As filed with the Securities and Exchange Commission on July 27, 2001
Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

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

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

3 LANDMARK SQUARE
SUITE 500
STAMFORD, CONNECTICUT 06901
(203) 356-4400

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

BRIAN E. KENDRICK
CHIEF EXECUTIVE OFFICER
ASBURY AUTOMOTIVE GROUP, INC.
3 LANDMARK SQUARE
SUITE 500
STAMFORD, CONNECTICUT 06901
(203) 356-4400

(Name and address, including zip code, and telephone number, including area code, of agent for service)

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

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price (1)(2)	Amount of Registration Fee
Common Stock; par value $.01 per share	$150,000,000	$37,500

(1) Includes shares to be sold upon exercise of the underwriters' over-allotment option. See "Underwriting."

(2) Estimated solely for the purposes of calculating the registration fee pursuant to Rule 457 of Regulation C under the Securities Act of 1933, as amended.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY

STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

* Currently a Delaware limited liability company named Asbury Automotive Group L.L.C., which on or prior to the effective date of this registration statement will be converted into a Delaware corporation through either a conversion into a corporation or by a merger with an entity or a subsidiary of an entity that has no other business.

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+ The information in this preliminary prospectus is not complete and may be +
+ changed. These securities may not be sold until the registration statement +
+ filed with the Securities and Exchange Commission is effective. This +
+ preliminary prospectus is not an offer to sell nor does it seek an offer to +
+ buy these securities in any jurisdiction where the offer or sale is not +
+ permitted. +
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Subject to Completion. Dated July 27, 2001.

[ ] Shares

ASBURY AUTOMOTIVE GROUP, INC.

Common Stock

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

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

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

See "Risk Factors" on page 7 to read about factors you should consider before buying shares of the common stock.

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

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

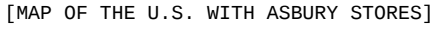
To the extent that the underwriters sell more than [ ] shares of common stock, the underwriters have the option to purchase up to an additional [ ] shares from Asbury and [ ] shares from the selling stockholders at the initial public offering price less the underwriting discount.

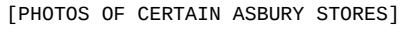
The underwriters expect to deliver the shares against payment in New York, New York on [ ], 2001.

GOLDMAN, SACHS & CO. MERRILL LYNCH & CO.

SALOMON SMITH BARNEY

Prospectus dated [ ], 2001.





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

PROSPECTUS SUMMARY

The following is a summary of some of the information contained in this prospectus. It may not contain all the information that is important to you. To understand this offering fully, you should read carefully the entire prospectus, including the risk factors and the financial statements.

In this prospectus the terms "Asbury," "we," "us" and "our" refer to Asbury Automotive Group, Inc., unless the context otherwise requires, and its subsidiaries and their respective predecessors in interest. This prospectus assumes the conversion of Asbury Automotive Group L.L.C. from a limited liability company into a corporation named Asbury Automotive Group, Inc. immediately prior to the offering by either a conversion in accordance with Delaware General Corporation Law or through a merger with an entity or a subsidiary of an entity that has no other business. Per share numbers assume that membership interests in the limited liability company outstanding immediately prior to the conversion or merger offering will be exchanged for shares of common stock in the new corporation on the basis of [ ] membership interests for each share of common stock.

This prospectus includes statistical data regarding the automotive retailing industry. Unless otherwise indicated, such data is taken or derived from information published by:

- The Industry Analysis Division of the National Automobile Dealers Association, also known as "NADA," NADA Data 2000.
- Automotive News 2001 Market Data Book.
- Automotive News Data Center.
- CNW Marketing/Research.
- Sales & Marketing Management 2000 Survey of Buying Power and Media Markets.

BUSINESS

OUR COMPANY

We are one of the largest automotive retailers in the United States, currently operating 126 franchises at 86 dealership locations in nine states. We offer our customers an extensive range of automotive products and services, including new and used vehicle sales and related financing and insurance, vehicle maintenance and repair services, replacement parts and service contracts. Our franchises include a diverse portfolio of 36 American, European and Asian brands, and a majority of our dealerships are either luxury franchises (such as BMW, Lexus and Mercedes-Benz) or mid-line import brands (such as Honda, Toyota and Nissan). We have grown rapidly in recent years, primarily through acquisition, with annual sales of $3.0 billion in 1999 and $4.0 billion in 2000, which represented a 34% increase in annual sales from 1999. We sold a total of 154,422 new and used retail units in 2000, which represented a 32% increase over the 116,790 retail units sold in 1999. In addition, our 2000 results included over $434 million in parts, service and collision repair revenues.

Our retail network is organized into nine regional dealership groups, which we refer to as "platforms," located in 15 market areas that we believe represent attractive opportunities, generally due to their high rates of population and income growth. Each platform originally operated as an independent business before being integrated into our operations, and each continues to enjoy strong local brand name recognition. We believe that many of our platforms rank first or second in market share in their local markets.

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

OUR STRENGTHS

We believe our strengths are as follows:

- EXPERIENCED AND INCENTIVIZED MANAGEMENT. We have a highly experienced management team. After joining us, the former principal owners of our nine platforms, who have an average of 36 years of

experience in the automotive retailing industry, continued to manage our operations at the platform level and played a significant role in implementing our operating and acquisition strategies. The former owners and their management teams collectively own approximately 40% of our outstanding equity and will continue to own approximately [ ]% of our outstanding equity after the offering. In addition, each of our top three corporate executives has more than 20 years of experience in either retail sales or the automotive retailing industry.

- ADVANTAGEOUS BRAND MIX. Our current brand mix includes a higher proportion of luxury and mid-line import franchises to total franchises than most public automotive retailers. Luxury and mid-line imports together accounted for approximately 63% of our 2000 new retail vehicle revenues and comprise over half of our total franchises. Luxury and mid-line imports generate above average gross margins on new vehicles, parts, service and collision repair and have greater customer loyalty and repeat purchases than mid-line domestic and value automobiles. We also believe luxury vehicle sales are less susceptible to economic cycles.

- MARKET LEADERSHIP AND STRONG BRANDING OF OUR PLATFORMS. Each of our platforms is comprised of between eight and 22 franchises and generated average pro forma revenues of approximately $500 million in 2000. We believe that we are among the top three market share leaders in 11 of our markets, including five in which we rank first. Our regional market share and strong brand recognition allow our platforms to realize significant regional economies of scale.

- DIVERSIFIED REVENUE STREAMS/VARIABLE COST STRUCTURE. We have a diversified revenue base that we believe mitigates the impact of slower new vehicle sales. Used vehicle sales and parts, service and collision repair, which represented 37% of our total 2000 revenue, generate higher profit margins than new vehicle sales and tend to fluctuate less with economic cycles. In addition, our variable cost structure helps us manage expenses in an economic downturn, as a large part of our operating expenses consists of incentive-based compensation, vehicle carrying costs and advertising.

OUR STRATEGY

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

- CONTINUED GROWTH THROUGH TARGETED ACQUISITIONS. We will seek to establish platforms in new markets through acquisitions of large, profitable and well-managed dealership groups. In addition, we will pursue additional dealerships within our established markets, which we refer to as "tuck-in acquisitions," to complement the related platform by increasing brand diversity, market coverage and services.

- FOCUS ON HIGHER MARGIN PRODUCTS AND SERVICES. While new vehicle sales are critical to drawing customers to our dealerships, used vehicle retail sales, finance and insurance and parts, service and collision repair provide significantly higher margin revenue streams. We currently derive in excess of 68% of our total gross profit from these areas. In addition, we have discipline-specific executives at both the corporate and platform level who focus on both increasing the penetration of current services and expanding the breadth of our offerings to customers.

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

- CUSTOMER RELATIONSHIP MANAGEMENT. We have begun to implement a CRM initiative to increase customer loyalty and satisfaction and reduce marketing costs by redirecting expenditures from mass media to targeted communications. We expect to create a differentiated customer experience, allowing us to capture a greater percentage of our targeted households' automotive spending.

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

THE OFFERING

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

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

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

SUMMARY HISTORICAL AND PRO FORMA CONSOLIDATED FINANCIAL DATA

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

	Year Ended December 31,				Three Months Ended March 31,		
			2000			2001	
	1998	1999	Actual	Pro Forma As Adjusted	2000	Actual	Pro Forma As Adjusted
	($ in thousands, except per share data)						
Income statement data:							
Revenues:							
New vehicles	$687,850	$1,820,393	$2,439,729	$2,786,916	$562,490	$579,115	$624,487
Used vehicles	221,828	787,029	1,064,102	1,223,054	243,070	285,954	308,987
Parts, service and collision repair	156,037	341,506	434,478	482,124	98,746	118,243	125,471
Finance and insurance, net	19,149	63,206	89,481	97,093	19,732	23,554	24,373
Total revenues	1,084,864	3,012,134	4,027,790	4,589,187	924,038	1,006,866	1,083,318
Gross profit	155,291	441,168	597,539	670,152	136,780	156,540	165,963
Income from operations	21,236	81,564	121,885	143,361	29,493	30,231	33,145
Income before minority interest and extraordinary loss	18,118	37,420	37,954	32,994	11,101	7,615	6,422
Net income	3,081	16,148	28,927	32,994	3,896	6,182	5,562
Income (loss) per common share-basic	n/a	n/a	n/a		n/a	n/a	
Other data:							
Gross profit margin	14.3%	14.6%	14.8%	14.6%	14.8%	15.5%	15.3%
Operating income margin	2.0%	2.7%	3.0%	3.1%	3.2%	3.0%	3.1%
New vehicle retail units sold	27,734	71,604	96,614	108,142	21,679	21,854	23,234
Used vehicle retail units sold	15,205	45,186	57,808	65,956	13,676	14,963	16,200

	As of March 31, 2001	
		Pro Forma
	Actual	As Adjusted
	($ in thousands)	
Balance sheet data:		
Inventories	$532,319	$577,143
Total current assets	762,815	837,818
Property and equipment, net	220,329	226,805
Total assets	1,408,378	1,527,220
Floor plan notes payable	486,223	518,443
Total current liabilities	606,315	639,429
Total long-term debt, including current portion	469,268	440,727
Total equity	326,261	427,226

RISK FACTORS

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

RISKS RELATED TO OUR DEPENDENCE ON VEHICLE MANUFACTURERS

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

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

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

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

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

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

MANUFACTURERS' RESTRICTIONS ON ACQUISITIONS COULD LIMIT OUR FUTURE GROWTH.

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

agreement or under state law, a manufacturer may have a right of first refusal to acquire a dealership that we seek to acquire.

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

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

- material changes in our company or extraordinary corporate transactions such as a merger, sale of a substantial amount of assets or any change in our board of directors or management that could have a material adverse effect on the manufacturer's image or reputation or could be materially incompatible with the manufacturer's interests;
- the removal of a dealership general manager without the consent of the manufacturer; and
- the use of dealership facilities to sell or service new vehicles of other manufacturers.

THE RESULTS OF OUR NEW VEHICLE SALES OPERATIONS ARE RELIANT ON THE OVERALL PERFORMANCE OF MANUFACTURERS' PRODUCTS.

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

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

We depend on manufacturers to provide us with a desirable mix of popular new vehicles. Typically, popular vehicles produce the highest profit margins but tend to be the most difficult to obtain from manufacturers. Manufacturers generally allocate their vehicles among their franchised dealerships based on the sales history of each dealership.

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

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

- customer rebates on new vehicles;
- dealer incentives on new vehicles;
- special financing or leasing terms;
- warranties on new and used vehicles; and

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

A reduction or discontinuation of key manufacturers' incentive programs may materially and adversely affect our profitability.

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

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

- financial condition;
- marketing efforts;
- vehicle design;
- production capabilities;
- reputation;
- management; and
- labor relations.

Adverse conditions affecting these and other important aspects of manufacturers' operations and public relations could materially and adversely effect our results of operations.

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

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

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

Manufacturers' lobbying efforts may lead to the repeal or revision of state dealer laws to our detriment. If dealer laws are repealed in the states in which we operate, manufacturers may be able to terminate our franchises without providing advance notice, an opportunity to cure or a showing of good cause. Without the protection of state dealer laws, it may also be more difficult for our dealerships to renew their franchise agreements upon expiration.

RISKS RELATED TO OUR ACQUISITION STRATEGY

RISKS ASSOCIATED WITH ACQUISITIONS MAY HINDER OUR ABILITY TO INCREASE REVENUES AND EARNINGS.

The automobile retailing industry is considered a mature industry in which minimal growth is expected in industry unit sales. Accordingly, our future growth depends in large part on our ability to acquire additional dealerships, as well as on our ability to manage expansion, control costs in our operations and consolidate both completed and anticipated tuck-in acquisitions into existing operations. In pursing a

strategy of acquiring other dealerships, we face risks commonly encountered with growth through acquisitions. These risks include, but are not limited to:

- incurring significantly higher capital expenditures and operating expenses;
- failing to integrate the operations and personnel of the acquired dealerships;
- entering new markets with which we are unfamiliar;
- incurring undiscovered liabilities at acquired dealerships;
- disrupting our ongoing business;
- diverting our management resources;
- failing to maintain uniform standards controls and policies;
- impairing relationships with employees, manufacturers and customers as a result of changes in management;
- causing increased expenses for accounting and computer systems;
- failing to obtain manufacturers' consents to acquisitions of additional franchises; and
- incorrectly valuing acquired entities.

We may not adequately anticipate all the demands that our growth will impose on our systems, procedures and structures, including our financial and reporting control systems, data processing systems and management structure. Moreover, our failure to retain qualified management personnel at any acquired dealership may increase the risk associated with integrating the acquired dealership. If we cannot adequately anticipate and respond to these demands, our business could be materially and adversely affected.

THERE ARE LIMITATIONS ON OUR FINANCIAL RESOURCES AVAILABLE FOR ACQUISITIONS.

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

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

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

We have substantial indebtedness and, as a result, significant debt service obligations. As of March 31, 2001, we had approximately $969.6 million of total indebtedness outstanding. Of this amount, $486.2 represents floor plan financing. Our total indebtedness outstanding (excluding floor plan financing) is equal to approximately 60% of our total capitalization plus short-term debt. As of March 31, 2001, after giving pro forma effect to this offering and the application of the net proceeds to us, our total indebtedness would have been approximately [ ] million ([ ] million, excluding floor plan financing), representing approximately [ ]% of total capitalization. We could incur substantial additional indebtedness in the future. We will have substantial debt service obligations, consisting of cash payments of principal and interest for the foreseeable future.

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

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

- limiting our ability to obtain additional financing to fund our growth strategy, working capital requirements, capital expenditures, acquisitions, debt service requirements or other general corporate requirements;
- limiting our ability to use operating cash flow in other areas of our business because we must dedicate a substantial portion of those funds to fund debt service obligations; and
- increasing our vulnerability to adverse economic and industry conditions.

OUR ACQUISITION STRATEGY MAY BE MATERIALLY AND ADVERSELY IMPACTED BY ESCALATING ACQUISITION COSTS.

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

RISKS RELATED TO COMPETITION

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

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

In addition, we may need to hire additional managers as we expand. The market for qualified employees in the industry and in the regions in which we operate, particularly for general managers and sales and service personnel, is highly competitive and may subject us to increased labor costs during periods of low unemployment. The loss of the services of key employees or the inability to attract additional qualified managers could materially and adversely affect our results of operations.

SUBSTANTIAL COMPETITION IN AUTOMOBILE SALES MAY ADVERSELY AFFECT OUR PROFITABILITY.

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

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

We do not have any cost advantage in purchasing new vehicles from manufacturers. We typically rely on advertising, merchandising, sales expertise, service reputation and dealership location to sell new and used vehicles. Our franchise agreements do not grant us the exclusive right to sell a manufacturer's product within a given geographic area. Our revenues or profitability could be materially and adversely affected if any of the manufacturers that supply vehicles to our dealerships award franchises to competing dealerships in the same markets where we operate. A similar adverse effect could occur if existing competing franchised dealers increase their market share in our markets. Our gross margins may decline over time as we expand into markets where we do not have a leading position. These and other competitive pressures could materially and adversely affect the results of our operations.

RISKS RELATED TO THE AUTOMOTIVE INDUSTRY

THE CYCLICAL AND LOCAL NATURE OF VEHICLE SALES MAY ADVERSELY AFFECT OUR PROFITABILITY.

Retail vehicle sales are cyclical and historically have experienced periodic downturns characterized by oversupply and weak demand. Many factors affect the industry, including general economic conditions and consumer confidence, the level of discretionary personal income and credit availability. Future recessions may have a material adverse effect on our business, particularly sales of new and used automobiles, sales of trucks and bulk sales of vehicles to corporate customers. Furthermore, higher gasoline prices may lead to a reduction in automobile purchases or a shift in buying patterns from luxury/SUV models (which typically provide high profit margins to retailers) to smaller, more economical vehicles (which typically have lower margins).

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

THE SEASONALITY OF THE AUTOMOBILE RETAIL BUSINESS GENERALLY REDUCES OUR FIRST AND FOURTH QUARTER REVENUES.

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

IMPORT PRODUCT RESTRICTIONS AND FOREIGN TRADE RISKS MAY IMPAIR OUR ABILITY TO SELL FOREIGN VEHICLES PROFITABLY.

A significant portion of our new vehicle business will involve the sale of vehicles, parts or vehicles composed of parts that are manufactured outside the United States. As a result, our operations will be

subject to customary risks of importing merchandise, including fluctuations in the relative values of currencies, import duties, exchange controls, trade restrictions, work stoppages and general political and socio-economic conditions in foreign countries. The United States or the countries from which our products are imported may, from time to time, impose new quotas, duties, tariffs or other restrictions, or adjust presently prevailing quotas, duties or tariffs, which could affect our operations and our ability to purchase imported vehicles and/or parts.

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

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

GENERAL RISKS RELATED TO INVESTING IN OUR STOCK

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

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

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

- persons nominated by Asbury Automotive Holdings to our board of directors (and persons nominated against Asbury Automotive Holdings' nominees); and
- any matter to be voted on by the holders of our common stock, whether or not the matter was initiated by Asbury Automotive Holdings.

Asbury Automotive Holdings' level ownership of our stock could negatively affect our stock price due to the perception of "market overhang," that is, the perception that large blocks of shares are available for prompt disposal, or in the event that it disposes of all or a substantial portion of its common stock at any time or from time to time.

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

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

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

- permitting the removal of a director from office only for cause;
- vesting the board of directors with sole power to set the number of directors;

- limiting the persons who may call special stockholders' meetings;

- limiting stockholder action by written consent; and

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

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

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

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

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

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

Sales of substantial amounts of common stock in the public market subsequent to the offering could adversely affect the market price of the common stock. After the offering is concluded, we will have [ ] shares of common stock outstanding ([ ] shares if the underwriters' over-allotment option is exercised in full). Of these shares, the [ ] shares of common stock offered hereby ([ ] shares if the underwriters' over-allotment option is exercised in full) will be freely tradable without restriction or further registration under the Securities Act, except for shares held by persons deemed to be "affiliates" of us or acting as "underwriters," as those terms are defined in the Securities Act and related rules. The remaining [ ] shares of common stock outstanding will be "restricted securities" within the meaning of Rule 144 under the Securities Act and will be eligible for resale subject to the volume, manner of sale, holding period and other limitations of Rule 144. Currently, [ ] shares of our common stock are issuable under existing stock options granted to certain executive officers and employees. An additional [ ] shares of common stock are reserved for issuance to employees under our 2001 Stock Option Plan, and options for [ ] shares of common stock will be granted pursuant to that plan at the time of the offering. See "Shares Eligible for Future Sale."

FORWARD-LOOKING STATEMENTS

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

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

USE OF PROCEEDS

We estimate that our proceeds from the sale of [ ] shares of common stock in this offering (at an assumed offering price of $[ ] per share), after deducting underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately $[ ] million, or $[ ] million if the underwriters exercise their over-allotment option in full. We will not receive any proceeds from the sale of [ ] shares of common stock by the selling stockholders ([ ] shares if the underwriters exercise their over-allotment option in full). We are required to apply a minimum of 80% of the net proceeds to us to repay part of the debt we incurred under our $550 million credit facility, which we use to fund acquisitions, from Ford Motor Credit Company, Chrysler Financial Company, L.L.C. and General Motors Acceptance Corporation, in accordance with the terms of that facility. Upon repayment of the credit facility, additional funds will be available for re-borrowing in accordance with the terms of the credit facility. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Credit Facilities" on page 29. We will use the remaining net proceeds to us for working capital, possible acquisitions and general corporate purposes.

DIVIDEND POLICY

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

DILUTION

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

Dilution in net tangible book value per share represents the difference between the amount per share paid by purchasers of shares of common stock in this offering and the net tangible book value per share of common stock immediately after the completion of this offering. After giving effect to the sale by us of [ ] shares of common stock at an assumed initial public offering price of $[ ] per share, and after deducting the underwriting discounts and estimated offering expenses payable by us, our pro forma net tangible book value as of March 31, 2001, as adjusted would have been approximately $[ ], or $[ ] per share of common stock. This represents an immediate increase in pro forma net tangible book value of $[ ] per share to existing stockholders and immediate dilution of $[ ] per share to new investors purchasing common stock in this offering. If all outstanding stock options were exercised, pro forma tangible net book value would be further diluted by $[ ] per share to $[ ] per share.

The following table illustrates the pro forma per share dilution:

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

The following table summarizes as of March 31, 2001 on a pro forma basis, the following:

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

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
Existing stockholders	_____	_____%	$_____	_____%	$_____
New investors	_____	_____%	_____	_____%	_____
Total	$	100.0%	$	100.0%	$

The preceding table assumes that the underwriters will not exercise their over-allotment option and does not reflect (a) options issued under our 1999 Option Plan for [ ] shares of common stock with a weighted average exercise price of [ ] per share and (b) [ ] shares of common stock reserved for issuance under our 2001 Stock Option Plan, under which options for [ ] shares of common stock will be issued on the date hereof at the offering price set forth on the cover page hereof.

CAPITALIZATION

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

	As of March 31, 2001		
	Historical	Pro Forma	Pro Forma As Adjusted
	($ in thousands)		
Short-term debt (including current portion of long-term debt) (1)	$29,342	$29,342	$29,342
Long-term debt	$454,081	$500,540	$425,540
Equity			
Contributed capital	303,245	308,245	-

Preferred stock, par value $.01 per share, [ ] shares authorized; no shares issued or outstanding	--	--	--
Common stock, par value $.01 per share, [ ] shares authorized; [ ] shares issued and outstanding, pro forma; [ ] shares issued and outstanding, pro forma as adjusted (2)	--	--	[ ]
Additional paid-in capital	--	--	[ ]
Retained earnings	23,016	23,016	28,981
Total equity	326,261	331,261	[ ]
Total capitalization	$780,342	$831,801	$ [ ]

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(1) Does not include floor plan notes payable of $486,223, $518,443 and $518,443, respectively, relating to inventory financing.

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

SELECTED CONSOLIDATED FINANCIAL DATA

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

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

	Year Ended December 31,				Three Months Ended March 31,	
Income Statement Data:	1997(1)	1998	1999	2000	2000	2001
Revenues:						
New vehicles	$298,967	$687,850	$1,820,393	$2,439,729	$562,490	$579,115
Used vehicles	91,933	221,828	787,029	1,064,102	243,070	285,954
Parts, service and collision repair	69,425	156,037	341,506	434,478	98,746	118,243
Finance and insurance, net	4,304	19,149	63,206	89,481	19,732	23,554
Total revenues	464,629	1,084,864	3,012,134	4,027,790	924,038	1,006,866
Cost of sales (2)	411,739	929,573	2,570,966	3,430,251	787,258	850,326
Gross profit	52,890	155,291	441,168	597,539	136,780	156,540

Depreciation and amortization	1,118	6,303	16,161	24,249	4,967	7,007
Selling, general and administrative expenses	45,432	127,752	343,443	451,405	102,320	119,302
Income from operations	6,340	21,236	81,564	121,885	29,493	30,231
Floor plan interest expense	(4,160)	(7,730)	(22,982)	(36,968)	(7,678)	(9,489)
Other interest expense	(698)	(7,104)	(24,703)	(42,009)	(7,817)	(12,489)
Equity investment losses, net	--	--	(616)	(6,066)	(3,587)	(1,000)
Gain (loss) on sale of assets	54	9,307	2,365	(1,533)	7	16
Other income, net	787	2,409	3,571	6,156	1,704	1,514
Total other expense, net	(4,017)	(3,118)	(42,365)	(80,420)	(17,371)	(21,448)
Income before income taxes, minority interest and extraordinary loss	2,323	18,118	39,199	41,465	12,122	8,783
Income taxes (3)	--	--	1,779	3,511	1,021	1,168
Minority interest in subsidiary earnings (4)	801	14,303	20,520	9,027	7,205	--
Income before extraordinary loss	1,522	3,815	16,900	28,927	3,896	7,615
Extraordinary loss on early extinguishment of debt	--	(734)	(752)	--	--	(1,433)
Net income	$1,522	$3,081	$16,148	$28,927	$3,896	$6,182

	As of December					As of March 31,
Balance Sheet Data:	1996	1997	1998	1999	2000	2001
	($ in thousands)					
Inventories (2)	$6,428	$73,303	$255,878	$434,234	$554,141	$532,319
Total current assets	11,285	108,494	391,151	616,060	776,943	762,815
Property and equipment, net	436	29,907	125,410	141,786	215,149	220,329
Total assets	17,988	162,835	709,457	1,034,606	1,404,200	1,408,378
Floor plan notes payable	7,263	66,305	232,297	385,263	499,332	486,223
Total current liabilities	8,972	85,503	323,061	497,376	625,574	606,315
Total long-term debt, including current portion	1,568	22,798	223,523	307,648	455,374	469,268
Total equity	7,448	36,957	127,380	198,113	321,882	326,261

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

	Year Ended December 31, 1996	Period from January 1, 1997 February 20, 1997
Total revenues	$343,333	$43,092
Income from operations	5,801	1,138
Total assets	79,708	
Long-term debt	11,443	

(2) When we convert from a limited liability company to a corporation, we will change our method of valuation of certain of our inventories from "last-in, first-out," or LIFO, to "first-in, first-out," or FIFO.

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

(4) On April 30, 2000, the then parent company and the minority owners of our subsidiaries reached an agreement whereby their respective equity interests were transferred into escrow and subsequently into Asbury Automotive Oregon L.L.C. in exchange for equity interests in Asbury

Automotive Oregon, which we refer to as the "minority member transaction." Following the minority member transaction, the then parent company changed its name to Asbury Automotive Holdings L.L.C. and Asbury Automotive Oregon L.L.C. changed its name to Asbury Automotive Group L.L.C. Substantially all minority interests were eliminated effective April 30, 2000, in connection with the minority member transaction.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma financial information gives effect to (a) our acquisition of the Hutchinson Automotive Group as if it was completed on January 1, 2000, (b) the minority member transaction (as described in Note 3 of our Notes to Consolidated Financial Statements) as if it was consummated as of January 1, 2000, (c) all of our individually insignificant 2000 and 2001 acquisitions including all currently probable acquisitions, all as if they were consummated on January 1, 2000, (d) the change in our valuation of certain of our inventories from "last-in, first-out" or LIFO to "first-in, first-out" or FIFO, upon conversion to a corporation, (e) the change in our tax status resulting from our conversion to a corporation, (f) the conversion of certain executives' carried interests into options for our common stock and (g) the offering, including the use of a portion of the net proceeds to us (assuming net proceeds to us of $90 million) to reduce debt outstanding as required by our acquisition financing credit facility, which is used to fund acquisitions, in accordance with the terms of that facility. The information, other than the individually insignificant acquisitions, is based upon our historical financial statements and should be read in conjunction with our historical financial statements, the historical financial statements of Hutchinson Automotive Group, the related notes, and other information contained elsewhere in this prospectus.

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

UNAUDITED PRO FORMA BALANCE SHEET
AS OF MARCH 31, 2001
($ IN THOUSANDS)

	Asbury	2001 Individually Insignificant Acquisitions (1)	Pro Forma Adjustments (2)	Pro Forma Combined	Other Pro Forma Adjustments	Pro Forma As Adjusted
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	$122,347	$1,125	$1,009	$124,481	$15,000 (3)	$139,481
Accounts receivable	86,943	2,788		89,731		89,731
Inventories	532,319	36,313		568,632	8,511 (4)	577,143
Prepaid and other current assets	21,206		200	21,406	10,057 (5)	31,463
Total current assets	762,815	40,226	1,209	804,250	33,568	837,818
PROPERTY AND EQUIPMENT, net	220,329	6,476		226,805		226,805
GOODWILL, net	362,799		36,956	399,755		399,755
OTHER ASSETS	62,435	127	280	62,842		62,842
Total assets	$1,408,378	$46,829	$38,445	$1,493,652	$33,568	$1,527,220
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Floor plan notes payable	$486,223	$33,213	$(993)	$518,443		$518,443
Short-term debt	14,155			14,155		14,155
Current maturities long-term debt	15,187			15,187		15,187
Accounts payable	41,309	133		41,442		41,442
Accrued liabilities	49,441	761		50,202		50,202
Total current liabilities	606,315	34,107	(993)	639,429		639,429
LONG-TERM DEBT	454,081		46,459	500,540	$(75,000)(3)	425,540
OTHER LIABILITIES	21,721	701		22,422	12,603 (5)	35,025
EQUITY						
Contributed capital	303,245	12,021	(7,021)	308,245	(308,245)(6)	-
Common Stock						

Additional paid-in capital					90,000 (3) 308,245 (6)	398,245
Retained earnings	23,016			23,016	8,511 (4) (2,546)(5)	28,981
Total equity	326,261	12,021	(7,021)	331,261	95,965	427,226
Total liabilities and equity	$1,408,378	$46,829	$38,445	$1,493,652	$33,568	$1,527,220

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

	Asbury	Hutchinson Automotive Group	2000 and 2001 Individually Insignificant Acquisitions (7)	Pro Forma Adjustments (8)	Pro Forma Combined	Other Pro Forma Adjustments	Pro Forma As Adjusted
REVENUES							
New vehicles	$2,439,729	$58,061	$289,126		$2,786,916		$2,786,916
Used vehicles	1,064,102	35,903	123,049		1,223,054		1,223,054
Parts, services and collision repair	434,478	8,285	39,361		482,124		482,124
Finance and insurance, net	89,481	1,713	5,899		97,093		97,093
Total revenues	4,027,790	103,962	457,435		4,589,187		4,589,187
COST OF SALES	3,430,251	89,362	401,522		3,921,135	$ (2,100)(4)	3,919,035
Gross profit	597,539	14,600	55,913		668,052	2,100	670,152
OPERATING EXPENSES:							
Selling, general and administrative	451,405	10,705	37,526		499,636		499,636
Depreciation and amortization	24,249	260	699	$ 1,947	27,155		27,155
Income from operations	121,885	3,635	17,688	(1,947)	141,261	2,100	143,361
OTHER INCOME (EXPENSE):							
Floor plan interest expense	(36,968)	(635)	(5,215)		(42,818)		(42,818)
Other interest expense	(42,009)		(177)	(7,941)	(50,127)	7,500 (3)	(42,627)
Equity investment losses, net	(6,066)				(6,066)		(6,066)
Gain (loss) on sale of assets	(1,533)		8		(1,525)		(1,525)
Other income, net	6,156	58	280		6,494		6,494
Total other expense, net	(80,420)	(577)	(5,104)	(7,941)	(94,042)	7,500	(86,542)
Income before income taxes and minority interest	41,465	3,058	12,584	(9,888)	47,219	9,600	56,819
INCOME TAX EXPENSE	3,511		45		3,556	20,269 (5)	23,825
MINORITY INTEREST IN SUBSIDIARY EARNINGS	9,027			(9,027) (9)			--
Net income	$28,927	$3,058	$ 12,539	$ (861)	$ 43,663	$(10,669)	$ 32,994
Earnings per common share - Basic:							
Weighted average shares outstanding							
Net income							

UNAUDITED PRO FORMA FINANCIAL STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2001
($ IN THOUSANDS EXCEPT PER SHARE DATA)

	Asbury	Individually Insignificant Acquisitions (1)	Pro Forma Adjustments (2)	Pro Forma Combined	Other Pro Forma Adjustments	Pro Forma As Adjusted
REVENUES						
New vehicles	$579,115	$45,372		$624,487		$624,487

Used vehicles	285,954	23,033		308,987		308,987
Parts, services and collision repair	118,243	7,228		125,471		125,471
Finance and insurance, net	23,554	819		24,373		24,373
Total revenues	1,006,866	76,452		1,083,318		1,083,318
COST OF SALES	850,326	67,529		917,855	$ (500) (4)	917,355
Gross profit	156,540	8,923		165,463	500	165,963
OPERATING EXPENSES:						
Selling, general and administrative	119,302	6,206		125,508	(10)	125,508
Depreciation and amortization	7,007	84	$219	7,310		7,310
Income from operations	30,231	2,633	(219)	32,645	500	33,145
OTHER INCOME (EXPENSE):						
Floor plan interest expense	(9,489)	(919)		(10,408)		(10,408)
Other interest expense	(12,489)	(19)	(1,191)	(13,699)	1,875 (13)	(11,824)
Equity investment losses	(1,000)			(1,000)		(1,000)
Gain (loss) on sale of assets	16			16		16
Other income, net	1,514	7		1,521		1,521
Total other expense, net	(21,448)	(931)	(1,191)	(23,570)	1,875	(21,695)
Income before income taxes and extraordinary loss	8,783	1,702	(1,410)	9,075	2,375	11,450
INCOME TAX EXPENSE	1,168	--	--	1,168	3,860 (5)	5,028
Income before extraordinary loss	7,615	1,702	(1,410)	7,907	(1,485)	6,422
EXTRAORDINARY LOSS ON EARLY EXTINGUISHMENT OF DEBT, NET OF TAX BENEFIT	(1,433)	--	--	(1,433)	573 (5)	(860)
Net Income	$6,182	$1,702	$(1,410)	$6,474	$(912)	$5,562
Earnings per common share - Basic:						
Weighted average shares outstanding						
Net income						

NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION

(1) Reflects the impact of all acquisitions currently probable after April 1, 2001, as if these acquisitions were consummated on January 1, 2001 or as of March 31, 2001.

(2) Reflects the fair value adjustments to the 2001 individually insignificant acquisitions. The results of final valuations of all assets and liabilities of these acquisitions have not yet been completed. We may revise the allocation of the purchase price when additional information becomes available.

(3) Adjustment to reflect the proceeds received by us from this offering (net of estimated fees and expenses of $10 million). Assumes a portion of our estimated net proceeds are used to reduce a portion of our borrowings as contractually required under our acquisition financing credit facility.

(4) Reflects adjustment to change the company's method of valuation of certain of its inventories from the "last-in, first-out", or LIFO method to the "first-in, first-out", or FIFO method upon conversion from a limited liability company to a corporation.

(5) Reflects an adjustment to change our tax status to corporation status and, accordingly provides for income taxes in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes". We currently consist primarily of a group of limited liability companies and partnerships (with us as parent), which are treated as one partnership for tax purposes. Under this structure, such companies and partnerships are not subject to income taxes but instead our members are taxed on their respective distributive shares of our taxable income.

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

(7) Reflects the impact of all acquisitions closed after January 1, 2000 and all acquisitions currently probable, other than the Hutchinson Automotive Group, as if all these acquisitions were completed on January 1, 2000.

(8) Reflects the fair value adjustments (a) to the historical financial

statements of the Hutchinson Automotive Group and the 2000 and 2001 individually insignificant acquisitions and (b) for the minority member transaction. The results of final valuations of all assets and liabilities of the aforementioned acquisitions and the minority member transaction have not yet been completed. We may revise the allocation of the purchase price when additional information becomes available.

(9) Represents the elimination of minority interest effective January 1, 2000, in connection with the minority member transaction (see Note 3 of the Company's Notes to Consolidated Financial Statements).

(10) The pro forma consolidated statements of income include a non-recurring charge for compensation of $[ ] related to an arrangement whereby due to the offering, some of our senior executives participate in the increase in our value. See "Management--Employment Agreements" on page 50.

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

This management's discussion and analysis of financial condition and results of operations contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including but not limited to those described under "Risk Factors" beginning on page 7, and included in other portions of this prospectus.

OVERVIEW

We are a national automotive retailer, currently operating 126 franchises at 86 dealership locations in nine states and 15 markets in the U.S. We also operate 23 collision repair centers that serve our markets.

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

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

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

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

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

RESULTS OF OPERATIONS

THREE MONTHS ENDED MARCH 31, 2001, COMPARED TO MARCH 31, 2000

REVENUES - Our revenues for the first quarter of 2001 increased $82.8 million or 9.0% over the first quarter of 2000. The increase was primarily due to $161.7 million of revenues from tuck-in acquisitions completed after January 1, 2000, partially offset by a decrease in revenues at dealerships owned prior to January 1, 2000 (same store), of $78.9 million or 9.1%. Same store revenue increases at three of our platforms (Texas, St. Louis and Jacksonville) were offset by significant same store decreases at (a) our Oregon platform (down $44.5 million) primarily due to changes in our business practices and restrictions in our sales policies, declining Ford sales related to the Firestone tire recall and the effect on employment and consumer spending in the Pacific Northwest from the technology downturn, (b) our Arkansas platform (down $14.4 million) due to declining demand in the local market, increased competition, and declining Ford sales related to the Firestone recall and (c) the Atlanta platform's heavy truck business (down $17.1 million) due to a cyclical downturn resulting from macroeconomic factors such as higher interest rates and fuel prices.

Same store revenues from vehicle sales were off 10.7% primarily due to the conditions noted above in Oregon, Arkansas and Atlanta. Overall, sales were impacted by declining demand in the automotive industry as the average seasonally adjusted annual rate of new vehicles sold in the U.S. declined from 18.3 million units in the first three months of 2000 to 17.2 million units for the comparable period in 2001. Despite this national decline, our Texas platform continued its strong performance with an $8.7 million or 9.9% increase in vehicle sales revenues over the prior year quarter. Finance and insurance revenues per vehicle retailed were $599 for the three months ended March 31, 2001, a 17% increase over the three months ended March 31, 2000.

