancelable or terminable by the Tenant or Borrower on account of the casualty or, if it is, the Tenant or Borrower (as applicable) has waived in writing its right to cancel; (iv) the work is performed under a fixed price or guaranteed maximum price contract reasonably satisfactory to Lender in accordance with plans and specifications and a budget reasonably satisfactory to Lender in accordance with all legal requirements; (v) Borrower shall have deposited with Lender for disbursement in connection with the restoration the greater of: (X) the applicable deductible under the insurance policies covering the loss; or (Y) the amount by which the cost of restoration of such Property to substantially the same value, condition and character as existed prior to such damage is estimated by Lender to exceed the net insurance proceeds; (vi) Borrower has paid as and when due all of Lender's costs and expenses incurred in connection with the collection and disbursement of insurance proceeds, including without limitation, inspection, monitoring, engineering and legal fees. If not paid on demand, at Lender's option, such costs may be deducted from the disbursements made by Lender or added to the sums secured by the Mortgage; and (vii) such other terms and conditions as Lender may reasonably require.

Notwithstanding anything set forth in this Section 5.6.4 to the contrary, in the event of any loss to all or any part of any Property which is not a Material Casualty Loss, Borrower is authorized to make proof of loss, settle, adjust or compromise any claims for loss or damage under any policy or policies of insurance and shall be entitled to receive all insurance proceeds, including unearned premiums; provided that Borrower covenants to use such proceeds for the repair, replacement or restoration of the Property.

5.7 Maintain Properties. Borrower will maintain, preserve and keep its property in good repair, working order and condition, ordinary wear and tear excepted, making all replacements, additions and improvements thereto necessary for the proper conduct of its business, unless prohibited by the Loan Documents.

5.8 Intentionally Omitted.

5.9 Notice of Default and Other Notices. Borrower (or Asbury on behalf of Borrower) shall provide to Lender prompt notice of (a) the occurrence of any Event of Default and what action (if any) Borrower is taking to correct the same; (b) any rejection, return, offset, dispute, loss or other circumstance which, in each such case, could be expected to have a Material Adverse Effect on Borrower or on the Collateral, taken as a whole, (c) the cancellation or termination of, or any default under, any Material Agreement to which Borrower is a party or by which any of its properties are bound, if such cancellation, termination or breach is reasonably likely to result in a Material Adverse Effect; (d) any loss or threatened loss of material licenses or permits; (e) all notices of default or other material notices from any Tenant to any Borrower; (f) any dispute, litigation, investigation, proceeding or suspension between the Borrower and any governmental authority which dispute, litigation, investigation, proceeding or suspension arising under this clause (f) has resulted or could reasonably be expected to result in a Material Adverse Effect; (g) the commencement of, or any material development in, any

litigation or proceeding affecting the Borrower, including pursuant to any applicable Environmental Laws, where the result of such event arising under this clause (g) has resulted or could reasonably be expected to result in a Material Adverse Effect; (h) receipt of any citations, warnings, orders, notices, consent agreements, process or claims alleging or relating to material violations of any Environmental Laws or to the environmental condition of each Property; (i) any notice from taxing authorities as to claimed deficiencies in an amount aggregating $250,000 or more or any tax lien or any notice relating to alleged ERISA violations involving an amount at issue of $250,000 or more, and (j) any Reportable Event, as defined in ERISA. Any such notice will include the status of any unresolved item covered by any previous notices and provide such other information as may be reasonably requested by Lender.

5.10 Intentionally Omitted.

5.11 Intentionally Omitted.

5.12 Intentionally Omitted.

5.13 Maintenance of Existence and Rights. Borrower shall preserve and maintain its corporate existence, authorities to transact business, rights and franchises, trade names, patents, trademarks and permits necessary to the conduct of its business, except in connection with a transaction not otherwise prohibited hereunder, and except to the extent that the failure to preserve and maintain the foregoing would not reasonably be expected to result in a Material Adverse Effect.

5.14 Payment of Taxes. Borrower shall pay before delinquent all federal and state income or property taxes, and all other material taxes, assessments and governmental charges or levies imposed upon Borrower or which may become a lien upon any Property (all of the foregoing collectively, "Impositions"), except and to the extent only that such Impositions are being Properly Contested.

5.15 Subordination. Borrower shall cause all debt and other obligations now or hereafter owed to any Affiliate (other than Asbury), other than trade payables incurred and receivables established in the ordinary course of business, to be subordinated in right of payment and security to the Obligations in accordance with subordination agreements satisfactory to Lender.

5.16 Intentionally Omitted.

5.17 Leases, Subleases and Easements. Borrower shall, at all times, comply in all material respects with the terms and provisions of any Lease or easement which may constitute a portion of any Property. Except as otherwise provided in Section 6.13 hereof, Borrower shall not, without the prior written consent of Lender (which consent shall not be unreasonably withheld or delayed), enter into any new Lease of all or any portion of any Property, agree to the cancellation or surrender under any Lease of all or any portion of any Property, agree to prepayment of rents, issues or profits (other than rent paid at the signing of a Lease), modify any such Lease so as to shorten the term, decrease the rent, accelerate the payment of rent, or change the terms of any renewal option; and any such purported new Lease, cancellation, surrender, prepayment or modification made without the consent of Lender shall be void as against Lender. Notwithstanding anything set forth herein, (a) Borrower may renew or extend any Lease on (i) the same, better or substantially the same terms as then existing, or (ii) as otherwise approved by Lender in writing, and (b) as to any Lease with an Affiliate of Asbury, Borrower may agree to the cancellation or surrender under any Lease of all or any portion of any Property, agree to prepayment of rents, issues or profits (other than rent paid at the signing of a Lease), modify any such

Lease so as to shorten the term, decrease the rent, accelerate the payment of rent, or change the terms of any renewal option so long as such cancellation, surrender, prepayment, modification, decrease in rent, acceleration or change would not reasonably be expected to result in a Material Adverse Effect.

5.18 Impositions; Escrow Deposit. Borrower will pay or cause to be paid all taxes, levies, assessments and other fees and charges imposed upon or which may become a lien upon any Property under any law or ordinance (all of the foregoing collectively, "Impositions") before they become delinquent and in any event in the same calendar year in which they first become due. Upon an Event of Default or if required by Federal or State law or if required by any Lender policy applicable to commercial loans of this type, at Lender's request, Borrower shall add to each periodic payment required under the Notes the amount estimated by Lender to be sufficient to enable Lender to pay, as they come due, all Impositions and insurance premiums which Borrower is required to pay hereunder. Payments requested under this provision shall be supplemented or adjusted as required by Lender from time to time. Such funds may be commingled with the general funds of Lender and shall not earn interest.

5.19 Use of Property. Borrower shall use and operate, and require its lessees or licensees to use and operate, each Property in compliance with all applicable laws (including, for example, the Americans with Disabilities Act and the Fair Housing Act) and ordinances, covenants, and restrictions, and with all applicable requirements of any Lease now or hereafter affecting each Property. Borrower shall not permit any unlawful use of any Property or any use that may give rise to a claim of forfeiture of any of such Property. Except as otherwise provided in Section 6.12 hereof, Borrower shall not allow changes in the stated use of any Property from that disclosed to Lender at the time of execution hereof. Borrower shall not initiate or acquiesce to a zoning change of any Property without prior notice to, and written consent of, Lender.

5.20 Maintenance, Repairs and Alterations. Borrower shall keep and maintain each Property in good condition and repair, ordinary wear and tear excepted. Borrower will not remove, demolish or structurally alter, or permit any Tenant to remove, demolish or structurally alter, any of the Improvements on any Property (except such alterations as may be required by laws, ordinances or regulations and any such alterations which would not reasonably be expected to result in a diminution in the value of such Property) without the prior written consent of Lender. Borrower shall promptly notify Lender in writing of any material loss, material damage or material adverse condition affecting any Property.

5.21 Eminent Domain. Should the entire Property or any interest therein in excess of $250,000 in value individually or $3,000,000 in value in the aggregate be taken or damaged by reason of any public use or improvement or condemnation proceeding (a "Material Condemnation"), or should Borrower receive any notice or other information regarding such Material Condemnation, Borrower shall give prompt written notice thereof to Lender. Lender shall be entitled to all compensation, awards and other payments or relief granted in connection with such Material Condemnation and, at its option, may commence, appear in and prosecute in its own name any action or proceedings relating thereto. Lender shall be entitled to make any compromise or settlement in connection with such taking or damage. All compensation, awards, and damages awarded to Borrower related to any Material Condemnation (the "Proceeds") are hereby assigned to Lender and Borrower agrees to execute such further assignments of the Proceeds as Lender may require. Lender shall have the option of applying or paying the Proceeds in the same manner as insurance proceeds as provided herein. Borrower appoints Lender as its attorney-

in-fact to receive and endorse the Proceeds to Lender, which appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain unsatisfied.

Notwithstanding anything set forth in this Section 5.21 to the contrary, in the event of any taking or condemnation which is not a Material Condemnation, Borrower is authorized to make proof of loss, settle, adjust or compromise any claims for loss or damage with the condemning authority, and shall be entitled to receive all proceeds related thereto; provided that Borrower covenants to use such proceeds for the repair, replacement or restoration of the Property.

5.22 Environmental Condition of Property. Borrower shall conduct and complete all investigations and all cleanup actions necessary to comply with the Environmental Laws and to remove, in accordance with Environmental Laws, any Hazardous Material from each Property, except to the extent such failure to remove such Hazardous Material would not reasonably be expected to have a material adverse effect on such Property.

5.23 Appraisals. Borrower agrees that Lender may obtain an Appraisal of any Property when (a) required by the regulations of the Federal Reserve Board or the Office of the Comptroller of the Currency, or any other regulatory agency, or (b) at such other times as Lender may reasonably require; provided, however, that, at any time other than during a Default Period or as required by any policy of Lender as to mortgage loans (and not as particular to Borrower), Lender may require an Appraisal under clause (b) no more than once in any twelve (12) month period. Such Appraisals shall be performed by an independent third party appraiser selected by Lender. The cost of such Appraisals shall be borne by Borrower. If requested by Lender, Borrower shall execute an engagement letter addressed to the appraiser selected by Lender. Borrower's failure or refusal to sign such an engagement letter, however, shall not impair Lender's right to obtain such an Appraisal. Borrower agrees to pay the cost of such Appraisal within ten (10) days after receiving an invoice for such Appraisal.

5.24 Intentionally Omitted.

5.25 Liens and Subrogation. Borrower shall pay and promptly discharge all liens, claims and encumbrances upon any Property, other than Permitted Liens. Borrower shall have the right to contest in good faith the validity of any such lien, claim or encumbrance, provided: (a) such contest suspends the collection thereof or there is no danger of any Property being sold or forfeited while such contest is pending; (b) if the lien, claim or encumbrance exceeds $1,000,000, Borrower first deposits with Lender a bond or other security satisfactory to Lender in such amounts as Lender shall reasonably require; and (c) Borrower thereafter diligently proceeds to cause such lien, claim or encumbrance to be removed and discharged. Lender shall be subrogated to any liens, claims and encumbrances against Borrower or any Property that are paid or discharged through payment by Lender or with loan proceeds, notwithstanding the record cancellation or satisfaction thereof.

5.26 Further Assurances. Borrower shall take such further action and provide to Lender such further assurances as may be reasonably requested to ensure compliance with the intent of this Agreement and the other Loan Documents.

5.27 Management. Borrower shall not enter into any agreement for the management of the Property or any portion thereof without Lender's prior written consent.

5.28 Intentionally Omitted.

6. Negative Covenants of Borrower. Borrower, jointly and severally, covenants and agrees that from the date hereof and until payment in full of the Obligations and the formal termination of this Agreement, Borrower:

6.1 Debt. Shall not create or permit to exist any Debt, including any guaranties or other contingent obligations, except the following ("Permitted Debt"):

(a) The Obligations;

(b) Any Debt evidenced by the Revolving Credit Facility or any refinancing, replacement, modification, renewal, amendment or amendment and restatement of the Revolving Credit Facility, including any increases in the aggregate principal amounts; provided, however, that nothing contained in this Section 6.1(b) shall be deemed to modify Section 5.15 hereof;

(c) Any other Debt permitted under the Revolving Credit Agreement or any refinancing, replacement, modification, renewal, amendment or amendment and restatement thereof;

(d) Endorsement of checks for collection in the ordinary course of business;

(e) Debt payable to suppliers and other trade creditors in the ordinary course of business on ordinary and customary trade terms and which is not past due;

(f) Debt existing on the Closing Date and not otherwise permitted under this Section 6.1, as set forth on Exhibit 6.1 hereto, and the renewal and refinancing (but not the increase in the aggregate principal amount) thereof; and

(g) Debt incurred under any Swap Agreements relating to the Term Loan with Draw Period.

6 . 2 Liens. Shall not create or permit any Liens on any Property except the following ("Permitted Liens"): Liens securing the Obligations;

(a) Liens for taxes, assessments and other governmental charges or levies (excluding any Lien imposed pursuant to any of the provisions of ERISA or Environmental Laws) not yet due and payable or which are being Properly Contested;

(b) The claims of materialmen, mechanics, carriers, warehousemen, processor or landlords arising out of operation of law so long as the obligations secured thereby are not past due or are being Properly Contested;

(c) Liens consisting of deposits or pledges made in the ordinary course of business in connection with workers' compensation, unemployment insurance, social security and similar laws; and

(d) Judgment and other similar non-tax Liens arising in connection with court proceedings but only if and for so long as (i) the execution or enforcement of such Liens is and continues to be effectively stayed and bonded on appeal, (ii) the validity and/or amount of the claims secured

thereby are being Properly Contested and (iii) such Liens do not, in the aggregate, materially detract from the value of the Collateral or materially impair the use thereof in the operation of the Property.