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

GROSS PROFIT - Total gross profit as a percentage of revenues for the three months ended March 31, 2001 was 15.5% as compared to 14.8% for the three months ended March 31, 2000. This increase is primarily attributable to a shift in product mix to higher margin parts, service and collision repair services and finance and insurance.

OPERATING EXPENSES - Selling, general and administrative expenses, or SG&A, as a percentage of revenues increased to 11.8% of revenues in the first quarter of 2001, from 11.1% in the first quarter of 2000. Contributing to this increase were increased variable compensation costs related to higher gross profit, higher advertising and insurance costs, and expense control initiatives in Oregon lagging behind revenue declines. The increase in depreciation and amortization is principally attributable to acquisitions completed after January 1, 2000.

OTHER INCOME (EXPENSE) - Floor plan interest expense increased to $9.5 million for the three months ended March 31, 2001, from $7.7 million for the three months ended March 31, 2000, primarily due to acquisitions completed after January 1, 2000, and a greater number of vehicles in inventory, partially offset by a slight decline in interest rates. Other interest expense increased by $4.7 million over the prior quarter principally due to increased borrowings used to fund acquisitions completed after January 1, 2000. Equity investment losses in the three months ended March 31, 2001, represent our share of losses in an automotive finance company while losses in the three months ended March 31, 2000, primarily reflect our share of losses in our investment in Greenlight.com, which was fully written off as of December 31, 2000. Other income, net primarily comprised of interest income was $1.5 million for the quarter ended March 31, 2001, as compared to $1.7 million for the quarter ended March 31, 2000.

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

REVENUES - Our revenues for the year ended December 31, 2000, increased $1.02 billion or 33.7% over the year ended December 31, 1999. The increase was primarily due to $982.6 million of revenues generated by our Arkansas platform, which we acquired in February 1999, tuck-in acquisitions made subsequent to January 1, 1999 and an increase in revenues at dealerships owned prior to January 1, 1999 (same store), of $33.1 million or 1.4%.

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

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

GROSS PROFIT - Total gross profit as a percentage of revenues for the year ended December 31, 2000, was 14.8% as compared to 14.6% for the year ended December 31, 1999. This increase was primarily attributable to increased finance and insurance revenues per vehicle sold, improved margins on new vehicles due to a shift away from lower margin fleet sales, and increased margins on used vehicles due to lower wholesale losses.

OPERATING EXPENSES - SG&A expenses as a percentage of revenues decreased to 11.2% in 2000 from 11.4% in 1999 principally due to containment of variable and fixed compensation costs. Depreciation and amortization increased $8.1 million to $24.2 million principally due to a significant number of acquisitions completed after January 1, 1999.

OTHER INCOME (EXPENSE) - Floor plan interest expense increased to $37.0 million for the year ended December 31, 2000, from $23.0 million for the year ended December 31, 1999, primarily due to acquisitions completed after January 1, 1999, higher interest rates throughout 2000 as compared to 1999, and a greater number of vehicles in inventory. Other interest expense increased by $17.3 million over the prior year principally due to increased borrowings used to fund acquisitions completed after January 1, 1999, and to a lesser extent higher interest rates. Equity investment losses for the years ended December 31, 2000, and December 31, 1999, primarily reflect our share of losses in our investment in Greenlight.com of $6.9 million and $0.8 million, respectively. The increase in other income, net of $2.6 million as compared to the prior year, principally comprises higher interest income.

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

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

GROSS PROFIT - Total gross profit as a percentage of revenues for the year ended December 31, 1999, was 14.6% as compared to 14.3% for the year ended December 31, 1998. This increase is primarily attributable to a slight shift in product mix to finance and insurance revenue.

OPERATING EXPENSES - SG&A expenses as a percentage of sales declined to 11.4% during the year ended 1999 from 11.8% during the year ended 1998 mostly due to containment of fixed operating expenses. Depreciation and amortization increased $9.9 million to $16.2 million principally due to a significant number of acquisitions completed after January 1, 1998.

OTHER INCOME (EXPENSE) - Floor plan interest expense increased $15.3 million for the year ended December 31, 1999, from $7.7 million for the year ended December 31, 1998, primarily due to acquisitions completed after January 1, 1998. Other interest expense increased by $17.6 million over the prior year principally due to increased borrowings used to fund acquisitions completed after January 1, 1998. The increase in other income, net of $1.2 million as compared to the prior year, is primarily due to higher interest income.

LIQUIDITY AND CAPITAL RESOURCES

We require cash to fund working capital needs, finance acquisitions of new dealerships and fund capital expenditures. These requirements are met principally from cash flow from operations, borrowings under our credit facilities and floor plan financing below, mortgage notes and issuances of equity interests. As of March 31, 2001, we had cash and cash equivalents of $122.3 million, including contracts-in-transit of $72.3 million.

CREDIT FACILITIES

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

At the date of the closing, we borrowed $330.6 million under the acquisition financing credit facility to repay certain existing term notes and pay certain fees and expenses of the closing. In addition, we refinanced substantially all of our existing floor plan debt under the floor plan financing facility.

Borrowings under the acquisition credit facility bear interest at LIBOR plus a specified percentage (4% as of March 31, 2001) depending on our attainment of certain leverage ratios and the outstanding balance under this credit facility. This credit facility is guaranteed by substantially all of our subsidiaries and contains covenants that, among other things, place restrictions on our ability to incur additional debt, encumber our property and other assets, repay other debt, dispose of assets, invest capital and to permit our subsidiaries to issue equity securities. This credit facility also imposes minimum requirements which the terms of transactions to acquire prospective targets much meet before we can borrow funds to finance the transactions. In addition, we are required on an ongoing basis to meet certain financial ratios, including a current ratio, a fixed charge coverage ratio and a leverage ratio. This credit facility also contains provisions for default upon, among other things, a change of control, a material adverse change and the non-payment of obligations. Substantially all of our assets not subject to security interests granted to floor plan lenders are subject to security interests to lenders under the floor plan financing and acquisition credit facilities. The acquisition credit facility provides for an indefinite series of one-year extensions at our request if approved by the lenders and the floor plan financing credit facility has an indefinite duration. Conversely, we can terminate the acquisition financing credit facility by repaying all of the

outstanding balances under the acquisition line plus a termination fee. The fee, currently equal to 3% of $550 million, the amount committed under the acquisition credit facility, declines one percentage point on each of the first, second and third anniversaries of the facility. As of March 31, 2001, $219.4 million remained available to us for additional borrowings under the acquisition financing facility.

In addition, we have $25 million available through other revolving credit facilities, which are secured by certain notes receivable for finance contracts. The borrowings are repayable on the lenders' demand, and accrue interest at variable rates. These facilities are subject to certain financial and other covenants. As of March 31, 2001, we had $14.2 million outstanding under these facilities.

FLOOR PLAN FINANCING

We finance substantially all of our new vehicle inventory and a portion of our used vehicle inventory under the floor plan financing credit facility, but also use other revolving floor plan arrangements. We are required to make monthly interest payments on the amount financed, but are not required to repay the principal prior to the sale of the vehicle. These floor plan arrangements grant a security interest in the financed vehicles as well as the related sales proceeds. Amounts financed under the floor plan financing

bear interest at variable rates, which are typically tied to LIBOR or a prime rate. As of March 31, 2001, we had $486.2 million outstanding under all of our floor plan financing agreements.

CASH FLOW

Cash flow from operations totaled $16.5 million for the three months ended March 31, 2001, as a reduction in inventories of $24.3 million more than offset a reduction in floor plan notes payable of $13.1 million due to our decision to finance a greater percentage of our vehicles. Net cash flow used in investing activities was $13.3 million, principally related to capital expenditures of $10.3 million, additional funds for prior year acquisitions of $2.2 million, and a strategic investment in CarsDirect.com of $1.2 million. Net cash flow used in financing activities was $4.7 million due to a net reduction in borrowings of $2.9 million and $1.8 million to pay member distributions. In addition, new borrowings under the acquisition line of $330.6 million were used to repay existing debt and finance certain fees and expenses of the closing of the credit facilities.

Cash flow from operations was $82.6 million for the year ended December 31, 2000, an increase of $33.5 million over the prior year. This was primarily due to an increase in net income plus non-cash items of $17.7 million and an increase in floor plan notes payable of $38.2 million which more than offset an increase in inventories of $22.9 million due to our decision to finance a greater percentage of vehicles. Cash flow was used in investing activities to fund acquisitions of $179.5 million and capital expenditures $36.1 million, offset by the proceeds from the sale of certain dealerships of $6.1 million. Cash flow from financing was comprised of $159.4 million of proceeds from new borrowings and $20.7 million of member contributions, principally to fund acquisitions, offset by repayment of existing debt of $14.6 million and member distributions of $13.4 million.

CAPITAL EXPENDITURES

Capital spending for the three months ended March 31, 2001, and for the year ended December 31, 2000, was $10.3 million and $36.1 million, respectively. Capital spending other than from acquisitions is estimated to be approximately $60 million for the year ended December 31, 2001, primarily related to an increase in manufacturer-required spending related to the upgrade of existing dealership facilities.

Subsequent to March 31, 2000, we acquired four dealerships (operating seven franchises) for consideration in the form of cash and equity in us equal to $39.0 million. The cash component of the consideration we paid for the acquisitions was funded through the proceeds of borrowings on our acquisition financing credit facility.

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

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," was issued. SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives), and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities and measure those instruments at fair value. If certain conditions are met, a derivative instrument may be specifically designated as (a) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment, (b) a hedge of the exposure to variable cash flows of a forecasted transaction or (c) a hedge of the foreign currency exposure of a net investment in a foreign operation, an unrecognized firm commitment, an available-for-sale security or a foreign currency-denominated forecasted transaction. The accounting for changes in the fair value of a derivative (gains or losses) depends on the intended use of the derivative and the resulting designation. SFAS No. 137 amended the effective date to all fiscal quarters of fiscal years beginning after June 15, 2000. SFAS No. 138, issued in June 2000, addressed a limited number of issues that were causing implementation difficulties for

numerous entities applying SFAS No. 133. We have determined that the adoption of SFAS No. 133 will not have a material impact on our results of operations, financial position, liquidity or cash flows.

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

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

INTEREST RATE RISK - We are exposed to market risk from changes in interest rates on substantially all outstanding indebtedness. Outstanding balances under the acquisition line bear interest at a variable rate based on a margin over the benchmark LIBOR rate. Given amounts outstanding at March 31, 2001, a 1% change in interest rate would result in a change of approximately $4.7 million to our annual non-floor plan interest expense. Similarly, amounts outstanding under floor plan financing arrangements (including the floor plan line) bear interest at variable rates based on a margin over LIBOR or prime. Based on floor plan amounts outstanding at March 31, 2001, a 1% change in interest rates would result in a $4.9 million change to annual floor plan interest expense.

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

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

BUSINESS

COMPANY

We are one of the largest automotive retailers in the United States, currently operating 126 franchises at 86 dealership locations in nine states. We offer our customers an extensive range of automotive products and services, including new and used vehicle sales and related financing and insurance, vehicle maintenance and repair services, replacement parts and service contracts. Our franchises include a diverse portfolio of 36 American, European and Asian brands, and a majority of our dealerships are either luxury franchises (such as BMW, Lexus and Mercedes-Benz) or mid-line import brands (such as Honda, Toyota and Nissan). We have grown rapidly in recent years, primarily through acquisition, with annual sales of $3.0 billion in 1999 and $4.0 billion in 2000, which represented a 34% increase in annual sales from 1999. We sold an aggregate of 154,422 new and used retail units in 2000, which represented a 32% increase over the 116,790 retail units sold in 1999. In addition, our 2000 results included over $434 million in parts, service and collision repair revenues in 2000.

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

Platform-Regional Brands	Date of Initial Acquisition	Platform Markets	Franchises
Atlanta Nalley Automotive Group	September 1996	Atlanta	Acura, Audi, Chevrolet, Dodge, Hino, Honda, Infiniti, Isuzu, Jaguar, Jeep, Lexus (2), Navistar, Peterbilt
St. Louis Plaza Motor Company	December 1997	St. Louis	Audi, BMW, Cadillac, Infiniti, Land Rover (a), Lexus, Mercedes-Benz, Porsche
Texas	April 1998	Dallas/Fort Worth	Acura, Buick, GMC, Honda, Lincoln, Mercury,

David McDavid Automotive Group		Houston	Pontiac, Suzuki Honda, Kia, Nissan
		Austin	Acura
Tampa Courtesy Dealership Group	September 1998	Tampa	Chrysler, GMC, Hyundai, Infiniti, Isuzu, Jeep, Kia, Lincoln, Mazda (2), Mercedes-Benz, Mercury, Mitsubishi, Nissan, Pontiac, Toyota
Jacksonville Coggin Automotive Group	October 1998	Jacksonville	Chevrolet, GMC, Honda (2), Kia, Mazda, Nissan (2), Pontiac, Toyota
		Orlando	Buick, Chevrolet, GMC, Ford, Honda(2), Lincoln, Mercury, Pontiac
		Fort Pierce	BMW, Honda, Mercedes-Benz
Oregon Thomason Auto Group	December 1998	Portland	Ford (2), Honda, Hyundai (2), Mazda, Nissan, Subaru, Suzuki, Toyota
North Carolina Crown Automotive Company	December 1998	Greensboro	Acura, Audi, BMW, Dodge, GMC, Honda, Kia, Mitsubishi, Nissan, Pontiac, Volvo
		Chapel Hill/Raleigh	GMC, Honda, Isuzu, Pontiac, Volvo
		Fayetteville	Ford
		Richmond, VA	Acura, BMW, BMW (b), Porsche (b)
Arkansas North Point (previously known as McLarty Companies)	February 1999	Little Rock	BMW, Ford, Lincoln (2), Mazda, Mercury (2), Nissan, Toyota, Volkswagen, Volvo
		Hope	Ford
		Texarkana, TX	Chrysler, Dodge, Ford
Mississippi Gray-Daniels	April 2000	Jackson	Chrysler (b), Daewoo, Ford, Hyundai, Isuzu, Jeep (b), Lincoln (b), Mazda, Mercury (b), Mitsubishi, Nissan (2), Suzuki, Toyota

(a) Minority owned and operated by us. See "Related Party Transactions" on page 56 for a description of our ownership interest in this franchise.

(b) Pending acquisitions.

Each platform originally operated as an independent business before being acquired and integrated into our operations, and each continues to enjoy high local brand name recognition and market share. We believe that many of our platforms are ranked first or second in market share in their local markets.

COMPANY HISTORY

We were formed in 1995 by management and Ripplewood Holdings L.L.C. In 1997 Freeman Spogli & Co. acquired a significant interest in us. The group identified an opportunity to aggregate a number of the nation's top retail automotive dealers into one cohesive organization. We acquired eight of our platforms between 1997 and 1999, and combined them on February 1, 2000. In the consolidation, dealers holding ownership interests in their respective platforms transferred their interests to the Oregon platform in exchange for ownership interests in the Oregon platform. Dealers who held interests in the Oregon platform did not exchange their interests, but had their holdings adjusted to reflect their overall ownership interest in the consolidated company. The Oregon platform then changed its name to Asbury Automotive Group L.L.C. and became the parent company to our platforms and other companies. Since the consolidation of the eight platforms as of February 1, 2000, a ninth platform, the Mississippi platform, was formed on July 2, 2001, following our acquisition of five franchises in the Jackson market, which we added to five franchises that we previously acquired in this market.

OUR STRENGTHS

We believe our competitive strengths are as follows:

EXPERIENCED AND INCENTIVIZED MANAGEMENT

- RETAIL MANAGEMENT EXPERIENCE. We have a management team with extensive experience and expertise in the retail sector. Brian E. Kendrick, our president and chief executive officer, has over 20 years of experience in the retailing industry, having served in various senior management capacities, including vice chairman and chief operating officer of Saks Holdings, Inc., the holding company of the Saks Fifth Avenue luxury retail chain. Thomas R. Gibson, our co-founder and chairman of our board of directors, spent most of his 28-year automotive career working with automobile retail dealers throughout the U.S., including serving as president and chief operating officer of Subaru of America. Thomas F. Gilman, our vice president and chief financial officer,

served for 25 years at DaimlerChrysler where his knowledge of the dealer network allowed him to play a key role assisting Daimler Chrysler dealerships during the recession of the automotive industry in the early 1990s. See "Management." In addition, after joining us, the CEOs of our nine platforms, who have an average of 36 years of experience in the automotive retailing industry, continued to manage many of our operations at the platform level and played a significant role in implementing our operating and acquisition strategies.

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

ADVANTAGEOUS BRAND MIX

We classify our primary franchise sales lines into luxury, mid-line import, mid-line domestic and value. Our current brand mix includes a higher proportion of luxury and mid-line import franchises to total franchises than most public automotive retailers. Luxury and mid-line imports together accounted for approximately 63% of our year 2000 new retail vehicle revenues and comprise over half of our total franchises. Luxury and mid-line imports generate above average gross margins on sales, parts, service and collision repair, and have greater customer loyalty and repeat purchases than mid-line domestic and value automobiles. We also believe luxury vehicle sales are less susceptible to economic cycles.

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

Class/Franchise	Current	Pending	% of Total Franchises	% of 2000 New Vehicle Retail
Luxury				
Acura	5			
Audi	3			
BMW	5	1		
Cadillac	1			
Infiniti	3			
Jaguar	1			
Land Rover (a)	1			
Lexus	3			
Lincoln	5	1		
Mercedes Benz	3			
Porsche	1	1		
Volvo	3			
Total Luxury	34	3	28%	25%
Mid-line Import				
Honda	11			
Mazda	6			
Mitsubishi	3			
Nissan	9			
Subaru	1			
Toyota	5			
Volkswagen	1			
Total Mid-line Import	36		27%	38%

Mid-line Domestic				
Buick	2			
Chevrolet	3			
Chrysler	2	1		
Dodge	3			
Ford	8			
GMC	6			
Jeep	2	1		
Mercury	5	1		
Pontiac	6			
Total Mid-line Domestic	37	3	38%	28%
Value				
Daewoo	1			
Hyundai	4			
Isuzu	3			
Kia	4			
Suzuki	3			
Total Value	15		11%	4%
Heavy Trucks				
Hino	1			
Isuzu	1			
Navistar	1			
Peterbilt	1			
Total Heavy Trucks	4		3%	5%
Total	126	6	100%	100%

(a) Minority owned and operated by us. See "Related Party Transactions" on page 54 for a description of our ownership interest in this franchise.

MARKET LEADERSHIP AND STRONG BRANDING OF OUR PLATFORMS

- MARKET LEADERSHIP. Each of our platforms is comprised of between eight and 22 franchises and generated average pro forma annual revenues of approximately $500 million in 2000. We believe that we are among the top three market share leaders in 11 of our markets, including five in which we rank first, based on the assessment of our platforms' CEOs (who have an average of 30 years experience in automotive retailing within their local markets). Our regional market share and strong brand recognition allow our platforms to realize significant regional economies of scale.
- BRANDING. Each of our platforms maintains a strong regional brand. We believe that our cultivation of strong regional brands can be beneficial because:
  - platforms enjoy strong local brand recognition from their long presence and regional advertising;
  - consumers may prefer to interact with a locally recognized brand;
  - placing our franchises in one region under a single brand allows us to generate significant advertising savings;
  - our platforms can retain customers even as they purchase and service different automobile brands.

DIVERSIFIED REVENUE STREAMS/VARIABLE COST STRUCTURE

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

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

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

- FINANCE AND INSURANCE. We arranged customer financing on over 70% of the vehicles we sold in 2000. These transactions result in commissions being paid to us by the indirect lenders, including manufacturer-captive finance arms. In addition to the finance commissions, each of these transactions creates other highly profitable sales opportunities, including extended service contracts and various insurance-related products for the consumer. Our size and sales volume motivate vendors to provide these products to us at substantially reduced fees compared to industry norms which result in competitive advantages as well as acquisition synergies. Furthermore, many of the insurance products we sell result in additional underwriting profits and investment income yields based on portfolio performances. Profits from finance and insurance generated approximately 2% of our total revenues and 15% of our total gross profit in 2000.

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

OUR STRATEGY

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

CONTINUED GROWTH THROUGH TARGETED ACQUISITIONS

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

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

- TUCK-IN ACQUISITIONS. One of our goals is to become the market leader in every region in which we operate a platform. We plan to acquire additional dealerships in each of the markets in which we operate, including acquisitions that increase the brands, products and services offered in that market. Since 1995 we have made 14 tuck-in acquisitions to add additional strength and brand diversity to our platforms. We believe that these acquisitions in the past and in the future will facilitate our regional operating efficiencies and cost savings in areas such as advertising and facility and personnel utilization. We have recently entered into definitive agreements to acquire six franchises consisting of BMW, Chrysler, Jeep, Lincoln, Mercury and Porsche franchises in Jackson, Mississippi and Richmond, Virginia for a total cash consideration of $11.8 million.

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

FOCUS ON HIGHER MARGIN PRODUCTS AND SERVICES

While new vehicle sales are critical to drawing customers to our dealerships, used vehicle retail sales, parts, service and collision repair and finance and insurance provide significantly higher margin revenue streams. We currently derive in excess of 68% of our total gross profit from these areas. In addition, we have discipline-specific executives at both the corporate and platform level who focus on both increasing the penetration of current services and expanding the breadth of our offerings to customers. While each of our platforms operates independently in a manner consistent with its specific market's characteristics, each platform will pursue an integrated strategy to grow these higher margin businesses to enhance profitability and stimulate internal growth.

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

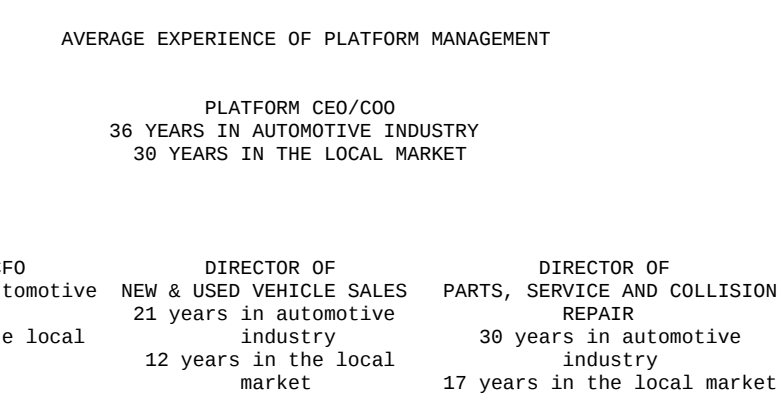
- PARTS, SERVICE AND COLLISION REPAIR. Each of our platforms offers parts and performs vehicle service work and substantially all of our platforms operate collision repair centers, all of which provide an important source of recurring higher margin revenues. Currently, gross profit generated from these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

DECENTRALIZED DEALERSHIP OPERATIONS

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

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

The chart below depicts our typical platform management structure:



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

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

CUSTOMER RELATIONSHIP MANAGEMENT

We are implementing a CRM initiative to increase customer loyalty and satisfaction and reduce marketing costs by redirecting expenditures from mass media to targeted communications. We expect to create a differentiated customer experience, allowing us to capture a greater percentage of our targeted households' automotive spending. Our CRM initiative includes engaging McKinsey & Company, a leading management consulting firm, to help develop the program and pilot it in Little Rock and St. Louis. We are also investing in a CRM software solution to provide the necessary technological tools.

We believe the retail auto industry is ripe for CRM given high customer (household) lifetime value, coupled with the industry's historic focus on short-term transactions as opposed to long-term customer retention. In addition to driving incremental new and used purchases over a multi-year

period for a given household, we can benefit from incremental finance and insurance purchases and greater service expenditures, particularly post warranty. We also know that profitability varies dramatically by customer segment, as it does in most retail sectors; thus, we expect to benefit from initiatives that successfully target high value segments.

SALES AND MARKETING

NEW VEHICLE SALES. Our new vehicle retail sales include new vehicle retail lease transactions and other similar agreements, which are arranged by our individual dealerships. New vehicle leases generally have short terms, which cause customers to return to the dealership more frequently than in the case of financed purchases. In addition, leases provide us with a steady source of late-model, off-lease vehicles for our used vehicle inventory. Generally, leased vehicles remain under factory warranty for the term of the lease, allowing dealerships to provide repair service to the lessee throughout the lease term. Approximately 1.8% of our new vehicle sales revenue is derived from fleet sales, which are generally conducted on a commission basis.

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

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

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

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

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

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

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

FINANCE AND INSURANCE. We arranged customer financing on over 70% of the vehicles we sold in 2000, approximately 99% of which was non-recourse to us. These transactions generate commission revenue from indirect lenders, including manufacturer captive finance arms. In addition to finance commissions, each of these transactions creates other opportunities for more profitable sales, such as extended service contracts and various insurance-related products for the consumer. Our size and volume capabilities

motivate vendors to provide these products at substantially reduced fees compared to the industry average which result in competitive advantages as well as acquisition synergies. Furthermore, many of the insurance products we sell result in additional underwriting profits and investment income yields based on portfolio performances.

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

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

We use variable rate structures designed to reflect the difficulty and sophistication of different types of repairs to compensate employees working in parts and service. The percentage mark-ups on parts are also variably priced based on market conditions for different parts. We believe that variable rate pricing helps us to achieve overall gross margins in parts and service superior to those of certain competitors who rely on fixed labor rates and percentage markups.

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

ADVERTISING. Our largest advertising medium is local newspapers, followed by radio, television, direct mail and the yellow pages. The retail automotive industry has traditionally used locally produced, largely unprofessional materials, often developed under the direction of each dealership's general manager. Each of our platforms has created common marketing materials for their dealerships using professional advertising agencies. Our corporate chief marketing officer helps oversee and share creative materials and general marketing best practices across platforms. Our total company marketing expense for 2000 was $42.2 million which translates into an average of $273 per retail vehicle. Historically, approximately 75% of the total amount spent on new car advertising in our markets has been paid by manufacturers.

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

INTERNET AND E-COMMERCE. We believe that the growth of the Internet and e-commerce represents a new opportunity to build our platforms' brands and expand the geographic borders of their markets. We are applying e-commerce to our strategy of executing professionally developed best practices under the supervision of discipline-specific central management throughout our autonomous platforms. We believe that our e-commerce strategy constitutes a coherent, cost-effective and sustainable approach to the growth of the Internet that favorably compares to the limited efforts undertaken to date by many independent dealerships.

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

relationship with CarsDirect that provides us with an important source of Internet sales referrals and, to a lesser extent, prepackaged retail transactions, reducing our need to rely on referrals from less reliable or more costly sources. Manufacturer website links also provide our platforms with key sources of referrals.

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

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

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

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

COMPETITION

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

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

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

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

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

FACILITIES

We have 126 franchises situated in 86 dealership locations throughout nine states. We lease 49 of these locations and own the remainder. In addition, we operate 23 collision repair centers.

	Dealerships		Collision Repair Centers	
	Owned	Leased	Owned	Leased
Arkansas	0	6	1	1
Atlanta	7	4	1	3
Jacksonville	13	2	5	1
Mississippi	5	2	0	0
North Carolina	7	4	1	0

Oregon	0	10	0	2
St. Louis	5	0	1	0
Tampa	0	12	0	2
Texas	0	9	0	5
Total	37	49	9	14

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

FRANCHISE AGREEMENTS

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

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

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

PROVISIONS FOR TERMINATION OR NON-RENEWAL OF FRANCHISE AGREEMENTS. Most franchise agreements expire after a specified period of time, ranging from one to five years, and we expect to renew expiring agreements in the ordinary course of business. Typical franchise agreements provide for termination or non-renewal by the manufacturer under certain circumstances, including insolvency or bankruptcy of the dealership, failure to adequately operate the dealership, failure to maintain any license, permit or authorization required for the conduct of business, or material breach of other provisions of the franchise agreement. Some of our franchise agreements and franchise framework agreements provide that the manufacturer may acquire our dealerships or terminate the franchise agreement if a person or entity acquires an equity interest above a specified level (ranging from 20% to 50% depending on the particular manufacturer's restriction) in us without the approval of the applicable manufacturer. This trigger can fall to as low as 5% if the entity acquiring the equity interest in us is another automobile manufacturer or a felon whose conviction stems from fraudulent sales practices or violations of state or federal consumer protection laws. Some manufacturers also restrict changes in the membership of our board of directors. Although our franchise agreements may not be renewed or may be terminated prior to the conclusion of their terms, manufacturers have rarely chosen to take such action. Further, as discussed below, state dealer laws substantially limit the ability of manufacturers to terminate or fail to renew franchise agreements. See "Risk Factors -- If we fail to obtain renewals of one or more of our franchise agreements from vehicle manufacturers on favorable terms, or if one or more of our franchise agreements are terminated, our operations could be significantly compromised."

MANUFACTURERS' LIMITATIONS ON ACQUISITIONS. We are required to obtain the consent of the applicable manufacturer before we can acquire any additional dealership franchises. Six of our manufacturers impose limits on the number of dealerships we are permitted to own at the metropolitan, regional and national levels. These limits vary according to the agreements we have with each of the manufacturers but

are generally based on fixed numerical limits or on a fixed percentage of the aggregate sales of the manufacturer. We currently own the maximum number of dealerships allowed under our franchise agreement with Acura and have only one more dealership available for Jaguar. We are also approaching the ownership limits allocated under our framework franchise agreement with Toyota. Unless we renegotiate these franchise agreements or receive the consent of the manufacturers, we may be prevented from making further acquisitions upon reaching the limits provided for in these framework franchise agreements.

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

GOVERNMENTAL REGULATIONS

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

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

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

ENVIRONMENTAL MATTERS

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

Our business also involves the use of above ground and underground storage tanks. Under applicable laws and regulations, we are responsible for the proper use, maintenance and abandonment of our regulated storage tanks and for remediation of subsurface soils and groundwater impacted by releases

from existing or abandoned storage tanks. In addition to these regulated tanks, we own, operate, or have otherwise closed in place other underground and above ground devices or containers (such as automotive lifts and service pits) that may not be classified as regulated tanks, but which could or may have released stored materials into the environment, thereby potentially obligating us to clean up any soils or groundwater resulting from such releases.

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

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

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

EMPLOYEES

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

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

LEGAL PROCEEDINGS AND INSURANCE

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

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

INDUSTRY OVERVIEW

Automotive retailing, with 2000 industry sales of approximately $1 trillion, is the largest consumer retail market in the U.S., representing approximately 9% of gross domestic product according to figures provided by the Bureau of Economic Analysis. Since 1996, retail new vehicle unit sales have grown at a 3.5% compound annual rate. Over the same period, retail used vehicle units have grown at a 1.4% compound annual rate. Retail sales of new vehicles, which are conducted exclusively through new vehicle dealers, were approximately $386 billion in 2000. In addition, used vehicle sales in 2000 were estimated at $367 billion, with approximately $306 billion in sales by franchised and independent dealers and the balance in privately negotiated transactions.

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

INDUSTRY CONSOLIDATION. Franchised dealerships were originally established by automobile manufacturers for the distribution of new vehicles. In return for granting dealers exclusive distribution rights within specified territories, manufacturers exerted significant influence over their dealers by limiting the transferability of ownership in dealerships, designating the dealership's location, and managing the supply and composition of the dealership's inventory. These arrangements resulted in the proliferation of small, single-owner operations that, at their peak in the late 1940's, totaled almost 50,000. As a result of competitive, economic and political pressures during the 1970's and 1980's, significant changes and consolidation occurred in the automotive retail industry. One of the most significant changes was the increased penetration by foreign manufacturers and the resulting loss of market share by domestic manufacturers, which forced many dealerships to close or sell to better capitalized dealership groups. According to industry data, the number of franchised dealerships has declined from approximately 28,750 in 1978 to approximately 22,000 in 2000. Although significant consolidation has taken place since the automotive retailing industry's inception, the industry today remains highly fragmented, with the largest 100 dealer groups generating less than 10% of total sales revenues and controlling less than 8% of all franchised dealerships.

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

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

MANAGEMENT

EXECUTIVE OFFICERS AND DIRECTORS

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

Name	Age	Position
Thomas R. Gibson	58	Chairman of the Board
Brian E. Kendrick	47	President and Chief Executive Officer
Thomas F. "Mack" McLarty, III	55	Vice Chairman of the Company
Thomas F. Gilman	50	Vice President and Chief Financial Officer
Thomas G. McCollum	45	Vice President - Finance and Insurance
Phillip R. Johnson	52	Vice President - Human Resources
Donna M. Colorito	49	Vice President - I.T. and E-Commerce
Allen T. Levenson	38	Vice President - Marketing and Customer Experience
Timothy C. Collins	44	Director
Ian K. Snow	32	Director
John M. Roth	43	Director
C.V. "Jim" Nalley	58	Director
B. David McDavid	59	Director
Charles B. Tomm	55	Director

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

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

BRIAN E. KENDRICK is our president and chief executive officer, and has served in this capacity since February 2000. Before he joined us, Mr. Kendrick served as president and chief executive officer of DFS Limited, a San Francisco-based leading distributor of luxury goods, which is majority owned by LMH Moet Hennessy Louis Vuitton. From 1991 to 1998, Mr. Kendrick served as vice chairman and chief operating officer of Saks Holdings, Inc., the holding company of the Saks Fifth Avenue luxury retail chain. For 12 years, Mr. Kendrick served as chief financial officer in the large regional department store chain, Maison Blanche. He also served as the Commissioner of Administration (chief operating officer) of the State of Louisiana in 1986 and 1987. Mr. Kendrick graduated from Louisiana State University and is a certified public accountant.

THOMAS F. "MACK" McLARTY, III has served as our vice chairman since May 2000. Mr. McLarty is also the president and chief executive officer of our Arkansas platform. Mr. McLarty began his 32-year career in the automotive retailing industry by building McLarty Leasing Systems, the platform his grandfather founded, into one of America's largest transportation companies. Mr. McLarty also serves as vice chairman of Kissinger McLarty & Associates, an international consulting firm formed in 1999 by the merger of Mr. McLarty's and Dr. Henry Kissinger's consulting operations. Mr. McLarty joined Arkla Gas Company's board of directors in 1976, and from 1983 to 1992 he was Arkla Inc.'s chairman and chief executive officer. Between 1992 and 1998, Mr. McLarty served as White House Chief of Staff, Special Envoy of the Americas and Counselor to President Bill Clinton. He also was appointed to the National Petroleum Council by President George H. W. Bush and served on the St. Louis Federal Reserve Board from 1989 until joining the White House in 1992. Mr. McLarty graduated summa cum laude from the University of Arkansas.

THOMAS F. GILMAN has served as our vice president and chief financial officer since April 2001. Prior to joining us, Mr. Gilman spent 25 years with Chrysler Corporation in various positions where he accumulated broad finance experience in all areas of the company. From 1990 to 1994, he was responsible for Chrysler Corporation's credit operations, extending financial assistance to automotive retail dealers and distributors worldwide. In 1995, Mr. Gilman headed the finance organization at Chrysler Financial Company, L.L.C. where he became chief financial officer of the captive finance company. Mr. Gilman graduated from Villanova University with a bachelor's degree in finance.

THOMAS G. McCOLLUM has been our vice president of finance and insurance since April of 2001. Mr. McCollum has over 25 years of experience in finance and insurance. Before he joined us, Mr. McCollum served nine years as executive vice president for Aon's Resource Group (formally Pat Ryan & Associates). He joined Aon in 1981 where he employed innovative, customer focused finance and insurance programs to improve same store results. Mr. McCollum holds a bachelor's degree in business from Sam Houston University.

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

DONNA M. COLORITO has served as our vice president of information technology and e-commerce since June of 2000. Ms. Colorito has 16 years experience in the automotive retailing industry. Ms. Colorito joined Volvo Cars of North America in 1985, where she served in various capacities. From 1997 to 2000, she served as Volvo's dealer systems and e-commerce manager, where she was responsible for implementing Volvo's proprietary dealer system in all of its 400 North American dealerships. Ms. Colorito began her career in 1982 at Lederle Laboratories as a systems analyst. Ms. Colorito holds a master's of business administration in information systems from Pace University and a bachelor's degree from the State University of New York at Albany.

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

TIMOTHY C. COLLINS has served as a member of our board of directors since 1996. Mr. Collins founded Ripplewood Holdings L.L.C. in 1995 and currently serves as its Chief Executive Officer. In addition, he is co-head of RHJ Industrial Partners, an affiliate of Ripplewood Holdings L.L.C.. From 1991 to 1995, Mr. Collins managed the New York office of Onex Corporation, a leveraged buy-out group headquartered in Canada. Previously, Mr. Collins was a vice president at Lazard Freres & Company and held various positions at Booz, Allen & Hamilton and Cummins Engine Company. He also currently serves on the board of directors of Ripplewood Holdings L.L.C., The Strong Schafer Value Fund, Shinsei Bank, Ltd. (formerly The Long-Term Credit Bank of Japan, Limited), Western Multiplex Corporation, Kraton Polymers L.L.C. and various other privately held Ripplewood portfolio companies. Mr. Collins received a master's in business administration from Yale University's School of Organization and Management and a bachelor's degree in philosophy from DePauw University.

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

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

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

CLARENCE V. "JIM" NALLEY has served as a director since 2000. He is the president and chief executive officer of our Atlanta platform. Mr. Nalley has over 30 years of automotive retailing experience. His platform consisted of nine franchises when he joined us. He formerly served as the President of the Metro Atlanta Chevrolet Dealers Association and as Chairman of the PACCAR National Distributors Council. Mr. Nalley holds a bachelor's degree from the University of Georgia.

B. DAVID McDAVID has been a member of our board of directors since 2000. He is the president and chief executive officer of our Texas platform. Mr. McDavid has operated domestic auto dealerships for 38 years and import dealerships for 29 years. He established his first dealership, a General Motors dealership in Weatherford, Texas, in 1962, and owned 12 franchises in four Texas markets before joining us. He graduated from the General Motors Institute Dealership Management Program in Flint, Michigan. Mr. McDavid has served on numerous dealer advisory councils for Acura, Honda and General Motors franchises.

CHARLES B. TOMM has been a member of our board of directors since 2000. Mr. Tomm is president and chief operating officer of our Jacksonville platform. Mr. Tomm joined the platform in 1994, before it was acquired by us, as its vice president, chief financial officer and general counsel. He became our executive vice president in January of 1996, and assumed his present responsibilities in 1997. Mr. Tomm has a broad and varied business background. He has held executive positions with publicly-held companies including Schlumberger Ltd. and Arkansas Best Corporation. Mr. Tomm is a member of the board of trustees of Washington & Lee University and Jacksonville's Museum of Science and History. Mr. Tomm holds a bachelor's degree and law degree from Washington & Lee University and an L.L.M. in taxation from New York University. He is admitted to practice law in Florida, Georgia, New York and North Carolina.

BOARD OF DIRECTORS

Our board of directors currently consists of Messrs. Timothy C. Collins, Ian K. Snow, John M. Roth, C.V. Nalley, Thomas R. Gibson, B. David McDavid, Brian E. Kendrick and Charles B. Tomm. We will appoint three independent directors to serve on our board in addition to these directors within 90 days after this offering.

COMMITTEES OF THE BOARD OF DIRECTORS

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

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

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

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

DIRECTORS' COMPENSATION

Directors who are full-time employees of ours will not receive a retainer or fees for service on our board of directors or on committees of our board. Members of the board of directors who are not our full-time employees will receive annual fees for attendance at each meeting of the board of directors. Directors also receive the use of one demonstrator vehicle or the economic equivalent.

EXECUTIVE COMPENSATION, EMPLOYMENT AGREEMENTS

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

SUMMARY COMPENSATION TABLE

		ANNUAL COMPENSATION			
Name and Position	Year	Salary	Bonus	Common Stock Underlying Options	Other Annual Compensation
Brian E. Kendrick, President & Chief Executive Officer	2000	$750,000	$750,000	[ ]	$ 99,061 (1)
Thomas R. Gibson, Chairman	2000	525,000	0	[ ]	109,192 (2)
Thomas F. "Mack" McLarty, III, Vice Chairman	2000	300,000	0	[ ]	
Phillip R. Johnson, Vice President-Human Resources	2000	133,846	56,000	[ ]	5,457 (3)
Donna M. Colorito, Vice President I.T. and E-Commerce	2000	94,231	30,000	[ ]	5,240 (4)

(1) $38,146 represents a tax gross-up of income.
(2) $47,805 represents a tax gross-up of income.
(3) $5,365 represents payments for automobile use.
(4) $5,180 represents payments for automobile use.

EMPLOYMENT AGREEMENTS

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

BRIAN E. KENDRICK. Mr. Kendrick has an employment agreement with us to serve as President and Chief Executive Officer. The agreement is for a term starting December, 2000, and ending on December 31, 2002. Prior to beginning his employment with us, Mr. Kendrick received a signing bonus in November 1999 for $1,500,000. His agreement provides for an annual base salary of $750,000 and incentive compensation of up to two times the base salary based upon objectives set by the board of directors. Mr. Kendrick has the option to receive compensation in the form of equity interests in us.

Under our L.L.C. agreement, we issued to Mr. Kendrick carried interests in us. These carried interests, which are interests in an increase in our value, will be converted into options for the purchase of our common stock upon the completion of this offering.

In addition to the of options Mr. Kendrick received in exchange for his carried interest, he will receive a combination of cash and options equal to 2% of our shares of common stock outstanding after the completion of this offering. The strike price of these options will be the sum of (i) two times our book value as of January 1, 2000, plus (ii) any increase in our net book value after January 1, 2000 through the date of this prospectus, divided by the number of shares of our common stock outstanding immediately after the completion of this offering.

If Mr. Kendrick's employment is terminated for any reason other than voluntary resignation, cause, death or disability, he is entitled to two times the present value of his base salary and target bonus. The target bonus for 2001 will be equal to $750,000, and the target bonus for 2002 will be equal to the average of Mr. Kendrick's 2001 bonus and $750,000. During Mr. Kendrick's employment term and for the next two years, he is subject to non-compete and non-solicitation provisions.

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

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

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

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

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

1999 OPTION PLAN

In January 1999, we adopted a non-qualified option plan for the issuance of options granting the right to purchase from us limited liability company interests in us. Under our 1999 option plan, we granted options to certain of our directors, officers, employees and consultants for terms and at exercise prices and vesting schedules set by the compensation committee of our board of directors. The options granted under our 1999 plan that have not vested prior to a change in control of us will vest and become exercisable upon a change of control. We are no longer issuing options under our 1999 option plan.

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

Option Grants in Last Fiscal Year

Name	Number of Securities Underlying Options Granted	Percent of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price ($/SH)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term (1) Option Term (1) 5% ($)	10% ($)
Phillip R. Johnson						
Donna M. Colorito						

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

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

2001 STOCK OPTION PLAN

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

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

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

SHARES SUBJECT TO THE STOCK OPTION PLAN; OTHER LIMITATIONS ON AWARDS. Subject to adjustment as described below, the maximum number of our shares of common stock that may be issued under our 2001 stock option plan may not exceed [ ], and the total number of shares that may be granted to any participant in any fiscal year may not exceed [ ]. These shares may be authorized but unissued common stock or authorized and issued common stock held in our treasury. If any option is forfeited, expires or is otherwise terminated or canceled, other than by reason of exercise or vesting, then the shares covered by that option will again become available under the 2001 stock option plan.

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

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

ADMINISTRATION. The compensation committee administers the 2001 stock option plan. The compensation committee has the authority to construe, interpret and implement the 2001 stock option plan, and prescribe, amend and rescind rules and regulations relating to the plan. The determination of

the compensation committee on all matters relating to the 2001 stock option plan or any award agreement is final and binding.

STOCK OPTIONS. The compensation committee may grant nonqualified stock options to purchase shares of common stock from us (at the price set forth in the award agreement), subject to such terms and conditions as the compensation committee may determine. Payment of the option's exercise price may be made in cash, with other shares of our common stock, by irrevocable instructions for sales by a broker, by promissory note (with the consent of the compensation committee) or by a combination of those methods. No grantee of an option will have any of the rights of one of our stockholders with respect to shares subject to their award until the issuance of the shares.

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

Except as the compensation committee may otherwise establish in an option agreement, options that are granted under the 2001 stock option plan effective as of the initial public offering of shares of Asbury common stock will become vested and exercisable with respect to 50% of the shares subject to those options on each of the first two anniversaries of the date of grant, and the other 50% of the shares subject to those options will become vested and exercisable with respect to one-third of such shares on each of the first three anniversaries of the date of grant. Except as the compensation committee may otherwise establish in an option agreement, options granted after this offering will become vested and exercisable with respect to one-third of the shares subject to those options on each of the first three anniversaries of the date of grant.

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

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

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

AMENDMENT AND TERMINATION. The 2001 stock option plan is scheduled to terminate December 31, 2011. Our board of directors may at any time amend, alter, suspend, discontinue or terminate the 2001 stock option plan and, unless otherwise expressly provided in an option agreement, the compensation committee may waive any conditions under, or amend the terms of, any outstanding option. However, stockholder approval of any of those actions must be obtained if such approval is necessary to comply with any tax or regulatory requirement applicable to the 2001 stock option plan, and any of those actions that would impair the rights of any option holder with respect to options granted prior to those actions will not be effective without the consent of the affected option holder.

EMPLOYEE STOCK PURCHASE PLAN

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

GENERAL. The purpose of the plan is to promote our success and enhance our value by providing our eligible employees with the opportunity to purchase our common stock, in order to increase

employee interest in our success and encourage them to remain in our employ. The plan is intended to qualify as an employee stock purchase plan under section 423 of the Internal Revenue Code.

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

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

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

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

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

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

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

Amounts credited to employee accounts on the last trading day of an option period or on one or more trading days within the option period designated by the administrator will be applied to the payment of the purchase price of outstanding options. Options will be exercised on the close of business on the last trading day of an option period or on one or more trading days within the option period designated by the administrator, however, options of any participant who terminates employment for any reason before

such date, or who is no longer an eligible employee on such date, will terminate unexercised. Options will be exercised only to the extent the purchase price is paid with respect to whole shares of common stock. Any balance remaining in an employee's account at the end of an option period will be carried forward automatically for the next option period. If an employee is not an eligible employee with respect to the next option period, any remaining balance will be promptly refunded without interest. No purchases will be made under the plan prior to approval of the plan by the stockholders.

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

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

CERTAIN TRANSACTIONS

RELATED PARTY TRANSACTIONS

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

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

- property leased from NPF Holdings L.L.C., a limited liability company in which Mr. McLarty has a 58.5% ownership interest for a monthly rental fee of $61,926;
- property leased from MHC Properties G.P., a partnership in which Mr. McLarty has an 85.5% ownership interest, for a monthly rental fee of $13,801;
- property leased from Prestige Properties, GP, a partnership in which MHC Properties GP, of which Mr. McLarty owns 85.5%, holds a 68% ownership interest, for a monthly rental fee of $38,572;
- property leased from Hope Auto Company, corporation in which Mr. McLarty has an 86% ownership interest, for a monthly rental fee of $118,300;
- property leased from Summerhill Partnership, L.P., a limited partnership in which Mr. McLarty has a 49.88% ownership interest, for a monthly rental fee of $30,000; and

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

- properties leased from Mr. McDavid with an aggregate monthly rental fee of $189,000;
- properties leased from David McDavid Family Properties, a partnership in which Mr. McDavid and his immediate family have a 100% ownership interest, for aggregate monthly rental fees of $90,000;
- property leased from BroMac Inc., an S-corporation in which Mr. McDavid and his immediate family have a 100% ownership interest, for a monthly rental fee of $1,500;
- properties leased from Sterling Real Estate Partnership, a partnership in which Mr. McDavid and his immediate family have a 100% ownership interest, for aggregate monthly rental fees of $70,000;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

OTHER RELATED PARTY TRANSACTIONS

Loomis Advertising, a corporation in which Mr. McDavid and his immediate family hold a 21% ownership interest, has entered into various agreements to provide advertising services to the Texas

platform for an aggregate value of $700,000 since January 1, 2000. Loomis Advertising also provides advertising services to the Jacksonville platform for a fee of $52,000 a month.

Mr. Nalley leased his private aircraft to us during part of 2000, and currently charges us for employees who use the aircraft to fly on business trips. The total amount paid to Mr. Nalley since January 1, 2000, for use of his private jet is $106,000.

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

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

DESCRIPTION OF CAPITAL STOCK

AUTHORIZED CAPITAL

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

COMMON STOCK

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

PREFERRED STOCK

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

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

LIMITATIONS ON REMOVAL OF DIRECTORS

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

OUR STOCKHOLDERS MAY NOT ACT BY WRITTEN CONSENT

Our corporate charter provides that any action required or permitted to be taken by our stockholders must be taken at a duly called annual or special stockholders' meeting. In addition, special meetings of the stockholders may be called only by our board of directors.

BUSINESS COMBINATIONS UNDER DELAWARE LAW

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

- before that person became an interested stockholder, our board of directors approved the transaction in which the interested stockholder became an interested stockholder or approved the business combination;
- upon completion of the transaction that resulted in the interested stockholder becoming an interested stockholder, the interested stockholder owns at least 85% of the voting stock outstanding at the time the transaction commenced (excluding stock held by our directors who are also officers and by employee stock plans that do not provide employees with the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer); or
- following the transaction in which that person became an interested stockholder, the business combination is approved by our board of directors and authorized at a meeting of stockholders by the affirmative vote of the holders of at least two-thirds of the outstanding voting stock not owned by the interested stockholder.

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

- the proposal follows the announcement or notification of one of certain extraordinary transactions involving us and a person who was not an interested stockholder during the previous three years or who became an interested stockholder with the approval of a majority of our directors; and
- the extraordinary transaction is approved or not opposed by a majority of the directors who were directors before any person became an interested stockholder in the previous three years or who were recommended for election or elected to succeed such directors by a majority of such directors then in office.

STOCKHOLDERS AGREEMENT

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

- persons nominated by Asbury Automotive Holdings to our board of directors (and persons nominated against Asbury Automotive Holdings' nominees); and
- any matter to be voted on by the holders of our common stock, whether or not the matter was initiated by Asbury Automotive Holdings.

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

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

- the fifth anniversary of the date of this offering;
- two years after the first date on which Asbury Automotive Holdings' share of the ownership of our outstanding common stock falls below 20%; and
- the first date on which Asbury Automotive Holdings' share of the ownership of our outstanding common stock falls below 5%.

LIMITATION OF LIABILITY OF OFFICERS AND DIRECTORS -- INDEMNIFICATION

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

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the common stock is [ ].

SECURITY OWNERSHIP OF BENEFICIAL OWNERS, MANAGEMENT AND SELLING STOCKHOLDERS

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

	Common Stock(1)				
		Percent of Class		Percentage of Voting Power Outstanding	
Name	Number of Shares	Before the Offering	After the Offering	Before Offering	After Offering
Ripplewood Holdings L.L.C. (2) One Rockefeller Plaza 32nd Floor New York, NY 10020					

Freeman Spogli & Co.(3).....
Luther Coggin.....

CURRENT DIRECTORS
Timothy C. Collins(4).....
Ian K. Snow (4).....
John M. Roth(5).....
C.V. Nalley.....
Thomas R. Gibson.....
B. David McDavid.....
Brian E. Kendrick.....
Charles B. Tomm.....

NAMED OFFICERS WHO ARE NOT DIRECTORS
Thomas F. McLarty, III .....
Thomas F. Gilman.....
Phillip R. Johnson.....
Donna M. Colorito.....
Allen T. Levenson.....
Thomas G. McCollum.....
Directors and executive officers of Asbury as a group (14 persons).....

SELLING STOCKHOLDERS WHO ARE NOT DIRECTORS AND NOT 5% HOLDERS OF OUR VOTING SECURITIES

Royce Reynolds.....

* Less than 1%.

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

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

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

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

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

SHARES ELIGIBLE FOR FUTURE SALE

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

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

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

RULE 144

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

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

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

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

REGISTRATION RIGHTS

Under a stockholders agreement between us and certain of our stockholders entered into simultaneously with or prior to this offering, we have granted Asbury Automotive Holdings L.L.C. and certain other of our stockholders the right to require us to register sales of their shares of our common stock under the Securities Act. These stockholders collectively, own [ ] shares of our common stock as of the date of this offering, representing [ ]% of our total common shares outstanding ([ ]% if the underwriters exercise their over-allotment option in full). Under the stockholders agreement, at any time following the completion of this offering, Asbury Automotive Holdings or stockholders holding among them a majority of the total number of shares held by the stockholders, other than Asbury Automotive Holdings, that are parties to the stockholders agreement, may demand that we file a registration statement with the Securities and Exchange Commission registering the sale of all or part of their stockholdings within 45 days, subject to our ability to defer a registration demand for 15 to 45 days under specified circumstances. Our obligation to effect registrations is subject to the following volume restrictions:

- Any proposed offering must be for at least 1% of the total number of our shares of common stock then outstanding;
- In the case of the first registration demand, we are not required to register the sale of more than 50% of the total holdings of any stockholder, other than Asbury Automotive Holdings; and
- In the case of the first registration demand of the stockholders, other than Asbury Automotive Holdings, we are not required to register for sale a number of shares greater than 20% of the total holdings of the stockholders who are parties to the stockholders agreement.

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

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

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

LOCK-UP AGREEMENTS

As of the date of this prospectus, the following groups of persons, who collectively hold [ ] shares of our common stock, have entered into lock-up agreements with the underwriters:

- Asbury Automotive Holdings L.L.C.;
- our officers and directors; and
- those of our platform chief executive officers, chief operating financial officers and dealership general managers who received equity in us in connection with our acquisition of the related platforms.

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

prospectus (or two years in the case of those platform and dealership officials, other than certain of the selling stockholders, who received equity in us in connection with our acquisitions of the related platform) without the prior written consent of Goldman, Sachs & Co. Goldman, Sachs & Co. has advised us that it has no present intention to release any of the shares subject to the lock-up agreements prior to the expiration of the applicable lock-up period.

SHARES HELD BY RIPPLEWOOD HOLDINGS L.L.C.

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

- Due to the perception of "market overhang", that is that large blocks of shares are readily available for sale, or
- In the event that Ripplewood disposed of all or a substantial portion of this common stock at any one time or from time to time.

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

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

UNDERWRITING

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

Underwriters	Number of Shares
Goldman, Sachs & Co.	
Merrill Lynch, Pierce, Fenner & Smith Incorporated.	
Salomon Smith Barney Inc.	
Total	

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

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

	Paid by Asbury		Paid by the Selling Stockholders	
	No Exercise	Full Exercise	No Exercise	Full Exercise
Per Share	$	$	$	$

Total

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

Asbury, its directors and executive officers, Asbury Automotive Holdings L.L.C. and certain of the selling stockholders have agreed with the underwriters not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of the representatives. In addition, the former owners of our platforms (other than certain of the selling stockholders) and those platform chief executive officers, chief operating officers, chief financial officers and those dealership general managers who received equity in Asbury in connection with the acquisition by Asbury of the related platforms have agreed to such restrictions on disposal and hedging of their common stock for a period of two years after the date of this prospectus. These agreements do not apply to any grants under existing employee benefit plans. See "Shares Available for Future Sale" for a discussion of transfer restrictions.

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

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

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

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

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

transactions may be effected on the New York Stock Exchange, in the over-the-counter market or otherwise.

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

Asbury and the selling stockholders estimate that their shares of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $[ ] and $[ ], respectively.

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

VALIDITY OF SHARES

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

EXPERTS

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

WHERE YOU CAN FIND MORE INFORMATION

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

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

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so.

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Through and including [ ] , 2001 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

[ ] Shares

ASBURY AUTOMOTIVE GROUP, INC.

COMMON STOCK

[LOGO]

GOLDMAN, SACHS & Co.

MERRILL LYNCH & Co.

SALOMON SMITH BARNEY INC.

Representatives of the Underwriters

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the expenses (other than underwriting compensation expected to be incurred) in connection with this offering. All such amounts (except the SEC registration fee and the NASD filing fee) are estimated.

SEC registration fee	$37,500
NYSE listing fee	*
NASD filing fee	*
Blue Sky fees and expenses	*
Printing and engraving costs	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer Agent and Registrar fees and expenses	*
Miscellaneous	*
Total	$ *

* To be completed by amendment.

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Our By-Laws provide that we shall, subject to the limitations contained in the Delaware General Corporation Law, as amended from time to time, indemnify all persons whom it may indemnify pursuant thereto.

Section [ ] of the Underwriting Agreement, to be filed as Exhibit 1.1, provides that the Underwriters named therein will indemnify us and hold us harmless and each of our directors, officers or controlling persons from and against certain liabilities, including liabilities under the Securities Act. Section [ ] of the Underwriting Agreement also provides that such Underwriters will contribute to certain liabilities of such persons under the Securities Act.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

No shares of our common stock have been issued prior to this offering. The only membership interests issued by us in the last three years have been made under the exemption provided in Section 4(2) of the Securities Act of 1933, in connection with our acquisitions of dealerships.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits

Exhibit Number	Description
1.1	Form of Underwriting Agreement*
3.1	Form of Certificate of Incorporation of Asbury Automotive Group, Inc.*
3.3	Form of By-laws of Asbury Automotive Group, Inc.*

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* To be filed by amendment.

5.1	Form of Opinion of Cravath, Swaine & Moore
10.1	1999 Option Plan
10.2	Form of 2001 Stock Option Plan*
10.3	Form of Employee Stock Purchase Plan*
10.4	Third Amended and Restated Limited Liability Company Agreement of Asbury Automotive Group L.L.C.
10.5	Employment Agreement of Thomas R. Gibson*
10.6	Amended and Restated Employment Agreement of Brian E. Kendrick*
10.7	Amended and Restated Employment Agreement of Thomas F. McLarty*
10.8	Severance Pay Agreement of Phillip R. Johnson
10.9	Credit Agreement, dated as of January 17, 2001, between Asbury Automotive Group L.L.C. and Ford Motor Credit Company, Chrysler Financial Company, L.L.C., and General Motors Acceptance Corporation. +
10.10	Form of Stockholders Agreement dated [ ] between Asbury Automotive Holdings and Stockholders named therein.*
10.11	Ford Dealer Agreement*
10.12	General Motors Dealer Agreement*
10.13	Honda Dealer Agreement*
10.14	Mercedes Dealer Agreement*
10.15	Nissan Dealer Agreement*
10.16	Toyota Dealer Agreement*
10.17	Acura Dealer Agreement*
10.18	Lexus Dealer Agreement*
10.19	Chrysler Dealer Agreement*
21.1	List of subsidiaries of Asbury Automotive Group, Inc.*
23.1	Consent of Arthur Andersen LLP*
23.2	Consent of Dixon Odom P.L.L.C.*
23.3	Consent of Cravath, Swaine & Moore (contained in Exhibit 5)
24.1	Power of Attorney

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* To be filed by amendment.

+ Confidential treatment has been requested with respect to certain portions of this document and has been filed separately with the Securities and Exchange Commission.

(b) Financial Statement Schedules

The financial statement schedules are omitted because they are inapplicable or the requested information is shown in the consolidated financial statements of Asbury Automotive Group or related notes thereto.

ITEM 17. UNDERTAKINGS

The undersigned registrant hereby undertakes as follows:

(1) The undersigned will provide to the Underwriters at the closing specified in the Underwriting Agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(2) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance on Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it is declared effective.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 14 or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, the State of New York, on the 27th day of July, 2001.

Asbury Automotive Group L.L.C.

By:

Name: Brian E. Kendrick
Title: President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
Brian E. Kendrick	President and Chief Executive Officer	July 27, 2001
Thomas F. Gilman	Vice President and Chief Financial Officer	July 27, 2001
Thomas R. Gibson	Chairman	July 27, 2001
Michael C. Paul	Controller	July 27, 2001
Timothy C. Collins	Director	July 27, 2001
Ian K. Snow	Director	July 27, 2001
John M. Roth	Director	July 27, 2001
C.V. Nalley	Director	July 27, 2001
B. David McDavid	Director	July 27, 2001
Charles B. Tomm	Director	July 27, 2001

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*** Asbury Automotive Group L.L.C., a Delaware limited liability company, which on or prior to the effective date of this registration statement will be converted into a Delaware corporation, named Asbury Automotive Group, Inc. through either a conversion into a corporation or by a merger with an entity or a subsidiary of an entity which has no other business.

Exhibit 5.1

[FORM OF OPINION]

[Letterhead of]

CRAVATH, SWAINE & MOORE
[New York Office]

(212) 474-1000

[ ], 2001

Asbury Automotive Group, Inc.

Dear Ladies and Gentlemen:

We have acted as counsel for Asbury Automotive Group, Inc., a Delaware corporation (the "Company"), in connection with the Registration Statement on Form S-1 (No. 333-[ ]) (the "Registration Statement") filed by the Company with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933 (the "Securities Act"), of the offering and sale by the Company of up to [ ] shares (the "Company Shares") of the Company's common stock, par value $.01 per share ("Common Stock") and the offering and sale by the selling stockholders listed in the Registration Statement (the "Selling Stockholders") of up to [ ] shares of Common Stock sold pursuant to the terms of the underwriting agreement to be executed by the Company, Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Salomon Smith Barney Inc. (the "Underwriters") (the "Underwriting Agreement").

In that connection, we have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, corporate records and other instruments as we have deemed necessary or appropriate for the purposes of our opinion, including: (a) the Certificate of Incorporation of the Company; (b) the By-laws of the Company; and (c) certain resolutions adopted by the Board of Directors of the Company.

Based on the foregoing and subject to the qualifications set forth herein, we are of the opinion that:

1. The Company is a corporation validly existing and in good standing under the laws of the State of Delaware; and

2. The Company Shares have been duly and validly authorized and when issued and delivered by the Company and paid for by the Underwriters in accordance with the terms of the Underwriting Agreement referred to in the Registration Statement, will be validly issued, fully paid and nonassessable.

The opinion set forth in paragraph 2 is qualified to the extent we have assumed the due execution and delivery of the Underwriting Agreement.

We are aware that we are referred to under the heading "Validity of Shares" in the prospectus forming a part of the Registration Statement, and we hereby consent to such use of our name therein and the filing of this opinion as Exhibit 5 to the Registration Statement. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and Regulations of the Commission promulgated thereunder.

Very truly yours,

Cravath, Swaine & Moore

Ashbury Automotive Group, Inc.
Three Landmark Square
Suite 500
Stanford, CT 06901

ASBURY AUTOMOTIVE GROUP L.L.C.

OPTION PLAN

The purpose of the Asbury Automotive Group L.L.C. Option Plan (the "Plan") is to provide designated officers and other key employees of Asbury Automotive Group L.L.C., a Delaware limited liability company (the "Company") and its subsidiaries with the opportunity to receive grants of options to purchase equity interests in the Company. The Company believes that the Plan will encourage the participants to contribute materially to the growth of the Company, attract talented management personnel and align the economic interests of the participants with those of the owners. Capitalized terms used herein without definition shall have the meanings assigned thereto in the Second Amended and Restated Limited Liability Company Agreement of the Company, dated December 31, 1998, as amended from time to time (the "LLC Agreement").

1. Administration

(a) Committee. The Plan shall be administered and interpreted by a committee of (the "Board"); however, the Board itself may ratify or approve any grants as the Board deems appropriate.

(b) Committee Authority. The Committee shall have the sole authority to (i) determine the individuals to whom grants shall be made under the Plan, (ii) determine the type, size and terms of the grants to be made to each such individual, (iii) determine the time when the grants will be made and the duration of any applicable exercise or restriction period, including the criteria for exercisability and the acceleration of exercisability, (iv) amend the terms of any previously issued grant, (v) determine the initial Membership Account of any Membership Interest (as defined below) issued pursuant to an Option and (vi) deal with any other matters arising under the Plan.

(c) Committee Determination. The Committee shall have full power and authority to administer and interpret the Plan, to make factual determinations and to adopt or amend such rules, regulations, agreements and instruments for implementing the Plan and for the conduct of its business as it deems necessary or advisable, in its sole discretion. The Committee's interpretations of the Plan and all determinations made by the Committee pursuant to the powers vested in it hereunder shall be conclusive and binding on all persons having any interest in the Plan or in any grants awarded hereunder. All powers of the Committee shall be executed in its sole discretion, in the best interest of the Company, not as a fiduciary, and in keeping with the objectives of the Plan and need not be uniform as to similarly situated individuals.

2. Grants

Awards under the Plan shall consist of grants (each, a "Grant") of nonqualified options (the" Options"), as described in Section 5. All Grants shall be subject to the terms and conditions set forth herein and to such other terms and conditions consistent with this Plan as the Committee deems appropriate and as are specified in writing by the Committee to the individual in a grant instrument or an amendment to the grant instrument (the "Grant Instrument"). The Committee shall approve the form and provisions of each Grant Instrument. Grants need not be uniform as among the Grantees (as defined below).

3. Membership Interests Subject to the Plan

(a) Nature of Options Granted. Each Option granted under the Plan shall provide the Grantee solely the right to acquire a limited liability company interest in the Company (a "Membership Interest") in exchange for a dollar amount (the "Exercise Price") specified in such Option.

(b) Amendments and Adjustments. Notwithstanding anything herein to the contrary, the Company or an Affiliate thereof or (ii) that the Company desires to cause (x) a transfer of all or a substantial portion of (A) the assets of the Company or (B) the equity interests in the Company to a stock corporation or other business entity ("Newco"), (X) a merger or consolidation of the Company into or with a Newco or (z) any restructuring of all or substantially all of the assets or equity interests of the Company into a Newco, in any case as part of a "roll-up" into a Newco of all or at least a majority of the motor vehicle dealerships and related businesses owned directly or indirectly by the Company and its Affiliates (a "Roll-pp"), this Plan, all Grant Instruments, all Options and all Membership Interests received upon exercise of an Option shall be amended to provide for each Grantee or holder of such a Membership Interest benefits comparable, in the sole discretion of the Committee, to the benefits intended to be provided hereunder and each Grantee and holder of such a Membership Interest shall take such steps to effect such transfer, merger, consolidation or other restructuring as may be requested by the Company, including, without limitation, consenting to the amendment of the Plan, the relevant Grant Document and of the LLC Agreement, transferring or tendering his or her Membership Interest to Newco in exchange or consideration for shares of capital stock or other equity interests of Newco, and re-transferring, tendering or exchanging such interests for

different interests.

4. Eligibility for Participation

(a) Eligible Persons. All officers and other key employees of the Company and its Subsidiaries ("Employees") shall be eligible to participate in the Plan.

(b) Selection of Grantees. The Committee shall select the Employees who receive Grants under this Plan (the "Grantees").

5. Granting of Options

(a) Amount of Exercise Price. The Committee shall determine the Exercise Price with respect to each Option at the time of grant which shall not be less than the Fair Market Value (as defined below) of the Membership Interest in respect of which the Option is granted. The Exercise Prices of all Options issued under this Plan shall not, in the aggregate, exceed $2.0 million.

(b) Type of Option.

Grants shall be "nonqualified options" that are not intended to satisfy the provisions of Section 422 of the Code and shall be made in accordance with the terms and conditions set forth herein.

(c) Option Term. The Committee shall determine the term of each Option. The term of any Option shall not exceed ten years from the date of Grant.

(d) Exercisability of Options; Conditions. Options shall become exercisable in the Committee and specified in the Grant Instrument. The Committee may accelerate the ! exercisability of any or all outstanding Options at any time for any reason. Unless the Committee provides otherwise in the Grant Instrument, only Options that are vested may be exercised and Options shall vest, subject to the continuous employment of the Grantee by the Company, at the rate of 33 and 1/3% for each year the Grantee is employed by, or rendering service to, the Company following the date of Grant; provided that, no Option shall vest until the Grantee has been employed by, or rendering service to, the Company for a period of one year following the date of Grant. Notwithstanding any other provision herein, the Board may accelerate the vesting or exercisability of any Option or all Options, at any time and from time to time. On or before the date upon which any Grantee will exercise any exercisable Option, such Grantee shall, at the request of the Committee, execute the LLC Agreement, as amended to reflect, inter alia, the qualifications set forth in Section 6 hereof, with respect to the Membership Interest to be acquired by such Grantee upon exercise of such Option.

(e) Termination of Employment, Disability or Death.

(i) Except as provided below, an Option may only be exercised while the Grantee is employed by, or providing service to, the Company as an Employee, consultant or member of the Board. In the event that a Grantee ceases to be employed by, or provide service to, the Company for any reason other than resignation (except resignation in connection with retirement) or termination for Cause (as defined below), any Option which is otherwise vested and exercisable by the Grantee shall terminate unless exercised within 90 days after the date on which the Grantee ceases to be employed by, or provide service to, the Company (or within such other period of time as may be specified by the Committee), but in any event no later than the date of expiration of the Option term. Except as otherwise provided by the Committee, any of the

Grantee's Options that are not otherwise vested and exercisable as of the date on which the Grantee ceases to be employed by, or provide service to, the Company shall terminate as of such date.

(ii) In the event that the Grantee ceases to be employed by, or provide service to, the Company on account of a resignation (except resignation in connection with retirement) or a termination for Cause by the Company, any Option held by the Grantee (whether or not then vested and exercisable) shall terminate and be canceled as of the date the Grantee ceases to be employed by, or provide service to, the Company. Except as otherwise provided by the Committee, any of the Grantee's Options that are not otherwise vested and exercisable as of the date on which the Grantee ceases to be employed by, or provide service to, the Company shall terminate as of such date.

(iii) For purposes of this Section 5(e) and Section 7:

(A) The term "Company" shall mean the Company and its Affiliates.

(B) "Employed by, or provide service to, the Company" shall mean employment or service considered to have terminated employment or service until the Grantee ceases to be an employee or consultant), unless the Committee determines otherwise.

(C) "Cause" shall mean, except to the extent specified otherwise by the Committee, a finding by the Committee that the Grantee (i) has breached his or her employment or service contract with the Company, (ii) has engaged in disloyalty to the Company, including, without limitation, fraud, embezzlement, theft, commission of a felony or proven dishonesty in the course of his or her employment or service, (iii) has disclosed trade secrets or confidential information of the Company to persons not entitled to receive such information or (iv) has engaged in such other behavior detrimental to the interests of the Company as the Committee determines.

(f) Exercise of Options. A Grantee may exercise an Option that has become vested and exercisable, in whole or in part, by delivering a notice of exercise to the Company with payment of the Exercise Price (plus the amount of any withholding tax due at the time of exercise after the application of Section 7 hereof) and (i) executing the LLC Agreement, as amended to reflect, inter alia, the qualifications set forth in Section 6 hereof, thereby becoming a Member of the Company or (ii) taking such other action as the Committee may approve. Upon exercise of an Option, such Grantee shall have a Membership Account (and other economic rights) equal to the Membership Account (and other economic rights) such Grantee would have had if, on the date such Option was granted, the Grantee had made a Capital Contribution to the Company in an amount equal to the Exercise Price paid upon the exercise of such Option.

6. Rights and Obligations of Grantees Who Acquire Membership Interests

(a) In General. Subject to the other provisions of this Section 6, a Grantee who acquires a Membership Interest upon the exercise of any Option shall have the same rights and obligations under the LLC Agreement as Gibson FP, provided that (i) such Grantee shall not have the rights and obligations of Gibson FP relating to the Gibson FP Carried Interest Amount and (ii) the consent of such Grantee to any amendment, supplement, waiver or consent of or with regard to the LLC Agreement shall not be required so long as such amendment, supplement, waiver or consent does not affect such Grantee, in the sole discretion of the Committee, in any way differently than it affects Gibson FP.

(b) Company's Right to Repurchase Membership Interests. In the event that a Grantee terminates employment from, or ceases to render services to, the Company, the Company shall have the right to purchase all Membership Interests then owned by such Grantee, or such Grantee's successor, that were acquired upon the exercise of an Option (which right or obligation may be assigned to the members of the Company on a pro-rata basis among the purchasing members, if any), at any time after such termination, but not prior to the six-month anniversary of the date of such exercise, at a price equal to the Fair Market Value of the defined in a Grant Instrument, as of any date, the fair market value on such date of a Membership Interest as determined in good faith by the Committee.

(c) If any transfer of all or any portion of an Option or Membership Interest acquired upon the exercise of an Option, or of any beneficial interest therein, upon default, foreclosure, forfeit, bankruptcy (voluntary or involuntary), court order, levy of attachment, execution or otherwise than voluntarily (an "Involuntary Transfer") or a transfer in violation of this Plan, the applicable Grant Instrument or the LLC Agreement has occurred and not been cured within 30 days after written notice has been given to the person transferring such Option or Membership Interest (the "Transferor") or to the person to whom or to which such Option or Membership Interest is transferred (the "Transferee"), the Company shall have the right, in the case of an Option, to terminate such Option without consideration, or, in the case of a Membership Interest, to purchase all of such Membership Interest at a purchase price equal to the Fair Market Value thereof as of the date of such event. The closing date of any purchase described in this Section 6(c) shall be on the 30th day after a determination of the Fair Market Value of the Membership Interest to be purchased is made.

7. Withholding of Taxes. Each Grant (and each issuance of a Membership Interest pursuant to the exercise of any Option) shall be subject to applicable federal (including FICA), state and local tax withholding requirements. The Company shall have the right to deduct from other wages paid to the Grantee any federal, state or local taxes required by law to be withheld with respect to such Grants, or the exercise thereof, or require that the Grantee or other person receiving or exercising Grants pay to the Company the amount of any federal, state or local taxes that the Company is required to withhold with respect to such Grants or exercise and the Company may defer issuance of the Membership Interest until such requirements are satisfied.

8. Nontransferability of Grants

Except as provided below, only the Grantee may exercise rights under a Grant during the Grantee's lifetime. A Grantee may not transfer those rights except by will or by the laws of descent and distribution. When a Grantee dies, the personal representative or other person entitled to succeed to the rights of the Grantee ("Successor Grantee") may exercise such rights. A Successor Grantee must furnish proof satisfactory to the Company of his or her right to receive the Grant under the Grantee's will or under the applicable laws of descent and distribution.

9. Requirements for Issuance of Membership Interest

No Membership Interest shall be issued in connection with any Grant hereunder unless and until (i) if the Company so requests, the Grantee executes the LLC Agreement, as amended to reflect, inter alia, the qualifications set forth in Section 6 hereof, thereby becomes a Member of the Company and (ii) all legal requirements applicable to the issuance of such Membership Interest have been complied with to the satisfaction of the Committee. The Committee shall have the right to condition any Grant made to any Grantee hereunder on such Grantee's undertaking in writing to comply with such restrictions on his or her subsequent disposition of certificates, if any, representing such Membership Interest may be legended to reflect any such restrictions.

10. Change of Control of the Company

As used herein, a "Change of Control" shall be deemed to have occurred if Ripplewood Holdings L.L.C., or its affiliates, cease to control the Company or its business.

(a) Notice and Acceleration. Upon a Change of Control, (i) the Company shall provide each Grantee with outstanding Grants written notice of such Change of Control and (ii) all outstanding Options shall automatically accelerate and become fully exercisable unless otherwise determined by the Committee.

(b) Assumption of Grants. Upon a Change of Control where the Company is not the surviving entity (or survives only as a subsidiary of another entity), unless the Committee determines otherwise, all outstanding Options that are not exercised shall be assumed by, or replaced with comparable options or rights by, the surviving entity, and other outstanding Grants shall be converted to similar grants of the surviving entity.

11. Amendment and Termination of the Plan

(a) Amendment. The Board may amend or terminate the Plan at any time.

(b) Termination of Plan. The Plan shall terminate on the day immediately preceding the tenth anniversary of its effective date, unless the Plan is terminated earlier by the Board or is extended by the Board.

(c) Termination and Amendment of Outstanding Grants. A termination or amendment of the Plan that occurs after a Grant is made shall not materially impair the rights of a Grantee unless the Grantee consents. The termination of the Plan shall not impair the power and authority of the Committee with respect to an outstanding Grant. Whether or not the Plan has terminated, an outstanding Grant may be terminated or amended (i) by the Company as provided hereunder or (ii) by agreement of the Company and the Grantee consistent with the Plan.

(d) Governing Document. This Plan shall be the controlling document. No other statements, representations, explanatory materials or examples, oral or written, may amend this Plan in any manner, except for termination or amendment pursuant to Section 11 (c) hereof. This Plan shall be binding upon and enforceable against the Company and its successors and assigns.

12. Funding of the Plan

This Plan shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of any Grants under this Plan. In no event shall interest be paid or accrued on any Grant, including unpaid installments of Grants.

13. Rights of Participants

Nothing in this Plan shall entitle any Employee or other person to any claim or right to be granted a Grant under this Plan. Neither this Plan nor any action taken hereunder shall be construed as giving any individual any rights to be retained by or in the employ of the Company or any other employment rights.