6.3 Change in Business. Shall not enter into any business which is different from the business in which it is engaged on the Closing Date, or make any material change in the scope or nature of its business objectives, purposes or operations, or undertake or participate in activities other than the continuance of the business in which it is engaged on the Closing Date. Notwithstanding anything set forth herein to the contrary, Borrower may engage, without the consent of Lender and in addition to the business in which it is engaged on the Closing Date, in the operation of a business ancillary to a motor vehicle dealership.

6.4 No Substitution of Collateral. Borrower shall not substitute any Collateral without Lender's prior written consent.

6.5 No Change in Name, Offices or Jurisdiction of Organization; Removal of Collateral. Unless Borrower shall have given 30 days' advance written notice thereof to Lender, it shall not change its name or the jurisdiction in which Borrower is organized, or change the location of its chief executive office or other office where books or records are kept, or permit the removal of any material Fixtures from any Property.

6.6 No Sale, Leaseback. Shall not enter into any sale-and-leaseback or similar transaction in connection with the Property.

6.7 Margin Stock. Shall not use any proceeds of the Loan to purchase or carry any margin stock (within the meaning of Regulation U of the Board of Governors of Federal Reserve System) or extend credit to others for the purpose of purchasing or carrying any margin stock.

6.8 Subsidiaries. Shall not acquire, form or dispose of any Subsidiaries or permit any Subsidiary to issue capital stock except to its Parent, except to the extent the acquisition, formation, disposition or issuance of capital stock would not reasonably be expected to have a Material Adverse Effect.

6.9 Change of Fiscal Year or Accounting Methods . Shall not change its fiscal year or its book accounting methods except as required by GAAP or applicable law. Borrower's fiscal year end is December 31 as of the Closing Date. As used herein, the term "book accounting methods" means accounting methods which affect numbers reported to the Securities and Exchange Commission (as distinguished from tax accounting methods used in reporting to the Internal Revenue Service).**6.10** Zoning. Shall not initiate or consent to any zoning reclassification of any portion of the Property or seek any variance under any existing zoning ordinance or use or permit the use of any portion of the Property in any manner that could result in such use becoming a non-conforming use under any zoning ordinance or any other applicable land use law, rule or regulation, without the prior consent of Lender.

6.11 Affiliate Transactions. Shall not, directly or indirectly purchase, acquire or lease any property from, or sell, transfer or lease any property to, pay any management fees to, enter into, or be a party to, any transaction with an Affiliate of Borrower (other than Asbury or a Subsidiary of Asbury), except on terms which are no less favorable to Borrower or such Affiliate than would be obtained in a comparable arm's-length transaction with an unrelated third party.

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 (which consent shall not be unreasonably withheld or delayed). 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) Business 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 (which consent shall not be unreasonably withheld or delayed), the Original Franchise is still operated at the Property. If an Affiliate of Asbury (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 allocated portion of the Loan as to the applicable Property in the form of and subject to such terms as Lender may reasonably require.

6.13 Leases. Borrower shall not, without the prior written consent of Lender (which consent shall not be unreasonably withheld or delayed), enter into any new Lease or assign any Lease of all or any portion of any Property, other than renewals and extensions (a) on the same, better or substantially the same terms as then existing, or (b) as otherwise approved by Lender in writing. Notwithstanding anything set forth in this Section 6.13 to the contrary, any Property may be leased or assigned , in whole or in part, to any Affiliate of Asbury so long as (i) Borrower has provided Lender thirty (30) Business Days' prior written notice of such Lease or assignment of Lease, (ii) Lender has approved, in its reasonable discretion, the form of Lease, (iii) Borrower has delivered to Lender any Third Party Agreements required by Lender and such other information regarding the operation, business affairs, and financial condition of the proposed tenant which Lender may reasonably request, and (iv) such Affiliate of Asbury shall guarantee the portion of the Loan allocated to the Property leased to such Affiliate pursuant to a Guaranty Agreement in favor of Lender substantially in the form of Exhibit 6.13 attached hereto and made a part hereof.

6.14 Change of Control. Unless Borrower has complied with the provisions of Section 2.4.5 hereof (including, without limitation, payment of the Required Release Amount), shall not make, permit or suffer a Change of Control without the prior written consent of Lender.

7. Other Covenants of Borrower. Borrower covenants and agrees that from the date hereof and until payment in full of its Obligations and the termination of this Agreement, Borrower shall comply with the following additional covenants:

7.1 Intentionally Omitted.

7.2 Due on Sale or Further Encumbrance or Transfer of an Interest in Borrower. Without the prior written consent of Lender in each instance unless Borrower has complied with the provisions of Section 2.4.5 hereof (including, without limitation, payment of the Required Release Amount), no Borrower shall (a) sell, convey, transfer or encumber its Property, or any part thereof or interest therein, whether legal or equitable (other than Permitted Liens), (b) cause or permit any transfer of its Property or any part thereof, whether voluntarily, involuntarily or by operation of law, or (c) enter into any agreement or transaction to transfer, or accomplish in form or substance a transfer, of such Property. A "transfer" of the Property includes: (i) the direct or indirect sale, transfer or conveyance of such Property or any portion thereof or interest therein; (ii) the execution of an installment sale contract

or similar instrument affecting all or any portion of such Property; (iii) if Borrower or any general partner or member of Borrower, is a corporation, partnership, limited liability company, trust or other business entity, the transfer (whether in one transaction or a series of transactions, but excluding any pledge or collateral assignment) of any stock, partnership, limited liability company or other ownership interests in such corporation, partnership, limited liability company or entity including, without limitation, changes in stockholders, partners, members, managers, trustees, beneficiaries, or their respective interests; whether directly or indirectly, but only to the extent the same results in a Change of Control; (iv) if Borrower, or any general partner or member of Borrower, is a corporation, the creation or issuance of new stock by which an aggregate of more than 50% of such corporation's stock shall be vested in a party or parties who are not now stockholders; and (v) an agreement by Borrower leasing all or a substantial part of any Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of or the grant of a security interest in and to any Leases (other than Permitted Liens). Notwithstanding anything to the contrary set forth herein, Lender shall not unreasonably withhold, condition or delay any consent to any easement necessary in connection with the operation or development of any Property.

7.3 Intentionally Omitted.

7.4 Intentionally Omitted.

8. Intentionally Omitted.

9. Default.

9.1 Events of Default. Each of the following shall constitute an Event of Default:9.1.1 Non-payment. There shall occur any default by any Borrower in the payment, when due, of (a) any principal, or (b) within five (5) days after the same becomes due, interest on any Note or any fee due, any other amounts due hereunder or any other Loan Document, or any other Obligations; or

9.1.2 Non-Performance. There shall occur any default by any Borrower in the performance of any agreement, covenant or obligation contained in Section 5.9, 5.13, or Section 6 or Section 7 of this Agreement; or

9.1.3 Default under other Loan Documents. There shall occur any default by any Borrower or Guarantor in the performance of any other agreement, covenant or obligation contained in this Agreement or any other Loan Document not provided for elsewhere in this Section 9 and the breach of such other agreement, covenant or obligation is not cured to Lender's satisfaction within 30 days after the sooner to occur of any Senior Officer's receipt of notice of such breach from Lender or the date on which such failure or neglect first becomes known to any Senior Officer; provided, however, that such notice and opportunity to cure shall not apply in the case of any failure to perform, keep or observe any covenant which is not capable of being cured at all or within such 30-day period or which is a willful and knowing breach by any Borrower or such other party; or

9.1.4 Untrue Representation. Any representation or warranty made by any Borrower, Guarantor or any other party to any Loan Document (other than Lender), herein or therein or in any certificate or report furnished in connection herewith or therewith shall prove to have been untrue or incorrect in any material respect when made; or

9.1.5 Intentionally Omitted; or

9.1.6 Borrower's or Guarantor's failure to pay other Debt. Any Borrower or any Guarantor (other than Asbury) shall fail to make any payment in respect of its outstanding Debt (other than the Obligations) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of $3,000,000 or more when due after the expiration of any applicable grace period, or any event or condition shall occur which results in the acceleration of the maturity of such Debt (including, without limitation, any required mandatory prepayment or "put" of such Debt to any such Person as a result of a failure to comply with the terms thereof) or enables the holders of such Debt (or any Person acting on such holders' behalf) to accelerate the maturity thereof (including, without limitation, any required mandatory prepayment or "put" of such Debt to such Person as a result of a failure to comply with the terms thereof) and which event or condition has not been cured within any applicable cure period or waived in writing prior to any declaration of an Event of Default or acceleration of the Loans hereunder; or

9.1.7 Asbury Automotive Group, Inc.'s failure to pay other Debt. (a) Asbury or any of its Subsidiaries shall fail to make any payment in respect of its outstanding Debt (other than the Obligations) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) in excess of $35,000,000 (or, that when combined with any judgments rendered against Asbury or any of its Subsidiaries or any levies, attachments, garnishments or other seizures as set forth in Section 9.1.12 exceeds $35,000,000) when due after the expiration of any applicable grace period, or (b) any event or condition shall occur which results in the acceleration of the maturity of such Debt (including, without limitation, any required mandatory prepayment or "put" of such Debt to any such Person as a result of a failure to comply with the terms thereof) or enables the holders of such Debt (or any Person acting on such holders' behalf) to accelerate the maturity thereof (including, without limitation, any required mandatory prepayment or "put" of such Debt to such Person as a result of a failure to comply with the terms thereof) and which event or condition has not been cured within any applicable cure period or waived in writing prior to any declaration of an Event of Default or acceleration of the Loans hereunder; or

9.1.8 Default under the Revolving Credit Facility. There shall occur any default under the Revolving Credit Facility, which is not cured within any applicable grace period, if any; or

9.1.9 Bankruptcy; Cessation. Any Borrower or Guarantor shall (a) voluntarily dissolve, liquidate or terminate operations or apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of such Person or of all or of a substantial part of its assets, (b) admit in writing its inability, or be generally unable, to pay its debts as the debts become due, (c) make a general assignment for the benefit of its creditors, (d) commence a voluntary case under the federal Bankruptcy Code (as now or hereafter in effect), (e) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, (f) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case under Bankruptcy Code, or (g) take any corporate action for the purpose of effecting any of the foregoing; or

9.1.10 Involuntary Bankruptcy. An involuntary petition or complaint shall be filed against any Borrower or Guarantor seeking bankruptcy relief or reorganization or the appointment of a receiver, custodian, trustee, intervenor or liquidator of any Borrower or any Subsidiary or any Guarantor, of all or substantially all of its assets, and such petition or complaint shall not have been dismissed within sixty (60) days of the filing thereof; or an order, order for relief, judgment or decree shall be entered by any court of competent jurisdiction or other competent authority approving or ordering any of the foregoing actions; or

9.1.11 Judgment-Borrower or Guarantor. (a) A judgment in excess of $3,000,000 shall be rendered against any Borrower or any Guarantor (other than Asbury) and shall remain undischarged, undismissed and unstayed for more than sixty (60) days (except judgments validly covered by insurance with a deductible of not more than $3,000,000), or (b) there shall occur any levy upon, or attachment, garnishment or other seizure of, any portion of the Collateral or other assets of any Borrower, any Subsidiary or any Guarantor (other than Asbury) in excess of $3,000,000 by reason of the issuance of any tax levy, judicial attachment or garnishment or levy of execution, or (c) a judgment lien shall attach to or there shall occur any levy or lien upon any portion of the Collateral that is senior to or pari passu with the Lien of Lender; or

9.1.12 Judgment-Asbury Automotive Group, Inc. (a) One or more judgments in excess of $35,000,000 in the aggregate (or, that when combined with any outstanding Debt default of Asbury or any of its Subsidiaries as provided in Section 9.1.7 exceeds $35,000,0000) shall be rendered against Asbury or any of its Subsidiaries and shall remain undischarged, undismissed and unstayed for more than sixty (60) days, or (b) there shall occur any levy upon, or attachment, garnishment or other seizure of, any portion of the assets of Asbury or any of its Subsidiaries in excess of $35,000,000 in the aggregate (or, that when combined with any outstanding Debt default of Asbury or any of its Subsidiaries as provided in Section 9.1.7 exceeds $35,000,0000) by reason of the issuance of any tax levy, judicial attachment or garnishment or levy of execution; or

9.1.13 Revocation of Guaranty. Any Guarantor shall repudiate or revoke any Guaranty Agreement; or

9.1.14 Material Loss. Loss, theft, damage or destruction of any material portion of any Property for which there is either no insurance coverage or for which, in the reasonable opinion of Lender, there is insufficient insurance coverage; or

9.1.15 Change of Control. A Change of Control of any Borrower in violation of Section 6.14 or a Change of Control of any Guarantor in violation of the Guaranty Agreement; or

9.1.16 Abandonment of Property. Any Property shall be abandoned or not continuously occupied for a period of one-hundred eighty (180) days; or

9.1.17 Operation of Property. Any Property shall be occupied or operated by any Person that is not an Affiliate of Asbury.