14. Headings

Section headings are for reference only. In the event of a conflict between a heading and the content of a Section, the content of the Section shall control.

15. Effective Date of the Plan.

Subject to approval by the Company's members, the Plan shall be effective as of January 1, 1999.

16. Miscellaneous

(a) Compliance with Law. The Plan, the exercise of Options and the obligations of the Company to issue Membership Interests under Grants shall be subject to all applicable laws and to approvals by any governmental or regulatory agency as may be required, including national or foreign securities exchanges. The Committee may revoke any Grant if it is contrary to law, including the federal securities laws and any applicable state or foreign securities laws or modify a Grant to bring it into compliance with any valid and mandatory government regulation. The Committee may also adopt rules regarding the withholding of taxes on payments to Grantees. The Committee may, in its sole discretion, agree to limit its authority under this Section.

(b) GOVERNING LAW. THE VALIDITY, CONSTRUCTION, INTERPRETATION AND EFFECT OF THE PLAN AND GRANT INSTRUMENTS ISSUED UNDER THE PLAN SHALL BE GOVERNED AND CONSTRUED BY AND DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PROVISIONS THEREOF.

(c) Indemnification. Each person who is or shall have been a member of the Board or the Committee shall be indemnified and held harmless by the Company to the fullest extent permitted by law against and from any loss, cost, liability or expense (including any related attorney's fees and advances thereof) in connection with, based upon or arising or resulting from any claim, action, suit or proceeding to which such person may be made a party or in which such person may be involved by reason of any action taken or failure to act under or in connection with the Plan or any Grant Instrument and from and against any and all amounts paid by such person in settlement thereof, with the Company's approval, or paid by such person in satisfaction of any judgment in any such action, suit or proceeding against such person, provided that he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive and shall be independent of any other rights of indemnification to which such persons may be entitled under the LLC Agreement, by contract, as a matter of law or otherwise.

(d) No Limitation on Compensation . Nothing in the Plan shall be construed to limit the right of the Company to establish other plans or to pay compensation to its employees in cash or property, in a manner which is not expressly authorized under the Plan.

(e) No Impact on Benefits. Options granted under the Plan are not compensation for purposes of calculating an employee's rights under any employee benefit plan, except to the extent provided in any such plan.

(f) Freedom of Action. Subject to Section 11, nothing in the Plan or any Grant Instrument shall be construed as limiting or preventing the Company or any of its Affiliates from taking any action with respect to the operation or conduct of its or their business that it deems appropriate or in its best interest.

(g) No Right to Particular Assets. Nothing contained in this Plan and no action taken pursuant to this Plan shall create or be construed to create a trust of any kind or any fiduciary relationship between the Company and its Affiliates, on the one hand, and any Grantee or executor, administrator or other personal representative or designated beneficiary of such Grantee, on the other hand, or any other persons. Any reserves that may be established by the Company or its Affiliates in connection with this Plan shall continue to be held as part of the general funds of the Company or such Affiliate, and no individual or entity other than the Company or such Affiliate shall have any interest in such funds until paid to a Grantee. To the extent that any Grantee or such Grantee's executor, administrator or other personal representative, as the case may be, acquires a right to receive any payment from the Company or any of its Affiliates pursuant to this Plan, such right shall be no greater than the right of an unsecured general creditor of the Company or such Affiliate.

(h) Notices. Each Grantee shall be responsible for furnishing the Committee with his or her current and proper address for the mailing of notices and delivery of agreements. Any notices required or permitted to be given shall be deemed given if directed to the person to whom addressed at such address and mailed by regular United States mail, first-class and prepaid. If any item mailed to such address is returned as undeliverable to the addressee, mailing will be suspended until the Grantee furnishes the proper address.

(i) Severability of Provisions . If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and this Plan shall be construed and enforced as if such provision had not been included.

(j) Incapacity . Any benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of receiving such benefit shall be deemed paid when paid to such person's guardian or to the party providing or reasonably appearing to provide for the care of such person, and such payment shall fully discharge the Board, the Committee, the Company, its Affiliates and other parties with respect thereto.

EXECUTION COPY
Exhibit 10.4

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THIRD AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT

OF

ASBURY AUTOMOTIVE GROUP L.L.C.

(Formerly known as Asbury Automotive
Oregon L.L.C.)

Dated as of February 1, 2000

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THIRD AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT, dated as of February 1, 2000, of ASBURY AUTOMOTIVE GROUP L.L.C., a Delaware limited liability company (the "Company"). Capitalized terms used herein have their respective meanings as set forth in Section 1.01.

WHEREAS, Asbury Villanova IV L.L.C., a Delaware limited liability company, caused the Company to be formed under the Delaware Limited Liability Company Act (6 Del. C. ss. 18-101, et seq., as amended from time to time (the "Act")) by filing with the Secretary of State of the State of Delaware (the "Secretary of State") on May 15, 1998, the certificate of formation of the Company (the "Certificate of Formation") and by entering into the original limited liability company agreement, dated as of May 15, 1998, of the Company, which agreement was amended and restated in its entirety pursuant to the First Amended and Restated Limited Liability Company Agreement dated as of December 4, 1998, and the Second Amended and Restated Limited Liability Company Agreement dated as of March 18, 1999 (the "Prior LLC Agreement");

WHEREAS, in order to consummate the transactions (collectively, the "Roll-Up Transaction") contemplated by the Transfer and Exchange Agreement dated as of February 1, 2000 (the "Transfer and Exchange Agreement"), by and among the Company, Asbury Automotive Holdings L.L.C., a Delaware limited liability company (formerly known as Asbury Automotive Group L.L.C., "AAH"), the individuals and entities listed on Schedule I thereto (collectively, the "Dealers") and the individuals and entities listed on Schedule II thereto (collectively, the "Managers"), the Current Members desire to admit AAH, each Dealer that is not a Current Member (collectively, the "Non-Asbury Oregon Dealers") and each Manager as a Member of the Company and to amend and restate in its entirety the Prior LLC Agreement with respect to the conduct of the affairs of the Company and the Members' respective rights and obligations with regard to their Interests in the Company;

WHEREAS, AAH, the Dealers and the Managers have entered into the Transfer and Exchange Agreement and the Escrow Agreement (as defined in the Transfer and Exchange Agreement) and desire to give full economic effect to the transactions contemplated thereby, including the Roll-Up Transaction, as of February 1, 2000 (the "Roll-Up Date"), subject to the occurrence of the Escrow Release (as defined in the Transfer and Exchange Agreement);

WHEREAS, the parties are entering into the Roll-Up Transaction for the purpose, among others, of enhancing the Platform Groups' ability to obtain financing and make purchases on more attractive terms; and

WHEREAS, the name of the Company as reflected in the Certificate of Formation is "Asbury Automotive Oregon L.L.C." and, in connection with the Roll-Up Transaction, the Members of the Company desire to change the name of the Company to "Asbury Automotive Group L.L.C." by filing a certificate of amendment to the Certificate of Formation with the Secretary of State (the "Certificate of Amendment").

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

ARTICLE I

Definitions and Usage

SECTION 1.01. Defined Terms. The following terms as used in this Agreement shall have the following meanings:

"AAH" has the meaning set forth in the second recital to this Agreement.

"AAH LLC Agreement" means the Second Amended and Restated Limited Liability Company Agreement, dated as of December 31, 1998, of AAH.

"Act" has the meaning set forth in the first recital to this Agreement.

"Additional Offer" has the meaning set forth in Section 4.02.

"Affiliate" means, with respect to any person, any other person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting

securities, by contract or credit arrangement, as trustee or executor, or otherwise.

"Agreement" means this Agreement, as amended or supplemented from time to time.

"Bankruptcy" means, with respect to any Member, any event that causes such Member to cease to be a member of the Company as provided in ss. 18-304 of the Act.

"Board of Directors" means the managing body of the Company described in Article III.

"Book Value" has the meaning set forth in Section 4.07.

"Business Day" means any day, other than a Saturday or Sunday, on which banks located in New York City are not required or authorized by law to remain closed.

"Callable Interest" has the meaning set forth in Section 7.04(a).

"Capital Account" has the meaning set forth in Section 4.01.

"Capital Contribution" means a contribution by a Member to the capital of the Company pursuant to this Agreement.

"Carried Interests" means the economic interests of the Managers represented by their entitlement to distributions pursuant to Section 6.01(b)(ii)(B).

"Certificate of Amendment" has the meaning set forth in the fifth recital to this Agreement.

"Certificate of Formation" has the meaning set forth in the first recital to this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" has the meaning set forth in the preamble to this Agreement.

"Current Member" means each person who is a Member of the Company immediately prior to the effectiveness of this Agreement, which persons are listed on Schedule I.

"Dealer Director" means a Director designated by the Dealer Members.

"Dealer Members" means (i) all persons that are Members of the Company on the date of this Agreement, other than AAH and the Managers, (ii) any person that is issued new Interests and admitted as a new Member pursuant to Section 4.06(a) other than a Third Party Investor and (iii) any Member that is a Transferee of a Member described in clause (i) or (ii), other than AAH, any Affiliate of AAH, the Managers, any senior management employee of the Company or any Third Party Investor.

"Dealers" has the meaning set forth in the second recital to this Agreement.

"DGCL" means the General Corporation Law of the State of Delaware (8 Del. C.ss. 101, et seq.), as amended from time to time and any successor statute thereto.

"Director" has the meaning set forth in Section 3.01(a).

"Drag-Along Notice" has the meaning set forth in Section 7.03.

"Fair Market Value" means the fair market value of an Interest, determined in accordance with Section 7.06.

"Financing Document" has the meaning set forth in Section 7.04(b)(i).

"Fiscal Year" has the meaning set forth in Section 10.01.

"Gibson FP" means the Gibson Family Partnership, L.P., a Delaware limited partnership.

"Gibson Percentage" means 2.89%.

"Initial Offer" has the meaning set forth in Section 4.02.

"Interest" means a Member's limited liability company interest in the Company and such Member's rights and obligations with respect to the Company pursuant to this Agreement and applicable law.

"Involuntary Transfer" means any Transfer by any Member of Interests, or of any beneficial interest therein, upon default, foreclosure, forfeit, bankruptcy (voluntary or

involuntary), court order, levy of attachment, execution, in connection with divorce or separation proceedings or otherwise than voluntarily by the Transferor; provided, however, that a Transfer required pursuant to Section 7.03 shall not be deemed an Involuntary Transfer and provided further, however, that with respect to a Member that is a natural person, any Transfer upon the death of such Member shall not be deemed an Involuntary Transfer.

"IPO" has the meaning set forth in Section 8.01.

"IPO Value Distribution Interest" means, with respect to any Member as of the time of an exchange described in Section 8.02, the percentage described by:

(A) the amount that hypothetically would be distributable to such Member pursuant to Section 6.01(b) if the Company were to distribute an amount of cash equal to the product of (i) the per share price of the Newco common stock in the IPO and (ii) the number of shares of Newco outstanding immediately prior to the IPO;

divided by

(B) the product of (i) and (ii) in clause (A) above.

"Kendrick" means Brian Kendrick, an individual.

"Kendrick Percentage" means 1.15%, subject to the vesting of the Kendrick Percentage pursuant to Section 9 of the Agreement dated February 1, 2000, between the Company and Kendrick.

"Liquidating Member" has the meaning set forth in Section 12.02(a).

"Look-Back Threshold" has the meaning set forth in Section 7.04(c)(i)(C).

"Majority in Interest" means, with respect to any group of Members, the Members who, at the time in question, have Percentage Interests aggregating more than 50% of all Percentage Interests of such group.

"Management Employee" means any employee of the Company or any subsidiary of the Company who owns an Interest, whether directly or indirectly, in the Company.

"Managers" has the meaning set forth in the second recital to this Agreement.

"Member" means any person or persons who, from time to time, shall have acquired an Interest pursuant to and in compliance with the terms of this Agreement and who shall have been admitted as a Member in accordance with this Agreement, and shall not have ceased to be a Member under the terms of this Agreement or any applicable laws.

"Member Nonrecourse Debt" means "partner nonrecourse debt" as defined in ss. 1.704-2(b)(4) of the Treasury Regulations.

"Merger Conversion" has the meaning set forth in Section 8.04.

"MG Capital Account" of any Member as of the end of any Fiscal Year (or portion thereof), means such Member's Capital Account balance (whether positive or negative) as of the end of such Fiscal Year (or portion thereof) (after all distributions with respect to such year other than any liquidating distributions, but before any allocations of tax items for such year), increased by such Member's share of any Minimum Gain of the Company as of the end of such Fiscal Year (or portion thereof).

"Minimum Gain" has the meaning prescribed by Treasury Regulation ss.ss. 1.704-2(d) and 1.704-2(i)(3).

"Net Profits" and "Net Losses" means, with respect to any Fiscal Year (or portion thereof), the net income and net loss of the Company for such Fiscal Year (or portion thereof) as determined in accordance with the accounting methods followed by the Company for Federal income tax purposes, including as income any income that is exempt from tax and described in Section 705(a)(1)(B) of the Code, treating as deductions items of expenditure described in Section 705(a)(2)(B) of the Code and treating as an item of gain (or loss) the excess (deficit), if any, of the fair market value of property distributed in such period over (under) such property's Book Value. Depreciation, depletion, amortization, income and gain (or loss) with respect to the Company assets shall be computed with reference to their initial Book Value, as adjusted pursuant to this Agreement in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(g).

"Newco" has the meaning set forth in Section 8.01.

"Non-Asbury Oregon Dealers" has the meaning set forth in the second recital to this Agreement.

"Nonrecourse Deductions" has the meaning set forth in ss. 1.704-2(b)(1) of the Treasury Regulations and shall be determined in accordance with ss. 1.704-2(c) of the Treasury Regulations.

"Offer Date" has the meaning set forth in Section 7.01(c)(iii)(D).

"Option Period" has the meaning set forth in Section 7.04(a)(i).

"Percentage Interest" means, with respect to any Member at any time, the percentage set forth opposite such Member's name on Schedule II hereto under the heading "Percentage Interest", as such Schedule may be amended by the Board of Directors from time to time to reflect (i) any adjustments in Percentage Interests made pursuant to Section 4.04, (ii) any additional Capital Contributions made pursuant to Section 4.02 unless made by each Member in proportion to its Percentage Interest, (iii) any repurchase of Interests by the Company pursuant to Section 7.04 (or otherwise), (iv) the exercise of any option to purchase Interests pursuant to Section 7.05, (v) any issuance of new Interests pursuant to Section 4.02(a) or Section 4.06 or (vi) the Transfer of any Interest, or portion thereof, in accordance with the provisions of this Agreement if the Transferee of such Interest (or portion thereof) is admitted as a Member in accordance with Section 7.01(a)(iii).

"Permitted Transferee" means, (i) with respect to AAH, an Affiliate of AAH, (ii) with respect to a natural person, any (A) corporation, partnership, limited liability company or other entity controlled solely by such natural person solely for the benefit of such natural person, his or her spouse, his or her parents, members of his or her immediate family, or his or her lineal descendants or ancestors and (B) any trust revocable solely by such natural person during his lifetime or any irrevocable trust, in either case solely for the benefit of such natural person, his or her spouse, his or her parents, members of his or her immediate family, his or her lineal descendants or ancestors or charity, provided such trust is controlled solely by such natural person, (iii) with respect to a Dealer that is not a natural person, the natural person listed on Schedule V that ultimately controls such Dealer or one or more corporations, partnerships, limited liability companies or other entities each of which (A) is controlled solely by such Dealer or the natural person listed on Schedule V that ultimately controls

such Dealer and (B) wholly owns such Dealer or is wholly owned by such Dealer or direct or indirect shareholders, members or partners of such Dealer, provided that in the case of each Transfer pursuant to this clause (iii) the natural persons that are the ultimate beneficial owners of the Interest owned by such Dealer prior to such Transfer also are the ultimate beneficial owners, in the same proportion of ownership, of such Interest following such Transfer (except to the extent that the Transfer of a natural person's beneficial ownership in such Interest is permitted by the foregoing clause (ii)) and (iv) with respect to a Dealer or a natural person that beneficially owns an interest in a Dealer, to a Dealer listed on (or controlled by an individual listed on) Schedule V in an arm's-length transaction provided that (A) if the transferring Dealer or such natural person is (or is controlled directly or indirectly by) an individual that is an employee of the Company or of an Affiliate of the Company, such individual first ceases to be employed by the Company and/or such Affiliate of the Company and (B) such Dealer transfers its entire Interest to such other Dealer.

"person" means any individual, corporation, partnership, trust, association, limited liability company, joint venture, joint-stock company or any other entity or organization, including a government or governmental agency.

"Platform Groups" means (i) Asbury Automotive Arkansas L.L.C., a Delaware limited liability company, (ii) Asbury Automotive Atlanta L.L.C., a Delaware limited liability company, (iii) Asbury Automotive Jacksonville, L.P., a Delaware limited partnership, (iv) Asbury Automotive North Carolina L.L.C., a Delaware limited liability company, Asbury Automotive North Carolina Real Estate Holdings L.L.C., a Delaware limited liability company, and Camco Finance L.L.C., a Delaware limited liability company, (v) Asbury Automotive St. Louis, L.L.C., a Delaware limited liability company, Asbury Automotive St. Louis Gen. L.L.C., a Delaware limited liability company, and Asbury Automotive St. Louis LR L.L.C., a Delaware limited liability company, (vi) Asbury Automotive Tampa, L.P., a Delaware limited partnership, (vii) Asbury Automotive Texas L.L.C., a Delaware limited liability company and (viii) (A) prior to the consummation of the transactions contemplated by this Agreement and the Transfer and Exchange Agreement, the Company and (B) after the consummation of such transactions, the subsidiary, division or operating unit of the Company comprising the business operations conducted by the Company prior to the consummation of such transactions.

"Prime Rate" means, at any time, an annual rate of interest equal to the prime rate announced by Citibank N.A. in New York, New York at such time.

"Prior LLC Agreement" has the meaning set forth in the first recital to this Agreement.

"Residual Percentage" means 100%, less the Gibson Percentage and the Kendrick Percentage.

"Return Target" means cumulative distributions to Members pursuant to Section 6.01(b)(i) in an amount equal to $376,291,000 plus an 8% per annum cumulative, compounded return thereon.

"Roll-Up Date" has the meaning set forth in the third recital of this Agreement.

"Roll-Up Transaction" has the meaning set forth in the second recital to this Agreement.

"Scheduled Closing Date" has the meaning set forth in Section 7.01(c)(iii)(E).

"Secretary of State" has the meaning set forth in the first recital to this Agreement.

"Securities Act" means the Securities Act of 1933 and the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

"Shareholders Agreement" has the meaning set forth in Section 8.01.

"Tag-Along Notice" has the meaning set forth in Section 7.02.

"Target Amount" means, with respect to any Member as of the end of any Fiscal Year (or portion thereof), the amount that hypothetically would be distributable to such Member as of the end of such year if the Company were to (i) sell each of its noncash assets on hand as of the end of such year for an amount of cash equal to its adjusted Book Value in such asset (as determined under the principles for the computation of Net Profits and Net Losses), (ii) pay off all liabilities of the Company and (iii) liquidate, distributing the proceeds from such sale and all its other assets pursuant to Section 6.01(b) (taking into account any distributions previously made with respect to such year); provided, however, that (1) for purposes of computing the aggregate hypothetical distribution described in clause

(iii) above the cash assets of the Company shall be deemed to be increased by the aggregate amount of distributions to Members pursuant to Section 6.01(c)(iv)(A) and shall be deemed to be decreased by the aggregate amount of gain specially allocated to Members pursuant to Section 5.02(b)(i); and (2) the Target Amount for any Member that receives any distribution pursuant to Section 6.01(c)(iv) shall be decreased by the amount of such distribution and increased by the amount of any gain specially allocated to such Member pursuant to Section 5.02(b).

"Tax Return" refers to any report, return, information return or other information required to be supplied to a taxing authority in connection with Taxes.

"Tax Matters Partner" has the meaning set forth in Section 10.05(d).

"Taxes" refers to all Federal, state, local and foreign taxes, charges, fees, levies, imposts, duties or other assessments of any kind whatsoever, imposed or required to be withheld by any Federal, state, local, foreign, or other governmental authority, including any interest, penalties or additions thereto, whether disputed or not.

"Third Party Investor" has the meaning set forth in Section 4.06(a).

"Third Party Purchaser" means, with respect to any proposed sale of an Interest (or portion thereof) by a Member, a person, other than an Affiliate of such Member, who offers to purchase from such Member such Interest (or such portion) pursuant to a bona fide, arm's-length written offer.

"Transfer and Exchange Agreement" has the meaning set forth in the second recital to this Agreement.

"Transfer" means any direct or indirect transfer, sale, conveyance, assignment, gift, hypothecation, pledge or other disposition, whether voluntary or by operation of law, of an Interest.

"Transferee" means the transferee of a Transfer.

"Transferor" means the transferor of a Transfer.

"Treasury Regulations" means the Federal income tax regulations promulgated by the United States Department of the Treasury interpreting the provisions of the Code.

SECTION 1.02. Other Definition Provisions. Wherever required by the context of this Agreement, the singular shall include the plural, and vice versa, and the masculine gender shall include the feminine and neuter genders, and vice versa, and references to any agreement, document or instrument shall be deemed to refer to such agreement, document or instrument as amended, supplemented or modified from time to time. When used herein, the words "including", "includes", "included" and "include" are deemed to be followed by the words "without limitation".

ARTICLE II

Formation and Business of the Company

SECTION 2.01. Admission of New Members; Formation and Continuation. The Current Members hereby admit AAH, each Non-Asbury Oregon Dealer and each Manager as a Member of the Company and, together with AAH, each Non-Asbury Oregon Dealer and each Manager, hereby amend and restate the Prior LLC Agreement in its entirety and enter into this Agreement. Each of the Current Members (other than Asbury Villanova IV L.L.C., which, having obtained the requisite consent of the Board of Directors pursuant to Section 4.2 of the Prior LLC Agreement, is withdrawing from the Company effective upon the effectiveness of this Agreement and agrees that it is entitled to no distribution from the Company in respect of such withdrawal) shall continue to be a Member of the Company. Without the need for the consent of any person, upon the effectiveness of this Agreement, the Members of the Company shall be those persons listed on Schedule II and their respective initial Capital Accounts and Percentage Interests shall be as set forth on Schedule II. The Members hereby ratify the formation of the Company as a limited liability company under the Act and agree that the rights, duties and liabilities of the Members of the Company shall be as provided in the Act, except as otherwise provided herein.

SECTION 2.02. Company Name. The name of the Company as reflected in the Certificate of Formation is "Asbury Automotive Oregon L.L.C.". Upon the filing of the Certificate of Amendment with the Secretary of State (which the Board of Directors shall promptly cause to occur), the name of the Company shall be "Asbury Automotive Group L.L.C.".

SECTION 2.03. Purpose and Powers. (a) The Company has been formed for the object and purpose of, and the nature of the business to be conducted by the Company

is, engaging in any lawful act or activity for which limited liability companies may be formed under the Act, and engaging in any and all activities necessary or incidental to the foregoing. The Company shall possess and may exercise all the powers and privileges granted by the Act or by any other law, together with any powers incidental thereto, that are necessary or convenient to the conduct, promotion or attainment of the business, purposes or activities of the Company. The Company shall be deemed to have for all purposes, without limitation, any and all of the powers that may be exercised on behalf of the Company by the persons so authorized pursuant to this Agreement.

(b) Without limiting the powers and privileges possessed by the Company as described in paragraph (a) of this Section 2.03, the Company is authorized to engage in the business of evaluating, acquiring, owning, managing, operating, financing and disposing of retail automobile and truck dealerships and of businesses related thereto.

SECTION 2.04. Registered Agent and Office; Other Offices. The registered agent for service of process is, and the mailing address for the registered office of the Company in the State of Delaware is in care of, The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The Company shall also maintain such registered agents and registered offices as may be required under applicable law in the State of Oregon and in any other jurisdictions in which the Company conducts business. The Company may also have offices at such other places within or without the State of Delaware as the Board of Directors may from time to time designate or the business of the Company may require.

SECTION 2.05. Principal Place of Business. The principal place of business of the Company shall be located at 1050 Westlakes Drive, Suite 300, Berwyn, PA 19312. At any time, the Company may change the location of the Company's principal place of business; provided, however, that prompt notice of any such change shall be given to each Member.

SECTION 2.06. Authorized Persons. Each officer of the Company (and any agent as may from time to time be designated by any officer of the Company for such purpose) is hereby designated as an authorized person, within the meaning of the Act, to act individually or collectively solely in connection with executing, delivering and causing to be filed the Certificate of Amendment (and, when approved by the Board of Directors, any other amendments to, and/or

restatements of, the Certificate of Formation adopted in accordance with the terms hereof) and, when approved by the Board of Directors, any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business. The execution and filing of the Certificate of Formation with the Secretary of State by Marc A. Kushner on or about May 15, 1998 is hereby specifically ratified, adopted and confirmed.

SECTION 2.07. Representations and Warranties. (a) Entities. Each Member that is a corporation, partnership, limited liability company, trust or other entity represents and warrants to the Company and to each other Member that (i) such Member is duly formed or organized, validly existing and in good standing under the laws of the jurisdiction in which such Member was formed or organized; (ii) such Member has the full legal right, power and authority required to enter into, execute and deliver this Agreement and to perform fully its obligations hereunder; (iii) this Agreement has been duly authorized, executed and delivered by such Member and is a legal, valid and binding obligation of such Member enforceable against such Member in accordance with its terms; and (iv) such Member's authorization, execution, delivery and performance of this Agreement does not and will not conflict with (A) any law, rule or court order applicable to such Member, (B) such Member's organizational documents or (C) any other agreement or arrangement to which such Member is a party or by which it or its properties are bound.

(b) Natural Persons. Each Member that is a natural person represents and warrants to the Company and to each other Member that (i) such Member is of sound mind and has full legal capacity to enter into, execute and deliver this Agreement and perform fully his or her obligations hereunder; (ii) this Agreement has been duly executed and delivered by such Member and is a legal, valid and binding obligation of such Member enforceable against such Member in accordance with its terms; and (iii) such Member's execution, delivery and performance of this Agreement does not and will not conflict with (A) any law, rule or court order applicable to such Member or (B) any other agreement or arrangement to which such Member is a party or by which such Member or his or her properties are bound.

SECTION 2.08. Effectiveness. Subject to the occurrence of the Escrow Release (as defined in the Transfer and Exchange Agreement) this Agreement shall be effective as of the Roll-Up Date. If the Escrow Release does not occur

prior to the Outside Date (as defined in the Transfer and Exchange Agreement), then this Agreement shall be void without ever becoming effective.

ARTICLE III

Management of the Company

SECTION 3.01. Board of Directors. (a) Appointment. The Company shall have a Board of Directors. The Board of Directors shall consist of eight individuals (each, a "Director"), one of whom shall serve as the Chairman of the Board. Five members of the Board of Directors (including the Chairman of the Board) shall be designated and may be removed at any time and from time to time by AAH in its sole discretion. Three members of the Board of Directors shall be designated and may be removed at any time and from time to time by a Majority in Interest of the Dealer Members, voting together as a single class, subject in the case of designation to the consent of AAH (which consent shall not be unreasonably withheld). AAH agrees that each of the individuals set forth on Schedule VI is an acceptable designee as a Dealer Director so long as such individual continues to be employed by the Company or an Affiliate of the Company. The initial members of the Board of Directors of the Company designated by AAH shall be Timothy Collins, Ian K. Snow, John Roth, Brian Kendrick and Thomas Gibson. The initial members of the Board of Directors designated by the Dealer Members shall be C.V. Nalley, III, Ben David McDavid, Sr. and Charlie (C.B.) Tomm.

(b) Management and Control. The property, business and affairs of the Company shall be managed and conducted by the Board of Directors. None of the Members, acting individually, and none of the Directors, acting individually, shall have any right or authority to take any action on behalf of the Company with respect to third parties or to bind the Company. The Directors and officers of the Company shall be "managers" of the Company as such term is used in the Act. The Company may only act and bind itself (i) through the collective action of five or more Directors or (ii) through the action of the officers, employees, agent or attorneys-in-fact of the Company if and to the extent authorized by this Agreement or by the Board of Directors in accordance with the provisions of this Agreement.

SECTION 3.02. Powers and Procedures of the Board of Directors. (a) General Procedures. The Board of Directors, on behalf of the Members, shall have the power

(i) to do any and all acts necessary or convenient to or for the furtherance of the purposes of the Company, (ii) to act on behalf of and bind the Company and (iii) to appoint persons, with such titles as are set forth in this Agreement or as the Board of Directors may otherwise select, as officers, employees, agents or attorneys-in-fact of the Company to act on behalf of and bind the Company, with such power and authority as is set forth in this Agreement (with respect to officers of the Company) or as the Board of Directors may delegate from time to time to any such person; provided, however, that the Board of Directors shall not delegate its responsibility for the overall management and supervision of the Company. Any action requiring the approval of the Board of Directors must be approved by five or more Directors. Directors may act without a meeting by written consent if at least five Directors (with at least one of such five Directors being a Dealer Director) execute a consent in writing to the taking of such action and such writing or writings are filed with the minutes of the proceedings of the Board of Directors, or at a meeting (or meetings) of five or more Directors (attended in person, by proxy or by telephonic or other electronic device; provided, however, that in lieu of participating in a meeting, a Director can indicate his or her approval or disapproval in writing (before or after the meeting) of matters presented at the meeting with the same effect as if he or she participated in the meeting and took such action in person at the meeting). Any Director may call a meeting of Directors or propose that the Board of Directors take action by written consent. At least three Business Days prior written notice of a proposed meeting or the proposed action by written consent, as the case may be (or such other notice period as the Board of Directors may from time to time establish by the approval of at least five Directors (with at least one of such five Directors being a Dealer Director)), shall be given to all other Directors by the Director calling the meeting or proposing the action by written consent, as the case may be, unless such notice requirement is waived by a written waiver executed by a Director or by the attendance or participation of such Director in a meeting without protesting, prior thereto or at the commencement thereof, the lack of adequate notice. Actions adopted or taken by Directors at a meeting shall be deemed adopted or taken only by those Directors present at such meeting (in person, by proxy or by telephonic or other device) who expressly approve of such actions so adopted or taken (or those who approve of such actions in writing). Except as expressly provided in this Section 3.02, the Board of Directors shall otherwise conduct its business in such manner and by such procedures as a majority of the members of the Board of Directors deem appropriate.

(b) Special Procedures. Notwithstanding the foregoing, the approval of at least five Directors (with at least two of such five Directors being Dealer Directors) shall be required for the Company directly or indirectly (i) to engage in or acquire any business other than the businesses of evaluating, acquiring, owning, managing, operating, financing and disposing of motor vehicle dealerships and any businesses related or incidental thereto, (ii) to enter into any material agreement or engage in any material transaction with AAH or any Affiliate of AAH or (iii) to merge, consolidate, reorganize or convert, other than as contemplated by Article VIII of this Agreement, unless appropriate provision is made for the Company or its successor following such merger, consolidation, reorganization or conversion to be bound by the terms and conditions of this Agreement or a substitute agreement among the Company or its successor and the Members that provides the Members with substantially the same rights as under this Agreement, provided that the Members' Percentage Interests may be diluted pro rata and their other rights may be adversely affected in such merger, consolidation, reorganization or conversion, but only to the extent such dilution or adverse change in such rights would be permitted in connection with the issuance of additional Interests by the Company in accordance with Section 4.06(a).

SECTION 3.03. Actions Requiring Board Approval; Day-to-Day Authority of the President and Chief Executive Officer; Ratified Actions. (a) Board Approval Required. All actions outside the ordinary course of business of the Company, to be taken by or on behalf of the Company, shall require the approval of five or more Directors (acting in accordance with the procedures for actions of the Board of Directors set forth in Section 3.02), and shall not require the consent or approval of any Member or any other person, except as otherwise provided in Section 13.02.

(b) President and Chief Executive Officer. The President and Chief Executive Officer of the Company shall have the power and authority to take (or authorize other officers, employees or agents of the Company to take) all actions on behalf of the Company (without the need for the consent or approval of any Member or any other person) that are within the ordinary course of business of the Company unless the Board of Directors shall have previously restricted (specifically or generally) such power and authority of the President and Chief Executive Officer of the Company.

(c) Certain Ratified and Approved Actions. Without in any way limiting the generality of the foregoing

or anything else contained herein or in any other document, the execution, delivery and performance by the Company of the Transfer and Exchange Agreement and the agreements and actions contemplated thereby is specifically approved and ratified in all respects.

SECTION 3.04. Officers. (a) Appointment and Term of Office. The officers of the Company shall include a President and Chief Executive Officer and a Secretary. The Board of Directors may appoint such other officers as it deems appropriate, including a Chief Operating Officer, one or more Vice Presidents, a Chief Financial Officer, a Controller, Assistant Controllers and Assistant Secretaries. Officers shall be appointed from time to time by the Board of Directors and each officer shall hold office until his or her successor is appointed or until his or her earlier death or until his or her earlier resignation or removal in the manner hereinafter provided. Each officer shall have such authority and shall perform such duties as may be provided in this Agreement, as the Board of Directors may from time to time prescribe or as set forth in any employment agreement approved by the Board of Directors between the Company and any such officer. Any two or more offices may be held by the same person except for the offices of President and Chief Executive Officer and of Secretary. With respect to the appointment by the Board of Directors of the President and Chief Executive Officer, the Chief Operating Officer or the Chief Financial Officer, the Board of Directors shall give the Dealer Members three Business Days' prior notice of such proposed appointment, and the Dealer Members shall have the right to express to the Board of Directors their approval or disapproval of the individuals to be appointed to such offices, provided that such approval or disapproval shall in no way be binding upon the Board of Directors.

(b) Resignation and Removal. Any officer may resign at any time by giving written notice to the President and Chief Executive Officer or the Secretary of the Company, and such resignation shall take effect after the giving of such notice at the time specified therein or, if the time when it shall become effective is not specified therein, when accepted by action of the Board of Directors. Except as aforesaid, the acceptance of any such resignation by action of the Board of Directors shall not be necessary to make it effective. All officers and agents elected or appointed by the Board of Directors (including the President and Chief Executive Officer and the Secretary) shall be subject to removal at any time by the Board of Directors, with or without cause, subject to the terms of any

employment or other agreement approved by the Board of Directors between the Company and such officer or agent.

(c) Chairman of the Board. The Chairman of the Board shall be a member of the Board of Directors and shall preside at all meetings of the Board of Directors and of the Members at which he or she shall be present and shall perform such duties and exercise such powers as are incident to the office of chairman of the board of a corporation organized under the DGCL, and shall perform such other duties and exercise such other powers as may from time to time be prescribed by the Board of Directors. Initially, Thomas R. Gibson shall be the Chairman of the Board.

(d) President and Chief Executive Officer. Subject to Section 3.03(b), the President and Chief Executive Officer shall perform such duties and exercise such powers as are incident to the office of the president and chief executive officer of a corporation organized under the DGCL, and shall perform such other duties and exercise such other powers as may from time to time be prescribed by the Board of Directors. The President and Chief Executive Officer shall perform the duties of the Chairman of the Board in the absence of the Chairman of the Board and shall have the power and authority to conduct the day-to-day activities of the Company and to take all actions to be taken by or on behalf of the Company that are contemplated by Section 3.03(b). Initially, Brian Kendrick shall be the President and Chief Executive Officer of the Company.

(e) Chief Operating Officer. The Chief Operating Officer, if any, shall perform such duties and exercise such powers as are incident to the office of chief operating officer of a corporation organized under the DGCL, and shall perform such other duties and exercise such other powers as may from time to time be prescribed by the Board of Directors.

(f) Chief Financial Officer. The Chief Financial Officer, if any, shall have charge and custody of, and be responsible for, all funds and securities of the Company and shall deposit all such funds to the credit of the Company in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of this Agreement; he or she shall disburse the funds of the Company as may be ordered by the Board of Directors, making proper vouchers for such disbursements; and, in general, he or she shall perform all the duties incident to the office of the chief financial officer of a corporation organized under the DGCL and such other duties as from time to time may be assigned to him or her by the Board of Directors or the

President and Chief Executive Officer. The duties of the Chief Financial Officer may be performed by one or more employees or agents of the Company, to be appointed by the Board of Directors.

(g) Vice President. Each Vice President, if any, shall perform such duties and exercise such powers as are incident to the office of vice president of a corporation organized under the DGCL, and shall perform such other duties and exercise such other powers as may from time to time be prescribed by the Board of Directors.

(h) Secretary. The Secretary shall keep the records of all meetings and written actions of Members and of the Board of Directors and shall be the custodian of all contracts, deeds, documents and all other indicia of title to properties owned by the Company and of its other records and in general shall perform all duties and have all powers incident to the office of the secretary of a corporation organized under the DGCL and shall perform such other duties and exercise such other powers as may from time to time be prescribed by the Board of Directors. The duties of the Secretary may be performed by one or more employees or agents of the Company, to be appointed by the Board of Directors or the Secretary. Initially, Ian K. Snow shall be the Secretary of the Company.

SECTION 3.05. Reliance on Certificates. Any person dealing with the Company may rely on a certificate signed by the Secretary or any other officer of the Company:

(i) as to who the Members hereunder are;

(ii) as to the existence or nonexistence of any fact or facts which constitute conditions precedent to acts by the Members or in any other manner germane to the affairs of the Company;

(iii) as to who is authorized to execute and deliver any instrument or document on behalf of the Company;

(iv) as to the authenticity of any copy of this Agreement and amendments hereto;

(v) as to any act or failure to act by the Company or as to any other matter whatsoever involving the Company or any Member (solely with respect to the activities of the Company); or

(vi) as to the authority of the Board of Directors, any officer of the Company or the Tax Matters Partner to act.