9.2 Remedies. If an Event of Default shall have occurred and be continuing, Lender may at its option take any or all of the following actions with respect to each Borrower, and with respect to the Collateral provided by such Borrower as collateral for the Loans made to it:

9.2.1 Acceleration. Lender may declare any or all Obligations (other than Obligations under any Swap Agreements, between Borrower and Lender or any Affiliate of Lender, which shall be due in accordance with and governed by the provisions of said Swap Agreements) to be immediately due and payable (if not earlier demanded), terminate its obligation to make Loans and other extensions of credit to Borrower, bring suit against Borrower to collect such Borrower's respective Obligations, exercise any remedy available to Lender hereunder or at law and take any action or exercise any remedy provided herein or in any other Loan Document or under applicable law. No remedy shall be exclusive of other remedies or impair the right of Lender to exercise any other remedies.

9.2.2 UCC Rights. Without waiving any of its other rights hereunder or under any other Loan Document, Lender shall have all rights and remedies of a secured party under the Code (and the Uniform Commercial Code of any other applicable jurisdiction) and such other rights and remedies as may be available hereunder, under other applicable law or pursuant to contract. Borrower agrees that any notice by Lender of the sale or disposition of the Collateral or any other intended action hereunder, whether required by the Code or otherwise, shall constitute reasonable notice to Borrower if the notice is mailed to Borrower by regular or certified mail, postage prepaid, at least five (5) days before the action to be taken. Borrower shall be liable for any deficiencies in the event the proceeds of the disposition of the Collateral do not satisfy the Obligations in full.

9.2.3 Collection. Lender may demand, collect and sue for proceeds of any Collateral (either in the respective Borrower's name or Lender's name at the latter's option), with the right to enforce, compromise, settle or discharge any such amounts.

9.2.4 Foreclosure. (a) Lender may exercise any or all of Lender's remedies under the Mortgage or other Loan Documents including, without limitation, acceleration of the maturity of all payments and Obligations, other than Obligations under any Swap Agreements with Lender or any of its Affiliates, which shall be due in accordance with and governed by the provisions of said Swap Agreements; (b) Lender may take immediate possession of each, any and all Property or any part thereof (which Borrower agrees to surrender to Lender) and manage, control or lease the same to such Persons and at such rental as it may deem proper and collect and apply Rents (as defined in the Mortgage) to the payment of: (i) the Obligations, together with all costs and attorneys' fees; (ii) all Impositions (as defined in the Mortgage) and any other levies, assessments or liens which may be prior in lien or payment to the Obligations, and premiums for insurance, with interest on all such items; and (iii) the cost of all alterations, repairs, replacements and expenses incident to taking and retaining possession of each, any and all Property and the management and operation thereof; all in such order or priority as Lender in its sole discretion may determine. The taking of possession shall not prevent concurrent or later proceedings for the foreclosure sale of each, any and all Property; (c) Lender may apply to any court of competent jurisdiction for the appointment of a receiver for all purposes including, without limitation, to manage and operate each, any and all Property or any part thereof, and to apply the Rents therefrom as hereinabove provided. In the event of such application, Borrower consents to the appointment of a receiver, and agrees that a receiver may be appointed without notice to Borrower, without regard to whether Borrower has committed waste or permitted deterioration of each, any or all of Borrower's Property, without regard to the adequacy of any security for the Obligations, and without regard to the solvency of Borrower or any other person, firm or corporation who or which may be liable for the payment of the Obligations; (d) Lender may exercise all the remedies of a mortgagee as provided by law and in equity including, without limitation, foreclosure upon the Mortgage and sale of each, any and all Property, or any part of the Property, at public sale conducted according to applicable law (referred to as "Sale") and conduct

additional Sales as may be required until all of the Property is sold or the Obligations are satisfied; (e) With respect to any portion of each, any and all Property governed by the Code, Lender shall have all of the rights and remedies of a secured party thereunder. Lender may elect to foreclose upon any Property that is Fixtures under law applicable to foreclosure of interests in real estate or law applicable to personal property; (f) Lender may bid at Sale and may accept, as successful bidder, credit of the bid amount against the Obligations as payment of any portion of the purchase price; and (g) Lender shall apply the proceeds of Sale, first to any fees or attorney fees permitted Lender by law in connection with Sale, second to expenses of foreclosure, publication, and sale permitted Lender by law in connection with Sale, third to the Obligations, and any remaining proceeds as required by law.

9.3 Receiver. In addition to any other remedy available to it, Lender shall have the absolute right, upon the occurrence and during the continuance of an Event of Default, to seek and obtain the appointment of a receiver to take possession of and operate and/or dispose of the business and assets of Borrower and any costs and expenses incurred by Lender in connection with such receivership shall bear interest at the Default Rate, at Lender's option, and shall be secured by all Collateral.

10. Indemnification. Borrower, jointly and severally, shall protect, indemnify, defend and save harmless Lender and any participants, successors or assigns to Lender's interest in the Loan, and any other party who acquires any portion of the Loan at a foreclosure sale or otherwise through the exercise of Lender's rights and remedies under the Loan Documents, and all directors, officers, employees and agents of all of the aforementioned indemnified parties, from and against all losses, liabilities, obligations, claims, damages, penalties, fines, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) (collectively, "Damages") imposed upon, incurred by or asserted or assessed against Lender on account of or in connection with (a) the Loan Documents or any failure or alleged failure of Borrower to comply with any of the terms of, or the inaccuracy or breach of any representation in, the Loan Documents; (b) the Collateral or any claim of loss or damage to the Property or any injury or claim of injury to, or death of, any person or property that may be occasioned by any cause whatsoever pertaining to the Property or the use, occupancy or operation thereof, (c) any failure or alleged failure of Borrower to comply with any law, rule or regulation applicable to it or to the Property or the use, occupancy or operation of the Property (including, without limitation, the failure to pay any taxes, fees or other charges), (d) any Damages whatsoever by reason of any alleged action, obligation or undertaking of Lender relating in any way to or any matter contemplated by the Loan Documents, (e) any claim for brokerage fees or such other commissions relating to the Property or any other Obligations, (f) any and all liability arising from any Leases related to the Property or under or by reason of the assignment of such Leases to Lender, (g) Borrower's violation of or failure to meet the requirements of any Environmental Laws, (h) any Hazardous Materials which, while any Property is subject to the Mortgage, exist on any Property, (i) any civil penalty or fine assessed by OFAC against Lender or any Affiliate of Lender as a result of the funding of Loans or the extension of credit, the acceptance of payments due under the Loan Documents or any Swap Agreement or acceptance of Collateral, or (j) any state documentary stamp taxes, intangible taxes or similar taxes (including interest or penalties, if any) which may now or hereafter be determined to be payable in respect to the execution, delivery or recording of any Loan Document or the making of any Loan, whether originally thought to be due or not, and regardless of any mistake of fact or law on the part of Lender or such Borrower with respect to the applicability of such tax. Nothing contained herein shall require any Borrower to indemnify Lender for any Damages (x) resulting from Lender's gross negligence or its willful misconduct, (y) resulting from a claim brought by any Borrower or any Guarantor against an indemnitee for breach in bad faith of such indemnitee's obligations hereunder or under any other Loan

Document, if such Borrower or such Guarantor has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction or (z) arise out of a dispute solely between or among indemnitees that does not involve an act or omission by any Borrower, Guarantor or any of their respective Affiliates, and such indemnity shall be effective only to the extent of any Damages that may be sustained by Lender in excess of any net proceeds received by it from any insurance of such Borrower (other than self-insurance) with respect to such Damages. The indemnity provided for herein shall survive and remain in full force and effect notwithstanding the payment of the Obligations, a foreclosure of or exercise of power of sale under this instrument or any Mortgage, a delivery of a deed in lieu of foreclosure, a cancellation or termination of record of any Mortgage and the transfer of any Property. In the event the Lender incurs any Damages arising out of or in any way relating to the transaction contemplated by the Loan Documents (including any of the matters referred to in this section), the amounts of such Damages shall be added to the Obligations, shall bear interest, to the extent permitted by law, at the interest rate borne by the Obligations from the date incurred until paid and shall be payable on demand.

11. Miscellaneous.

11.1 No Waiver, Remedies Cumulative. No failure on the part of Lender to exercise, and no delay in exercising, any right hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and are in addition to any other remedies provided by law, any Loan Document or otherwise.

11.2 Survival of Representations. All representations and warranties made herein shall survive the making of the Loans hereunder and the delivery of the Notes, and shall continue in full force and effect so long as any Obligations are outstanding, there exists any commitment by Lender to Borrower, and until this Agreement is formally terminated in writing.

11.3 Costs and Expenses. Each Borrower and each Guarantor (jointly and severally) shall pay (a) all out-of-pocket expenses incurred by the Lender and its Affiliates (including, but not limited to, the reasonable fees, charges and disbursements of one law firm acting as outside counsel for the Lender and one law firm acting as local counsel in each jurisdiction, the costs of appraisals, public record searches, environmental reports and reviews thereof, title work, recording fees, recording taxes and the costs of any other related documents or examinations and investigations of the properties of Borrower and Guarantor and/or Borrower's and Guarantor's operations), whether incurred prior to or from and after the date hereof, in connection with the due diligence process and/or the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and the perfection of Lender's Liens in the Collateral, and (b) all out-of-pocket expenses incurred by the Lender (including the reasonable fees, charges and disbursements of any counsel for the Lender), in connection with the preservation, administration, enforcement and/or protection of its rights (i) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (ii) in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans. If any Borrower should fail to pay any tax or other amount required by this Agreement to be paid or which may be reasonably necessary to protect or preserve any Collateral

or such Borrower's or Lender's interests therein, Lender may make such payment and the amount thereof shall be payable on demand, shall bear interest at the Default Rate from the date of demand until paid and shall be deemed to be Obligations entitled to the benefit and security of the Loan Documents. The requirement to pay costs and expenses provided for herein shall survive termination of this Agreement, be a part of the Obligations and be secured by the Collateral.

11.4 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. Commercial Lending Services MAC – D1644-018 1451 Thomas Langston Road Winterville, NC 28590 Attn: Loan Administration Manager (LDCMR)
with copies to:	Wells Fargo Dealer Services 100 North Main Street (MAC D4001-08A) Winston-Salem, NC 27101 Attn.: National Accounts Director -and- Sherman Wells Sylvester & Stamelman LLP 210 Park Avenue, 2nd Floor Florham Park, NJ 07932 Attn.: Jane L. Brody, Esq.
Borrower:	c/o Asbury Automotive Group, Inc. Sugarloaf Business Park 2905 Premiere Parkway NW, Suite 300 Duluth, GA 30097 Attn: Senior Vice President – General Counsel
with copies to:	Asbury Automotive Group, Inc. Sugarloaf Business Park 2905 Premiere Parkway NW, Suite 300 Duluth, GA 30097 Attn: Vice President - Corporate Development & Real Estate -and- JONES DAY® - One Firm Worldwide℠ 1420 Peachtree Street, N.E. Suite 800 Atlanta, GA 30309 Attn: Todd Roach, Esq.

11.5 Governing Law. This Agreement and the Loan Documents shall be deemed contracts made under the laws of the State of the Jurisdiction and shall be governed by and construed in accordance with the laws of said state (excluding its conflict of laws provisions if such provisions would require application of the laws of another jurisdiction) except insofar as the laws of another jurisdiction may, by reason of mandatory provisions of law, govern the perfection, priority and enforcement of security interests in the Collateral.

11.6 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of each Borrower and Lender, and their respective successors and assigns.

11.7 Counterparts; Telecopied Signatures. 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.

11.8 No Usury. Regardless of any other provision of this Agreement, the Notes or in any other Loan Document, if for any reason the effective interest should exceed the maximum lawful interest, the effective interest shall be deemed reduced to, and shall be, such maximum lawful interest, and (a) the amount which would be excessive interest shall be deemed applied to the reduction of the principal balance of each Note and not to the payment of interest, and (b) if the Loan evidenced by such Note has been or is thereby paid in full, the excess shall be returned to the party paying same, such application to the principal balance of the Note or the refunding of excess to be a complete settlement and acquittance thereof.

11.9 Powers. All powers of attorney granted to Lender are coupled with an interest and are irrevocable.

11.10 Approvals; Amendments. If this Agreement calls for the approval or consent of Lender, such approval or consent may be given or withheld in the sole and absolute discretion of Lender unless otherwise specified herein. This Agreement and the other Loan Documents may not be modified, altered or amended, except by an agreement in writing signed by Borrower and Lender and may not be modified in any manner adverse to a provider under any secured or guarantied Swap Agreement without that provider's prior written consent.