ARTICLE IV

Capital Accounts; Additional Capital Contributions; Withdrawal of Capital; Percentage Interest Adjustment

SECTION 4.01. Capital Accounts. (a) A separate capital account (a "Capital Account") shall be established and maintained for each Member. The Capital Account of each Member as of the date hereof, after giving effect to the Roll-Up Transaction and the adjustments referred to in Section 4.01(b), shall equal the dollar amount set forth opposite such Member's name on Schedule II under the column captioned "Initial Capital Account". Each Member's Capital Account shall be increased by: (i) the amount of any cash or the fair market value of any property (net of any liabilities of the Member assumed by the Company or secured by such property that the Company is considered to assume or take subject to under Section 752 of the Code) contributed by the Member to the Company in accordance with this Article IV and (ii) the amount of Net Profits (or items thereof) allocated to the Member in accordance with Article V; and shall be decreased by: (i) the amount of any cash or the fair market value of any property (net of any liabilities of the Company assumed by the Member or secured by such property that the Member is considered to assume or take subject to under Section 752 of the Code) distributed to the Member by the Company and (ii) the amount of Net Losses (or items thereof) allocated to the Member in accordance with Article V.

(b) The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with the Treasury Regulations under ss. 704(b) of the Code and shall be interpreted and applied in a manner consistent with such Treasury Regulations. Upon the occurrence of any event specified in Treasury Regulations ss. 1.704-1(b)(2)(iv)(f), the Board of Directors may cause the Capital Accounts of the Members to be adjusted to reflect the fair market value of the Company assets as provided in such Regulation; provided, however, that the Board of Directors shall cause the Capital Accounts to be so adjusted (i) in connection with the Roll-Up Transaction such that, as of the Roll-Up Date, the Members' Capital Accounts equal the initial capital accounts set forth on Schedule II, as adjusted by the Board of

Directors to reflect any adjustments described in Sections 2.04(b), 2.04(c) or 2.04(d) or as amended pursuant to Section 7.03 of the Transfer and Exchange Agreement, and (ii) immediately prior to the IPO or Merger Conversion based upon the valuation of the Company performed by the managing underwriter for the IPO or the financial advisor retained by the Company in connection with the Merger Conversion, as the case may be.

SECTION 4.02. Additional Capital Contributions. (a) General. Subject to Section 4.06, at any time that the Board of Directors determines that the Company needs additional capital, the Board of Directors may cause the Company to offer (each, an "Initial Offer") all Members (and if such offer is made to any Member, it shall be offered to all Members) the opportunity to make additional Capital Contributions, in proportion to their Percentage Interests, providing each Member until 5:00 p.m., Eastern Time, on the 10th Business Day following the day on which such Initial Offer is given to accept or decline in writing such Initial Offer. The Initial Offer shall set forth the terms of the additional Capital Contributions, including the total amount of capital to be raised, the date on which such Capital Contributions will be payable and the proposed uses of the proceeds. Upon the expiration of such ten Business Day period, the Company shall offer (each, a "First Additional Offer") to each Member who has properly given notice of its acceptance of the immediately preceding Initial Offer, the opportunity to make further additional Capital Contributions, in proportion to their respective Percentage Interests, in respect of any Member or Members who failed to timely accept in writing such Initial Offer. Each such Member shall have until 5:00 p.m., Eastern Time, on the second Business Day following the day on which such First Additional Offer is given to accept or decline in writing such First Additional Offer. Upon expiration of such two Business Day Period, the Company shall offer (each, a "Second Additional Offer") to each Member who has properly given notice of its acceptance of the immediately preceding First Additional Offer, the opportunity to make further additional Capital Contributions, in proportion to their respective Percentage Interests, in respect of any Member or Members who failed to timely accept in writing such First Additional Offer made to it. Each Member receiving a Second Additional Offer shall have until 5:00 p.m., Eastern Time, on the second Business Day following the day on which such Second Additional Offer is given to accept or decline in writing such Second Additional Offer. AAH shall have the right to make Capital Contributions in respect of any Member who failed timely to accept in writing any Initial Offer, unless and except to the extent that such Capital

Contributions are made by any other Member that shall have accepted a First Additional Offer or Second Additional Offer. To the extent, if any, that AAH does not fully exercise the right referred to in the immediately preceding sentence, the Board of Directors may, in its sole discretion, offer any third party the right to contribute capital to the Company in an amount not greater than the difference between (i) the amount of capital that was the subject of the applicable Initial Offer and (ii) the amount of capital that all Members agreed to contribute to the Company in respect of such Initial Offer (including pursuant to any First Additional Offer or Second Additional Offer, AAH's exercise of all its rights to make Capital Contributions).

(b) Adjustment of Percentage Interests; Rules of Application. In the event that any additional Capital Contribution is not made in proportion to each Member's Percentage Interest in the Company, the Members' Percentage Interests in the Company will be adjusted proportionally by the Board of Directors so as to reflect such additional Capital Contributions, all prior Capital Contributions made by the Members, all prior distributions made to the Members (other than pursuant to Section 6.01(c)(iv)), the Members' initial Capital Accounts and any other relevant factors (but after giving effect to any other adjustments to the Members' Percentage Interests made pursuant to this Agreement), and Schedule II hereof will be amended to reflect the Percentage Interests of the Members, as determined after giving effect to such factors. If a Dealer makes any additional Capital Contributions pursuant to this Section 4.02, the portion of such Dealer's Percentage Interest related to such additional Capital Contributions will not be subject to adjustment under Section 4.04 below. In the event additional Capital Contributions are made by the Members pursuant to this Section 4.02, the Board of Directors shall amend this Agreement so that Carried Interests and any other comparable interests in the Company's profits held by and intended to provide incentives for the Company's management are not applied to distributions in respect of such additional Capital Contributions until such time as the Members shall have received cumulative distributions pursuant to Section 6.01(b)(i) in respect of such additional Capital Contributions in an amount equal to the amount of such additional Capital Contributions plus an 8% per annum cumulative, compounded return thereon. All such additional Capital Contributions shall be payable in cash on such date as set forth in the notice of the applicable Initial Offer. No Member shall have any right to contribute capital to the Company except as set forth in this Section 4.02.

SECTION 4.03. Withdrawal of Capital; Limitation on Distributions; Resignation. No Member shall be entitled to withdraw any part of such Member's Capital Account or, except as provided in Sections 6.01 and 12.02, to receive any other distributions from the Company, and no Member shall be entitled to demand or receive (i) interest on such Member's Capital Account or (ii) any property from the Company other than cash. No Member may withdraw from the Company without the prior written consent of the Board of Directors.

SECTION 4.04. Percentage Interest Adjustment. (a) General. In order to provide an economic incentive to the Dealers to maximize the performance of their respective affiliated Platform Groups after the Roll-Up Date, (i) as soon as practicable after (A) the date on which audited Fiscal Year-end financial statements of the Company for the 2000 Fiscal Year are available and (B) the date on which audited Fiscal Year-end financial statements of the Company for each subsequent Fiscal Year are available and (ii) if the IPO is not consummated in the 2000 Fiscal Year, immediately prior to the consummation of any IPO, except as otherwise provided in Section 4.02(b) with respect to additional Capital Contributions, the Percentage Interest of each Dealer will be subject to upwards or downwards adjustment as appropriate to reflect the relative performance of such Dealer's affiliated Platform Group as compared to the performance of the Platform Groups as a whole for the period beginning on October 1, 1999 (or, with respect to the second adjustment hereunder and any subsequent adjustments hereunder, from the effective date of the most recent adjustment) to the adjustment date. Such adjustments will be determined pursuant to the formula set forth on Schedule III. Each adjustment of Percentage Interests pursuant to this Section 4.04 will be effective (i) with respect to annual adjustments, as of the day after the last date covered by the most recent audited Fiscal Year-end financial statements and (ii) with respect to an adjustment in connection with any IPO, as of the last day of the month preceding the date of the preliminary prospectus distributed to prospective investors for the IPO. Adjustments shall be determined with respect to each Dealer for each Applicable Period (as defined in Schedule III), including any Applicable Periods beginning after the date on which a Dealer Transfers all or a portion of its Interest. The initial Applicable Period shall start on October 1, 1999 and shall be comprised of the 15 month period ending December 31, 2000; provided that if the IPO is consummated during the 2000 Fiscal Year, there shall be no adjustment pursuant to this Section 4.04(a). Upon each adjustment of Percentage Interests pursuant to this Section 4.04, the

Board of Directors shall cause Schedule II hereof to be amended to reflect each Member's Percentage Interest, as determined after giving effect to such adjustment.

(b) Record of Percentage Interests; Notification of Adjustment. The Company shall at all times maintain a written record of each Member's current Percentage Interest, and shall provide a written notification to each Dealer of such Dealer's then-current Percentage Interest and a detailed calculation showing the manner in which such Percentage Interest was calculated within five Business Days of any Percentage Interest adjustment pursuant to Section 4.04(a). Any such written notification shall be treated in all respects like a written statement of Percentage Interests in accordance with the provisions of Section 4.05. The Percentage Interest of each Dealer as determined pursuant to Section 4.04(a) shall be binding and conclusive upon all parties hereto in the absence of fraud or manifest error.

SECTION 4.05. Statements of Percentage Interest. Within five Business Days after the written request of any Member, the Company shall provide to such Member a written statement of such Member's Percentage Interest as of the time the Company makes such written statement. Pursuant to the Act, no such written statement shall be deemed to be a certificated security, a negotiable instrument, a bond or a stock, and no such written statement shall be a vehicle by which any transfer of any Member's Interest may be effected.

SECTION 4.06. Issuance of Additional Interests. (a) Issuances in Connection with Acquisitions. The Board of Directors may, in connection with any acquisition of any retail automobile or truck dealership or any other asset to be used in the Company's business, cause the Company to issue Interests to the seller or sellers thereof, or to a third party or parties financing such acquisition (each, a "Third Party Investor"), and such seller or sellers or Third Party Investor or Third Party Investors shall thereupon be admitted as Members of the Company, in each case without the consent of any Member.

(b) Issuances to Senior Management Employees. The Board of Directors may, in connection with the hiring or compensation of any senior management employee of the Company (or any subsidiary of the Company), cause the Company to issue Interests (or options to acquire Interests) to any such employee, and, upon the acquisition of such Interest, such employee shall be admitted as a Member of the Company, in each case without the consent of any Member. The Members anticipate that Interests (or options to acquire

Interests) will be issued to senior management employees of the Platform Groups in such amounts and on such other terms as are reasonable and intended to provide such employees with incentives to maximize the Company's profits.

(c) Terms of Issuances Pursuant to This Section 4.06. Any issuance of Interests pursuant to paragraphs (a) or (b) of this Section 4.06 may be on such terms and conditions as the Board of Directors in its sole discretion determines, including the Percentage Interest associated with such Interests and the entitlement of the person to whom such Interests are issued to distributions under Section 6.01(b)(ii); provided, however, that any such issuance of Interests shall have the same relative effect on all the then existing Members (including AAH), (x) except for such differences as are necessary to reflect, pro rata, the differences in such then existing Members' Percentage Interests and (y) except for the effect on the Carried Interests of Members entitled to Carried Interests. In connection with any such issuance of Interests, the Members' Percentage Interests in the Company will be adjusted so as to reflect such issuance, and Schedule II hereof will be amended to reflect the Percentage Interests of the Members and the "Initial Capital Accounts" of any new "Members". No issuance of Interests pursuant to Section 4.06(a) shall adversely affect the rights and obligations of the then existing Members with respect to the Carried Interests and any other comparable interests in the Company's profits held by and intended to provide incentives for the Company's management.

SECTION 4.07. Determination of Book Value of Company Assets. (a) Book Value. The initial "Book Value" of any Company asset as of the Roll-Up Date (taking into account the adjustment in connection with the Roll-Up Transaction described in Section 4.01(b)) shall be its fair market value on the Roll-Up Date as determined in good faith by the Board of Directors; provided, however, that in the case of the assets included within any Platform Group appraised by Houlihan, Lokey, Howard & Zukin pursuant to Section 2.04 of the Transfer and Exchange Agreement, the initial Book Values of such assets shall be consistent with the value of such Platform Group set forth in such appraisal, as adjusted by the Board of Directors to reflect any adjustments described in Sections 2.04(b), 2.04(c), or 2.04(d) and as amended pursuant to Section 7.03 of the Transfer and Exchange Agreement.

(b) Adjustment. The Book Values of all of the Company's assets shall be adjusted by the Company to equal their respective fair market values, as determined in good

faith by the Board of Directors (taking into account, if applicable, the valuation referred to in clause (ii) of the proviso in Section 4.01(b)), upon the occurrence of any adjustment of the Capital Accounts of Members pursuant to Section 4.01(b).

(c) Depreciation and Amortization. The Book Values of the Company's Assets shall be adjusted as appropriate to reflect any depreciation and amortization in accordance with the principles for determining the Net Profits and the Net Losses of the Company.

ARTICLE V

Allocations

SECTION 5.01. Allocation of Net Profits and Net Losses. (a) Net Profits. Subject to Section 5.02, the Net Profits of the Company for each Fiscal Year (or portion thereof) shall, after giving effect to all Capital Account adjustments attributable to contributions and distributions (other than any liquidating distributions) made with respect to such year, be allocated among the Members as follows:

(i) first, to the Members, if any, with negative MG Capital Account balances in an amount up to such Members' aggregate negative MG Capital Account balances, in proportion to their respective negative MG Capital Account balances;

(ii) second, to the Members in the amounts and proportions necessary to cause their respective MG Capital Account balances (as adjusted to reflect any allocations for such year pursuant to Section 5.02) to equal their respective Target Amounts as of the end of such year; and

(iii) third, to the Members in accordance with their respective Percentage Interests.

(b) Net Losses. Subject to Section 5.02, the Net Losses of the Company for each Fiscal Year (or portion thereof) shall, after giving effect to all Capital Account adjustments attributable to contributions and distributions (other than any liquidating distributions) made with respect to such year, be allocated among the Members as follows:

(i) first, to the Members with MG Capital Account balances (as adjusted to reflect any allocations for such year pursuant to Section 5.02) in excess of their

respective Target Amounts, to the extent of and in proportion to such excess amounts;

(ii) second, to the Members with positive MG Capital Account balances (as adjusted to reflect any allocations for such year pursuant to Section 5.02) pro rata to the extent of their respective MG Capital Account balances; and

(iii) third, to the Members in accordance with their respective Percentage Interests.

SECTION 5.02. (a) Code Section 704(b) Allocations. Notwithstanding any other provisions of this Agreement, special allocations of Net Income, Net Loss or specific items of income, gain, loss or deduction may be required for any Fiscal Year (or portion thereof) as follows:

(i) Minimum Gain Chargeback. The Company shall allocate items of Company income and gain among the Members at such times and in such amounts as necessary to satisfy the minimum gain chargeback requirements of Treasury Regulation Sections 1.704-2(f) and 1.704-2(i)(4).

(ii) Allocation of Deductions Attributable to Member Nonrecourse Liabilities. Any Nonrecourse Deductions attributable to a Member Nonrecourse Debt shall be allocated among the Members that bear the economic risk of loss for such Member Nonrecourse Debt in accordance with the ratios in which such Members share such economic risk of loss and in a manner consistent with the requirements of Treasury Regulation Sections 1.704-2(c), 1.704-2(i)(2) and 1.704-2(j)(1).

(iii) Qualified Income Offset. The Company shall specially allocate Net Loss and items of income and gain when and to the extent required to satisfy the "qualified income offset" requirement within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(d).

(b) Special Allocation upon Disposition of Assets. If any Member has received any distribution pursuant to Section 6.01(c)(iv) hereof, then upon the occurrence of any event described in Sections 8.01, 8.02 or 8.04 or any other disposition of all or substantially all of the Company's assets, then notwithstanding Section 5.01 hereof, the gain, if any, arising from such event or disposition shall be allocated (i) first, to each such Member to the extent of the product of (x) the total distributions received by such Member pursuant to Section

6.01(c)(iv) hereof and (y) 5/9 ths and (ii) second, in accordance with Section 5.01 hereof.

SECTION 5.03. Tax Allocations. (a) The income, gains, losses and deductions recognized by the Company shall be allocated among the Members, for United States Federal income tax purposes, to the extent permitted under the Code and the Treasury Regulations, in the same manner that the corresponding items are allocated to the Members pursuant to Section 5.01 and 5.02. Except as otherwise provided below, when the Book Value of a Company asset (including the assets of the Platform Groups that were indirectly contributed) differs from its basis for Federal or other income tax purposes, solely for purposes of the relevant Tax and not for purposes of computing Capital Account balances, income, gain, loss, deduction and credit shall be allocated among the Members in accordance with Section 704(c) of the Code and the Treasury Regulations promulgated thereunder, using the method selected by the Tax Matters Partner.

(b) Notwithstanding the foregoing, any Company asset with respect to which the items of income, gain, loss, deduction and credit were required pursuant to the organizational document which governed the Platform Group from which such asset was acquired (or, in the case of any asset owned by the Company prior to the Roll-Up Date, pursuant to the Prior LLC Agreement) to be allocated for Tax purposes in accordance with the method set forth in Section 1.704-3(b) or 3(c) of the Treasury Regulations shall continue to be subject to allocations for Tax purposes in accordance with such method in respect of the difference, if any, between the book value of the Company asset in the hands of such Platform Group immediately before the Roll-Up Date and its basis for Federal income tax purposes at such time.

SECTION 5.04. Partial Year Allocations. For purposes of determining the Net Profits, Net Losses and the items of income, gain, loss and deduction allocable to each Member:

(a) With respect to the Fiscal Year in which the Roll-Up Transaction occurs, allocations for the portions of such Fiscal Year occurring before and after the Roll-Up Transaction shall be determined on the basis of an interim closing of the Company's books.

(b) If the Percentage Interest of any Member is adjusted pursuant to Section 4.04 hereof during any Fiscal Year, then allocations for the portions of such Fiscal Year occurring before and after such adjustment shall be

determined on the basis of an interim closing of the Company's books.

(c) Any other partial year Tax allocations shall be made on the basis of an interim closing of the Company's books or a daily proration, as determined by the Tax Matters Partner, when required by a short Fiscal Year of the Company, the entry or withdrawal of a Member, the Transfer of any Interests by or to a Member or for any other reason determined by the Tax Matters Partner.

ARTICLE VI

Distributions

SECTION 6.01. Distributions. (a) Generally. Except as set forth in Section 6.01(c) or (d), distributions shall be made at such time and in such amounts as determined by the Board of Directors and shall be made among the Members in cash or other property in amounts determined by the procedures set forth in Section 6.01(b).

Notwithstanding any provision to the contrary contained in this Agreement, (i) the Company shall not make a distribution to any Member on account of its Interest if such distribution would violate the Act or other applicable law and (ii) the Company shall not be required to distribute any amount to the extent that the Company could be subject to any liability to refund or repay such amount or any liability arising out of the event giving rise to such amount except to Members who have agreed to assume such liability to the extent of the amount to be distributed in connection with such event.

(b) Distribution Amounts. Subject to Section 6.01(c), any amounts to be distributed to Members pursuant to Section 6.01(a) shall be distributed among the Members in accordance with the following order of priority:

(i) first, such distribution shall be apportioned and distributed to each Member in accordance with its respective Percentage Interest until the cumulative distributions pursuant to this Section 6.01(b)(i) are equal to the Return Target; and

(ii) second, the balance of such distribution shall be apportioned to each Member in accordance with their respective Percentage Interests and:

(A) the amount so apportioned to Gibson FP shall be distributed to Gibson FP and the amount

so apportioned to Kendrick shall be distributed to Kendrick; and

(B) the amount so apportioned to any Member other than Gibson FP and Kendrick shall be distributed to Gibson FP in accordance with the Gibson Percentage, to Kendrick in accordance with the Kendrick Percentage and to such Member in accordance with the Residual Percentage.

(c) Tax Distributions. (i) Notwithstanding Section 6.01(a), the Company shall, as soon as practicable after the close of each Fiscal Year, make pro rata cash distributions to all Members, regardless of their tax status, in accordance with their respective Percentage Interests, in amounts intended to enable each Member (or, in the case of a Member that is a flow-through entity, the direct or indirect owners of such Member) to discharge its aggregate federal, state and local income Tax liability arising from the allocations of taxable income made to them pursuant to Article V for such Fiscal Year (other than any Atlanta Recapture Taxes (as defined in Section 6.01(c)(iv))). The amount distributable pursuant to this Section 6.01(c)(i) shall be determined by the Board of Directors in its reasonable discretion, using a uniform Tax rate for each Member equal to the maximum combined effective federal, state and local tax rate for an individual resident in California, Connecticut, New York State/New York City or Pennsylvania (whichever is highest) for each applicable type of income and otherwise taking into account such other relevant factors and simplifying assumptions (other than with respect to the amount of taxable income allocable by the Company to the Members) as the Board of Directors reasonably determines to be appropriate for purposes of estimating the Tax liabilities of the Members. Notwithstanding the foregoing, to the extent, if any, that the Board of Directors reasonably determines that the distributions pursuant to this Section 6.01(c), if made, would cause the Company to be or remain in default under any agreements with lenders or motor vehicle manufacturers (despite commercially reasonable efforts by the Company to obtain consents or amendments necessary to permit such Tax distributions), the Company shall be relieved of its obligations to make such distributions while and to the extent that such conditions continue to exist.

(ii) The Board of Directors shall make quarterly advances of distributions described in Section 6.01(c)(i) in order to facilitate payment of estimated Taxes by the Members for each Fiscal Year. If the aggregate amount so advanced to a Member in respect of a Fiscal Year is greater

than the distribution to which such Member is entitled under Section 6.01(c)(i) in respect of such Fiscal Year, then such Member shall repay to the Company the amount of such excess distribution within 60 days after the Board of Directors determines the amount thereof. Alternatively, the Board of Directors may, at any time, cause the Company to reduce the amount of distributions otherwise payable to such Member under Section 6.01(a) by the amount of such excess distribution.

(iii) Notwithstanding the foregoing, no Member shall be entitled to receive any distribution pursuant to Sections 6.01(c)(i) or 6.01(c)(ii) with respect to any Fiscal Year to the extent, if any, that such Member has previously received distributions pursuant to Section 6.01(a) with respect to such Fiscal Year. Any distribution made to a Member pursuant to Sections 6.01(c)(i) or 6.01(c)(ii) will for all purposes of this Agreement be treated as an advance against, and shall reduce, any future distribution which such Member would otherwise be entitled to receive under Section 6.01(b), 6.01(d), 8.02 or 8.04.

(iv) If, in preparation for an IPO, the Company elects to change the method of inventory accounting for tax purposes used with respect to the business of Asbury Automotive Atlanta, L.L.C. ("Atlanta") or takes any action in connection with any IPO or Merger Conversion or takes any action in violation of Section 10.04(c) hereof which action results in the Company being required to change such method, and, as a result, any person that was a direct or indirect member of Atlanta prior to the Roll-Up Date (other than AAH or any Affiliate thereof) (an "Atlanta Dealer") is or will be required to pay any additional Taxes that such person would not have been required to pay but for such change in method of inventory accounting (the amount of which additional Taxes being determined in accordance with the principles set forth in the second sentence of Section 6.01(c)(i) but applying tax rates in effect with respect to residents of Atlanta, Georgia for the taxable period) (such additional Taxes, "Atlanta Recapture Taxes"):

(A) the Company shall, at the time contemplated by Section 6.01(c)(i) but subject to the limitations contained in the last sentence of Section 6.01(c)(i), make a cash distribution to each Atlanta Dealer (or if such Atlanta Dealer is an indirect member of the Company, to the Member or Members of the Company with respect to which such Atlanta Dealer's Atlanta Recapture Taxes arise) in an amount equal to the Atlanta Recapture Taxes incurred by such Atlanta Dealer; provided, however, that the aggregate amount distributable directly or indirectly to all Atlanta Dealers

pursuant to this Section 6.01(c)(iv) shall not exceed $4.5 million; and

(B) upon the occurrence of any transaction described in Section 8.01, 8.02 or 8.04, the number of shares of Newco stock otherwise distributable directly or indirectly to each Atlanta Dealer shall be ratably reduced by a number of shares equal to (1) the product of (x) the amount of cash that was directly or indirectly distributed by the Company to such Atlanta Dealer pursuant to this Section 6.01(c)(iv) and (y) 4/9 ths divided by (2) the per share price of the Newco common stock in the IPO; and the aggregate number of shares determined pursuant to the preceding formula with respect to all Atlanta Dealers shall be distributed to other Members of the Company in proportion to the number of shares otherwise distributable to such other Members so that no such shares will be received, directly or indirectly, by Atlanta Dealers (in addition to the number of shares that such Members who are not Atlanta Dealers (or owned directly or indirectly thereby) would otherwise have been entitled to receive pursuant to Section 8.02 or 8.04); provided, however, that solely for purposes of Section 8.02, the Capital Account of each Member that received distributions pursuant to Section 6.01(c)(iv)(A) shall be increased proportionately by the product, if any, of (x) and (y), above, determined with respect to such Member (or the direct or indirect owners thereof).

(C) In the event that a transaction described in Section 8.01, 8.02 or 8.04 does not occur, then, notwithstanding any provision in this Agreement to the contrary and in recognition of the reduction in the Atlanta Dealers' respective Capital Accounts as a result of distributions pursuant to Section 6.01(c)(iv)(A), the Members acknowledge and agree that the amount otherwise directly or indirectly distributable to the Atlanta Dealers pursuant to Section 6.01(d) shall be reduced by the product described in clause (1) of Section 6.01(c)(iv)(B) and the allocations pursuant to Article V shall be adjusted as determined by the Board of Directors to be appropriate to effectuate such result.

(d) Notwithstanding any other provision of this Agreement (other than Sections 6.01(c)(iv)(C), 8.02 and 8.04), all amounts distributed in connection with the sale or other disposition of all or substantially all the assets of the Company or the dissolution, winding-up or liquidation of the Company shall be distributed to Members in accordance with their respective Capital Account balances, as adjusted for all Company operations up to and including the date of such distribution, pursuant to Section 12.02(b).

SECTION 6.02. Repayment of Funds. Except as otherwise may be provided by law, Section 6.01(a)(ii), Section 6.01(c)(ii) or 6.03, no Member shall be required to repay to the Company any funds distributed to it pursuant to this Agreement.

SECTION 6.03. Withholding. Notwithstanding any other provision of this Agreement, the Company is authorized to take any and all actions that are determined by it to be necessary or appropriate to insure that the Company satisfies any and all withholding and Tax payment obligations under the Code or other applicable law. Without limiting the generality of the foregoing, the Company may withhold any amount that it determines is required to be withheld from any amount distributable to any Member pursuant to this Article VI; provided, however, that such amount shall be deemed to have been distributed to such Member for all purposes of this Agreement. In the event that the Company withholds or pays Tax in respect of any Member for any period in excess of the amount of cash otherwise distributable to such Member for such period pursuant to this Agreement (or there is a determination by any taxing authority that the Company should have withheld or paid any Tax for any period in excess of the Tax, if any, that it actually withheld or paid for such period) and the Company pays the amount of such additional Tax, such excess amount (or such additional amount) shall be treated as a recourse loan to such Member that shall bear interest at the Prime Rate plus 5% (but in no event more than the highest lawful rate).

ARTICLE VII

Transfers of Interests; Tag-Along/ Drag-Along Rights; Purchase of Interests Upon Termination of Employment; Options to Purchase Interests

SECTION 7.01. Transfers of Interests in the Company. (a) Generally. (i) No Member may Transfer all or any portion of its Interest (or any beneficial interest therein) unless (A) such Transfer is in accordance with this Article VII or Article VIII, (B) the Transferor gives the Company not less than 10 Business Days prior written notice of such Transfer (unless greater prior notice is required by this Agreement, in which case the Transferor shall give such greater notice), (C) all required consents of motor vehicle manufacturers, as shall be determined by the Board of Directors, have been obtained and (D) except for a Transfer in accordance with the first sentence of Section 7.01(c)(iv)

or Article VIII, the Transferee executes and delivers a counterpart of the signature page of this Agreement (or other appropriate assumption agreement) and any other agreements, documents or instruments as the Company may reasonably require. The parties will cooperate to obtain any motor vehicle manufacturer consents that may be required for any Transfer pursuant to this Article VII. Any Transfer made in violation of this Section 7.01(a) shall be null and void and shall be subject to paragraph (d) of this Section 7.01.

(ii) Whenever a Transfer or purchase (other than any Transfer or purchase pursuant to Section 7.01(c)(i) or (iv)) is to be consummated by any person on a specified date under this Article VII, such Transfer or purchase shall take place at 10:00 a.m. on such date (or, if such date is not a Business Day, the next following Business Day) at the New York offices of Cravath, Swaine & Moore or at such other time, date and place as the Company and the parties to the transaction may agree. The consideration for such Transfer or purchase shall be paid by delivery to the Transferor of a certified or bank check made payable to such Transferor or by wire transfer in immediately available funds to a bank account designated by such Transferor, as the parties to such transaction may agree, against due execution and delivery of the agreements, documents and instruments specified in Section 7.01(a)(i)(C) and of such other agreements, documents and instruments as the Board of Directors or the parties to such transaction may reasonably require.

(iii) Upon compliance with the requirements of Section 7.01(a), each Transferee of an Interest shall have all of the economic rights, and shall be subject to the restrictions and obligations, of its Transferor hereunder to the extent specified in the agreements or instruments between the parties, and shall succeed to the portion of the Transferor's Percentage Interest (including any adjustment thereto pursuant to Section 4.04(a) effected after the date of such Transfer), Capital Account and the portion of such Transferor's Minimum Gain attributable thereto. Such Transferee shall be admitted as a Member only with the prior written consent of the Board of Directors in its sole discretion; provided, however, that any Transferee pursuant to Sections 7.01(b), 7.01(c)(i), 7.01(c)(iii), 7.02 or 7.03 shall, upon request to the Company of the applicable Transferor or Transferee, be admitted as Member without the prior consent of any person. If a Transferor has Transferred its entire Interest in the Company pursuant to this Article VII and the Transferee is admitted as a Member,

immediately following such admission, such Transferor shall cease to be a Member.

(b) Transfers by AAH. Subject to Section 7.01(a) and, with respect to a Transfer to any person other than a Permitted Transferee of AAH, Section 7.02, AAH (and its Permitted Transferees) shall have the right to Transfer at any time all or any portion of its Interest (including any beneficial interest therein) to any person without the prior consent of any person.

(c) Transfers by Other Members. (i) Subject to Sections 7.01(a) and 7.01(e), each Member shall have the right to Transfer at any time all or any portion of its Interest (including any beneficial interest therein) to any Permitted Transferee of such Member without the prior consent of any person.

(ii) Prior to the fifth anniversary of the date of this Agreement, no Member other than AAH (or AAH's Permitted Transferees) shall have the right to Transfer all or any portion of its Interest (including any beneficial interest therein) to any person except (A) in accordance with Sections 7.01(a) and 7.01(e) and pursuant to Section 7.01(c)(i) or (iv), Section 7.02, Section 7.03, Section 7.04 or Article VIII or (B) with the prior written consent of the Board of Directors in its sole discretion.

(iii) On and after the fifth anniversary of the date of this Agreement, each Member other than AAH (or AAH's Permitted Transferees) shall have the right to Transfer at any time all or any portion of its Interest (including any beneficial interest therein) in accordance with Section 7.01(a), subject to this Section 7.01(c)(iii) and Section 7.01(e). If such a Member proposes to Transfer all (or any portion) of its Interest other than pursuant to Section 7.01(c)(i) or (iv), Section 7.02, Section 7.03, Section 7.04 or Article VIII and such Member has identified a Third Party Purchaser for such Interest (or such portion), such Member shall deliver to AAH a notice setting forth in reasonable detail:

(A) the name and business background of the Third Party Purchaser;

(B) the amount and form of the prospective purchase price of such Interest (or such portion);

(C) all other material terms and conditions of the proposed Transfer;

(D) such Member's offer, irrevocable by its terms for 15 days following the date such notice is delivered (the "Offer Date"), to sell to AAH such Interest (or such portion) for a purchase price, in cash, equal to the price to be paid by such Third Party Purchaser and on such other terms and conditions not less favorable to AAH than those offered by such Third Party Purchaser; provided that if the prospective purchase price is to be paid in non-cash consideration, the Board of Directors in good faith shall determine the fair market value of such non-cash consideration in accordance with Section 7.06(c) and AAH shall be offered the right to purchase such Interest for a cash purchase price equal to such fair market value; and

(E) closing arrangements and a closing date (the "Scheduled Closing Date") not less than 30 nor more than 60 days following the Offer Date, for any purchase that may be effected by AAH pursuant to this Section 7.01(c)(iii); provided that such time period may be extended to the extent necessary to resolve any dispute regarding the fair market value of non-cash consideration in accordance with Section 7.06(c).

Acceptance of an offer pursuant to this Section 7.01(c)(iii) shall be evidenced by a notice signed by AAH and delivered to the Transferring Member prior to the expiration of the subject offer to AAH. Upon delivery, such acceptance shall constitute a binding commitment to purchase the Interest (or such portion); provided, however, that AAH may assign its rights under this Section 7.01(c)(iii) to any person. In the event that no acceptance is given or acceptance is given but AAH fails (without fault of the Member proposing to Transfer all (or any portion) of its Interest) to consummate the purchase of such Interest (or such portion) by the Scheduled Closing Date or, solely if necessary to obtain any consent of motor vehicle manufacturers to such purchase, by the date that is 120 days following the Scheduled Closing Date, then, without prejudice to such Member's rights against AAH, such Interest (or such portion) may be sold to (but only to) the identified Third Party Purchaser within 45 days from the expiration of such offer by such Member to AAH (or the failure of AAH to consummate the purchase of such Interest); provided, however, that such sale shall be upon terms and conditions not more favorable to such Third Party Purchaser than those set forth in such Member's offer to AAH and provided further that such sale may be postponed for up to an additional 120 days solely if necessary to obtain any consent of motor vehicle manufacturers to the sale. If at the end of such period, such Member shall not have completed the sale of such Interest (or such portion),

it shall no longer be permitted to sell such Interest without again fully complying with the provisions of this Section 7.01(c)(iii).

(iv) In addition, with the written consent of the Board of Directors, which shall not be unreasonably withheld, and subject to Sections 7.01(a) and 7.01(e), each Member may pledge all or any part of such Member's Interest as security for the payment or performance of recourse debts or recourse obligations of such Member and to assign all or any part of such Member's rights to share in the profits and losses of the Company, to receive distributions and to receive allocations of income, gain, loss, deduction, credit or similar items to which the Member is entitled (collectively, "Economic Rights"). A secured party foreclosing on its security interest in any Interests pledged to it in compliance with this Section 7.01(c)(iv) shall be treated as an assignee of all of the Economic Rights of the pledging Member, without the need for approval of such assignment by the Board of Directors, and the pledging Member shall cease to have the right to exercise any rights as a Member upon the effectiveness of such transfer in foreclosure; provided, however, that the secured party (A) shall execute and deliver a counterpart of the signature page of this Agreement (or other appropriate assumption agreement) and any other agreements, documents or instruments as the Company may reasonably request and (B) shall not become a Member (or have any of the rights of Members other than Economic Rights) unless and until such secured party is admitted as a Member with the consent of the Board of Directors pursuant to Section 7.01(a); and provided further, however, that any such foreclosure shall be subject to Section 7.01(e).

(d) Involuntary and Impermissible Transfers. If an Involuntary Transfer or a Transfer in violation of this Agreement shall occur with respect to any Member other than AAH and such Transfer has not been cured within 30 days after notice has been given by AAH to the Transferor or the Transferee, AAH shall have the right, exercisable by delivery of written notice to such Transferee within 90 days following the earlier to occur of (x) AAH's receipt of notice of such event from the Transferor or (y) AAH's obtaining actual knowledge of such event from any other source, to purchase all of the Interest acquired directly or indirectly by such Transferee at a purchase price equal to the Fair Market Value thereof, determined in good faith by the Board of Directors as of the date of such event. The closing date of any purchase described in this Section 7.01(d) shall be on the 30th day after a determination of the Fair Market Value of the Interest to be

purchased is made, provided that such purchase may be postponed by AAH for up to an additional 120 days solely if necessary to obtain any consent of a motor vehicle manufacturer to the purchase.

(e) Publicly Traded Partnership. Notwithstanding anything in this Agreement, in order to avoid the treatment of the Company as a "publicly traded partnership" within the meaning of Section 7704 of the Code, (i) unless waived in writing by the Tax Matters Partner in its sole discretion, no Transfer of all or any part of a Member's Interest may be made if such Transfer would result in the Company having more than 100 members (as determined in accordance with Treasury Regulation Section 1.7704-1(h)) and (ii) no Transfer, or attempted Transfer, of all or any part of a Member's Interest may be made through the facilities of any "established securities market" or any "secondary market" (as such terms are defined for purposes of Section 7704(b) of the Code).

SECTION 7.02. Tag-Along Rights. Subject to Sections 7.01(a), if AAH desires to Transfer all (or any portion) of its Interest to a prospective Transferee (or Transferees) other than to a Permitted Transferee of AAH or pursuant to Section 8.01, AAH shall, as a condition to such Transfer, (i) provide a notice to all other Members in writing (a "Tag-Along Notice") of the material terms of the proposed Transfer at least 30 days prior to such Transfer and (ii) permit all other Members (or cause all other Members to be permitted) to sell (either to the prospective Transferee of AAH's Interest or to another financially reputable Transferee reasonably acceptable to such other Members) the same portion of their respective Interests at the same relative price (taking into consideration the size and type of Interest of each such other Member, but without applying any discount due to any Member's lack of control with respect to the Company) in the same form of consideration and otherwise on substantially similar terms as the sale by AAH, which sale shall take place on the date AAH's Interest (or such portion) is Transferred to such Transferee (or Transferees). Each Member shall have 15 days from the date of receipt of a Tag-Along Notice to exercise its right to sell pursuant to clause (ii) above by delivering written notice to AAH of its intent to exercise such right. The right of the Members to sell pursuant to the above provisions shall terminate if not exercised within such 15-day period. Each Member electing to exercise its right to sell pursuant to the above provisions shall share, on a pro rata basis (based on the relationship the sale price for the Interests being sold by such Member bears to the aggregate sale price for all Interests being sold to

such Transferee), the legal, investment banking and other expenses of AAH incurred in connection with such Transfer, other than any expenses payable to AAH or to any Affiliate of AAH or the Company.