11.11 Assignments and Participation. Borrower may not assign any of its rights hereunder without the prior written consent of Lender, and any such assignment made without such consent will be void. Lender may from time to time: (i) with the consent of Borrower, which consent shall not be unreasonably withheld conditioned or delayed, sell, transfer, pledge, assign and convey the Note, the Loan and the Loan Documents (or any interest therein), and delegate any and all of its obligations with respect thereto; provided, however, that Borrower's consent shall not be required hereunder after the occurrence and during the continuance of an Event of Default, or for a sale, transfer, pledge, assignment or conveyance to (a) an Approved Fund (as defined in the Revolving Credit Agreement), (b) an Affiliate or subsidiary of Lender, or (c) another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets provided that any such sale, transfer, pledge, assignment or conveyance under this clause (c) is not a single transaction by the Lender but is part of a larger transaction or series of transactions by the Lender, and (ii) without consent of the Borrower grant participations in the Loan to another financial institution or other Person on terms and conditions reasonably acceptable to Lender and split the Loan into multiple parts, or the Note into multiple component notes or tranches. If Borrower's consent is required as hereinabove provided, the Borrower shall be deemed to have given its consent five (5) Business Days after the Lender has requested such consent, unless such consent is expressly refused by Borrower in writing. In connection with any such sale, transfer, assignment, conveyance or participation, Lender shall, acting for this purpose as an agent of Borrower, maintain at its offices a register for the recordation of the names and addresses of Lender's participants or assignees, and the amount and terms of Lender's sales, transfers, assignments, conveyances and participations including specifying any such participant's or assignee's entitlement to payments of principal and interest, and any payments made, with respect to each such sale, transfer, assignment, conveyance or participation. Lender shall provide prior notice to Borrower of such assignment and Borrower shall thereafter furnish to such assignee any information furnished by Borrower to Lender pursuant to the terms of the Loan Documents. Nothing in this Agreement or any other Loan Document shall prohibit Lender from pledging or assigning this Agreement and Lender's rights under any of the other Loan Documents, including Collateral therefor, to any Federal Reserve Lender in accordance with applicable law.

11.12 Dealings with Multiple Borrowers. If more than one Person is named as Borrower hereunder, Lender shall have the right to deal with any individual of any Borrower with regard to all matters concerning the rights and obligations of Lender hereunder and pursuant to applicable law with regard to the transactions contemplated under the Loan Documents. All actions or inactions of the officers, managers, members and/or agents of any Borrower with regard to the transactions contemplated under the Loan Documents shall be deemed with full authority and binding upon all Borrowers hereunder. Each Borrower hereby appoints its Senior Officers as its true and lawful attorney-in-fact, with full right

and power, for purposes of exercising all rights of such Person hereunder and under applicable law with regard to the transactions contemplated under the Loan Documents. The foregoing is a material inducement to the agreement of Lender to enter into the terms hereof and to consummate the transactions contemplated hereby.

11.13 Waiver of Certain Defenses. To the fullest extent permitted by applicable law, upon the occurrence of any Event of Default, neither Borrower nor anyone claiming by or under Borrower will claim or seek to take advantage of N.C.G.S.§ 26-7, et seq. or any other law requiring Lender to attempt to realize upon any Collateral or collateral of any surety or guarantor, or any appraisement, evaluation, stay, extension, homestead, redemption or exemption laws now or hereafter in force in order to prevent or hinder the enforcement of this Agreement. Borrower, for itself and all who may at any time claim through or under Borrower, hereby expressly waives to the fullest extent permitted by law the benefit of all such laws. All rights of Lender and all obligations of Borrower hereunder shall be absolute and unconditional irrespective of (a) any change in the time, manner or place of payment of, or any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from any provision of the Loan Documents, (b) any exchange, release or non-perfection of any Collateral given as security for the Obligations, or any release or amendment or waiver of or consent to departure from any guaranty for all or any of the Obligations, or (c) any other circumstance which might otherwise constitute a defense available to, or a discharge of, Borrower or any third party, other than payment and performance in full of the Obligations.

11.14 Integration; 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.

11.15 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 DISPUTE, WHETHER THE DISPUTE IS RESOLVED BY ARBITRATION, MEDIATION, JUDICIALLY OR OTHERWISE.

11.16 BINDING ARBITRATION; PRESERVATION OF REMEDIES.

11.16.1 Arbitration. The parties hereto agree, upon demand by any party, whether made before the institution of a judicial proceeding or not more than 60 days after service of a complaint, third party complaint, cross-claim, counterclaim or any answer thereto or any amendment to any of the above, to submit to binding arbitration all claims, disputes and controversies between or among them (and their respective employees, officers, directors, attorneys, and other agents), whether in tort, contract

or otherwise, in any way arising out of or relating to (a) any credit subject hereto, or any of the Loan Documents, and their negotiation, execution, collateralization, administration, repayment, modification, extension, substitution, formation, inducement, enforcement, default or termination; or (b) requests for additional credit. In the event of a court ordered arbitration, the party requesting arbitration shall be responsible for timely filing the demand for arbitration and paying the appropriate filing fee within 30 days of the abatement order or the time specified by the court. Failure to timely file the demand for arbitration as ordered by the court will result in that party's right to demand arbitration being automatically terminated.

11.16.2 Governing Rules. Any arbitration proceeding will (a) proceed in a location in the Jurisdiction selected by the American Arbitration Association ("AAA"); (b) be governed by the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any conflicting choice of law provision in any of the documents between the parties; and (c) be conducted by the AAA, or such other administrator as the parties shall mutually agree upon, in accordance with the AAA's commercial dispute resolution procedures, unless the claim or counterclaim is at least $1,000,000.00 exclusive of claimed interest, arbitration fees and costs in which case the arbitration shall be conducted in accordance with the AAA's optional procedures for large, complex commercial disputes (the commercial dispute resolution procedures or the optional procedures for large, complex commercial disputes to be referred to herein, as applicable, as the "Rules"). If there is any inconsistency between the terms hereof and the Rules, the terms and procedures set forth herein shall control. Any party who fails or refuses to submit to arbitration following a demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any dispute. Nothing contained herein shall be deemed to be a waiver by any party that is a bank of the protections afforded to it under 12 U.S.C. §91 or any similar applicable state law.

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

11.16.4 Arbitrator Qualifications and Powers. Any arbitration proceeding in which the amount in controversy is $5,000,000.00 or less will be decided by a single arbitrator selected according to the Rules, and who shall not render an award of greater than $5,000,000.00. Any dispute in which the amount in controversy exceeds $5,000,000.00 shall be decided by majority vote of a panel of three arbitrators; provided however, that all three arbitrators must actively participate in all hearings and deliberations. The arbitrator will be a neutral attorney licensed in the Jurisdiction with a minimum of ten years' experience in the substantive law applicable to the subject matter of the dispute to be arbitrated. The arbitrator will determine whether or not an issue is arbitratable and will give effect to the statutes of limitation in determining any claim. In any arbitration proceeding the arbitrator will decide (by documents only or with a hearing at the arbitrator's discretion) any pre-hearing motions which are similar to motions to dismiss for failure to state a claim or motions for summary adjudication. The arbitrator shall resolve all disputes in accordance with the substantive law of the Jurisdiction and may grant any remedy or relief that a court of such state could order or grant within the scope hereof and

such ancillary relief as is necessary to make effective any award. The arbitrator shall also have the power to award recovery of all costs and fees, to impose sanctions and to take such other action as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the North Carolina Rules of Civil Procedure or other applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including the plaintiff, to submit the controversy or claim to arbitration if any other party contests such action for judicial relief.

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

11.16.6 Class Proceedings and Consolidations. No party hereto shall be entitled to join or consolidate disputes by or against others in any arbitration, except parties who have executed any of the Loan Documents, or to include in any arbitration any dispute as a representative or member of a class, or to act in any arbitration in the interest of the general public or in a private attorney general capacity.

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

11.16.8 Miscellaneous. To the maximum extent practicable, the AAA, the arbitrators and the parties shall take all action required to conclude any arbitration proceeding within 180 days of the filing of the dispute with the AAA. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by a party required in the ordinary course of its business or by applicable law or regulation. If more than one agreement for arbitration by or between the parties potentially applies to a dispute, the arbitration provision most directly related to the documents between the parties or the subject matter of the dispute shall control. This Agreement may be amended or modified only in writing signed by each party hereto. If any provision of this Agreement shall be held to be prohibited by or invalid under applicable law such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or any remaining provisions of this Agreement. This arbitration provision shall survive termination, amendment or expiration of any of the documents or any relationship between the parties.

11.16.9 Small Claims Court. Notwithstanding anything herein to the contrary, each party retains the right to pursue in Small Claims Court any dispute within that court’s jurisdiction. Further, this arbitration provision shall apply only to disputes in which either party seeks to recover an amount of money (excluding attorneys’ fees and costs) that exceeds the jurisdictional limit of the Small Claims Court.

11.16.10 Waiver of Jury Trial. The parties hereto hereby acknowledge that by agreeing to binding arbitration they have irrevocably waived their respective rights to a jury trial with

respect to any action, claim or other proceeding arising out of any dispute in connection with any of the Loan Documents, any rights or obligations hereunder or thereunder, or the performance of such rights and obligations. This provision is a material inducement for the parties entering into the agreement evidenced by this Agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this Master Loan Agreement to be duly executed under seal as of the day and year first above written.

Properties 1, 2, 3, 4, 10, 11 and 12	ATLANTA REAL ESTATE HOLDINGS L.L.C., a Delaware limited liability company By: /s/ Matthew Pettoni Name: Matthew Pettoni Title: Treasurer
Property 5	ASBURY JAX FORD, LLC, a Delaware limited liability company By: /s/ Matthew Pettoni Name: Matthew Pettoni Title: Treasurer
Property 6	COGGIN CARS L.L.C., a Delaware limited liability company By: /s/ Matthew Pettoni Name: Matthew Pettoni Title: Treasurer
Property 13	WTY MOTORS, L.P., a Delaware limited partnership By: Asbury Tampa Management L.L.C., its general partner By: /s/ Matthew Pettoni Name: Matthew Pettoni Title: Treasurer
Property 14	Q AUTOMOTIVE BRANDON FL, LLC, a Delaware limited liability company By: /s/ Matthew Pettoni Name: Matthew Pettoni Title: Treasurer
Property 7	ASBURY ST. LOUIS M L.L.C., a Delaware limited liability company By: /s/ Matthew Pettoni Name: Matthew Pettoni Title: Treasurer

Property 9

ASBURY ATLANTA CHEV, LLC, a Delaware limited liability company

By: /s/ Matthew Pettoni
Name: Matthew Pettoni
Title: Treasurer

Property 8

ASBURY GEORGIA TOY, LLC, a Delaware limited liability company

By: /s/ Matthew Pettoni
Name: Matthew Pettoni
Title: Treasurer

Accepted in Winston-Salem, North Carolina:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ Chad McNeill
Name: Chad McNeill
Title: Senior Vice President

SCHEDULE OF EXHIBITS

Exhibit	Section Reference	Title
A-1	2.1.2	Term Note
A-2	2.1.3	Property
A-3	2.4.5	Appraised Values for Release of Property

Article 4 Exhibits:

4.4	4.4 ("Litigation")	Litigation
4.7	4.7 ("Title")	Title Exceptions
4.9	4.9 ("Jurisdiction of Organization")	Offices of Borrower
4.13	4.13 ("Environmental")	Environmental Disclosures
4.20	4.20 ("Condemnation")	Condemnation Events
4.21	4.21 ("Use and Operation of Property")	Tenants, Uses and Franchises
4.22	4.22 ("Certificate of Occupancy; Licenses")	Certificates of Occupancy; Licenses
4.24	4.24 ("Physical Condition")	Physical Condition Disclosures
4.26	4.26 ("Possession of Property")	Leases

Article 6 Exhibits:

6.1	6.1 ("Debt")	Scheduled Permitted Debt
6.13	6.13 ("Leases")	Form of Guaranty Agreement

EXHIBIT A-1

TERM NOTE

See attached.

EXHIBIT A-2

PROPERTY

Name of Borrower	Property	Property No.
DEALERSHIP PROPERTIES		
Atlanta Real Estate Holdings L.L.C.	7909 Mall Parkway, Lithonia, DeKalb County, Georgia	1
Atlanta Real Estate Holdings L.L.C.	7969 Mall Parkway, Lithonia, DeKalb County, Georgia	2
Atlanta Real Estate Holdings L.L.C.	11130 Alpharetta Highway, Roswell, Fulton County, Georgia	3
Atlanta Real Estate Holdings L.L.C.	4197, 4193 Jonesboro Road, Union City, Fulton County, Georgia	4
Asbury Jax Ford, LLC	9650 Atlantic Boulevard, Jacksonville, Duval County, Florida	5
Coggin Cars L.L.C.	11340 Phillips Highway, Jacksonville, Duval County, Florida	6
Asbury St. Louis M L.L.C.	951 Technology Drive, O'Fallon, St. Charles County, Missouri	7
Asbury Georgia TOY, LLC	4115 Jonesboro Road, Union City, Fulton County, Georgia	8
Asbury Atlanta CHEV, LLC	4200 Jonesboro Road, Union City, Fulton County, Georgia	9
NON-DEALERSHIP PROPERTIES		
Atlanta Real Estate Holdings L.L.C.	7947 Mall Parkway, Lithonia, DeKalb County, Georgia	10
Atlanta Real Estate Holdings L.L.C.	7919 Mall Parkway, Lithonia, DeKalb County, Georgia	11
Atlanta Real Estate Holdings L.L.C.	545 Sun Valley Drive, Roswell, Fulton County, Georgia	12
WTY Motors, L.P.	305 Crater Lane (f/k/a 413 Crater Lane), Tampa, Hillsborough County, Florida	13
Q Automotive Brandon FL, LLC	1207 East Brandon Boulevard, Brandon, Hillsborough County, Florida	14

EXHIBIT A-3

APPRAISED VALUES FOR RELEASE OF PROPERTY

Property	Property No. and Affiliation	Appraised Value	Loan Allocation Amount
DEALERSHIP PROPERTIES			
7909 Mall Parkway, Lithonia, DeKalb County, Georgia	1 (affiliated with Property 10)	$3,690,000.00	$2,952,000.00
7969 Mall Parkway, Lithonia, DeKalb County, Georgia	2	$12,240,000.00	$9,792,000.00
11130 Alpharetta Highway, Roswell, Fulton County, Georgia	3 (affiliated with Property 12)	$18,340,000.00	$14,672,000.00
4197, 4193 Jonesboro Road, Union City, Fulton County, Georgia	4	$7,250,000.00	$5,800,000.00
9650 Atlantic Boulevard, Jacksonville, Duval County, Florida	5	$13,850,000.00	$11,080,000.00
11340 Phillips Highway, Jacksonville, Duval County, Florida	6	$18,000,000.00	$14,400,000.00
951 Technology Drive, O'Fallon, St. Charles County, Missouri	7	$9,600,000.00	$7,680,000.00
4115 Jonesboro Road, Union City, Fulton County, Georgia	8	9.100,000.00	$7,280,000.00
4200 Jonesboro Road, Union City, Fulton County, Georgia	9	$7,850,000.00	$6,280,000.00
NON-DEALERSHIP PROPERTIES			
7947 Mall Parkway, Lithonia, DeKalb County, Georgia	10 (affiliated with Property 1)	$4,690,000.00	$3,752,000.00
7919 Mall Parkway, Lithonia, DeKalb County, Georgia	11	$2,420,000.00	$1,936,000.00
545 Sun Valley Drive, Roswell, Fulton County, Georgia	12 (affiliated with Property 3)	$910,000.00	$728,000.00
305 Crater Lane (f/k/a 413 Crater Lane), Tampa, Hillsborough County, Florida	13	$3,550,000.00	$2,840,000.00
1207 East Brandon Boulevard, Brandon, Hillsborough County, Florida	14	$8,700,000.00	$5,220,000.00

EXHIBIT 4.4

LITIGATION

NONE.

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	Title Company Name Loan Proforma
Atlanta Real Estate Holdings L.L.C.	7909 Mall Parkway, Lithonia, DeKalb County, Georgia	Old Republic National Title Insurance Company 302157NCT-7
Atlanta Real Estate Holdings L.L.C.	7969 Mall Parkway, Lithonia, DeKalb County, Georgia	Old Republic National Title Insurance Company 302157NCT-6
Atlanta Real Estate Holdings L.L.C.	11130 Alpharetta Highway, Roswell, Fulton County, Georgia	Old Republic National Title Insurance Company 302157NCT-9
Atlanta Real Estate Holdings L.L.C.	4197, 4193 Jonesboro Road, Union City, Fulton County, Georgia	Old Republic National Title Insurance Company 302157NCT-10
Asbury Jax Ford, LLC	9650 Atlantic Boulevard, Jacksonville, Duval County, Florida	Old Republic National Title Insurance Company 18042573
Coggin Cars L.L.C.	11340 Phillips Highway, Jacksonville, Duval County, Florida	Old Republic National Title Insurance Company 18042566
Asbury St. Louis M L.L.C.	951 Technology Drive, O'Fallon, St. Charles County, Missouri	Old Republic National Title Insurance Company 302157NCT-11
Asbury Georgia TOY, LLC	4115 Jonesboro Road, Union City, Fulton County, Georgia	Old Republic National Title Insurance Company 302157NCT-13
Asbury Atlanta CHEV, LLC	4200 Jonesboro Road, Union City, Fulton County, Georgia	Old Republic National Title Insurance Company 302157NCT-12

EXHIBIT 4.7

(continued)

Borrower	Address of Property	Title Company Name Loan Proforma
Atlanta Real Estate Holdings L.L.C.	7947 Mall Parkway, Lithonia, DeKalb County, Georgia	Old Republic National Title Insurance Company 302157NCT-7
Atlanta Real Estate Holdings L.L.C.	7919 Mall Parkway, Lithonia, DeKalb County, Georgia	Old Republic National Title Insurance Company 302157NCT-8
Atlanta Real Estate Holdings L.L.C.	545 Sun Valley Drive, Roswell, Fulton County, Georgia	Old Republic National Title Insurance Company 302157NCT-9
WTY Motors, L.P.	305 Crater Lane (f/k/a 413 Crater Lane), Tampa, Hillsborough County, Florida	Old Republic National Title Insurance Company 18042579
Q Automotive Brandon FL, LLC	1207 East Brandon Boulevard, Brandon, Hillsborough County, Florida	Old Republic National Title Insurance Company 18042589

EXHIBIT 4.9

JURISDICTION OF ORGANIZATION

OFFICES OF BORROWER

See attached.

EXHIBIT 4.13

ENVIRONMENTAL

ENVIRONMENTAL DISCLOSURES

Each of the items set forth and described in those certain environmental reports delivered in connection with this Agreement.

Property	**Property No. and Affiliation**	**Environmental Reports**
DEALERSHIP PROPERTIES		
7909 Mall Parkway, Lithonia, DeKalb County, Georgia	1 (affiliated with Property 10)	Phase I Environmental Site Assessment by Trammco Environmental Solutions, LLC dated April 20, 2018
7969 Mall Parkway, Lithonia, DeKalb County, Georgia	2	Phase I Environmental Site Assessment by Trammco Environmental Solutions, LLC dated April 20, 2018
11130 Alpharetta Highway, Roswell, Fulton County, Georgia	3 (affiliated with Property 12)	Phase I Environmental Site Assessment by Trammco Environmental Solutions, LLC dated April 20, 2018
4197, 4193 Jonesboro Road, Union City, Fulton County, Georgia	4	Phase I Environmental Site Assessment by Trammco Environmental Solutions, LLC dated April 20, 2018
9650 Atlantic Boulevard, Jacksonville, Duval County, Florida	5	Phase I Environmental Site Assessment by Trammco Environmental Solutions, LLC dated April 20, 2018
11340 Phillips Highway, Jacksonville, Duval County, Florida	6	Phase I Environmental Site Assessment by Trammco Environmental Solutions, LLC dated April 20, 2018
951 Technology Drive, O'Fallon, St. Charles County, Missouri	7	Phase I Environmental Site Assessment by Trammco Environmental Solutions, LLC dated April 20, 2018

4115 Jonesboro Road, Union City, Fulton County, Georgia	8	Phase I Environmental Site Assessment by Trammco Environmental Solutions, LLC dated March 12, 2018 and March 28, 2018
4200 Jonesboro Road, Union City, Fulton County, Georgia	9	Phase I Environmental Site Assessment by Trammco Environmental Solutions, LLC dated March 12, 2018 and March 28, 2018
NON-DEALERSHIP PROPERTIES		
7947 Mall Parkway, Lithonia, DeKalb County, Georgia	10 (affiliated with Property 1)	Phase I Environmental Site Assessment by Trammco Environmental Solutions, LLC dated April 20, 2018
7919 Mall Parkway, Lithonia, DeKalb County, Georgia	11	No Report Required
545 Sun Valley Drive, Roswell, Fulton County, Georgia	12 (affiliated with Property 3)	Phase I Environmental Site Assessment by Trammco Environmental Solutions, LLC dated April 20, 2018
305 Crater Lane (f/k/a 413 Crater Lane), Tampa, Hillsborough County, Florida	13	Phase I Environmental Site Assessment by Trammco Environmental Solutions, LLC dated April 20, 2018
1207 East Brandon Boulevard, Brandon, Hillsborough County, Florida	14	Phase I Environmental Site Assessment by Trammco Environmental Solutions, LLC dated April 20, 2018

EXHIBIT 4.14

ERISA

NONE.

EXHIBIT 4.20

CONDEMNATION EVENTS

NONE.

EXHIBIT 4.21

TENANTS, USES AND FRANCHISES

See attached.

EXHIBIT 4.22

CERTIFICATE OF OCCUPANCY; LICENSES

NONE.

EXHIBIT 4.24

PHYSICAL CONDITION

NONE.

EXHIBIT 4.26

LEASES

Landlord	Tenant	Address of Property	Lease Agreement
Atlanta Real Estate Holdings L.L.C.	Asbury Atlanta Toy 2 L.L.C.	7969 Mall Parkway Lithonia, Georgia	Lease Agreement dated July 22, 2013
Atlanta Real Estate Holdings L.L.C.	Asbury Atlanta Hund L.L.C.	7909 & 7947 Mall Parkway Lithonia, Georgia	Lease Agreement dated June 1, 2015
Atlanta Real Estate Holdings L.L.C.	Asbury Atlanta Toy L.L.C.	11130 Alpharetta Highway 545 Sun Valley Drive Roswell, Georgia	Lease Agreement dated March 3, 2008
Atlanta Real Estate Holdings L.L.C.	Asbury Atlanta Hon L.L.C.	4197 & 4193 Jonesboro Road Union City, Georgia	Lease Agreement dated May 31, 2016

EXHIBIT 6.1

SCHEDULED PERMITTED DEBT

NONE.

EXHIBIT 6.13

GUARANTY AGREEMENT

See attached.

UNCONDITIONAL GUARANTY

THIS UNCONDITIONAL GUARANTY (the "Guaranty"), dated as of November _16_, 2018 between ASBURY AUTOMOTIVE GROUP, INC., a Delaware corporation ("Guarantor"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (together with its successors and assigns, "Lender").

To induce Lender to make, extend or renew loans, advances, credit, or other financial accommodations to or for the benefit of each of ATLANTA REAL ESTATE HOLDINGS L.L.C., a Delaware limited liability company, ASBURY JAX FORD, LLC, a Delaware limited liability company, COGGIN CARS L.L.C., a Delaware limited liability company, WTY MOTORS, L.P., a Delaware limited partnership, Q AUTOMOTIVE BRANDON FL, LLC, a Delaware limited liability company, ASBURY ST. LOUIS M L.L.C., a Delaware limited liability company, ASBURY GEORGIA TOY, LLC, a Delaware limited liability company, and ASBURY ATLANTA CHEV, LLC, a Delaware limited liability company (each referred to herein individually and collectively as "Borrower"), all as more particularly described in the Loan Agreement (as hereinafter defined), which are and will be to the direct interest and advantage of Guarantor, and in consideration of loans, advances, credit, or other financial accommodations made, extended or renewed to or for the benefit of Borrower, which are and will be to the direct interest and advantage of Guarantor, Guarantor hereby absolutely, irrevocably and unconditionally guarantees to Lender and its successors, assigns the timely payment and performance of all Obligations, however and whenever incurred or evidenced, whether primary, secondary, direct, indirect, absolute, contingent, due or to become due, now existing or hereafter contracted or acquired, and all modifications, extensions and renewals thereof (collectively, the "Guaranteed Obligations").

Guarantor further covenants and agrees:

1. Loan Agreement. This Guaranty is subject to the provisions of that certain Master Loan Agreement between Lender and Borrower dated as of November _16_, 2018, as modified from time to time (the "Loan Agreement"). Capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Loan Agreement. This Guaranty is entitled to the benefits of, and evidences Obligations incurred under, the Loan Agreement, to which reference is made for a description of the security for the Guaranteed Obligations and for a statement of the additional terms and conditions on which Borrower is permitted and required to make prepayments and repayments of principal of the Obligations and on which such Obligations may be declared to be immediately due and payable.

2. Guarantor's Liability. This Guaranty is a continuing and unconditional guaranty of payment and performance and not of collection. The parties to this Guaranty are jointly and severally obligated together with all other parties obligated for the Guaranteed Obligations. This Guaranty does not impose any obligation on Lender to extend or continue to extend credit or otherwise deal with Borrower at any subsequent time. This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of the Guaranteed Obligations is rescinded, avoided or for any other reason must be returned by Lender, and the returned payment

shall remain payable as part of the Guaranteed Obligations, all as though such payment had not been made. Except to the extent the provisions of this Guaranty give Lender additional rights, this Guaranty shall not be deemed to supersede or replace any other guaranties given to Lender by Guarantor; and the obligations guaranteed hereby shall be in addition to any other obligations guaranteed by Guarantor pursuant to any other agreement of guaranty given to Lender and other guaranties of the Guaranteed Obligations.

3 . Representations and Warranties. In order to induce Lender to make the Loans or otherwise extend credit to the Borrower as provided in the Loan Agreement, Guarantor makes the following representations and warranties, all of which shall survive the execution and delivery of the Loan Documents. Unless otherwise specified, such representations and warranties shall be deemed made as of the date hereof and as of the date of each extension of credit under the Loan Documents:

3.1 Valid Existence and Power. Guarantor is duly organized, validly existing and in good standing under the laws of Delaware and is duly qualified or licensed to transact business in all places where the failure to be so qualified would have a Material Adverse Effect on it. Guarantor has the power to make and perform this Guaranty and the other Loan Documents executed by it, as applicable, and all such instruments will constitute the legal, valid and binding obligations of Guarantor, enforceable in accordance with their respective terms, subject only to bankruptcy and similar laws affecting creditors' rights generally.