SECTION 7.03. Drag-Along Rights. If at any time AAH desires to Transfer all (or any portion) of its Interest in accordance with Section 7.01(a) to any Third Party Purchaser (or Third Party Purchasers), AAH shall have the right to require that all other Members Transfer the same portion of their respective Interests to such Third Party Purchaser (or Third Party Purchasers) at the same relative price (taking into consideration the size and type of Interest of each such other Member, but without applying any discount due to any Member's lack of control with respect to the Company) in the same form of consideration and otherwise on substantially similar terms as the sale by AAH. AAH shall provide a notice to the Company in writing (the "Drag- Along Notice") of such sale at least 30 days prior to the date of closing thereof, and the Drag-Along Notice shall identify such Third Party Purchaser (or Third Party Purchasers), all material terms of the sale and the date of closing. The Company shall promptly notify each Member (other than AAH) of its receipt of the Drag-Along Notice. Upon the closing of any sale by AAH of all (or such portion) of its Interest as described in a Drag-Along Notice, such Third Party Purchaser (or Third Party Purchasers) shall pay to each Member the consideration payable to such Member in connection with such sale of all (or such portion) of the Interests of such Member to such Third Party Purchaser (or Third Party Purchasers), net of such Member's proportionate share (based on the relationship the sale price for the Interests being sold by such member bears to the aggregate sale price for all Interests being sold to such Transferee) of the legal, investment banking and other expenses of AAH incurred in connection with such sale, other than any expenses payable to AAH or to any Affiliate of AAH or the Company, and the Interests (or such portion) of all such Members shall be deemed Transferred to such Third Party Purchaser (or Third Party Purchasers).

SECTION 7.04. Purchase of Interests Upon Termination of Employment. (a) Generally. (i) Upon the termination of employment with the Company or any of its subsidiaries of any Management Employee for any reason, the Company shall have an option to purchase all (or any portion) of the Interest held directly or indirectly by (x) such Management Employee (or, if such Management Employee's employment was terminated by death, such Management Employee's estate) and (y) each Permitted Transferee of such Management Employee (other than a

Permitted Transferee that is a Management Employee or an entity wholly owned by a Management Employee, provided such Management Employee is an executive officer of the Company or a Platform Group) (all such Interests being referred to as the "Callable Interests"), at a purchase price equal to the Fair Market Value of such Interest (or such portion) as of the date of such termination of employment (or, in the event such purchase is postponed pursuant to Section 7.04(b)(ii), as of the date of the purchase by the Company of such Interest (or such portion)), as determined by the Board of Directors in its good faith judgment in accordance with Section 7.06, increased by the sum of all Capital Contributions, and decreased by the sum of all distributions, made in respect of such Interest (or such portion) after such termination date through the date on which the notice required by the following sentence is given by the Company. The Company shall have three months from such termination date (such three-month period being referred to as the "Option Period") during which to give notice in writing to such Management Employee (or such Management Employee's estate) of its election to exercise or not to exercise such option (an "Exercise Notice"). Except as otherwise provided in Section 7.04(b), such Management Employee shall have no rights of any kind as a Member under this Agreement with respect to the Callable Interests after an Exercise Notice is given, including rights to make Capital Contributions or to receive distributions. Subject to Section 7.04(b), the completion of a Transfer pursuant to this Section 7.04(a)(i) shall take place on the 20th Business Day following the date of receipt by the Management Employee (or his or her estate and, if applicable, his or her Permitted Transferees) of the notice required to be given pursuant to this Section 7.04(a)(i); provided that such period may be postponed by the Company to the extent necessary to resolve a dispute regarding the Fair Market Value of a Callable Interest (or portion thereof) pursuant to Section 7.06(b).

(ii) Subject to Section 7.01(a) and any restriction contained in any other agreement to which the Company or its Affiliates are party, the Company may assign its rights under this Section 7.04(a) to any person.

(iii) Upon any Transfer of any Interest pursuant to this Section 7.04, the Percentage Interests of the Members will be adjusted as determined by the Board of Directors so as to reflect such Transfer (including any adjustments to the Members' Percentage Interests necessary to reflect any adjustment to the Transferor's Percentage Interest required to be effected pursuant to Section 4.04(a) with respect to any Applicable Period (as defined in Schedule III) ending on

a date after the date of such Transfer), and Schedule II hereof will be amended to reflect the Percentage Interest of the Members, after giving effect to such adjustment.

(iv) This Section 7.04(a)(iv) applies to each Management Employee who (A) receives an Exercise Notice from the Company pursuant to Section 7.04(a)(i) above in connection with his termination by the Company "for cause" or his voluntary resignation from the Company, and (B) at the time of the termination of his employment, is a Member of the Company or is the beneficial owner of interests in a Member of the Company and is not bound by a non-competition restriction contained in a consulting or employment agreement between such Management Employee and the Company or any of its subsidiaries (each, a "Terminated Member"); provided, however, that this Section 7.04(a)(iv) shall not apply to any Management Employee that is an Affiliate of AAH (including for this purpose any member of the Board of Directors designated by AAH). With respect to any Terminated Member whose Callable Interest the Company elects to purchase pursuant to Section 7.04(a)(i), such Terminated Member shall agree in writing that (i) he shall not compete, directly or indirectly (including as an employee, proprietor, owner, partner, shareholder, member, joint venturer or agent of, or as a consultant to, any person or entity which competes), with the retail motor vehicle business of the Company or any of its subsidiaries within 50 miles of any motor vehicle dealership owned by the Company or any of its subsidiaries where such Terminated Member worked during the year prior to the date of the termination of his employment and (ii) he shall not violate Section 10.06(c) (with respect to each Terminated Member, a "Non-Compete Covenant"). The Terminated Member shall provide such written agreement in a form reasonably satisfactory to the Company on or prior to the date on which the Company completes its purchase of the Terminated Member's Callable Interest pursuant to Section 7.04(a) or 7.04(b); provided that if such Terminated Member does not provide such written agreement on or prior to such date, the Company's purchase of the Terminated Member's Callable Interest still shall be deemed completed on such date but the Company shall not be obligated to pay the purchase price for such Callable Interest until the Terminated Member delivers such written agreement. A Terminated Member's Non- Compete Covenant shall become effective on the date the Exercise Notice is delivered to the Terminated Employee pursuant to Section 7.04(a)(i) and shall terminate on the first anniversary of such date.

(b) Certain Restrictions on Payments. (i) Notwithstanding any other provision of this

Section 7.04, the Company shall not be permitted to complete a purchase of any Callable Interest (or portion) from any person if and to the extent (A) such purchase would result in a violation of, or a default or an event of default under, any bona fide term or provision imposed on the Company by another party in any credit agreement, indenture, guaranty, security agreement or other agreement governing indebtedness of the Company or any of its subsidiaries from time to time, in each case as the same may be amended, modified or supplemented from time to time (each, a "Financing Document"), and notwithstanding its reasonable efforts the Company has not been able to have such term or provision amended or waived, (B) a default has occurred under any Financing Document and is continuing, (C) such purchase would, in the reasonable opinion of the Board of Directors, be imprudent in view of the financial condition (present or projected) of the Company and its subsidiaries, taken as a whole, or the anticipated impact of such purchase on the Company's or any of its subsidiaries' ability to meet their respective obligations under any Financing Document, (D) any required consent of a motor vehicle manufacturer, as shall be determined by the Board of Directors from time to time, has not been obtained or (E) the Company is not permitted to complete such purchase under applicable law.

(ii) If and to the extent the completion of a purchase otherwise permitted under Section 7.04(a), and for which an exercise notice has been properly given by the Company, is not permitted under Section 7.04(b)(i), the Company shall provide written notice thereof to such Management Employee (or his or her estate and, if applicable, his or her Permitted Transferees), and such purchase will be postponed and will take place without the application of further conditions or impediments (other than as set forth in Section 7.04(a) or in this Section 7.04(b)) at the first opportunity thereafter when the Company has funds legally available therefor and when such purchase is not prohibited by Section 7.04(b)(i).

(iii) If the Company's purchase of a Management Employee's Callable Interest is postponed pursuant to Section 7.04(b)(ii), then such Management Employee's rights as a Member shall be automatically reinstated for the duration of such postponement except for (x) any voting rights (except pursuant to the second proviso in Section 13.02) under this Agreement, including pursuant to Section 3.01, (y) any rights to make additional Capital Contributions pursuant to Section 4.02 and (z) any rights to Transfer all or any portion of its Interest pursuant to Section 7.01 except for a Transfer (I) made with the prior written consent of the Board of Directors or (II) in

accordance with Article VIII. Notwithstanding anything herein to the contrary, under no circumstances shall such Management Employee be entitled to receive any interest on the purchase price as a result of a postponement pursuant to Section 7.04(b)(ii).

(c) "Look-Back" Adjustment. (i) The Company shall pay to a Management Employee whose employment with the Company or any of its subsidiaries is terminated on account of the Management Employee's death or is terminated by the Company other than "for cause" the additional consideration described in Section 7.04(c)(ii) below in the event that:

(A) the Company exercises its option under Section 7.04(a)(i) in respect of all or a portion of such Management Employee's Callable Interest (the "Acquired Interest");

(B) within twelve months following the date on which the Company pays to such Management Employee or his estate in cash the purchase price for the Acquired Interest in accordance with Section 7.04(a), (1) the Company consummates a merger or other business combination with an unaffiliated third party or completes the sale to such a third party of all or substantially all of its assets or (2) the Company consummates the IPO; and

(C) the amount such Management Employee would have received as a result of such merger, business combination, sale or IPO with respect to the Acquired Interest had such Acquired Interest not been purchased by the Company (the "Sale Value"), is greater than the sum of (x) the amount such Management - Employee received pursuant to Section 7.04(a)(i) for such Acquired Interest, and (y) an amount calculated in the - same manner as interest on such amount at the Prime Rate (such sum, the "Look-Back --------- Threshold").

(ii) If all the conditions set forth in Section 7.01(c)(i) are satisfied with respect to a Management Employee, then such Management Employee shall be entitled to receive an amount equal to the excess of the Sale Value of such Acquired Interest over the Look-Back Threshold with respect to such Acquired Interest. Such additional consideration with respect to the Acquired Interest shall be paid to the Management Employee no later

than 20 Business Days following the date on which such merger, business combination, sale or IPO is consummated.

(iii) For purposes of this Section 7.04, "cause" shall mean any of the following: (i) the Management Employee is convicted of a felony; (ii) the continued failure by the Management Employee to substantially perform his duties under his employment arrangement or agreement relating to the Company or its subsidiaries (other than any such failure due to total physical or mental disability as determined by an independent physician reasonably satisfactory to the Company) after the Management Employee has received notice from the Company describing his failure to substantially perform his duties in sufficient detail to give the Management Employee the opportunity to cure such failure and such Management Employee thereafter either (x) does not promptly take reasonable steps to cure such failure or (y) does not cure such failure within ninety (90) days; or (iii) the Management Employee is guilty of gross neglect or gross misconduct in carrying out his duties under his employment arrangement or agreement with the Company or its subsidiaries and, after the Management Employee has received notice from the Company describing his gross neglect or gross misconduct in sufficient detail to give the Management Employee the opportunity to cure such deficiencies, such Management Employee thereafter either (x) does not promptly take reasonable steps to cure such deficiencies or (y) does not cure such deficiencies within ninety (90) days.

SECTION 7.05. Options to Purchase Interests. The Company and each Member hereby acknowledges and agrees that those persons listed on Schedule IV have the right to purchase Interests in the Company on the terms set forth on Schedule IV. At the time of any such purchase of Interests, the Board of Directors shall amend Schedule II hereof to reflect the Percentage Interests of the Members, as determined after giving effect to such purchase.

SECTION 7.06. Fair Market Value. (a) In determining the "Fair Market Value" of an Interest (or any portion thereof) pursuant to Section 7.01(d), Section 7.04 or Section 7.07, the Board of Directors shall give due consideration to such factors as it deems appropriate, including the earnings and certain other financial and operating information of the Company and its subsidiaries in recent periods (including its margins), its potential value and that of its subsidiaries as a whole, the tax basis of its assets, its future prospects (including growth prospects) and business strength and that of its subsidiaries and the industries in which they compete, its history and management and that of its subsidiaries, the

general condition of the securities markets and the fair market value of securities of privately-owned companies engaged in businesses similar to the Company, but without applying any discount due to any Member's minority position or lack of control with respect to the Company or with respect to the lack of liquidity of, or absence of a market for, Interests in the Company. Subject to Section 7.06(b), the Fair Market Value as determined in good faith by the Board of Directors shall be binding and conclusive upon all parties hereto.

(b) Callable Interests. At any time when this Agreement requires the Board of Directors to determine the Fair Market Value of a Callable Interest (or portion thereof) pursuant to Section 7.04(a) or of a Deceased Member's Interest (or portion thereof) pursuant to Section 7.07, the Board of Directors shall promptly make such determination and notify the applicable Member or Members thereof. If the Interest (or portion thereof) being valued by the Board of Directors represents a Percentage Interest of 2% or greater or is beneficially owned by one of the individuals listed on Schedule V hereto or by the estate of one of the individuals listed on Schedule V hereto, the applicable Member may in good faith disagree with a valuation proposed by the Board of Directors, in which case the valuation in question shall be determined in accordance with the procedure provided in Section 7.06(d).

(c) Non-Cash Consideration. If the Board of Directors is required to determine the fair market value of non-cash consideration pursuant to Section 7.01(c)(iii)(D), the Board of Directors shall make such determination in good faith, after consultation with an independent nationally recognized investment banking, accounting or valuation firm selected by the Board of Directors, and promptly notify the applicable Member thereof. If the Interest being offered to AAH pursuant to section 7.01(c)(iii) represents a Percentage Interest of 2% or greater or is beneficially owned by one of the individuals listed on Schedule V hereto or by the estate of one of the individuals listed on Schedule V hereto, the applicable Member offering the Interest may in good faith disagree with the valuation of such non-cash consideration by the Board of Directors, in which case the valuation in question shall be determined in accordance with the procedure provided in Section 7.06(d). In all other cases, the valuation by the Board of Directors shall be conclusive and binding on all the parties.

(d) Dispute Resolution. If the Board of Directors and the disagreeing Member are unable to reach agreement within thirty days regarding a disputed valuation

pursuant to Sections 7.06(b) or (c), such valuation shall be promptly determined by a nationally recognized investment banking, accounting or valuation firm (other than Houlihan Lokey Howard & Zukin Financial Advisors Inc. or any successor thereto) selected by the Company with the consent of the disagreeing Member. If the Company and the disagreeing Member fail to reach agreement on such a firm within ten days, then within ten days of such failure the Company shall select one such firm and the disagreeing Member shall select another such firm, and promptly thereafter the two firms so selected shall jointly designate an independent nationally recognized investment banking, accounting or valuation firm, and such third firm shall determine the valuation in question. If either the Company or the disagreeing Member fails to select its independent nationally recognized investment banking, accounting or valuation firm within such ten day period in accordance with the immediately preceding sentence, such party shall be deemed to have agreed that the firm selected within such ten day period by the other party shall determine the valuation in question. The determination of the investment banking, accounting or valuation firm selected pursuant to this Section 7.06(d) to determine the valuation in question shall be conclusive and binding on all parties. The fees and expenses of the firm or firms performing a valuation pursuant to the foregoing procedures shall be borne by the Company if the final valuation is higher than the valuation by the Board of Directors by more than 10% and otherwise shall be borne by the disagreeing Member or Members.

SECTION 7.07. Estate Taxes. (a) In the event that:

(i) an executive officer of the Company or a Platform Group dies while such individual directly or indirectly owns an Interest (such individual, a "Deceased Member");

(ii) following the death of such Deceased Member, the Company does not offer to purchase either (A) the Deceased Member's entire Interest, for a cash purchase price equal to at least the Fair Market Value of such Interest, or (B) a portion of the Deceased Member's Interest having a Fair Market Value at least equal to the aggregate federal and state estate taxes payable by the Deceased Member's estate in respect of such Interest (the "Estate Taxes"), for a cash purchase price equal to at least such Fair Market Value;

then the Company shall offer to loan to the Deceased Member's estate, on the terms set forth in Section 7.07(b)

(an "Estate Tax Loan"), an amount equal to the lesser of (x) the Fair Market Value of the Deceased Member's Interest and (y) the amount of the Deceased Member's Estate Taxes. The Fair Market Value of a Deceased Member's Interest or a portion thereof shall be measured for purposes of this Section 7.07 as of the date of death of the Deceased Member.

(b) An Estate Tax Loan (i) shall bear interest at a per annum rate equal to the higher of the Prime Rate or the Company's then current cost of borrowed funds (as reasonably determined by the Board of Directors), with such interest payable on the last day of each calendar quarter, (ii) shall be payable in full (together with all accrued and unpaid interest thereon) on the later of (A) the second anniversary of the date on which the Estate Tax Loan is made by the Company and (B) the sixth anniversary of the date of this Agreement, and (iii) shall be secured by a pledge of the Deceased Member's entire Interest. As a condition precedent to the Company's obligation to make an Estate Tax Loan, the Deceased Member's estate shall execute (x) a loan agreement and related note reflecting the terms specified above in a form requested by the Company and reasonably satisfactory to the Deceased Member's estate, (y) all security documents requested by the Company in order to create the Company's security interest in the Deceased Member's Interest and to perfect such security interest and (z) such other agreements, documents and instruments reasonably requested by the Company in connection with the Estate Tax Loan.

ARTICLE VIII

Initial Public Offering

SECTION 8.01. AAH's Right to Cause an IPO. If at any time AAH desires to cause (A) a Transfer of all or a substantial portion of (x) the assets of the Company or (y) the Members' Interests in the Company to a newly organized stock corporation or other business entity ("Newco"), (B) a merger or consolidation of the Company into or with a Newco as provided under ss. 18-209 of the Act or otherwise, (C) the conversion of the Company into a corporation or other type of entity as provided under ss. 18-216 of the Act or otherwise or (D) another restructuring of all or substantially all of the assets of or Members' Interests in the Company into a Newco, in any case in anticipation of an initial public offering of equity securities registered under the Securities Act of a Newco comprising all or any part of the motor vehicle dealerships and related businesses owned directly or indirectly by the

Company (an "IPO"), each Member shall take such steps to effect such transfer, merger, consolidation or other restructuring as may be requested by AAH, including Transferring or tendering such Member's Interests to Newco in exchange or consideration for shares of capital stock or other equity interests of Newco, in an amount to be determined in accordance with the formula set forth in Section 8.02, and entering into a Shareholders Agreement in the form attached hereto as Exhibit A (the "Shareholders Agreement"). Except to the extent provided in the Shareholders Agreement, each Member shall be entitled as a holder of shares of capital stock or other equity interests in Newco to only those rights to which a common stockholder of a corporation is entitled under the laws of the jurisdiction in which Newco is organized. Any conversion of the Company into a Newco or other transaction in anticipation of an IPO shall take legal effect as soon as practicable following AAH's delivery of notice to the other Members of its intention to exercise its rights pursuant to this Section 8.01. AAH and the Company shall endeavor to cause the IPO and any transaction described in this Section 8.01 to occur reasonably contemporaneously. Because certain components of the formula set forth in Section 8.02 may not be determinable at the time of the conversion of the Company into a Newco, the contemporaneous issuance of shares of Newco capital stock or other equity interests to Members in exchange for their Interests shall not be a condition precedent to any such conversion. Upon consummation of the IPO contemplated above, this Agreement shall automatically terminate and be of no further force or effect; provided that those provisions of this Agreement necessary to administer the Company's outstanding accounting and tax matters (including Section 6.01(c)) with respect to periods prior to effectiveness of the IPO shall survive such termination and shall remain in effect following effectiveness of the IPO solely for such purpose.

SECTION 8.02. Exchange of Interests. (a) Subject to Section 6.01(c)(iv), if AAH exercises its rights pursuant to Section 8.01, each Member shall receive, in exchange for such Member's Interests, that number of shares of capital stock (or other equity interests) of Newco equal to:

(x) the sum of:

(A) 33 1/3% of the amount of such Member's Capital Account as of the time of the conversion of the Company into a Newco; and

(B) the product of (I) such Member's IPO Value Distribution Interest at the time of the conversion of the Company into a Newco and (II) the difference between (i) the product of the per share price of the Newco common stock in the IPO and the number of shares of Newco outstanding immediately prior to the IPO and (ii) 331/3% of the aggregate amount of all Members' Capital Accounts as of the time of the conversion of the Company into a Newco;

divided by:

(y) the per share price of the Newco common stock in the IPO.

(b) Notwithstanding the foregoing, the Board of Directors may replace the shares of capital stock (or other equity interests) of Newco that the Managers would otherwise be entitled to receive with respect to their Carried Interests under the formula set forth in Section 8.02(a) with an alternative form of equity interest in, or incentive compensation payable by, Newco that the Board of Directors determines is desirable under the circumstances in order to provide appropriate incentives to the Managers after the IPO. In such event, the formula set forth in Section 8.02(a) will be applied without regard to the Carried Interests of the Managers (and any Capital Account balances associated therewith). Any change in the consideration received by the Managers for the Carried Interests pursuant to this Section 8.02(b) shall have the same impact on the Dealer Members as it has on AAH, except for such differences as are necessary to reflect, pro rata, the differences in such parties' Capital Accounts and Percentage Interests.

(c) Newco shall issue shares of capital stock (or other equity interests) of Newco in accordance with this Section 8.02 as soon as practical after all components of the formula set forth above are determinable by the Board of Directors. Subject to Section 8.02(b), each Member shall receive the same form of equity interest of Newco.

SECTION 8.03. Shareholders Agreement. Immediately prior to the consummation of the IPO, the parties to this Agreement shall cause Newco to execute and deliver the Shareholders Agreement.

SECTION 8.04. Other Conversion to a Newco. If at any time AAH desires to convert the Company into a Newco in

contemplation of a possible merger, consolidation, reorganization or other business combination (a "Merger Conversion"), the terms and provisions of Sections 8.01 and 8.02 shall apply to such Merger Conversion with such changes as shall be necessary to reflect the change from an IPO to a Merger Conversion.

SECTION 8.05. Power of Attorney and Proxy. Upon its admission as a Member, each Member other than AAH hereby makes, constitutes and appoints AAH, with full power of substitution and resubstitution, its true and lawful attorney, for it and in its name, place and stead and for its use and benefit, to act as its proxy in respect of (A) any vote or approval of Members required to give effect to this Article VIII, including any vote or approval required under ss. 18-209 of the Act, (B) the execution and delivery, on behalf of such Member, of the signature page of the Shareholders' Agreement (or other appropriate assumption agreement relating to the subject matter thereof) and (C) the execution and delivery of any other document, or the granting of any other approval, reasonably required in connection with an IPO or Merger Conversion and not inconsistent with Sections 8.01, 8.02, 8.03 and 8.04. The proxy granted pursuant to this Section 8.05 is a special proxy coupled with an interest and is irrevocable until the fifth anniversary of the date hereof.

ARTICLE IX

Certificates, Etc.

SECTION 9.01. Right to Issue Certificates. If at any time the Board of Directors determines that it is in the best interests of the Company to issue certificates attesting to the ownership of Interests by Members, the provisions of this Article IX shall thereafter apply (and prior to such determination by the Board of Directors, if any, this Article IX shall have no force or effect).

SECTION 9.02. Form of Certificates. Certificates attesting to the ownership of Interests shall be in such form as shall be approved by the Board of Directors and shall state that the Company is a limited liability company formed under the laws of the State of Delaware, the name of the Member to whom such certificate is issued and that the certificates represent limited liability company interests within the meaning of ss. 18-702(c) of the Act. Each such certificate shall be signed by the President and Chief Executive Officer or the Chief Operating Officer or the

Chief Financial Officer of the Company and by the Secretary or an Assistant Secretary of the Company.

SECTION 9.03. Register. The transfer register or transfer books and blank share certificates shall be kept by the Secretary of the Company or by any transfer agent or registrar designated by the Board of Directors for that purpose.

SECTION 9.04. Issuance. The certificates of the Company shall be numbered and registered in the share register or transfer books of the Company as they are issued.

SECTION 9.05. Transfer. Subject to all provisions hereof relating to Transfers of Interests, if the Company shall issue certificates in accordance with the provisions of this Section, Transfers of Interests shall be made on the register or transfer books of the Company upon surrender of the certificate therefor, endorsed by the person named in the certificate or by an attorney lawfully constituted in writing.

SECTION 9.06. Record Holder. The Company shall be entitled to treat the person in whose name any certificates issued by the Company stand on the books of the Company as the absolute owner thereof, and shall not be bound to recognize any equitable or other claim to, or interest in, such Interest on the part of any other person.

SECTION 9.07. Lost, Destroyed or Mutilated Certificates. The holder of any certificates issued by the Company shall immediately notify the Company of any loss, destruction or mutilation of such certificates, and the Board of Directors may cause a new certificate or certificates to be issued to such holder, in case of mutilation of the certificate, upon the surrender of the mutilated certificate or, in the case of loss or destruction of the certificate, upon satisfactory proof of such loss or destruction and, if the Board of Directors shall so determine, the granting of an indemnity and/or the deposit of a bond in such form and in such sum, and with such surety or sureties, as the Board of Directors may direct.

ARTICLE X

Accounting and Tax Matters;
Transactions with Members

SECTION 10.01. Fiscal Year. Unless otherwise required by the Code, the fiscal year of the Company for financial reporting and tax purposes (the "Fiscal Year") shall end on the last day of December in each year and shall begin on the first day of January in each year; provided, however, that the first Fiscal Year of the Company shall be deemed to have commenced on the date the Certificate of Formation was filed with the Secretary of State and to have ended on the last day of December in the same calendar year.

SECTION 10.02. Books and Records and Capital Accounts. The Company shall maintain complete and accurate books and records at the Company's principal place of business showing the names, addresses and Interests of each of the Members, all receipts and expenditures, assets and liabilities, profits and losses, and all other records necessary for recording the Company's business and affairs, including a record of the Capital Account of each Member. Each Member and its designees shall have the right, on reasonable notice and during normal business hours, to inspect on a reasonable basis the books and records of the Company. The Company shall maintain two sets of books. One set of books shall be kept on the basis of generally accepted accounting principles and the other shall be kept on the basis of Federal income tax principles (including ss. 704(b) of the Code).

SECTION 10.03. Bank Accounts. The Company shall maintain one or more accounts with such bank or banks as the Board of Directors may determine from time to time. The President and Chief Executive Officer and such other persons as the Board of Directors shall designate shall be authorized signatories for such accounts.

SECTION 10.04. (a) Auditors. Arthur Andersen LLP shall be appointed as the Company's initial auditors, and any successors to Arthur Andersen LLP shall be appointed by the Board of Directors; provided, however, that any such successor shall be an accounting firm of recognized national standing in the United States of America.

(b) Financial Statements. Each Member shall be entitled to receive, and the Company shall timely furnish to each Member, (i) quarterly consolidated and consolidating financial statements and reports of the Company and (ii) annual audited consolidated and consolidating financial statements of the Company.

(c) Accounting Methods. Prior to the occurrence of any IPO or Merger Conversion or any steps preparatory to any IPO or Merger Conversion, the Company agrees to utilize

the same inventory accounting methods for tax purposes as were used by the respective Platform Groups for tax purposes prior to the Roll-Up Date, except for such changes as may be required by any change in applicable tax laws or by any taxing authority in an audit.

SECTION 10.05. Tax Matters. (a) Tax Elections. Except as otherwise expressly provided herein, the Board of Directors shall make all elections and determinations required or permitted to be made by the Company for applicable Tax purposes, including any election under Section 754 of the Code and the methods of accounting and depreciation to be utilized by the Company for Tax purposes.

(b) Treatment as a Partnership. The Members agree that the Company shall be treated as a partnership for purposes of United States Federal, state and local income and other taxes, and further agree not to take any position or make any election, in any Tax Return or otherwise, inconsistent therewith except as may be required in connection with a transaction described in Article VIII.

(c) Tax Returns. The Board of Directors shall cause all required Tax Returns to be filed with the appropriate office of the Internal Revenue Service or any other relevant taxing authority, as the case may be. As promptly as reasonably practicable after the end of each Fiscal Year (but in any event not more than 90 days after the end of such Fiscal Year), the Board of Directors shall cause the Company to deliver to each Member a copy of such Member's Federal income tax Schedule K-1 for such Fiscal Year and such other tax information as the Tax Matters Partner determines to be appropriate to enable the Members to prepare and file their respective Tax Returns.

(d) Designation of Tax Matters Partner. AAH shall be the "Tax Matters Partner" of the Company as defined in ss. 6231(a)(7) of the Code, and shall manage all administrative and judicial proceedings conducted with respect to the Company by the Internal Revenue Service or other Taxing authorities. All expenses incurred by AAH while acting in such capacity shall be paid or reimbursed by the Company.

SECTION 10.06. Business Transactions of a Member with the Company. (a) Except to the extent provided in this Agreement, a Member may lend money to, borrow money from, act as a surety, guarantor or endorser for, guarantee or assume one or more specific obligations of, provide collateral for, and transact other business with the Company and, subject to other applicable law, has the same rights

and obligations with respect to any such matter as a person who is not a Member.

(b) Each Member is free to engage directly, or indirectly through any other person, in any business that is the same or similar to any business engaged in by the Company, and no Member shall have any duty or obligation to bring any "corporate opportunity" to the Company; provided that no Member or controlled Affiliate thereof shall establish or acquire a motor vehicle dealership within 75 miles of a motor vehicle dealership then owned or operated by the Company without the approval of the Board of Directors (including at least two Dealer Directors).

(c) No Member (or if such Member is not a natural person, any natural person that owns a beneficial interest in such Member) shall, during the time such Member is a Member and for one (1) year after such Member ceases to be a Member or such natural person ceases to own a beneficial interest in such Member, (i) directly or indirectly employ, solicit, entice or encourage to leave the employ of the Company or any of its subsidiaries, any person who is, or at any time during the preceding twelve months was, employed by, or otherwise engaged to perform services for, the Company or any of its subsidiaries or (ii) otherwise intentionally interfere with the relationship of the Company or any of its subsidiaries with any person who is employed by or otherwise engaged to perform services for the Company or any of its subsidiaries; provided, however, that the restrictions set forth in this Section 10.06(c) shall not apply to AAH, any Affiliate of AAH or to any Member or natural person who is bound by a non-solicitation restriction contained in a consulting or employment agreement between such Member or natural person and the Company or its subsidiaries.

SECTION 10.07. Liability to Third Parties; Capital Account Deficits. Except as may be otherwise provided by the Act or herein, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member. No Member shall be liable to make up any deficit in its Capital Account.

ARTICLE XI

Indemnification of Officers, Directors and Other Authorized Representatives

SECTION 11.01. Scope of Indemnification. (a) General Rule. To the fullest extent permitted by law, the Company shall indemnify an indemnified representative on an after-tax basis against any liability incurred in condition with any proceeding in which the indemnified representative may be involved as a party or otherwise by reason of the fact that such person is or was serving in an indemnified capacity, including liabilities resulting from any actual or alleged breach or neglect of duty, error, misstatement or misleading statement or act giving rise to strict or products liability; provided that no indemnity shall be payable hereunder against any liability incurred by such indemnified representative by reason of (i) fraud, wilful violation of law, gross negligence or its material breach of this Agreement or its bad faith or (ii) the receipt by such indemnified representative from the Company of a personal benefit to which such indemnified representative is or was not legally entitled.

(b) Partial Payment. If an indemnified representative is entitled to indemnification in respect of a portion, but not all, of any liabilities to which such indemnified representative may be subject, the Company shall indemnify such indemnified representative to the maximum extent legally permissible for such liabilities.

(c) Presumption. The termination of a proceeding by judgment, order, settlement or conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the indemnified representative is not entitled to indemnification under this Section 11.01.

(d) Definitions. For purposes of this Article XI: (i) "indemnified capacity" means any and all past, present and future service by an indemnified representative in one or more capacities as a Member, Director, officer, employee or agent of the Company, or, at the request of the Company, as a member, director, officer, employee, agent, fiduciary or trustee of another limited liability company, corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise, (ii) "indemnified representative" means any and all Members, Directors and officers of the Company, all members, shareholders, partners, directors, officers, employees or agents of any Member, all directors and officers of any Platform Group and any other person designated as an

indemnified representative by the Board of Directors (which may, but need not, include any person serving, at the request of the Company, as a member, director, officer, employee, agent, fiduciary or trustee of another limited liability company, corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise), (iii) "liability" means any damage, judgment, amount paid in settlement, fine, penalty, punitive damages, excise tax assessed with respect to any employee benefit plan, or cost or expense of any nature (including attorneys' fees and disbursements) and (iv) "proceeding" means any threatened, pending or completed action, suit, appeal or other proceeding of any nature, whether civil, criminal, administrative or investigative, whether formal or informal, and whether brought by or in the right of the Company, its Members or otherwise.

SECTION 11.02. Advancing Expenses. To the fullest extent permitted by law, the Company may pay the expenses (including attorneys' fees and disbursements) incurred in good faith by an indemnified representative in advance of the final disposition of a proceeding upon receipt of an undertaking by or on behalf of the indemnified representative to repay the amount if it is ultimately determined that such person is not entitled to be indemnified by the Company pursuant to this Article XI.

SECTION 11.03. Securing of Indemnification Obligations. To further effect, satisfy or secure the indemnification obligations provided in this Article XI or otherwise, the Company may maintain insurance, obtain a letter of credit, act as self-insurer, create a reserve, trust, escrow, cash collateral or other fund or account, enter into indemnification agreements, pledge or grant a security interest in any assets or properties of the Company, or use any other mechanism or arrangement whatsoever in such amounts, at such costs, and upon such other terms and conditions as the Board of Directors shall deem appropriate.

SECTION 11.04. Scope of Article. The rights granted by this Article XI shall not be deemed exclusive of any other rights to which those seeking indemnification, contribution or advancement of expenses may be entitled under any statute, agreement, vote of Members or disinterested Members of otherwise, both as to action in an indemnified capacity and as to action in any other capacity. The indemnification, contribution and advancement of expenses provided by or granted pursuant to this Article XI shall continue as to a person who has ceased to be an indemnified representative in respect of matters arising

prior to such time, and shall inure to the benefit of the successors, heirs, executors, administrators and personal representatives of such a person.

SECTION 11.05. Assumption by Newco. Upon conversion of the Company into a Newco pursuant to Article VIII, the Newco shall assume all of the obligations of the Company under this Article XI and under Section 5.07 of the Transfer and Exchange Agreement.

ARTICLE XII

Dissolution and Winding-Up

SECTION 12.01. Dissolution. The Company shall be dissolved upon the earliest to occur of any of the following: (a) the sale, transfer or other disposition of all or substantially all the non-cash assets of the Company, (b) the decision of the Board of Directors to dissolve the Company or (c) the entry of a decree of judicial dissolution under ss. 18-802 of the Act. The Bankruptcy, death, retirement, resignation, expulsion or dissolution of a Member or the occurrence of any other event which terminates the continued membership of a Member in the Company shall not in and of itself cause a dissolution of the Company to occur (and the Company, without such Member, shall continue), unless there are no remaining Members of the Company.

SECTION 12.02. Winding-Up Affairs and Distribution of Assets. (a) Upon dissolution of the Company, one or more Members appointed by the Board of Directors or, in the case of dissolution where the Company has (or had) only one remaining Member, such remaining Member, shall be the liquidating trustee for the Company (the "Liquidating Member") and shall proceed to wind up the affairs of the Company, liquidate the remaining property and assets of the Company and wind up and terminate the business of the Company. The Liquidating Member shall cause a full accounting of the assets and liabilities of the Company to be taken and, unless all the Members otherwise agree, shall cause the assets to be liquidated and the business to be wound up as promptly as possible by selling the Company assets and distributing the net proceeds therefrom in accordance with Section 12.02(b).

(b) Unless and to the extent otherwise required by the Act or any other applicable law or Article VIII hereof, the proceeds of any such liquidation shall be applied in the following order of priority: (i) first, to

creditors of the Company (including Members who are creditors, to the extent permitted by law) in satisfaction of the liabilities of the Company (whether by payment or the making of reasonable provision for payment thereof) and (ii) second, to the Members in proportion to and in satisfaction of their respective Capital Accounts.

ARTICLE XIII

Miscellaneous Provisions

SECTION 13.01. Entire Agreement. This Agreement sets forth the entire understanding among the parties relating to the subject matter contained herein and merges all prior discussions among them.

SECTION 13.02. Amendments and Modifications. This Agreement may be amended or modified at any time and from time to time by the written consent of AAH and a Majority in Interest of the Dealer Members; provided, however, that the Board of Directors may amend or modify this Agreement at any time and from time to time without the consent of any Member in order to effect any issuance of Interests (or options to acquire Interests) or any adjustment to the Percentage Interests pursuant to Article IV (each, a "Permitted Modification"); provided, further, that any modification or amendment (a) (i) increasing the amount of Capital Contributions required to be made by any Member or that would require any Member to make a loan to the Company, (ii) resulting in a loss of any Member's limited liability status or (iii) modifying or amending this Section 13.02, shall require the written consent of each Member affected thereby, or (b) except for a Permitted Modification, altering or changing the powers, preferences or rights of any Dealer Members so as to affect them adversely shall require the written consent of a Majority in Interest of the Dealer Members so adversely affected by the modification or amendment. Subject to any mandatory provisions of the Act or applicable law to the contrary, any amendment or modification so adopted shall be binding upon the Company and all the Members except as otherwise provided in this Section 13.02.

SECTION 13.03. Severability. If any one or more of the provisions contained in this Agreement or in any document executed in connection herewith shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired; provided, however, that in such

case the Board of Directors shall endeavor to amend or modify this Agreement (subject to the terms, conditions and requirements set forth in Section 13.02) to achieve to the extent reasonably practicable the purpose of the invalid provision.

SECTION 13.04. GOVERNING LAW. THIS AGREEMENT AND ALL ACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE (WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES).

SECTION 13.05. No Waiver of Rights. No failure or delay on the part of any party in the exercise of any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude other or further exercise thereof or of any other right or power. The waiver by any party or parties hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other or subsequent breach hereunder. All rights and remedies existing under this Agreement are cumulative and are not exclusive of any rights or remedies otherwise available.