3.2 Authority. The execution, delivery and performance thereof by Guarantor of the Loan Documents to which it is a party (a) have been duly authorized by all necessary actions of Guarantor, and do not and will not violate any provision of law or regulation, or any writ, order or decree of any court or governmental or regulatory authority or agency or any provision of the governing instruments of Guarantor, and (b) do not and will not, with the passage of time or the giving of notice, result in a breach of, or constitute a default or require any consent under, or result in the creation of any Lien upon any property or assets of Guarantor pursuant to, any law, regulation, instrument or agreement to which Guarantor is a party or by which Guarantor or its properties may be subject, bound or affected, except, (i) solely in the case of a breach or default (and not in the case of any consent or Lien) under clause (b), to the extent such breach or default would not reasonably be expected to have a Material Adverse Effect, and (ii) any such consent that has been obtained.

3.3 Financial Condition. Guarantor is not aware of any material adverse fact (other than facts which are generally available to the public and not particular to Guarantor, such as general economic trends) concerning the conditions or future prospects of Guarantor which has not been fully disclosed to Lender, including any material adverse change in the operations or financial condition of Guarantor since the date of the most recent financial statements delivered to Lender. Guarantor is Solvent, and after consummation of the transactions set forth in this Guaranty and the other Loan Documents, Guarantor will be Solvent.

3.4 Litigation. Except as set forth on Exhibit 3.4 hereof, there are no suits or proceedings pending, or to the Knowledge of Guarantor, overtly threatened, before any court or by

or before any governmental or regulatory authority, commission, bureau or agency or public regulatory body against or affecting Guarantor, or its assets, which would reasonably be expected to have a Material Adverse Effect.

3.5 Agreements, Etc. Guarantor is not a party to any agreement or instrument or subject to any court order, governmental decree or any charter or other corporate restriction, which would have a Material Adverse Effect. Guarantor is in compliance in all material respects with the requirements of all applicable laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

3.6 Authorizations. All authorizations, consents, approvals and licenses required under applicable law or regulation for the ownership or operation of the property owned or operated by Guarantor, or for the conduct of any business in which it is engaged have been duly issued and are in full force and effect, except in each case to the extent that failure of the foregoing to be duly issued and in full force and effect would not reasonably be expected to have a Material Adverse Effect. Guarantor is not in default, nor has any event occurred which with the passage of time or the giving of notice, or both, would constitute a default, under any of the terms or provisions of any part thereof, or under any order, decree, ruling, regulation, closing agreement or other decision or instrument of any governmental commission, bureau or other administrative agency or public regulatory body having jurisdiction over Guarantor, which default would have a Material Adverse Effect on Guarantor. Guarantor has all requisite governmental licenses, authorizations, consents and approvals to execute, deliver and perform its obligations under the Loan Documents to which it is a party.

3.7 Taxes. Except to the extent Properly Contested, Guarantor has filed all federal and state income and other tax returns which are required to be filed, and has paid all taxes as shown on said returns and all taxes, including withholding, FICA and ad valorem taxes, shown on all assessments received by it to the extent that such taxes have become due. Except to the extent Properly Contested, Guarantor is not subject to any federal, state or local tax Liens nor has Guarantor received any notice of deficiency or other official notice to pay any taxes. Except to the extent Properly Contested, Guarantor has paid all sales and excise taxes payable by it.

3.8 Labor Law Matters. No goods or services have been or will be produced by Guarantor in violation of any applicable labor laws or regulations or any collective bargaining agreement or other labor agreements or in violation of any minimum wage, wage-and-hour or other similar laws or regulations.

3.9 Judgment Liens. Neither Guarantor nor any of its assets are subject to any unpaid judgments (whether or not stayed) or any judgment liens in any jurisdiction as of the date hereof or, as to any time after the date hereof, except to the extent that (a) such unpaid judgments or judgment liens would not reasonably be expected to result in a Material Adverse Effect or (b)

such unpaid judgments or judgments liens are not senior to or pari passu with the Lien of Lender on any of the Collateral.

3.10 ERISA. Each Plan maintained for employees of Guarantor or any Subsidiary and covered by Title IV of ERISA is in compliance in all material respects with the applicable provisions of ERISA, the Internal Revenue Code of 1986, as amended, and other federal or state laws. No Termination Event with respect to any Plan has occurred and is continuing that would reasonably be expected to result in a Material Adverse Effect. Neither Guarantor nor any Subsidiary has any unfunded liability with respect to any such Plan that would reasonably be expected to have a Material Adverse Effect.

3.11 Investment Company Act. Guarantor is not an "investment company" as defined in the Investment Company Act of 1940, as amended.

3.12 Sanctioned Persons; Sanctioned Countries. Guarantor (a) is not a Sanctioned Person and (b) does not do business in a Sanctioned Country or with a Sanctioned Person in violation of the economic sanctions of the United States administered by OFAC.

3.13 Compliance with Covenants; No Default. Guarantor is, and upon funding of the Loans on the Closing Date will be, in compliance with all of the covenants hereof. No Event of Default has occurred, and the execution, delivery and performance of the Loan Documents to which it is a party will not cause an Event of Default.

3.14 Full Disclosure. There is no material fact of which Guarantor has Knowledge that Guarantor has not disclosed to Lender which could have a Material Adverse Effect. No Loan Document, nor any agreement, document, certificate or statement delivered by Guarantor to Lender, contains any untrue statement of a material fact or omits to state any material fact which Guarantor has Knowledge of necessary to keep the other statements from being misleading.

3.15 Brokerage/Developer Fees. There are no brokerage commissions or developers fees or agreements pursuant to which a third party is entitled to payment from Guarantor relating to the acquisition of the Collateral.

4. Affirmative Covenants of Guarantor. Guarantor covenants and agrees that from the date hereof and until payment in full of the Obligations and the formal termination of the Loan Agreement:

4.1 Access to Books and Records. Guarantor will allow Lender, or its agents, during normal business hours, access to the books, records and such other documents of Guarantor as Lender shall reasonably require, and allow Lender, at Guarantor's expense, to inspect, audit and examine the same and to make extracts therefrom and to make copies thereof. At any time other than during a Default Period, Lender shall not conduct such inspection and/or audit more than once in any twelve (12) month period.

4.2 Business Continuity. Guarantor will conduct its business in substantially the same manner as such business is now conducted, and businesses ancillary or reasonably related thereto.

4.3 Certificate of Full Compliance. Guarantor will deliver to Lender, with the financial statements required herein, a certification by an authorized officer of Guarantor that Guarantor, each Borrower and each of the other Guarantors is in full compliance with any financial covenants imposed on Guarantor under the Loan Documents and such certification shall incorporate by reference Guarantor's filings with the Securities and Exchange Commission, which in the case of the Form 10-K of Guarantor has been reviewed and approved by Guarantor's independent certified public accountant.

4.4 Compliance with Swap Agreements. Guarantor will comply with all terms and conditions contained in any Swap Agreements, if applicable, as in effect from time to time, except to the extent that noncompliance therewith would not reasonably be expected to result in a Material Adverse Effect. Nothing in this Section 4.4 shall affect or negate any applicable notice, grace and/or cure periods provided for in this Guaranty, any other Loan Documents or any Swap Agreements, if applicable, as in effect from time to time.

4.5 Estoppel Certificate. Guarantor will furnish, within fifteen (15) Business Days after request by Lender, a written statement duly acknowledged of the amount due under the Loan and whether offsets or defenses exist against the Guaranteed Obligations.

4.6 Insurance. Guarantor will maintain adequate insurance coverage with respect to its properties and business against loss or damage of the kinds and in the amounts customarily insured against by companies of established reputation engaged in the same or similar businesses including, without limitation, commercial general liability insurance, workers compensation insurance, and business interruption insurance; all acquired in such amounts and from such companies as Lender may reasonably require.

4.7 Maintain Properties. Guarantor will maintain, preserve and keep its property in good repair, working order and condition, ordinary wear and tear excepted, making all replacements, additions and improvements thereto necessary for the proper conduct of its business, unless prohibited by the Loan Documents.

4.8 Non-Default Certificate From Guarantor. Guarantor will deliver to Lender, with the Financial Statements required below, a certificate signed by Guarantor, in the form attached hereto as Exhibit 4.8, by an authorized financial officer of Guarantor warranting that 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, has occurred except as specified in such certificate, and showing in detail the figures and calculations in respect of the financial covenants of Guarantor set forth in Section 6 of this Guaranty.

4.9 Notice of Default and Other Notices. Guarantor shall provide to Lender prompt notice of (a) the occurrence of any Event of Default and what action (if any) the applicable

Borrower or Guarantor is taking to correct the same; (b) the entry of any final, non-appealable judgment or decree against it or its assets if the aggregate amount of such judgment or decree exceeds $5,000,000 (after deducting the amount with respect to which Guarantor is insured and with respect to which the insurer has assumed responsibility in writing), (c) any rejection, return, offset, dispute, loss or other circumstance which could be expected to have a Material Adverse Effect on Guarantor or on any Collateral, (d) the cancellation or termination of, or any default under, any Material Agreement to which Guarantor is a party or by which any of its properties are bound, if such cancellation, termination or breach is reasonably likely to result in a Material Adverse Effect; and (e) any loss or threatened loss of material licenses or permits. Guarantor also shall provide to Lender a written report within thirty (30) days after the end of each quarter describing (a) each action, suit, proceeding, governmental investigation or arbitration that affects Guarantor or its assets, which action, suit, proceeding, governmental investigation or arbitration, or in the case of multiple actions, suits, proceedings, governmental investigations or arbitrations arising out of the same general allegations or circumstances, is likely, in Guarantor's reasonable judgment, to result in the incurrence by Guarantor of liability in an amount aggregating $5,000,000 or more; (b) any notice from taxing authorities as to claimed deficiencies in an amount aggregating $5,000,000 or more or any tax lien or any notice relating to alleged ERISA violations involving an amount at issue of $5,000,000 or more, (d) any Reportable Event, as defined in ERISA. Such quarterly report will include the status of any unresolved item covered by any previous reports and provide such other information as may be reasonably requested by Lender.

4.10 Financial Information. Guarantor shall maintain consolidated books and records in accordance with GAAP in all material respects and shall furnish or cause to be furnished to Lender the following periodic financial information:

4.10.1 Interim Consolidated Statements. Within forty-five (45) days after the end of each quarter of each fiscal year of Guarantor, a copy of the Form 10-Q of Guarantor, for such quarter, prepared in accordance with the rules, regulations and guidelines of the Securities and Exchange Commission and including therein the consolidated financial statements of Guarantor, subject to normal year end audit adjustments and the absence of footnotes.

4.10.2 Intentionally Omitted.

4.10.3 Annual Statements. Within ninety (90) days after the end of each fiscal year of Guarantor, a copy of the Form 10-K of Guarantor, for such year, prepared in accordance with the rules, regulations and guidelines of the Securities and Exchange Commission and including therein the consolidated financial statements of Guarantor.

4.10.4 Other Financial Information. Such other information regarding the operation, business affairs, and financial condition of Guarantor which Lender may reasonably request.

Documents required to be delivered pursuant to Section 4.10.1 or 4.10.3 (to the extent any such documents are included in materials otherwise filed with the Securities and Exchange Commission) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the

date (i) on which the Guarantor posts such documents, or provides a link thereto on the Guarantor's website on the Internet; or (ii) on which such documents are posted on the Guarantor's behalf on an Internet or intranet website, if any, to which the Lender has access (whether a commercial, third-party website or whether sponsored by the Lender); provided that, the Guarantor shall notify the Lender (by telecopier or electronic mail) of the posting of any such documents and provide to the Lender by electronic mail electronic versions (i.e., soft copies) of such documents.

4.11 Advance Compliance Certificate From Guarantor. Guarantor will deliver to Lender, contemporaneously with each written request for borrowing by Borrower under the Loan Agreement, a certificate signed by Guarantor, in the form attached hereto as Exhibit 4.11, by an authorized 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, has occurred, and (b) except as disclosed to Lender in writing, the representations and warranties contained in the Loan Documents are true and correct in all material respects (except to the extent relating to an earlier date, in which case such representation and warranty shall be true and correct in all material respects as of such earlier date).

4.12 Maintenance of Existence and Rights. Guarantor shall preserve and maintain its corporate existence, authorities to transact business, rights and franchises, trade names, patents, trademarks and permits necessary to the conduct of its business, except in connection with a transaction not otherwise prohibited hereunder, and except to the extent that the failure to preserve and maintain the foregoing would not reasonably be expected to result in a Material Adverse Effect.

4.13 Payment of Taxes. Guarantor shall pay before delinquent all federal and state income or property taxes, and all other material taxes, assessments and governmental charges or levies imposed upon Borrower or which may become a lien upon any Property (all of the foregoing collectively, "Impositions"), except and to the extent only that such Impositions are being Properly Contested.

4.14 Reports and Proxies. Upon the request of Lender, Guarantor will deliver to Lender, promptly, a copy of all financial statements, reports, notices, and all regular or periodic reports required to be filed by Guarantor with any governmental agency or authority.

4.15 Further Assurances. Guarantor shall take such further action and provide to Lender such further assurances as may be reasonably requested to ensure compliance with the intent of this Guaranty and the other Loan Documents.

4.16 Intentionally Omitted.

5. Negative Covenants of Guarantor. Guarantor covenants and agrees that from the date hereof and until payment in full of the Guaranteed Obligations, Guarantor:

5.1 Debt.

5.1.1 Wells Fargo Bank, National Association as Lender Under the Revolving Credit Facility. For so long as Lender is a lender under the Revolving Credit Facility, shall not, and shall not permit any Borrower or any other Guarantor to, create or permit to exist any Debt, including any guaranties or other contingent obligations, that is secured by the Property (other than the Guaranteed Obligations) or is otherwise not permitted under the Revolving Credit Facility.

5.1.2 Wells Fargo Bank, National Association Not a Lender Under the Revolving Credit Facility. If Lender, at any time, ceases to be a lender under the Revolving Credit Facility, shall not, and shall not permit any Borrower or any other Guarantor to, create or permit to exist any Debt, including guaranties or other contingent obligations, that is secured by the Property (other than Guaranteed Obligations) or was otherwise not permitted under the Revolving Credit Facility as such Revolving Credit Facility existed on the date that Lender ceased to be a lender thereunder.

5.2 Change of Fiscal Year or Accounting Methods. Shall not, and shall not permit any Borrower or any other Guarantor to, change (i) its fiscal year or (ii) its book accounting methods in any material respect except as required by GAAP or applicable law. Guarantor's fiscal year end is December 31 as of the Closing Date. As used herein, the term "book accounting methods" means accounting methods which affect numbers reported to the Securities and Exchange Commission (as distinguished from tax accounting methods used in reporting to the Internal Revenue Service).

5.3 Change of Control.

5.3.1 Wells Fargo Bank, National Association as Lender Under the Revolving Credit Facility. For so long as Lender is a lender under the Revolving Credit Facility, shall not make, permit or suffer a Change of Control that is otherwise not permitted under the Revolving Credit Facility.

5.3.2 Wells Fargo Bank, National Association Not a Lender Under the Revolving Credit Facility. If Lender, at any time, ceases to be a lender under the Revolving Credit Facility, shall not make, permit or suffer a Change of Control that is otherwise not permitted under the Revolving Credit Facility as such Revolving Credit Facility existed on the date that Lender ceased to be a lender thereunder.

5.4 Intentionally Omitted.

5.5 Government Intervention. Shall not permit the assertion or making of any seizure, vesting or intervention by or under authority of any Governmental Authority, if the result of which is the management of Guarantor, any Borrower or any other Guarantor is displaced of its authority to conduct its business in any material respect or such business is materially curtailed or materially impaired.

5.6 Change in Business. Shall not, and shall not permit any Borrower or any other Guarantor to, enter into any business which is different from the business in which it is engaged on the Closing Date, or make any material change in the scope or nature of its business objectives, purposes or operations, or undertake or participate in activities other than the continuance of the business in which it is engaged on the Closing Date. Notwithstanding anything set forth herein to the contrary, Guarantor, any Borrower and any other Guarantor may engage, without the consent of Lender and in addition to the business in which it is engaged on the Closing Date, in the operation of a business ancillary to a motor vehicle dealership.

6. Financial Covenants of Guarantor. Guarantor covenants and agrees that from the date hereof and until payment in full of the Guaranteed Obligations:

6.1 Wells Fargo Bank, National Association as Lender Under the Revolving Credit Facility. For so long as Lender is a lender under the Revolving Credit Facility, Guarantor shall comply with the financial covenants set forth in Section 7.11 of the Revolving Credit Agreement (or any analogous provision of the Revolving Credit Agreement after giving effect to any amendments, modifications, amendments and restatements or replacements thereof).

6.2 Wells Fargo Bank, National Association Not a Lender Under the Revolving Credit Facility. If Lender, at any time, ceases to be a lender under the Revolving Credit Facility, Guarantor shall comply with the financial covenants set forth in Section 7.11 of the Revolving Credit Agreement (or any analogous provision of the Revolving Credit Agreement after giving effect to any amendments, modifications, amendments and restatements or replacements thereof prior to the date on which Lender ceases to be a lender thereunder) as such Revolving Credit Agreement existed on the date that Lender ceased to be a lender thereunder.

7. Consent to Modifications. Guarantor consents and agrees that Lender (and, with respect to swap obligations, its Affiliates) may from time to time, in its sole discretion, without affecting, impairing, lessening or releasing the obligations of Guarantor hereunder: (a) extend or modify the time, manner, place or terms of payment or performance and/or otherwise change or modify the credit terms of the Guaranteed Obligations; (b) increase, renew, or enter into a novation of the Guaranteed Obligations; (c) waive or consent to the departure from terms of the Guaranteed Obligations; (d) permit any change in the business or other dealings and relations of Borrower or any other guarantor with Lender; (e) proceed against, exchange, release, realize upon, or otherwise deal with in any manner any Collateral that is or may be held by Lender in connection with the Guaranteed Obligations or any liabilities or obligations of Guarantor; and (f) proceed against, settle, release, or compromise with Borrower, any insurance carrier, or any other Person liable as to any part of the Guaranteed Obligations, and/or subordinate the payment of any part of the Guaranteed Obligations to the payment of any other obligations, which may at any time be due or owing to Lender; all in such manner and upon such terms as Lender may deem appropriate, and without notice to or further consent from Guarantor. No invalidity, irregularity, discharge or unenforceability of, or action or omission by Lender relating to any part of the Guaranteed Obligations or any security therefor shall affect or impair this Guaranty.

8 . Waivers and Acknowledgements. Guarantor waives and releases the following rights, demands, and defenses Guarantor may have with respect to Lender (and, with respect to swap obligations, its Affiliates) and collection of the Guaranteed Obligations: (a) promptness and diligence in collection of any of the Guaranteed Obligations from Borrower or any other Person liable thereon, and in foreclosure of any security interest and sale of any property serving as Collateral for the Guaranteed Obligations; (b) any law or statute that requires that Lender (and, with respect to swap obligations, its Affiliates) make demand upon, assert claims against, or collect from Borrower or other Persons, foreclose any security interest, sell Collateral, exhaust any remedies, or take any other action against Borrower or other Persons prior to making demand upon, collecting from or taking action against Guarantor with respect to the Guaranteed Obligations, including any such rights Guarantor might otherwise have had under Va. Code §§ 49-25 and 49-26, et seq., N.C.G.S. §§ 26-7, et seq. , Tenn. Code Ann. § 47-12-101, O.C.G.A. § 10-7-24, Mississippi Code Ann. Section 87-5-1, California Civil Code Section §§ 2787 to 2855 inclusive, and any successor statute and any other applicable law; (c) any law or statute that requires that Borrower or any other Person be joined in, notified of or made part of any action against Guarantor; (d) that Lender or its Affiliates preserve, insure or perfect any security interest in Collateral or sell or dispose of Collateral in a particular manner or at a particular time, provided that Lender's obligation to dispose of Collateral in a commercially reasonable manner is not waived hereby; (e) notice of extensions, modifications, renewals, or novations of the Guaranteed Obligations, of any new transactions or other relationships between Lender, Borrower and/or any Guarantor, and of changes in the financial condition of, ownership of, or business structure of Borrower or any other Guarantor; (f) presentment, protest, notice of dishonor, notice of default, demand for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, notice of sale, and all other notices of any kind whatsoever to which Guarantor may be entitled; (g) the right to assert against Lender or its Affiliates any defense (legal or equitable), set-off, counterclaim, or claim that Guarantor may have at any time against Borrower or any other party liable to Lender or its Affiliates with respect to the Guaranteed Obligations; (h) all defenses relating to invalidity, insufficiency, unenforceability, enforcement, release or impairment of Lender or its Affiliates' lien on any Collateral, of the Loan Documents, or of any other guaranties held by Lender; (i) any right to which Guarantor is or may become entitled to be subrogated to Lender or its Affiliates' rights against Borrower or to seek contribution, reimbursement, indemnification, payment or the like, or participation in any claim, right or remedy of Lender or its Affiliates against Borrower or any security which Lender or its Affiliates now has or hereafter acquires, until such time as the Guaranteed Obligations have been fully satisfied beyond the expiration of any applicable preference period; (j) any claim or defense that acceleration of maturity of the Guaranteed Obligations is stayed against Guarantor because of the stay of assertion or of acceleration of claims against any other Person for any reason including the bankruptcy or insolvency of that Person; and (k) the right to marshalling of Borrower's assets or the benefit of any exemption claimed by Guarantor. Guarantor acknowledges and represents that Guarantor has relied upon Guarantor's own due diligence in making an independent appraisal of Borrower, Borrower's business affairs and financial condition, and any Collateral; Guarantor will continue to be responsible for making an independent appraisal of such matters; and Guarantor has not relied upon Lender or its Affiliates for information regarding Borrower or any Collateral.

9. Interest and Application of Payments. Regardless of any other provision of this Guaranty or other Loan Documents, if for any reason the effective interest on any of the Guaranteed

Obligations should exceed the maximum lawful interest, the effective interest shall be deemed reduced to and shall be such maximum lawful interest, and any sums of interest which have been collected in excess of such maximum lawful interest shall be applied as a credit against the unpaid principal balance of the Guaranteed Obligations. Monies received from any source by Lender or its Affiliates for application toward payment of the Guaranteed Obligations may be applied to such Guaranteed Obligations in any manner or order deemed appropriate by Lender and its affiliates.

10. Default. An event of default ("Event of Default") under this Guaranty shall exist if there shall be an Event of Default under any of the Loan Documents. If an Event of Default occurs and is continuing, the Guaranteed Obligations shall be due immediately and payable upon demand by Lender, other than Guaranteed Obligations under any Swap Agreements with Lender or its Affiliates, which shall be due in accordance with and governed by the provisions of said Swap Agreements, and, Lender may exercise any rights and remedies as provided in this Guaranty and other Loan Documents, or as provided at law or equity.

11. Attorneys' Fees and Other Costs of Collection. Guarantor shall pay all of Lender's reasonable out-of-pocket expenses actually incurred to enforce or collect any of the Guaranteed Obligations, including, without limitation, reasonable arbitration, paralegals', attorneys' and experts' fees and expenses actually incurred, whether incurred without the commencement of a suit, in any suit, arbitration, or administrative proceeding, or in any appellate, or bankruptcy proceeding.

12. Termination of Guaranty. Guarantor may terminate this Guaranty only by written notice, delivered personally to or received by certified or registered United States Mail by Lender at the address and to the attention of the officer required for notices provided herein (if any). Such termination shall be effective only with respect to Guaranteed Obligations arising more than 15 days after the date such written notice is received by Lender. Such termination shall not be effective with respect to Guaranteed Obligations (including any subsequent extensions, modifications or compromises of the Guaranteed Obligations) then existing, or Guaranteed Obligations arising subsequent to receipt by Lender of said notice if such Guaranteed Obligations are a result of Lender's obligation to make advances pursuant to a commitment, or are based on Borrower's obligations to make payments pursuant to any Swap Agreement, entered into prior to expiration of the 15 day notice period, or are a result of advances which are necessary for Lender to protect its collateral or otherwise preserve its interests. Termination of this Guaranty by any single Guarantor will not affect the existing and continuing obligations of any other Guarantor hereunder.

13. Miscellaneous.

13.1 No Waiver, Remedies Cumulative. No failure on the part of Lender to exercise, and no delay in exercising, any right hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and are in addition to any other remedies provided by law, any Loan Document or otherwise.

13.2 Notices. Any notice or other communication hereunder 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.
Commercial Lending Services
MAC – D1644-018
1451 Thomas Langston Road
Winterville, NC 28590
Attn: Loan Administration Manager (LDCMR)

with copies to: Wells Fargo Dealer Services
100 North Main Street (MAC D4001-08A)
Winston-Salem, NC 27101
Attn.: National Accounts Director

-and-

Sherman Wells Sylvester & Stamelman LLP
210 Park Avenue, 2nd Floor
Florham Park, NJ 07932
Attn.: Jane L. Brody, Esq.

Guarantor: Asbury Automotive Group, Inc.
Sugarloaf Business Park
2905 Premiere Parkway NW, Suite 300
Duluth, GA 30097
Attn: Senior Vice President – General Counsel

-and-

Asbury Automotive Group, Inc.
Sugarloaf Business Park
2905 Premiere Parkway NW, Suite 300
Duluth, GA 30097
Attn: Vice President - Corporate Development & Real Estate

with copies to: JONES DAY® - One Firm Worldwide℠
1420 Peachtree Street, N.E.
Suite 800

Atlanta, GA 30309
Attn: Todd Roach, Esq.

13.3 Governing Law. This Guaranty shall be deemed a contract made under the laws of the State of the Jurisdiction and shall be governed by and construed in accordance with the laws of said state (excluding its conflict of laws provisions if such provisions would require application of the laws of another jurisdiction).

13.4 Binding Effect. This Guaranty and the other Loan Documents shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns.

13.5 Assignments and Participation. Lender may from time to time, without the consent of Guarantor, sell, transfer, pledge, assign and convey the Guaranty, the Loan and the Loan Documents (or any interest therein), and delegate any and all of its obligations with respect thereto, and may grant participations in the Loan to another financial institution or other Person on terms and conditions reasonably acceptable to Lender and split the Loan into multiple parts, or the Note into multiple component notes or tranches, in each case as permitted under the Loan Agreement. Any such sale, transfer, assignment, conveyance or participation shall not release Guarantor from the Guaranteed Obligations. Upon prior notice to Guarantor of such assignment, Guarantor shall thereafter furnish to such assignee any information furnished by Guarantor to Lender pursuant to the terms of the Loan Documents.