SECTION 13.06. SUBMISSION TO JURISDICTION. ANY AND ALL SUITS, LEGAL ACTIONS OR PROCEEDINGS ARISING OUT OF THIS AGREEMENT SHALL BE BROUGHT IN THE SUPERIOR COURT OR THE COURT OF CHANCERY OF THE STATE OF DELAWARE, THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE, THE SUPREME COURT OF THE STATE OF NEW YORK, NEW YORK COUNTY OR THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND EACH MEMBER HEREBY SUBMITS TO AND ACCEPTS THE EXCLUSIVE JURISDICTION OF SUCH COURTS FOR THE PURPOSE OF SUCH SUITS, LEGAL ACTIONS OR PROCEEDINGS. IN ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING, EACH MEMBER WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS AND AGREES THAT SERVICE THEREOF MAY BE MADE BY CERTIFIED OR REGISTERED MAIL DIRECTED TO IT AT ITS ADDRESS SET FORTH IN THE BOOKS AND RECORDS OF THE COMPANY. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING IN ANY SUCH COURT AND HEREBY FURTHER WAIVES ANY CLAIM THAT ANY SUIT, LEGAL ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

SECTION 13.07. Specific Performance. The parties hereto hereby declare that irreparable damage would occur as a result of the failure of any party hereto to perform any of its obligations under this Agreement in accordance with

the specific terms hereof. Therefore, all parties hereto shall have the right to specific performance of the obligations of the other parties under this Agreement and if any party hereto shall institute any action or proceeding to enforce the provisions hereof, any person against whom such action or proceeding is brought hereby waives the claim or defense therein that such party has an adequate remedy at law. The right to specific performance should be in addition to any other remedy to which a party hereto may be entitled at law or in equity.

SECTION 13.08. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

SECTION 13.09. Headings. The Article, Section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

SECTION 13.10. Binding Agreement. Except as expressly provided herein, the covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the estate, heirs, legal representatives, successors and permitted assigns of the respective Members.

SECTION 13.11. Notices. All notices and other communications required or permitted by this Agreement shall be made in writing and any such notice or communication shall be deemed given or delivered when delivered in person, transmitted by telecopier, or one Business Day after it has been sent by a nationally recognized overnight courier, at the address or addresses for notices to the recipient designated on Schedule II. Communications by telecopier also shall be sent concurrently by first class mail or nationally recognized overnight courier, but shall in any event be effective as stated above; provided, however, that any and all Initial Offers, First Additional Offers and Second Additional Offers delivered by the Company to the Members pursuant to Section 4.02(a) shall be delivered both by telecopier and by nationally recognized overnight courier. Each Member may from time to time change its address for notices under this Section 13.11 by giving at least five days' written notice of such changed address to the Company.

SECTION 13.12. Waiver of Partition; Classes or Group of Members. Each Member hereby waives any and all rights, if any, that such Member may have to maintain an action for partition of the Company's property. The Company

shall have one class or group of Members for all purposes under the Act, including, without limitation, ss. 18-209 thereof.

SECTION 13.13. Proxy. Upon its admission as a Member, (i) each Manager hereby makes, constitutes and appoints AAH, with full power of substitution and resubstitution, its true and lawful attorney, for it and in its name, place and stead and for its use and benefit, to act as its proxy in respect of all Interests which such Manager now or hereafter may own or hold, including, without limitation, the right to vote such Interest at any annual, general or special meeting of Members, to consent to any action by written consent of Members and to grant any other consent or approval required or sought from Members, under this Agreement or applicable law and (ii) each Manager authorizes such attorney-in-fact to take any further action which such attorney-in-fact shall consider necessary or advisable in connection with any of the foregoing, hereby giving such attorney-in-fact full power and authority to do and perform each and every act or thing whatsoever requisite or advisable to be done in and about the foregoing as fully as such Member might or could do if personally present, and hereby ratifying and confirming all that such attorney-in- fact shall lawfully do or cause to be done by virtue hereof; provided, however, that the power of attorney granted under this Section 13.13 may not be used to amend this Agreement under Section 13.02 or to exercise the rights of any Member under Section 4.02. Each such Manager hereby further affirms that any such proxy hereby granted shall be irrevocable and shall be deemed coupled with an interest. Each Manager agrees to execute and deliver any further powers of attorney, consents, proxies or other agreements necessary or appropriate to give effect to this Section 13.13.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed as of the day and year first written above.

ASBURY AUTOMOTIVE HOLDINGS L.L.C.,

by

Name:
Title:

ASBURY VILLANOVA IV L.L.C.,

by

Name:
Title:

NORTH POINT FORD, INC.,

by /s/ Stephen B. Humphries

Name: Stephen B. Humphries
Title: Secretary

NORTH POINT, INC.,

by /s/ Stephen B. Humphries

Name: Stephen B. Humphries
Title: Secretary

PRESTIGE, INC.,

by /s/ Stephen B. Humphries

Name: Stephen B. Humphries
Title: Secretary

PREMIER AUTOPLAZA, INC.,

by /s/ Stephen B. Humphries

Name: Stephen B. Humphries
Title: Secretary

MCLARTY AUTO MALL, INC.,

by /s/ Stephen B. Humphries

Name: Stephen B. Humphries
Title: Secretary

HOPE AUTO COMPANY,

by /s/ Stephen B. Humphries

Name: Stephen B. Humphries
Title: Secretary

NALLEY MANAGEMENT SERVICES, INC.,

by

Name:
Title:

NALLEY CHEVROLET, INC.,

by

Name:
Title:

SPECTRUM SOUND & ACCESSORIES, INC.,

by

Name:
Title:

NALLEY MARIETTA AUTOMOBILES, INC.,

by

Name:
Title:

NALLEY LUXURY IMPORTS, INC.,

by

Name:
Title:

NALLEY ATLANTA IMPORTS, INC.,

by

Name:
Title:

SPECTRUM LEASING, INC.,

by

Name:
Title:

LUTHER COGGIN,

/s/ Luther Coggin

J. H. BHATT,

/s/ J. H. Bhatt

RICHARD A. CARACELLO,

/s/ Richard A. Caracello

ROBERT W. CARACELLO

/s/ Robert W. Caracello

KEVIN DELANEY,

/s/ Kevin Delaney

MITCHELL W. LEGLER,

/s/ Mitchell W. Legler

LINDA L. MARLETTE,

/s/ Linda L. Marlette

CHARLES L. MCINTOSH,

/s/ Charles L. McIntosh

THOMAS R. MOORE,

/s/ Thomas R. Moore

NANCY D. NOBLE,

/s/ Nancy D. Noble

STEPHEN R. MOORE,

/s/ Stephen R. Moore

THOMAS G. ROETS, JR.,

/s/ Thomas G. Roets, Jr.

JOHN M. ROOKS,

/s/ John M. Rooks

TODD F. SETH,

/s/ Todd F. Seth

CHARLIE (C.B.) TOMM,

/s/ Charlie (C.B.) Tomm

CROWN NORTH CAROLINA, LLC,

by /s/ Royce O. Reynolds

Name: Royce O. Reynolds
Title: Manager

DEALER GROUP LLC,

by

Name:
Title:

JOHN R. CAPPS,

/s/ John R. Capps

J.I.W. ENTERPRISES, INC.,

by /s/ J.I. Wooley

Name: J.I. Wooley
Title: President

DAVID MCDAVID PONTIAC, INC.,

by

Name:
Title:

DAVID MCDAVID NISSAN, INC.,

by

Name:
Title:

JAY TORDA,

/s/ Jay Torda

DAVE WEGNER,

/s/ Dave Wegner

GIBSON FAMILY PARTNERSHIP, L.P.,

by

Name:
Title:

BRIAN KENDRICK,

/s/ Brian Kendrick

Schedule I

Current Members
of the Company

1. Asbury Villanova IV L.L.C.

2. Dealer Group LLC

Schedule II

Members of the Company,
Initial Capital Accounts
and Percentage Interests
Upon Effectiveness of Third
Amended and Restated Limited
Liability Company Agreement

Member		Initial Capital Account	Percentage Interest
1.	Asbury Automotive Holdings L.L.C 1050 Westlakes Drive, Suite 300 Berwyn, PA 19312.....	$194,996,287	59.08%
2.	North Point Ford, Inc 4400 Landers Road North Little Rock, AR 72231.....	4,785,493	1.45%
3.	North Point, Inc. 6030 Landers Road Sherwood, AR 72117.....	329,203	0.10%
4.	Premier Autoplaza, Inc. 1500 N. Shackleford Road Little Rock, AR 72221.....	1,714,266	0.52%
5.	Prestige, Inc. 5045 Warden Road North Little Rock, AR 72231.....	1,931,059	0.59%
6.	McLarty Auto Mall, Inc. 3232 Summerhill Road Texarkana, TX 75503.....	1,025,749	0.31%
7.	Hope Auto Company 1400 N. Hervey Hope, AR 71802-0619.....	50,183	0.02%
8.	Nalley Management Services, Inc. 87 West Paces Ferry Road Atlanta, GA 30305.....	660,564	0.20%
9.	Nalley Chevrolet, Inc. 2555 Metropolitan Parkway Atlanta, GA 30315.....	17,901,278	5.42%
10.	Spectrum Sound & Accessories, Inc. 2536 Metropolitan Parkway Atlanta, GA 30315.....	1,321,128	0.40%
11.	Nalley Marietta Automobiles, Inc. 3555 Cobb Parkway Marietta, GA 30062.....	3,236,762	0.98%
12.	Nalley Luxury Imports, Inc. 1431 Cobb Parkway Marietta, GA 30062.....	6,011,130	1.82%
13.	Nalley Atlanta Imports, Inc. 87 West Paces Ferry Road Atlanta, GA 30305.....	1,453,240	0.44%

Member		Initial Capital Account	Percentage Interest
14.	Spectrum Leasing, Inc. 2560 Moreland Avenue Atlanta, GA 30315	132,113	0.04%
15.	Luther Coggin P.O. Box 16469 Jacksonville, FL 32245-6469	17,769,343	5.38%
16.	J.H. Bhatt 2560 Tempo Drive Jacksonville, FL 32216	480,253	0.15%
17.	Richard A. Caracello 7839 Sabal Lake Drive Port St. Lucie, FL 34986	120,063	0.04%
18.	Robert W. Caracello 9670 Landings Drive Port St. Lucie, FL 34986	960,505	0.29%
19.	Kevin Delaney 4551 Swilcan Bridge Ln. N. Jacksonville, FL 32224	240,126	0.07%
20.	Mitchell W. Legler 700A Wharfside Way Jacksonville, FL 32207	480,253	0.15%
21.	Linda L. Marlette 12147 West Cattail Drive Jacksonville, FL 32223	180,095	0.05%
22.	Charles L. McIntosh 5333 John Reynolds Drive Jacksonville, FL 32227	216,594	0.07%
23.	Thomas R. Moore 13709 Glenhaven Court Jacksonville, FL 32224	240,126	0.07%
24.	Nancy D. Noble 14471 Pablo Terrace Jacksonville, FL 32224	480,253	0.16%
25.	Stephen R. Moore 13474 Aqualine Road Jacksonville, FL 32224	406,294	0.12%
26.	Thomas G. Roets, Jr. 826 Brookmont Ave. E Jacksonville, FL 32311	120,063	0.04%
27.	John M. Rooks 4210 Cordgrass Inlet Drive Jacksonville Beach, FL 32250	120,063	0.04%
28.	Todd F. Seth 12677 Muirfield Blvd. North Jacksonville, FL 32225	240,126	0.07%

Member		Initial Capital Account	Percentage Interest
29.	Charlie (C.B.) Tomm 462 Inland Way Atlantic Beach, FL 32233	1,478,217	0.45%
30.	Crown North Carolina, LLC 3633 W. Wendover Avenue Greensboro, NC 27407	17,127,276	5.19%
31.	Dealer Group LLC Benjamin Franklin Plaza 1 Southwest Columbus Street Portland, OR 97258	16,263,661	4.93%
32.	John R. Capps 11830 Olive Street Road St. Louis, MO 63141	6,356,175	1.93%
33.	J.I.W. Enterprises, Inc c/o Jeffrey I. Wooley 100000 Lindelaan Drive Tampa, FL 33168	15,098,860	4.57%
34.	David McDavid Pontiac, Inc. 3700 West Airport Freeway Irving, TX 75062	9,592,299	2.91%
35.	David McDavid Nissan, Inc. 3900 West Airport Freeway Irving, TX 75062	4,069,289	1.23%
36.	Jay Torda 3600 West Airport Freeway Irving, TX 75062	976,207	0.30%
37.	Dave Wegner c/o David McDavid Nissan 11200 Gulf Freeway Houston, TX 77034	976,207	0.30%
38.	Brian Kendrick c/o Asbury Automotive Group 1050 Westlakes Drive Berwyn, PA 19312	0	0.00%
39.	Gibson Family Partnership, L.P. c/o Asbury Automotive Group 1050 Westlakes Drive Suite 300 Berwyn, PA 19312	508,312	0.15%

Schedule III

Percentage Interest
Adjustment Formula

Pursuant to Section 4.04 of this Agreement, the Percentage Interest of each Dealer will be adjusted with respect to each Applicable Period as follows:

1. Same Store EBITDA Adjustment. Each such Dealer's Percentage Interest shall be increased or decreased, as applicable, by an amount equal to the Dealer's Same Store EBITDA Adjustment for the Applicable Period, which is determined as follows:

(i) first, divide the absolute value of the EBITDA Percentage Change for the Dealer's Affiliated Platform Group for the Applicable Period, by the sum of the absolute values of the EBITDA Percentage Change for all Platform Groups for the Applicable Period;

(ii) second, subtract from the EBITDA Percentage Change for the Dealer's Affiliated Platform Group for the Applicable Period, the product of (x) the amount yielded by clause (i) and (y) the aggregate sum of the values of the EBITDA Percentage Change for all Platform Groups for the Applicable Period;

(iii) third, multiply the amount yielded by clause (ii), by two;

(iv) fourth, multiply the amount yielded by clause (iii), by 75% (such product, the "Platform Same Store EBITDA Adjustment"); and

(v) fifth, multiply the Platform Same Store EBITDA Adjustment by such Dealer's Pro Rata Share.

2. Acquisition Adjustment. Each such Dealer's Percentage Interest shall be increased or decreased, as applicable, by an amount equal to the Dealer's Acquisition Adjustment for the Applicable Period, which is determined as follows:

(i) first, divide (x) the Net Acquired EBITDA for the Dealer's Affiliated Platform Group for the Applicable Period, by (y) the aggregate sum of the Net Acquired EBITDA for all the Platform Groups for the Applicable Period;

(ii) second, divide (x) the amount yielded by clause (i), by (y) the largest amount yielded by

clause (i) for any single Platform Group for the Applicable Period;

(iii) third, divide (x) the amount yielded by clause (ii) by (y) two;

(iv) fourth, subtract .25 from the amount yielded by clause (iii);

(v) fifth, multiply (x) the amount yielded by clause (iv) by (y) eight;

(vi) sixth, divide (x) the absolute value of the amount yielded by clause (v), by (y) the sum of the absolute values of the amount yielded by clause (v) for all Platform Groups for the Applicable Period;

(vii) seventh, subtract the product of (x) clause (vi) and (y) the sum of clause (ii) for all Platform Groups for the Applicable Period, from the amount yielded by clause (ii) for the Dealer's Affiliated Platform Group for the Applicable Period;

(viii) eighth, multiply the amount yielded by clause (vii), by 25% (such product, the "Platform Acquisition Adjustment"); and

(ix) ninth, multiply the Platform Acquisition Adjustment by such Dealer's Pro Rata Share.

3. Adjustment Cap; Other Adjustment. In the event that an adjustment, taken together with the aggregate amount of all other adjustments made pursuant to this Schedule III to such Dealer's Percentage Interest, of a Dealer's Percentage Interest provided for under this Schedule III would result in such Percentage Interest being increased or decreased by more than 20% of such Dealer's Percentage Interest originally received in the Roll-Up Transaction as such original Percentage Interest (i.e., the Percentage Interest related to such

Dealer's initial Interest received in the Roll-Up Transaction) has been adjusted as of the end of such Applicable Period pursuant to this Agreement (other than pursuant to Section 4.04 thereof) (the "Original Percentage Interest"), then:

(i) the Percentage Interest of such Dealer (the "Adjusted Dealer") shall be increased or decreased, as the case may be, by the greatest amount that will cause the Adjusted Dealer's Percentage Interest not to

increase or decrease by more than 20% of such Dealer's Original Percentage Interest; and

(ii) the Percentage Interests of all other Dealers shall be appropriately adjusted pro rata to take into account the amount of the additional adjustment that such Adjusted Dealer's Percentage Interest would have been adjusted, but for the operation of clause (i) of this Section 3.

4. Equitable Modification by the Board of Directors; Annex A. (a) In the event that the Board of Directors determines in good faith that the application of this Schedule III results in an adjustment with respect to the Percentage Interest of a Member that (i) is unintended by, and not in conformity with, the original intent of Section 4.04 and Schedule III and (ii) is grossly unfair or inequitable to such Member, the Board of Directors shall have the power and authority to equitably modify this Schedule III solely to the extent necessary to rectify such unfairness or inequity.

(b) Annex A is attached hereto to illustrate the intended effect of the adjustment formula set forth in this Schedule III, provided that to the extent this Schedule III and Annex A are in conflict, this Schedule III shall control.

5. Certain Definitions

"Acquisition" means an acquisition by the Affiliated Platform Group on or after October 1, 1999 of an entity or group of assets comprising a business engaged in the sale of trucks or automobiles or related businesses; provided, however, that such Affiliated Platform Group may elect to exempt any such acquisition from the definition of Acquisition until such time that is six months after the date of consummation of such Acquisition to accommodate higher multiple Acquisitions predicated on a performance improvement plan.

"Acquired EBITDA" means, for any Platform Group, for any Applicable Period, the portion, if any, of such Platform Group's EBITDA for such Applicable Period that is attributable to any Acquisition or Acquisitions made by such Platform Group on or after October 1, 1999 hereof.

"Acquisition Capital Charge" means, with respect to each Acquisition, the Cost of Capital for such Acquisition, prorated (based on a year of

365 days) for any Applicable Period of less than a fiscal year and for any Acquisition initially completed during the Applicable Period.

"Affiliated Platform Group" means the Platform Group in which such Dealer prior to the Roll-Up Date owned a Dealer Transferred Interest (as defined in the Transfer and Exchange Agreement) or, in the case of Dealer Group LLC, owned an Interest.

"Applicable Period" means each, if applicable, of (i) the interim period beginning on October 1, 1999 and ending at the end of the fiscal year in which the Roll-Up occurs (the "Roll-Up Year"), (ii) any complete fiscal year after the Roll-Up Date and (iii) the interim period beginning on the first day of a fiscal year occurring after the Roll-Up Year in which the IPO is consummated and ending on the last day of the month in such fiscal year preceding the date of the preliminary prospectus distributed to prospective investors for the IPO. If the IPO is consummated in 2000, there shall be no adjustment pursuant to Section 4.04(a) and this Schedule III.

"Capital Charge" means, with respect to any Affiliated Platform Group for any Applicable Period, the aggregate sum of the Acquisition Capital Charges for the Applicable Period for each Acquisition completed by the Affiliated Platform Group during the period beginning on October 1, 1999 and ending on the last day of the Applicable Period.

"Cost of Capital" means, with respect to an Acquisition, the sum of (x) the product of 20.77% and the portion of the Transaction Value of such Acquisition funded with equity capital and (y) the product of 10% and the portion of the Transaction Value of such Acquisition funded with debt capital.

"EBITDA" means, with respect to any Affiliated Platform Group for any Applicable Period, the earnings of such person before non-floor plan interest, taxes, depreciation and amortization expenses for such Applicable Period; provided, however, that expenses related to investments in new motor vehicle sales franchises (but not renovations or relocations) will not be included in EBITDA until such date that is six months after the opening of such franchise; provided, further, that with respect to any sale or other disposition of a motor vehicle franchise by such Affiliated Platform Group (an "Asset Sale") during any

Applicable Period, the EBITDA for such Affiliated Platform Group for such Applicable Period and all subsequent Applicable Periods shall be calculated as if such motor vehicle franchise had not been owned by such Affiliated Platform Group or the Company as of the beginning of such Applicable Period. EBITDA as of September 30, 1999, and as of the end of each Applicable Period shall be determined on a basis and using a methodology consistent with the EBITDA for each Platform Group determined and used by the Appraiser (as defined in the Transfer and Exchange Agreement) to value each Platform Group as described in Section 2.04(a) of the Transfer and Exchange Agreement.

"EBITDA Percentage Change" means, with respect to any Affiliated Platform Group for any Applicable Period, the percentage increase or decrease of Same Store EBITDA Percentage of such Platform Group for the Applicable Period in question as compared to Same Store EBITDA Percentage of such Platform Group (i) for the previous Applicable Period or (ii) in the case of the first Applicable Period following the Closing Date, as determined for purposes of the appraisal described in Section 2.04 of the Transfer and Exchange Agreement of such Platform Group; provided, that if there is an Asset Sale during any Applicable Period, the applicable motor vehicle franchise will be deemed for the purpose of calculating the EBITDA Percentage Change for such Applicable Period to not have been owned by the Company or such Affiliated Platform Group at any time during the previous Applicable Period.

"Net Acquired EBITDA" means, with respect to each Platform Group for any Applicable Period, such Platform Group's Acquired EBITDA for the Applicable Period less the Platform Group's Capital Charge for the Applicable Period.

"Pro Rata Share" means with respect to each Dealer a fraction (a) the numerator of which equals the Percentage Interest of the Dealer as of the date of this Agreement and (b) the denominator of which equals the aggregate Percentage Interest of all the Dealers associated with such Dealer's Affiliated Platform Group as of the date of this Agreement.

"Same Store EBITDA Percentage" means, with respect to any Platform Group for any Applicable Period, the EBITDA of the Affiliated Platform Group for the Applicable Period that is attributable to

automobile sales franchises (including without limitation, automobile financing and used car sales businesses) owned as of September 30, 1999 expressed as a percentage of the total EBITDA of the Company for such Applicable Period that is attributable to automobile sales franchises owned as of September 30, 1999.

"Transaction Value" means, with respect to an Acquisition, the aggregate amount of consideration paid by a Platform Group to complete such Acquisition.

Schedule IV

Options to Purchase Interests

Name	Option Grant Value/ Purchase Price1	Date Option is Exercisable2
Brian Kendrick	(TDB)	1/3 per year
Tad Decker	$200,000	1/3 per year
Bob McLaughlin	50,000	1/3 per year
Carmelo Seguinot	50,000	1/2 per year
Joe Agresti	75,000	1/3 per year
Daryle Yergler	125,000	1/3 per year
Tony Lee	175,000	1/2 per year
Brett Hutchinson	50,000	1/3 per year
Tom Walker	75,000	1/2 per year
Gregory L. Zulli	50,000	1/3 per year
Weitz, Wayne	50,000	1/3 per year
Director Fixed Operations	75,000	1/3 per year
Director Variable Operations	75,000	1/3 per year
Director Planning and Strategy	75,000	1/3 per year
Director Retail Finance	75,000	1/3 per year

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1 The exercise price for each option is listed under the column captioned "Option Grant Value". Upon payment of such exercise price, the optionee will receive a Membership Interest in the Company which will be equal to the Membership Interest such optionee would have had if, on the date such option was granted, such optionee had made a Capital Contribution to the Company in an amount equal to such exercise price. This Membership Interest will reflect the optionee's percentage of ownership in the Company based on the optionee's exercise price in relation to the total pro forma fair market value of the Company as of December 31, 1998, which was $314.654 million.

2 Options began to vest as of January 1, 1999.

Schedule V

Dealer Principals

Ben David McDavid, Sr.

Royce O. Reynolds

John Capps

Luther Coggin

C.V. Nalley, III

Thomas F. McLarty

Scott Thomason

Jeffrey I. Wooley

Schedule VI

Names of Acceptable Designees as Dealer Directors

Ben David McDavid, Sr.

Royce O. Reynolds

John Capps

Luther Coggin

C.V. Nalley, III

Thomas F. McLarty

Scott Thomason

Jeffrey I. Wooley

Charlie (C.B.) Tomm

Exhibit A

Form of Shareholders' Agreement

MANAGEMENT AND CONSULTING AGREEMENT

MANAGEMENT AND CONSULTING AGREEMENT, dated as of February 23, 1999 (this "Agreement"), among ASBURY AUTOMOTIVE ARKANSAS L.L.C., a Delaware limited liability company (the "Company"), McLARTY COMPANIES, INC., an Arkansas corporation (the "Consulting Firm"), ASBURY AUTOMOTIVE GROUP L.L.C., a Delaware limited liability company ("Asbury Group") and Thomas F. McLarty, III ("Consultant").

W I T N E S S E T H :

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

WHEREAS, the Company desires to retain the management and consulting services of Consultant, and Consultant desires to provide such services, in each case on the terms and conditions set forth in this Agreement;

WHEREAS, Asbury Group desires to retain the consulting services of Consultant, and Consultant desires to provide such services, in each case on the terms and conditions set forth in this Agreement; and

WHEREAS, the Consultant, as an employee of the Consulting Firm, desires to provide its services as aforesaid as an employee of the Consulting Firm, and the Consulting Firm desires to provide to the Company and Asbury Group the services of the Consultant;

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

1. Agreements to Retain. (a) Upon the terms and subject to the conditions of this Agreement, the Company hereby retains the Consulting Firm for the purpose of causing Consultant to provide management and consulting services to the Company, and Consultant and the Consulting Firm hereby each accepts the terms of retainer herein by the Company.

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

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

(b) Services to be Provided. (i) During the Company Term, the Consulting Firm will cause the Consultant to provide, and Consultant agrees to provide, to the Company, and, at the Company's request, to any direct or indirect subsidiary of the Company, consulting and management services equivalent to those services that would be provided by a chief executive officer of a corporation under the Delaware General Corporation Law (including, without limitation, those services described in Sections 3.3(b) and 3.4(d) of the First Amended and Restated Limited Liability Company (the "LLC Agreement"), dated as of the date hereof), and in addition, such other services as may be determined from time to time by or under the authority of the Board of Directors of the Company (the "Company Board"). All such services will be referred to as the "Company Services." The Consulting Firm will cause Consultant, and Consultant agrees, to devote his skill, knowledge and working time sufficient to conscientiously perform the Company Services to his best ability, subject to the arrangements described in the following sentence. The Company acknowledges that Consultant is engaged in various business and other interests that require his time, effort and attention and that Consultant will continue to participate in these interests and others which require his time, effort and attention.

(ii) During the Asbury Term, the Consulting Firm will cause the Consultant to provide, and Consultant agrees to provide, to Asbury Group,

consulting services as may be determined from time to time by or under the authority of the Board of Directors of Asbury Group (the "Asbury Board"), which shall include, without limitation, acting as an ongoing intermediary between Asbury Group and automobile manufacturers. All such services will be referred to as the "Asbury Services". The Consulting Firm will cause Consultant, and Consultant agrees, to devote his skill, knowledge and working time

sufficient to conscientiously perform the Asbury Services to his best ability, subject to the arrangements described in the last sentence of Section 2(b)(i), provided that in the event there is a conflict between the Asbury Services and the Company Services, the Company Services shall take precedence.

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

(iv) Authority of Consultant. Each of the relationships of each of the Consulting Firm and Consultant to the Company and Asbury Group (and to their respective affiliates) is that of an independent contractor, and nothing contained in this Agreement shall be construed as creating a joint venture, partnership or employment arrangement. The Consulting Firm will cause Consultant, and Consultant agrees, to discharge all obligations under federal, state, local or foreign law, regulation or order now or hereafter in force arising out of its or his provision of services hereunder. Consultant (but not the Consulting Firm) shall have the power and authority to enter into contracts in the name of, and on behalf of, the Company or any of its subsidiaries as if he were an authorized officer of the Company. Neither the Consulting Firm nor Consultant shall have the power or authority to enter into contracts in the name of, or on behalf of, Asbury Group or any of its affiliates, except as may be expressly stated in a written delegation of such power or authority from Asbury Group.

3. Consulting Fees. (a) In consideration for all Company Services to be rendered by Consultant to the Company, the Company shall pay to the Consulting Firm during the Company Term the fees provided in this Section 3(a).

(i) Cash Compensation. The Company shall pay the Consulting Firm an annual consulting fee of $125,000 ("Company Consulting Fee"), payable in arrears in equal monthly installments.

(ii) Incentive Compensation. The Company shall pay the Consulting Firm an additional annual consulting fee, based on the performance of Consultant for any calendar year, in an amount that the Company Board shall in its sole discretion determine has been earned by Consultant on behalf of the Consulting Firm during such year. In addition, Consultant shall be entitled to participate in any stock option or similar program of the Company, if adopted, provided that applicable law would permit the participation of Consultant in such stock option or similar program.

(b) In consideration for all Asbury Services to be rendered by Consultant to Asbury Group, Asbury Group shall pay to the Consulting Firm during the Asbury Term an annual fee of $50,000 ("Asbury Fee"), payable in arrears in equal monthly installments.

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

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

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

6. Termination of Agreement. (a) Termination Due to Death or Disability. Consultant's provision of Company Services and Asbury Services shall automatically terminate upon his death or Disability. For purposes of this Agreement, "Disability" shall mean a physical or mental disability or infirmity that prevents the performance by Consultant of his duties hereunder lasting (or likely to last, based on competent medical evidence presented to the Company Board and the Asbury Board) for a continuous period of six months or longer. The reasoned and good faith judgment of the Company Board as to Disability shall be final and shall be based on such competent medical evidence as shall be presented to it by Consultant or by any physician or group of physicians or other competent medical experts employed by Consultant or the Company to advise the Company Board.

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

(ii) Consultants provision of Asbury Services may be terminated for "Cause" by the Asbury Board.

(iii) "Cause", with respect to the termination of the Company Services or the Asbury Services, shall mean (A) the willful failure by Consultant to substantially perform his duties with respect to the Company or Asbury Group, as the case may be, and continuance of such failure for more than 20 days after the Company or Asbury Group, as

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

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

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

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

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

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

(iii) "Good Reason" shall mean, with respect to the termination of the Company Services or the Asbury Services, a termination by Consultant of his provision of Company Services or Asbury Services, as applicable, within 30 days following (A) any material diminution by the Company Board or the Asbury Board, as applicable, in Consultant's duties, except in connection with termination of Consultant's provision of services for Cause as provided in Section 6(b) or death or Disability as provided in Section 6(a), (B) any requirement by the Company Board or the Asbury Board, as applicable, that Consultant be based outside of the State of Arkansas or (C) the failure of the Company or Asbury Group, as applicable, timely to pay Consultant's or the

Consulting Firm's fees or benefits, provided that (x) Consultant shall have given the Company or Asbury Group, as applicable, written notice of the circumstances constituting Good Reason and the Company or Asbury Group, as applicable, shall have failed to cure such circumstances within 20 days, and (y) Consultant shall not have caused the occurrence constituting Good Reason through the exercise of his authority as a consultant to the Company or Asbury Group, as applicable.

(e) Notice and Effect of Termination. Any termination of Consultant's provision of Company Services or Asbury Services, as applicable, by the Company Board or the Asbury Board, as applicable, pursuant to Section 6(a) (in the case of Disability), 6(b) or 6(c), or by Consultant pursuant to Section 6(d), shall be communicated by a written "Notice of Termination" addressed to Consultant and the Consulting Firm, the Company or Asbury Group, as appropriate. A "Notice of Termination" shall mean, with respect to the Company or Asbury Group, as applicable, a notice stating that Consultant's provision of Company Services or Asbury Services, as applicable, has been or will be terminated, indicating the specific termination provisions in this Agreement relied upon and setting forth in reasonable detail the facts and circumstances claimed to provide a basis for the termination of the provision of such services. At any time that the Consultant's provision of Company Services or Asbury Services is terminated, the Consulting Firm's obligation with respect to such services shall also be terminated.

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

(i) Termination Without Cause or for Good Reason. (A) In the event of a termination of Consultant's provision of Company Services by the Company Board Without Cause or a termination by Consultant of the provision of Company Services for Good Reason, in either case, prior to the last day of the Company Term, the Company shall pay to the Consulting Firm (x) a lump sum in an amount equal to the Company Board's good faith determination of the present values of the Remaining Fee Amounts (as defined below), as of the date of such lump sum payment, calculated using a discount rate equal to the then prevailing interest rate payable on senior indebtedness of an issuer rated "B" by Moody's Investors Service or Standard & Poor's (or the then-equivalent rating) having a term as close as practicable to the period from the date of termination of the provision of Company Services through the last day of the Company Term, plus (y) any additional performance-based fee for the portion of the calendar year preceding Consultant's Date of Termination (as defined in Section 6(h)) as the Company Board in its discretion determines to have been earned by Consultant. "Remaining Fee Amounts" means the Company Consulting Fees that would have been payable, monthly in arrears, between the date on which Notice of Termination is

given as contemplated by Section 6(e) or, if no such Notice is given, the date of termination of the provision of Company Services (the "Notice Date"), and the last day of the Company Term, assuming no increase in the Company Consulting Fee from the rate in effect immediately prior to the Date of Termination.

(ii) Termination Upon Death or Disability. If Consultant's provision of Company Services shall terminate upon his death or Disability, the Company shall pay the Consulting Firm two times the full Company Consulting Fee at the annual rate in effect immediately prior to the Date of Termination, plus any additional performance-based fee for the portion of the calendar year preceding the Date of Termination as the Company Board in its discretion determines to have been earned by Consultant.

(iii) Termination for Cause or Voluntary Termination by Consultant. If the Company Board shall terminate Consultant's provision of Company Services for Cause or if Consultant shall voluntarily terminate his provision of Company Services for other than Good Reason, the Consulting Firm shall be paid the Company Consulting Fee through the Date of Termination at the annual rate in effect immediately prior to the Date of Termination, provided that the Consulting Firm shall not be paid any additional performance-based fees for the portion of the calendar year preceding the Date of Termination.

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

(i) Termination Without Cause or for Good Reason. In the event of a termination of Consultant's provision of Asbury Services by the Asbury Board Without Cause, or upon Consultant's death or Disability, or in the event of a termination by Consultant of the provision of Asbury Services for Good Reason, in any case prior to the last day of the Asbury Term, no later than twenty (20) days following the Date of Termination, Asbury Group shall pay to the Consulting Firm in a single lump sum, the full Asbury Fee as set forth in Section 3(b) for the year in which such termination occurred.

(ii) Termination for Cause or Voluntary Termination by Consultant. In the event of a termination of Consultant's provision of Asbury Services by the Asbury Board for Cause or in the event of a voluntary termination by Consultant of the Asbury Services other than for Good Reason, in any case prior to the last day of the Asbury Term, no later than twenty (20) days following the Date of Termination, Asbury Group shall pay to the Consulting Firm in a single lump sum, a pro rated portion of the Asbury Fee as set forth in Section 3(b) for the year in which such termination occurred.

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

7. Covenant Not to Compete. (a) So long as Consultant's provision of Company Services or Asbury Services hereunder shall continue, or as otherwise expressly consented to, approved or otherwise permitted by the Company in writing, and to the fullest extent permitted under applicable law, Consultant shall not, directly or indirectly engage in, participate in, represent in any way or be connected with, as an officer, director, partner, owner, employee, agent, independent contractor, consultant, proprietor or stockholder (except for the ownership of a less than 5% stock interest in a publicly traded corporation) or otherwise, any business similar to the Business (as defined in the Exchange Agreement, dated as of August 4, 1998 (as amended by Amendment No. 1, dated as of February 23, 1999, the "Exchange Agreement"), among Consultant, the Company and the other persons named therein) within the State of Arkansas or within 80 miles of any business owned or controlled by the Company, Asbury Group or any of their respective affiliates; or

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

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

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

amount equal to one hundred percent (100%) of the sum of the Company Consulting Fee and the Asbury Fee (the "Consulting Fees") per annum, described in subclause (iii)(y) below; and

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

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

8. Unauthorized Disclosure. (a) During and after the Company Term and the Asbury Term, without the written consent of the Company Board or the Asbury Board, as applicable, or a person authorized thereby, (i) Consultant shall not disclose to any person (other than an employee or director of the Company or Asbury Group, as applicable, or their respective affiliates, or a person to whom disclosure is reasonably necessary or appropriate in connection with the performance by Consultant of his duties under this Agreement) or use to compete with the Company or Asbury Group, as applicable, or any of their respective affiliates any confidential or proprietary information, knowledge or data that is not theretofore publicly known and in the public domain obtained by him while providing Company Services or Asbury Services, as applicable, with respect to the Company or Asbury Group, as applicable, or any of their respective affiliates or with respect to any products, improvements, customers, methods of

distribution, sales, prices, profits, costs, contracts (including, without limitation the terms and provisions of this Agreement), suppliers, business prospects, business methods, techniques, research, trade secrets or know-how of the Company or Asbury Group or any of their respective affiliates (collectively, "Proprietary Information" of the Company or Asbury Group, as applicable), and (ii) Consultant shall use best efforts to keep confidential any such Proprietary Information and to refrain from making any such disclosure, in each case except as may be required by law or as may be required in connection with any judicial or administrative proceedings or inquiry.

(b) The covenant contained in this Section 8 shall survive the termination of Consultant's provision of Company Services or Asbury Services, as applicable, and shall be binding upon Consultant's heirs, successors and legal representatives.

9. Non-Solicitation of Employees. During the period commencing on the Effective Date and ending on the date that is the later of five years after the Effective Date and two years after the final Date of Termination (the "Non-Solicitation Restriction Period"), Consultant shall not, directly or indirectly, for his own account or the account of any other person or entity with which he shall become associated in any capacity or in which he shall have any ownership interest, (a) solicit for employment or employ any person who, at any time during the preceding 12 months, is or was employed by or otherwise engaged to perform services for the Company or Asbury Group, or any of their respective affiliates, regardless of whether such employment or engagement is direct or through an entity with which such person is employed or associated, or otherwise intentionally interfere with the relationship of the Company or Asbury Group, or any of their respective affiliates with any person or entity who or which is at the time employed by or otherwise engaged to perform services for the Company or Asbury Group, as applicable, or any such affiliate or (b) induce any employee of the Company or Asbury Group, or any of their respective affiliates to engage in any activity which Consultant is prohibited from engaging in under Sections 7, 8, 9 and 10 hereof or to terminate his or her employment with the Company or Asbury Group, as applicable, or such affiliate.

10. Return of Documents. In the event of the termination of Consultant's provision of Company Services or Asbury Services for any reason, Consultant will deliver to the Company or Asbury Group, as applicable, all documents and data of any nature pertaining to his work with the Company or Asbury Group, as applicable, and their respective affiliates, and he will not take with him any documents or data of any description or any reproduction thereof, or any documents containing or pertaining to any Proprietary Information.