13.6 Severability. If any provision of this Guaranty or of the other Loan Documents shall be prohibited or invalid under applicable law, such provision shall be ineffective but only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guaranty or other Loan Documents.

13.7 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 OR THE LOAN DOCUMENTS 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 DISPUTE, WHETHER THE DISPUTE IS RESOLVED BY ARBITRATION, MEDIATION, JUDICIALLY OR OTHERWISE.

13.8 ARBITRATION; WAIVER OF JURY TRIAL.

13.8.1 Arbitration. The parties hereto agree, upon demand by any party, whether made before the institution of a judicial proceeding or not more than 60 days after service

of a complaint, third party complaint, cross-claim, counterclaim or any answer thereto or any amendment to any of the above, to submit to binding arbitration all claims, disputes and controversies between or among them (and their respective employees, officers, directors, attorneys, and other agents), whether in tort, contract or otherwise, in any way arising out of or relating to (a) any credit subject hereto, or any of the Loan Documents, and their negotiation, execution, collateralization, administration, repayment, modification, extension, substitution, formation, inducement, enforcement, default or termination; or (b) requests for additional credit. In the event of a court ordered arbitration, the party requesting arbitration shall be responsible for timely filing the demand for arbitration and paying the appropriate filing fee within 30 days of the abatement order or the time specified by the court. Failure to timely file the demand for arbitration as ordered by the court will result in that party's right to demand arbitration being automatically terminated.

13.8.2 Governing Rules. Any arbitration proceeding will (a) proceed in a location in the Jurisdiction selected by the American Arbitration Association ("AAA"); (b) be governed by the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any conflicting choice of law provision in any of the documents between the parties; and (c) be conducted by the AAA, or such other administrator as the parties shall mutually agree upon, in accordance with the AAA's commercial dispute resolution procedures, unless the claim or counterclaim is at least $1,000,000.00 exclusive of claimed interest, arbitration fees and costs in which case the arbitration shall be conducted in accordance with the AAA's optional procedures for large, complex commercial disputes (the commercial dispute resolution procedures or the optional procedures for large, complex commercial disputes to be referred to herein, as applicable, as the "Rules"). If there is any inconsistency between the terms hereof and the Rules, the terms and procedures set forth herein shall control. Any party who fails or refuses to submit to arbitration following a demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any dispute. Nothing contained herein shall be deemed to be a waiver by any party that is a bank of the protections afforded to it under 12 U.S.C. §91 or any similar applicable state law.

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

13.8.4 Arbitrator Qualifications and Powers. Any arbitration proceeding in which the amount in controversy is $5,000,000.00 or less will be decided by a single arbitrator selected according to the Rules, and who shall not render an award of greater than $5,000,000.00. Any dispute in which the amount in controversy exceeds $5,000,000.00 shall be decided by majority vote of a panel of three arbitrators; provided however, that all three arbitrators must actively participate in all hearings and deliberations. The arbitrator will be a neutral attorney licensed in the Jurisdiction with a minimum of ten years' experience in the substantive law applicable to the subject matter of the dispute to be arbitrated. The arbitrator will determine whether or not an issue is

arbitratable and will give effect to the statutes of limitation in determining any claim. In any arbitration proceeding the arbitrator will decide (by documents only or with a hearing at the arbitrator's discretion) any pre-hearing motions which are similar to motions to dismiss for failure to state a claim or motions for summary adjudication. The arbitrator shall resolve all disputes in accordance with the substantive law of the Jurisdiction and may grant any remedy or relief that a court of such state could order or grant within the scope hereof and such ancillary relief as is necessary to make effective any award. The arbitrator shall also have the power to award recovery of all costs and fees, to impose sanctions and to take such other action as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the North Carolina Rules of Civil Procedure or other applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including the plaintiff, to submit the controversy or claim to arbitration if any other party contests such action for judicial relief.

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

13.8.6 Class Proceedings and Consolidations. No party hereto shall be entitled to join or consolidate disputes by or against others in any arbitration, except parties who have executed any of the Loan Documents, or to include in any arbitration any dispute as a representative or member of a class, or to act in any arbitration in the interest of the general public or in a private attorney general capacity.

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

13.8.8 Miscellaneous. To the maximum extent practicable, the AAA, the arbitrators and the parties shall take all action required to conclude any arbitration proceeding within 180 days of the filing of the dispute with the AAA. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by a party required in the ordinary course of its business or by applicable law or regulation. If more than one agreement for arbitration by or between the parties potentially applies to a dispute, the arbitration provision most directly related to the documents between the parties or the subject matter of the dispute shall control. This Agreement may be amended or modified only in writing signed by each party hereto. If any provision of this Agreement shall be held to be prohibited by or invalid under applicable law such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or any remaining provisions of this Agreement. This arbitration provision shall survive termination, amendment or expiration of any of the documents or any relationship between the parties.

13.8.9 Small Claims Court. Notwithstanding anything herein to the contrary, each party retains the right to pursue in Small Claims Court any dispute within that court's jurisdiction. Further, this arbitration provision shall apply only to disputes in which either party seeks to recover an amount of money (excluding attorneys' fees and costs) that exceeds the jurisdictional limit of the Small Claims Court.

13.8.10 Waiver of Jury Trial. The parties hereto hereby acknowledge that by agreeing to binding arbitration they have irrevocably waived their respective rights to a jury trial with respect to any action, claim or other proceeding arising out of any dispute in connection with any of the Loan Documents, any rights or obligations hereunder or thereunder, or the performance of such rights and obligations. This provision is a material inducement for the parties entering into the agreement evidenced by this Agreement.

(Signatures on following page)

IN WITNESS WHEREOF, Guarantor, on the day and year first written above, has caused this Unconditional Guaranty to Wells Fargo Bank, National Association to be duly executed under seal.

ASBURY AUTOMOTIVE GROUP, INC.,
a Delaware corporation

By: /s/ Matthew Pettoni
Name: Matthew Pettoni
Title: Treasurer and Vice President

EXHIBIT 3.4

LITIGATION

None.

EXHIBIT 4.8

NON-DEFAULT CERTIFICATE

In accordance with the terms of the Guaranty dated November _____, 2018 by and between Wells Fargo Bank, National Association and Asbury Automotive Group, Inc. ("Guarantor"), I hereby certify in my capacity as an officer of Guarantor and not individually that:

1. I am an authorized officer of Guarantor.

2. The enclosed financial statements were prepared in accordance with generally accepted accounting principles except as otherwise expressly noted therein.

3. No Event of Default (as defined in the Loan Documents) or any event which, upon the giving of notice or lapse of time or both, would constitute such an Event of Default, has occurred[, except as set forth below].

4. Attached hereto in detail are the figures and calculations in respect of the financial covenants of Guarantor set forth in Section 6 of the Guaranty.

Asbury Automotive Group, Inc.

By:_____
Name:
Title:

EXHIBIT 4.11

ADVANCE COMPLIANCE CERTIFICATE

In accordance with the terms of the Guaranty dated November _____, 2018 by and between Wells Fargo Bank, National Association and Asbury Automotive Group, Inc. ("Guarantor"), I hereby certify in my capacity as an officer of Guarantor and not individually that:

1. I am an authorized officer of Guarantor.

2. No Event of Default (as defined in the Loan Documents) or any event which, upon the giving of notice or lapse of time or both, would constitute such an Event of Default, has occurred.

3. The representations and warranties contained in the Loan Documents are true and correct in all material respects (except to the extent relating to an earlier date, in which case such representation and warranty shall be true and correct in all material respects as of such earlier date)s[, except as set forth below].

Asbury Automotive Group, Inc.

By:_____
Name:
Title:

Exhibit 21

Entity Name	Domestic State	Foreign Qualification
AF 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 CHEV, LLC	DE	GA
Asbury Atlanta Chevrolet L.L.C.	DE	GA
Asbury Atlanta Ford, LLC	DE	GA
Asbury Atlanta Hon L.L.C.	DE	GA
Asbury Atlanta Hund 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 K L.L.C.	DE	GA
Asbury Atlanta Lex L.L.C.	DE	GA
Asbury Atlanta Nis II, LLC	DE	GA
Asbury Atlanta Nis L.L.C.	DE	GA
Asbury Atlanta Toy 2 L.L.C.	DE	GA
Asbury Atlanta Toy L.L.C.	DE	GA
Asbury Atlanta VB 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 II L.L.C.	DE	GA
Asbury Automotive Atlanta 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	
Asbury Automotive Group L.L.C.	DE	CT
Asbury Automotive Jacksonville GP L.L.C.	DE	FL
Asbury Automotive Jacksonville, L.P.	DE	FL
Asbury Automotive Management L.L.C.	DE	GA
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,VA
Asbury Automotive North Carolina Management L.L.C.	DE	NC
Asbury Automotive North Carolina Real Estate Holdings L.L.C.	DE	NC,SC,VA
Asbury Automotive Oregon L.L.C.	DE	
Asbury Automotive Southern California L.L.C.	DE	
Asbury Automotive St. Louis II L.L.C.	DE	MO
Asbury Automotive St. Louis, 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 CH MOTORS L.L.C.	DE	FL
Asbury Deland Hund, LLC	DE	FL
Asbury Deland Imports 2, L.L.C.	DE	FL
Asbury Fresno Imports L.L.C.	DE	
Asbury Ft. Worth Ford, LLC	DE	TX
Asbury Georgia TOY, LLC	DE	GA
Asbury IN CBG, LLC	DE	IN
Asbury IN CDJ, LLC	DE	IN
Asbury In Chev, LLC	DE	IN
Asbury In Ford, LLC	DE	IN
Asbury In Hon, LLC	DE	IN
Asbury Indy Chev, LLC	DE	IN
Asbury Jax AC, LLC	DE	FL
Asbury Jax Ford, LLC	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 Management Services, LLC	DE	AR,AZ,FL,GA,MO,MS,NC,OH,PA,SC,TN,TX,VA
Asbury MS CHEV L.L.C.	DE	IN,MS
Asbury MS Gray-Daniels L.L.C.	DE	MS
Asbury No Cal Niss L.L.C.	DE	
Asbury Sacramento Imports L.L.C.	DE	
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	
Asbury So Cal Hon L.L.C.	DE	
Asbury So Cal Niss L.L.C.	DE	
Asbury South Carolina Real Estate Holdings L.L.C.	DE	SC
Asbury St. Louis Cadillac L.L.C.	DE	MO
Asbury St. Louis FSKR, 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,VA
CFP Motors L.L.C.	DE	FL
CH Motors L.L.C.	DE	FL
CHO Partnership, Ltd.	FL	
CK Chevrolet L.L.C.	DE	FL
CK Motors LLC	DE	FL
CN Motors L.L.C.	DE	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 L.L.C.	DE	FL
Crown Acura/Nissan, LLC	NC	
Crown CHH L.L.C.	DE	NC
Crown CHO L.L.C.	DE	NC
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	
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.	DE	FL
HFP Motors L.L.C.	DE	FL
JC Dealer Systems, LLC	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
McDavid Plano-Acra, L.L.C.	DE	TX
Mid-Atlantic Automotive Services, L.L.C.	DE	NC,SC,VA
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	
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
Q Automotive Brandon FL, LLC	DE	FL
Q Automotive Cumming GA, LLC	DE	GA
Q Automotive Ft. Myers FL, LLC	DE	FL
Q Automotive Group L.L.C.	DE	FL
Q Automotive Holiday FL, LLC	DE	FL
Q Automotive Jacksonville FL, LLC	DE	FL
Q Automotive Kennesaw GA, LLC	DE	GA
Q Automotive Orlando FL, LLC	DE	FL
Q Automotive Tampa FL, LLC	DE	FL
Southern Atlantic Automotive Services, L.L.C.	DE	GA,SC
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	
Thomason Frd L.L.C.	DE	
Thomason Hund L.L.C.	DE	
Thomason Pontiac-GMC L.L.C.	DE	
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. 333-221146) of Asbury Automotive Group, Inc.,
2) Registration Statement (Form S-8 No. 333-180980) of Asbury Automotive Group, Inc.,
3) Registration Statement (Form S-8 No. 333-165136) of Asbury Automotive Group, Inc.,
4) Registration Statement (Form S-8 No. 333-105450) of Asbury Automotive Group, Inc.,
5) Registration Statement (Form S-8 No. 333-84646) of Asbury Automotive Group, Inc., and
6) Registration Statement (Form S-3 No. 333-123505) of Asbury Automotive Group, Inc.;

of our reports dated February 28, 2019, with respect to the consolidated financial statements of Asbury Automotive Group, Inc. 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, 2018.

/s/ Ernst & Young LLP

Atlanta, Georgia
February 28, 2019

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, David W. Hult, 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 the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer 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 functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ David W. Hult

David W. Hult
Chief Executive Officer
February 28, 2019

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, Sean D. Goodman, 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 the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer 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 functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (a) 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/ Sean D. Goodman

Sean D. Goodman
Chief Financial Officer
February 28, 2019

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, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David W. Hult, 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/ David W. Hult

David W. Hult
Chief Executive Officer
February 28, 2019

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, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Sean D. Goodman, Chief 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/ Sean D. Goodman

Sean D. Goodman
Chief Financial Officer
February 28, 2019