11. Injunctive Relief with Respect to Covenants. Consultant acknowledges and agrees that the covenants and obligations of Consultant with respect to

non-competition, non-disclosure, non-solicitation, confidentiality and the property of the Company or Asbury Group, as applicable, and their respective affiliates relate to special, unique and extraordinary matters and that, notwithstanding any other provision of this Agreement to the contrary, a violation of any of the terms of such covenants and obligations will cause the Company or Asbury Group, as applicable, and their respective affiliates irreparable injury for which adequate remedies are not available at law. Therefore, Consultant expressly agrees that the Company or Asbury Group, as applicable, and their respective affiliates (which shall be express third-party beneficiaries of such covenants and obligations) shall be entitled to an injunction (whether temporary or permanent), restraining order or such other equitable relief (including the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain Consultant from committing any violation of the covenants and obligations contained in Sections 7, 8, 9 and 10 hereof. These injunctive remedies are cumulative and in addition to any other rights and remedies the Company or Asbury Group or any such affiliate may have at law or in equity. Further, Consultant represents that his experience and capabilities are such that the provisions of Sections 7, 8, 9 and 10 hereof will not prevent him from earning his livelihood.

12. Entire Agreement. Except as otherwise expressly provided herein, this Agreement, the Exchange Agreement and the LLC Agreement constitute the entire agreements among the parties hereto with respect to the subject matter hereof, and all promises, representations, understandings, arrangements and prior agreements relating to such subject matter (including those made to or with Consultant or the Consulting Firm by any other person or entity) are merged herein and superseded hereby.

13. Indemnification. The Company agrees that Consultant shall be an "indemnified representative" for purpose of Article VII of the LLC Agreement.

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

(b) Governing Law. (i)(A) THIS AGREEMENT (EXCEPT AS PROVIDED FOR IN SECTION 14(b)(i)(B) BELOW) SHALL BE GOVERNED BY

AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ARKANSAS WITHOUT REFERENCE TO PRINCIPLES OF CONFLICT OF LAWS THEREUNDER. SUBJECT TO SECTION 14(b)(i)(B), ANY AND ALL SUITS, LEGAL ACTIONS OR PROCEEDINGS AGAINST ANY PARTY HERETO ARISING OUT OF THIS AGREEMENT SHALL BE BROUGHT IN ANY UNITED STATES FEDERAL COURT SITTING IN THE STATE OF ARKANSAS OR ANY OTHER COURT OF APPROPRIATE JURISDICTION SITTING IN THE STATE OF ARKANSAS, AS THE PARTY BRINGING SUCH SUIT MAY ELECT IN ITS SOLE DISCRETION, AND EACH PARTY HEREBY SUBMITS TO AND ACCEPTS THE EXCLUSIVE JURISDICTION OF SUCH COURTS FOR THE PURPOSE OF SUCH SUIT, LEGAL ACTION OR PROCEEDING, EACH PARTY HERETO WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS AND AGREES THAT SERVICE THEREOF MAY BE MADE BY CERTIFIED OR REGISTERED MAIL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING IN ANY SUCH COURT AND HEREBY FURTHER WAIVES ANY CLAIM THAT ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(B) NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, THE PROVISIONS OF SECTIONS 7, 8, 9, 10 AND 11 SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE WITHOUT REFERENCE TO PRINCIPLES OF CONFLICT OF LAWS THEREUNDER: ANY AND ALL SUITS, LEGAL ACTIONS OR PROCEEDINGS AGAINST ANY PARTY HERETO ARISING OUT OF SECTIONS 7, 8, 9, 10 OR 11 HEREOF SHALL BE BROUGHT IN ANY UNITED STATES FEDERAL COURT SITTING IN THE STATE OF DELAWARE OR ANY OTHER COURT OF APPROPRIATE JURISDICTION SITTING IN THE STATE OF DELAWARE, AS THE PARTY BRINGING SUCH SUIT MAY ELECT IN ITS SOLE DISCRETION, AND EACH PARTY HEREBY SUBMITS TO AND ACCEPTS THE EXCLUSIVE JURISDICTION OF SUCH COURTS FOR THE PURPOSE OF SUCH SUIT, LEGAL ACTION OR PROCEEDING, EACH PARTY HERETO WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS AND AGREES THAT SERVICE THEREOF MAY BE MADE BY CERTIFIED OR REGISTERED MAIL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING IN ANY SUCH COURT AND HEREBY FURTHER WAIVES ANY CLAIM THAT ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(ii) EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE BREACH, TERMINATION OR VALIDITY OF THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (W) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (X) EACH SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (Y) EACH SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (Z) EACH SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 14(b).

(c) [RESERVED]

(d) Amendments. No provisions of this Agreement may be modified, waived or discharged unless such modification, waiver or discharge is approved by both the Company Board and the Asbury Board or a person authorized thereby and is agreed to in writing by Consultant, the consulting firm and such officers or agents of the Company and Asbury Group as may be specifically designated by the Company Board and the Asbury Board, as applicable. No waiver by any party hereto at any time of any breach by any other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No waiver of any provision of this Agreement shall be implied from any course of dealing between or among the parties hereto or from any failure by any party hereto to assert its rights hereunder on any occasion or series of occasions. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

(e) Severability. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

(f) Notices. Any notice or other communication required or permitted to be delivered under this Agreement shall be (i) in writing, (ii) delivered personally, by nationally recognized overnight courier service or by certified or registered mail, first- class postage prepaid and return receipt requested, (iii) deemed to have been received on the date of delivery or on the third business day after the mailing thereof, and (iv) addressed as follows (or to such other address as the party entitled to notice shall hereafter designate in accordance with the terms hereof):

(A) if to the Company, to it:

c/o Asbury Automotive Group L.L.C.
One Tower Bridge
Suite 1440

Conshohocken, Pennsylvania 19428

Attention: Thomas R. Gibson
Telephone: (610) 260-9800
Fax: (610) 260-9804

-and to-

Ripplewood Holdings L.L.C.
One Rockefeller Plaza, 32nd Floor
New York, New York 10020
Attention: Timothy C. Collins
Telephone: (212) 582-6700
Fax: (212) 582-4110

(B) if to Consultant or the Consulting Firm, to him or it:

McLarty Companies, Inc.
P.O. Box 25511
Little Rock, AR 72221
Attention: Thomas F. McLarty, III

Telephone:
Fax:

with a copy to:

Wright, Lindsey & Jennings
200 West Capital Avenue
Suite 2200
Little Rock, AR 72201-3699

Attention: Kevin W. Kennedy, Esq.
Telephone: (501) 212-1394
Fax: (501) 376-9442

Copies of any notices or other communications given under this Agreement shall also be given to:

Debevoise & Plimpton
875 Third Avenue
New York, New York 10022
Attention: Robert F. Quaintance, Jr., Esq.
Telephone: (212) 909-6451
Fax: (212) 909-6836

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

(h) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

(i) Headings. The section and other headings contained in this Agreement are for the convenience of the parties only and are not intended to be a part hereof or to affect the meaning or interpretation hereof.

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

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

ASBURY AUTOMOTIVE ARKANSAS L.L.C.

By:
/s/ Brian E. Kendrick

Name: Brian E. Kendrick
Title: President & Chief Executive Officer

ASBURY AUTOMOTIVE GROUP L.L.C.

By:

Name:
Title:

McLARTY COMPANIES, INC.

By:

Name:
Title:

THOMAS F. McLARTY, III, as Consultant

/s/ THOMAS F. McLARTY, III

EXHIBIT 10.8

SEVERANCE PAY AGREEMENT

FOR KEY EMPLOYEE

This agreement is entered into as of April 3, 2001 between Asbury Automotive Group L.L.C. ("Asbury") and Philip R. Johnson ("Executive"), a key employee of Asbury, in order to provide for an agreed-upon compensation in the event that the Executive's employment is terminated as defined in this agreement.

1. Severance Pay Arrangement

If a Termination (as defined below) of Executive's employment occurs at any time during Executive's employment, Asbury will pay Executive 12 months of Executive's base salary as of the date of Termination as Severance Pay. Payment (subject to required withholding) will be made by Asbury to Executive monthly on the regular payroll dates of Asbury starting with the date of Termination.

If Executive participates in a bonus compensation plan at the date of Termination, Severance Pay will also include a portion of the target bonus for the year of Termination in an amount equal to the target bonus multiplied by the percentage of such year that has expired through the date of Termination.

In addition, Executive shall be entitled for 12 months following the date of Termination to continue to participate at the same level of coverage and Executive contribution in any health and dental insurance plans, as may be amended from time to time, in which Executive was participating immediately prior to the date of Termination. Such participation will terminate 30 days after Executive has obtained other employment under which Executive is covered by equal benefits. The Executive agrees to notify Asbury promptly upon obtaining such other employment.

2. Definition of Termination Triggering Severance Pay

A "Termination" triggering the Severance Pay set forth above in Section 1 is defined as (1) termination of Executive's employment by Asbury for any reason, except death, disability, retirement, voluntary resignation or "cause", or (2) termination by Executive because of mandatory relocation of Executive's current principal place of

business to a location more than 50 miles away, or (3) Asbury's reduction of Executive's base salary, or (4) any material diminution of Executive's duties or job title, except in a termination for "cause", death, disability, retirement or voluntary resignation. The definition of "cause" is: (1) Executive's gross negligence or gross misconduct in carrying out Executive's duties resulting in either case in material harm to Asbury; or (2) Executive being convicted of a felony; or (3) Executive's breach of Sections 3, 4 or 5 below.

3. Confidential Information Nondisclosure Provision

During and after employment with Asbury, Executive agrees not to disclose to any person (other to an employee or director of Asbury or any affiliate and except as may be required by law) and not to use to compete with Asbury or any affiliate any confidential or proprietary information, knowledge or data that is not in the public domain that was obtained by Executive while employed by Asbury with respect to Asbury or any affiliate or with respect to any products, improvements, customers, methods of distribution, sales, prices, profits, costs, contracts, suppliers, business prospects, business methods, techniques, research, trade secrets or know-how of Asbury or any affiliate (collectively, "Confidential Information"). In the event that Executive's employment ends for any reason, Executive will deliver to Asbury all documents and data of any nature pertaining to Executive's work with Asbury and will not take any documents or data or any reproduction, or any documents containing or pertaining to any Confidential Information. Executive agrees that in the event of a breach by Executive of this provision, Asbury shall be entitled to inform all potential or new employers of this provision and obtain injunctive relief and damages which may include recovery of amounts paid to Executive under this agreement.

4. Non-Solicitation of Employees

Executive agrees that for a period of one year from Executive's last day of employment with Asbury, Executive shall not directly or indirectly solicit for employment or employ any person who, at any time during the preceding 12 months, is or was employed by Asbury or any affiliate or induce or attempt to persuade any employee of Asbury or any affiliate to terminate their employment relationship. Executive agrees that in the event of a breach by Executive of this provision, Asbury shall be entitled to inform all potential or new employers of this provision and obtain injunctive relief and damages which may include recovery of amounts paid to Executive under this agreement.

5. Covenant Not to Compete

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

In the event that Executive's employment ends for any reason, the provisions of the Covenant Not To Compete shall remain in effect for one year following the date of Termination except that the prohibition above on "any business or activity which competes with the business of Asbury or any affiliate" shall be limited to Autonation, Sonic, Lithia, United Auto Group and other competitive groups of similar size. Executive shall disclose in writing to Asbury the name, address and type of business conducted by any proposed new employer of Executive if requested in writing by Asbury. Executive agrees that in the event of a breach by Executive of this Covenant Not To Compete, Asbury shall be entitled to inform all potential or new employers of this Covenant and to obtain injunctive relief and damages which may include recovery of amounts paid to Executive under this agreement.

GENERAL PROVISIONS

A. Employment is At Will

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

B. Execution of Release

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

C. Other Provisions

This agreement shall be binding upon the heirs, executors, administrators, successors and assigns of Executive and Asbury, including any successor to Asbury.

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

If any provision of this agreement shall be held invalid or unenforceable, such holding shall not affect any other provisions, and this agreement shall be construed and enforced as if such provisions had not been included.

This agreement supersedes any and all agreements between Asbury and Executive relating to payments upon termination of employment or severance pay and may only be modified in writing signed by Asbury and Executive.

This agreement shall be governed by and construed in accordance with the laws of the State of Connecticut.

AGREED TO AS OF THE DATE FIRST WRITTEN ABOVE:

BY EXECUTIVE	BY ASBURY AUTOMOTIVE GROUP L.L.C.
/s/ Philip R. Johnson	/s/ Brian E. Kendrick
---	---
Print Name:	Print Name and Title:
Philip R. Johnson	Brian E. Kendrick
	President & Chief Executive Officer

EXHIBIT 10.9

Note: Certain material has been omitted from this document pursuant to a request for confidential treatment and has been filed separately with the SEC. Notations of [REDACTED]* have been used to indicate such an omission.

CREDIT AGREEMENT

Dated as of January 17, 2001

between

ASBURY AUTOMOTIVE GROUP L.L.C.

as Borrower

and

FORD MOTOR CREDIT COMPANY,

CHRYSLER FINANCIAL COMPANY, L.L.C.,

GENERAL MOTORS ACCEPTANCE CORPORATION, and

the other Lenders party hereto,

as the Lenders

and

FORD MOTOR CREDIT COMPANY,
as Agent.

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CREDIT AGREEMENT

This Credit Agreement dated January 17, 2001 is entered into among ASBURY AUTOMOTIVE GROUP, L.L.C., a Delaware limited liability company, (together with any successor permitted hereunder, the "Borrower"), FORD MOTOR CREDIT COMPANY, a Delaware corporation, ("Ford Credit") CHRYSLER FINANCIAL COMPANY, L.L.C., a Michigan limited liability company, ("Chrysler Financial"), GENERAL MOTORS ACCEPTANCE CORPORATION, a Delaware corporation, ("GMAC"), the other Lenders from time to time party hereto, and Ford Credit, as administrative agent and collateral agent (in such capacity and together with any Successor Agent appointed pursuant to Article VII, the "Agent") for the Secured Parties. The parties hereto agree as follows:

ARTICLE I: DEFINITIONS

1.1 Certain Defined Terms. The following terms used in this Agreement shall have the following meanings, applicable both to the singular and the plural forms of the terms defined.

As used in this Agreement:

"Acquisition" means any transaction, or any series of related transactions, consummated on or after the date of this Agreement, by which the Borrower or a Transaction Party (i) acquires any ongoing business or all or substantially all of the assets of any automobile dealership and/or related operations (including, without limitation, body shop and service repair centers), whether through purchase of assets, merger or otherwise or (ii) directly or indirectly acquires (in one or a series of transactions) at least a majority of the Voting Interests of any Person.

"Acquisition Advance" is defined in Section 5.2 (K) hereof.

"Acquisition Cost" means, the acquisition price to be paid by Borrower or any Subsidiary of Borrower for a Permitted Acquisition (including, without limitation, the maximum amount of any deferred portion thereof or contingency payments payable in connection therewith (and reasonable fees and expenses incurred in connection therewith but only to the extent such fees and expenses were not paid to an Affiliate of any Transaction Party), but excluding therefrom (i) that portion of the purchase price, of a particular Permitted Acquisition, specifically allocated to real property, (ii) that portion of the purchase price, of any particular Permitted Acquisition, paid in Seller Paper, and (iii) the value of any Equity Interests of the Borrower issued to the seller in connection with a particular Permitted Acquisition) (computed with any non-cash portion of the acquisition price being valued at the Fair Value thereof as of the date of computation).

"Acquisition Documents" means all documents, instruments and agreements entered into in connection with any Acquisition.

"Acquisition Price" means, the acquisition price to be paid by Borrower or any Subsidiary of Borrower for a Permitted Acquisition (including, without limitation, the maximum

amount of any deferred portion thereof or contingency payments payable in connection therewith (and reasonable fees and expenses incurred in connection therewith but only to the extent such fees and expenses were not paid to an Affiliate of any Transaction Party), computed with any non-cash portion of the acquisition price being valued at the Fair Value thereof as of the date of computation).

"Advance" means any Working Capital Advance and any Acquisition Advance made under Section 2.1 hereof or otherwise deemed made under the Loan Documents.

"Adjusted Leverage Ratio" is defined in Section 5.4(C) hereof.

"Affiliate" of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. A Person shall be deemed to control another Person if the controlling Person is the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended) of greater than five percent (5%) or more of any class of voting securities (or other voting interests) of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of Capital Stock, by contract or otherwise.

"Agent" has the meaning set forth in the recital of parties to this Agreement, together with any successor Agent.

"Agent's Account" means any account maintained in the name of the Agent of which the Agent gives written notice to the Borrower or any Lender, as applicable, that such account is the Agent's Account.

"Agreement" means this Credit Agreement, as it may be amended, restated or otherwise modified and in effect from time to time.

"Agreement Accounting Principles" means generally accepted accounting principles in effect from time to time, applied in a manner consistent with that used in preparing the financial statements referred to in Section 5.1(A) hereof.

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Note: Certain material has been omitted from this document pursuant to a request for confidential treatment and has been filed separately with the SEC. Notations of [REDACTED]* have been used to indicate such an omission.

"Applicable LIBOR Rate" means as of any Payment Date, the LIBOR Rate plus a percentage margin per annum as determined by reference to (i) the following ratios, and (ii) the percentages listed (A) under Tier A if and for so long as the Revolving Credit Obligations are greater than the Target Amount (as defined herein) and (B) under Tier B if and for so long as the Revolving Credit Obligations are equal to or less than the Target Amount (such percentage is referred to herein as the "Margin").

TIER A		TIER B	
Adjusted Leverage Ratio	Margin	Adjusted Leverage Ratio	Margin
Level 1 Greater than [REDACTED]*	[REDACTED]*	Level 1 Greater than [REDACTED]*	[REDACTED]*
Level 2 Greater than [REDACTED]* but equal to or less than [REDACTED]*	[REDACTED]*	Level 2 Greater than [REDACTED]* but equal to or less than [REDACTED]*	[REDACTED]*
Level 3 Greater than [REDACTED]* but equal to or less than [REDACTED]*	[REDACTED]*	Level 3 Greater than [REDACTED]* but equal to or less than [REDACTED]*	[REDACTED]*
Level 4 Greater than [REDACTED]* but equal to or less than [REDACTED]*	[REDACTED]*	Level 4 Greater than [REDACTED]* but equal to or less than [REDACTED]*	[REDACTED]*
Level 5 Greater than [REDACTED]* but equal to or less than [REDACTED]*	[REDACTED]*	Level 5 Greater than [REDACTED]* but equal to or less than [REDACTED]*	[REDACTED]*
Level 6 Equal to or less than [REDACTED]*	[REDACTED]*	Level 6 Equal to or less than [REDACTED]*	[REDACTED]*

The Applicable LIBOR Rate for each month shall be based on the LIBOR Rate in effect on the first Business Day of such month. All changes in the Applicable LIBOR Rate (due to a change in the LIBOR Rate) shall become effective on the first day of a calendar month and shall be deemed in effect throughout such month. The Applicable LIBOR Rate for each month shall be determined by reference to the Adjusted Leverage Ratio and Tier in effect on the first Business Day of such month; provided, however, that (A) no change in the Applicable LIBOR Rate (which is based upon a change in the Adjusted Leverage Ratio) shall be effective until the first Business Day of the first month following the date on which the Agent receives the financial statements required to be delivered pursuant to Section 5.1 (A) (i) and the Officer's Certificate required to be delivered pursuant to Section 5.1 (A) (iv), (B) changes in the Applicable LIBOR Rate based on the Target Amount shall be made only on the first day of a calendar quarter, and (C) the Applicable LIBOR Rate shall be at Tier A, Level 1 for so long as the Borrower has not submitted to the Agent the information described in clause (A) of this proviso as and when required under Section 5.1 (A).

"Asbury Group" means the Borrower and each other Transaction Party.

"Asset Sale" means, with respect to any Person, the sale, lease, conveyance, disposition or other transfer by such Person of any of its assets (including by way of a sale-leaseback transaction and including the sale or other transfer of any of the Equity Interests of any Subsidiary of such Person).

"Assignment and Acceptance" has the meaning set forth in Section 9.3 (a) hereof.

"Authorized Officer" means, with respect to the Borrower or any of its Subsidiaries, the chief executive officer, president, chief financial officer, chief accounting officer, treasurer or assistant treasurer, acting singly.

"Benefit Plan" means a defined benefit plan as defined in Section 3(35) of ERISA (other than a Multi-employer Plan) in respect of which the Borrower or any other member of the Controlled Group is, or within the immediately preceding six (6) years was, an "employer" as defined in Section 3(5) of ERISA.

"Borrower" means Asbury Automotive Group L.L.C., a Delaware limited liability company, together with its successors and assigns, including a debtor-in-possession on behalf of the Borrower.

"Borrower's Account" means such account as the Borrower may specify in writing to the Agent.

"Borrower LLC Agreement" means the Third Amended and Restated Limited Liability Company Agreement of Borrower, dated as of February 1, 2000, including any amendments or restatements subsequent to the date hereof.

"Borrower Pledges" means each of (i) that certain Pledge Agreement, dated as of even date herewith, from the Borrower to the Agent pursuant to which the Borrower pledges the Capital Stock of certain corporate Subsidiaries, as it may be amended, restated or otherwise modified and in effect from time to time, (ii) that certain Pledge Agreement, dated as of even date herewith, from the Borrower to the Agent pursuant to which the Borrower pledges the Capital Stock of certain limited liability company Subsidiaries, as it may be amended, restated or otherwise modified and in effect from time to time, (iii) that certain Pledge Agreement, dated as of even date herewith, from the Borrower to the Agent pursuant to which the Borrower pledges the Capital Stock of certain partnership Subsidiaries, as it may be amended, restated or otherwise modified and in effect from time to time, and (iv) any other pledge of Capital Stock delivered by Borrower from time to time to the Agent, in each case delivered to the Agent, for the benefit of the Lenders, to secure the Obligations.

"Borrower Security Agreement" means that certain Security Agreement, dated as of even date herewith from the Borrower to the Agent, for the benefit of the Lenders, pursuant to which the Borrower has pledged all of its assets to secure the Obligations hereunder, as it may be amended, restated or otherwise modified and in effect from time to time.

"Borrowing" means a borrowing consisting of either (i) the Initial Borrowing pursuant to Section 2.1 (A) (1) or (ii) any Advance under Section 2.1(A) (2).

"Borrowing Spread" is defined in Section 2.1 (A) (2) (c) hereof.

"Borrowing Date" means a date on which an Advance is made hereunder.

"Borrowing Notice" is defined in Section 2.1 (A) (2) (b) hereof.

"Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for business in New York City and Dearborn, Michigan.

"Capital Expenditures" of a Person means, for any period, the aggregate of all expenditures (other than in connection with Permitted Acquisitions), whether paid in cash or accrued as liabilities, including Capitalized Lease Obligations, during that period that, in conformity with Agreement Accounting Principles, are required to be included in or reflected by the property, plant, equipment or similar fixed asset accounts reflected in the consolidated balance sheet of such Person.

"Capital Stock" means (i) in the case of a corporation, corporate stock, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock, (iii) in the case of a partnership, partnership interests (whether general or limited), (iv) in the case of a limited liability company, any and all membership interests or other equivalents (however designated) and (v) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"Capitalized Lease" of a Person means any lease of property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

"Capitalized Lease Obligations" of a Person means the amount of the obligations of such Person under Capitalized Leases which would be capitalized on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

"Cash Equivalents" means (i) marketable direct obligations issued or unconditionally guaranteed by the United States government and backed by the full faith and credit of the United States government; (ii) domestic and Eurodollar certificates of deposit and time deposits, bankers' acceptances and floating rate certificates of deposit issued by any commercial bank organized under the laws of the United States, any state thereof, the District of Columbia, or its branches or agencies; (iii) shares of money market, mutual or similar funds having assets in excess of $100,000,000.00 and the investments of which are limited to investment grade securities (i.e., securities rated at least Baa by Moody's Investors Service, Inc. or at least BBB by Standard & Poor's Corporation); (iv) commercial paper of United States and foreign banks and bank holding companies and their subsidiaries and United States and foreign finance, commercial industrial or utility companies which, at the time of acquisition, are rated A-1 (or better) by Standard & Poor's Ratings Group or P-1 (or better) by Moody's Investors Services, Inc.; (v) corporate bonds, mortgage-backed securities and municipal bonds in each case of a domestic issuer rated at the date of acquisition not less than Aaa by Moody's Investor Services, Inc. or AAA by Standard & Poor's Corporation with maturities of no more than two (2) years from the date of acquisition; (vi) repurchase obligations of any Lender or of any commercial

bank satisfying the requirements of clause (ii) of this definition, with respect to securities issued or fully guaranteed or insured by the United States government; and (vii) money market funds with respect to which not less than 90% of such funds are invested in the type of investments specified in clauses (i) through (v) above; provided, unless the context otherwise requires, the maturities of such Cash Equivalents shall not exceed 365 days.

"Change of Control" means an event or series of events, not including the events constituting the Roll-Up Transaction, by which:

(i) during any period of 24 consecutive calendar months, individuals:

(a) who were directors of the Borrower on the first day of such period, or

(b) whose election or nomination for election to the board of directors of the Borrower was recommended or approved by at least a majority of the directors then still in office who were directors of the Borrower on the first day of such period, or whose election or nomination for election was so approved,

shall cease to constitute a majority of the board of directors of the Borrower;

(ii) other than as might be permitted under the terms hereof in connection with a Permitted IPO Conversion (as defined herein) the Borrower consolidates with or merges into another corporation or conveys, transfers or leases all or substantially all of its property to any Person, or any corporation consolidates with or merges into the Borrower, in either event pursuant to a transaction in which the outstanding Capital Stock of the Borrower is reclassified or changed into or exchanged for (A) cash or Cash Equivalents or (B) securities, and the holders of the Capital Stock in the Borrower immediately prior to such transaction do not, as a result of such transaction, own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the Borrower's Capital Stock or the Capital Stock of its successor entity in such transaction;

(iii) prior to an Initial Public Offering, Asbury Automotive Holdings L.L.C. ceases to control the board of directors of Borrower (which such control is more fully described in Section 3.01 of the Borrower LLC Agreement), and after an Initial Public Offering, Asbury Automotive Holdings L.L.C. ceases to exercise voting control over the Shares (as defined in the Shareholders Agreement), as such control is more fully described in Section 3.01 of the Shareholders Agreement; or

(iv) other than as a result of transactions otherwise permitted by the terms of this Agreement, the Borrower ceases to own, directly or indirectly, 100% of the Voting Interests in a Subsidiary other than a Subsidiary operating under a Restricted Franchise Agreement (as defined herein), and except as set forth on Schedule 1.1.8 hereto.

"Charter Documents" means (i) in the case of a corporation, such entity's articles or certificate of incorporation and by-laws, (ii) in the case of a limited liability company, such entity's articles of organization and limited liability company operating agreement or equivalent (however designated), (iii) in the case of a partnership, such entity's partnership agreement or equivalent (however designated) and (iv) in the case of an association or other business entity not described above, such entity's founding documents (however designated).

"Chrysler Financial" means Chrysler Financial Company, L.L.C., a Michigan limited liability company, and its successors and assigns.

"Closing Fee" is defined in Section 3.1(C) (xxi) of this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended, reformed or otherwise modified from time to time, or any successor statute.

"Collateral" means all property and interests in property now or hereafter acquired by ,covered by, or subject to, any Collateral Document.

"Collateral Documents" means all agreements, instruments and documents executed in connection with this Agreement that are intended to create or evidence Liens to secure the Obligations, including, without limitation, the Loan Party Security Agreements, the Loan Party Pledges, the Cross Agreement, the Waiver, Guaranty and Disbursement Agreement, the Pledged Account Agreements, and all other security agreements, mortgages, deeds of trust, loan agreements, notes, guaranties, subordination agreements, pledges, powers of attorney, consents, assignments, contracts, fee letters, notices, leases, financing statements and all other written matter whether heretofore, now, or hereafter executed by or on behalf of the Borrower, any of its Subsidiaries or any other Person and delivered to the Agent, together with all agreements and documents referred to therein or contemplated thereby.

"Commission" means the United States Securities and Exchange Commission and any Person succeeding to the functions thereof.

"Commitment" means with respect to any Lender at any time, the amount set forth opposite such Lender's name on Schedule 1.1.4 hereto under the caption "Commitment" or, if such Lender has entered into one or more Assignment and Acceptances, set forth for such Lender in the Register maintained by the Agent pursuant to Section 9.3, as any such amount may be reduced pursuant to Section 2.3.

"Consolidated Net Worth" means, at a particular date, the amount by which the total consolidated assets of the Borrower and its consolidated Subsidiaries exceeds the total consolidated liabilities of the Borrower and its consolidated Subsidiaries.

"Contaminant" means any waste, pollutant, hazardous substance, toxic substance, hazardous waste, special waste, petroleum or petroleum-derived substance or waste, asbestos, polychlorinated biphenyls ("PCBs"), or any constituent of any such substance or waste, and includes but is not limited to these terms as defined under or regulated by any Environmental, Health or Safety Requirements of Law.

"Contingent Obligation", as applied to any Person, means any direct or indirect obligation of that Person with respect to any Indebtedness of another or other obligation or liability of another, including, without limitation, any such Indebtedness, obligation or liability of another directly or indirectly guaranteed, endorsed (otherwise than for collection or deposit in the ordinary course of business), co-made or discounted or sold with recourse by that Person, or in respect of which that Person is otherwise directly or indirectly liable, including obligations (contingent or otherwise) arising through any contract, agreement or instrument, or any

agreement to purchase, repurchase, or otherwise acquire such Indebtedness, obligation or liability or any security therefore, or to provide funds for the payment or discharge thereof (whether in the form of loans, advances, stock purchases, capital contributions or otherwise), or to maintain solvency, assets, level of income, or other financial condition, or to make payment other than for value received.

"Contractual Obligation" as applied to any Person, means any material provision of any equity or debt securities issued by that Person or any material indenture, mortgage, deed of trust, security agreement, pledge agreement, guaranty, contract, undertaking, agreement or instrument, in each case in writing, to which that Person is a party or by which it or any of its properties is bound, or to which it or any of its properties is subject.

"Controlled Group" means the group consisting of (i) any corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as the Borrower; (ii) a partnership or other trade or business (whether or not incorporated) which is under common control (within the meaning of Section 414(c) of the Code) with the Borrower; and (iii) a member of the same affiliated service group (within the meaning of Section 414(m) of the Code) as the Borrower, any corporation described in clause (i) above or any partnership or trade or business described in clause (ii) above.

"Controlled Subsidiary" of any Person means a Subsidiary of such Person (i) 80% or more of the total Equity Interests or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more wholly-owned Subsidiaries of such Person or (ii) of which such Person possesses, directly or indirectly, the power to direct or cause the direction of the management or policies, whether through the ownership of voting securities, by agreement or otherwise.

"Cross Agreement" means that certain Cross Default Agreement dated as of even date herewith, by and among the Transactions Parties, the Lenders and the Agent, as such agreement may be amended, restated or otherwise modified from time to time.

"Current Assets" means, at a particular date, all amounts which would, in conformity with Agreement Accounting Principles, be included under current assets on a balance sheet as at such date, plus LIFO reserve, if applicable.

"Current Liabilities" means, at a particular date, all amounts which would, in conformity with Agreement Accounting Principles, be included under current liabilities on a balance sheet as at such date.

"Current Ratio" is defined in Section 5.4(A) hereof.

"Customary Permitted Liens" means:

(i) Liens (other than environmental Liens and Liens in favor of the PBGC) with respect to the payment of taxes, assessments or governmental charges, in all cases which are not yet due or (if foreclosure, distraint, sale or other similar proceedings shall not have been commenced) which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with Agreement Accounting Principles;

(ii) statutory Liens of landlords and Liens of suppliers, mechanics, carriers, materialmen, warehousemen or workmen and other similar Liens imposed by law created in the ordinary course of business for amounts not yet due or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with Agreement Accounting Principles;

(iii) Liens incurred or deposits made, in each case, in the ordinary course of business in connection with worker's compensation, unemployment insurance or other types of social security benefits or to secure the performance of bids, tenders, sales, contracts (other than for the repayment of borrowed money), surety, appeal and performance bonds; provided that (A) all such Liens do not in the aggregate materially detract from the value of the Borrower's or such Subsidiary's assets or property taken as a whole or materially impair the use thereof in the operation of the businesses taken as a whole, and (B) with respect to Liens securing bonds to stay judgments or in connection with appeals, such Liens do not secure at any time an aggregate amount exceeding $500,000.00;

(iv) Liens arising with respect to zoning restrictions, easements, licenses, reservations, covenants, rights-of-way, utility easements, building restrictions and other similar charges or encumbrances on the use of real property which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries;

(v) Liens of attachment or judgment with respect to judgments, writs or warrants of attachment, or similar process against the Borrower or any of its Subsidiaries which do not constitute an Event of Default under Section 6.1(h) hereof;

(vi) any interest or title of the lessor in the property subject to any operating lease entered into by the Borrower or any of its Subsidiaries in the ordinary course of business;

(vii) Liens related to precautionary U.C.C. financing statement filings with respect to Capitalized Leases or consignment arrangements otherwise permitted under this Agreement entered into by the Borrower or any of its Subsidiaries in the ordinary course of business, provided, however, that any such Liens may not encumber assets other than those that are the subject of such Capitalized Lease or consignment arrangement, as the case may be;

(viii) Liens in favor of a banking institution arising by operation of law encumbering deposits (including the right of set-off) held by such banking institutions incurred in the ordinary course of business and that are within the general parameters customary in the banking industry; provided, however, that (A) any such Lien must be subordinated (on terms acceptable to Agent and the Required Lenders) to the Liens evidenced by the Collateral Documents and (B) any such right of set-off must be waived in favor of the Agent.

"Dealership" means any Subsidiary that is an automobile dealership and/or related body shop or service repair center owned, operated or acquired by any Transaction Party.

"Dealership Guarantors" means each Person listed on Schedule 1.1.5 hereof providing a Dealership Guaranty, a Dealership Security Agreement and a Dealership Pledge to the Agent, for the benefit of the Lenders, and each other Person providing a Dealership Guaranty, a Dealership Security Agreement and a Dealership Pledge to Agent, for the benefit of the Lenders, pursuant to Section 5.2 (L) of this Agreement, and their respective successors and assigns.

"Dealership Guaranty" means each Guaranty in the form attached hereto as Exhibit C-1, provided by a Dealership to the Agent, for the benefit of the Lenders, as the same may be amended, modified, supplemented, reaffirmed and/or restated, and as in effect from time to time.

"Dealership Pledge" means each Pledge Agreement delivered by any Dealership to the Agent, for the benefit of the Lenders, pursuant to which such Person pledges to the Agent, for the benefit of the Lenders, its Capital Stock of certain corporation, limited liability company and/or partnership Subsidiaries, as such Pledge Agreement may be amended, restated or otherwise modified from time to time.

"Dealership Security Agreement" means any Security Agreement in the form attached hereto as Exhibit D-1, pursuant to which a Dealership grants the Agent, for the benefit of the Lenders, a security interest in all of its assets, as the same may be amended, modified, supplemented and/or restated, and as in effect from time to time.

"Decision Period" is defined in Section 5.2(G) hereof.

"Decision Reserve" is defined in Section 5.2(G) hereof.

"Defaulted Advance" means, with respect to any Lender at any time, the portion of any Advance required to be made by such Lender to the Borrower pursuant to Section 2.1 at or prior to such time that has not been made by such Lender or the Agent for the account of such Lender pursuant to Section 2.1 as of such time, or which otherwise is required to be made by such Lender at or prior to such time that has not been made by such Lender as of such time.

"Defaulted Amount" means, with respect to any Lender, any amount required to be paid by such Lender to the Agent or any other Lender hereunder or under any other Loan Document at or prior to such time that has not been so paid as of such time. In the event that a portion of a Defaulted Amount shall be deemed paid pursuant to Section 2.12, the remaining portion of such Defaulted Amount shall be considered a Defaulted Amount originally required to be paid hereunder or under any other Loan Document on the same date as the Defaulted Amount so deemed paid in part.

"Defaulting Lender" means, at any time, any Lender that, at such time, (a) owes a Defaulted Advance or a Defaulted Amount , or (b) shall take any action or be the subject of any action or proceeding of a type described in Section 6.1(f) or Section 6.1(g).

"Disqualified Stock" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is 91 days after the Termination Date.

"DOL" means the United States Department of Labor and any Person succeeding to the functions thereof.

"Dollar" and "$" means dollars in the lawful currency of the United States.

"EBITDA" means, for any period, on a consolidated basis for the Borrower and its Subsidiaries, the sum of the amounts for such period, without duplication, of:

(i) Net Income,

plus (ii) Interest Expense, to the extent deducted in computing Net Income,

plus (iii) charges against income for foreign, federal, state and local taxes, to the extent deducted in computing Net Income,

plus (iv) depreciation expense, to the extent deducted in computing Net Income,

plus (v) amortization expense, including, without limitation, amortization of goodwill, other intangible assets and Transaction Costs, to the extent deducted in computing Net Income,

plus (vi) other non-cash charges classified as long-term deferrals in accordance with Agreement Accounting Principles, to the extent deducted in computing Net Income,

plus (vii) all extraordinary losses (which have been included in the determination of Net Income.)

minus (viii) all extraordinary gains (which have been included in the determination of Net Income).

EBITDA shall be calculated for any period by including the actual amount for the applicable period ending on such day, including the EBITDA attributable to Permitted Acquisitions occurring during such period on a pro forma basis for the period from the first day of the applicable period through the date of the closing of each Permitted Acquisition, utilizing (a) where available or required pursuant to the terms of this Agreement, historical audited and/or reviewed unaudited financial statements obtained from the seller, broken down by fiscal quarter in the Borrower's reasonable judgment or (b) unaudited financial statements (where no audited or reviewed financial statements are required pursuant to the terms of this Agreement) reviewed internally by the Borrower, broken down in the Borrower's reasonable judgment.

"EBITDAR" means, for any period, on a consolidated basis for the Borrower and its Subsidiaries, the sum of the amounts for such period, without duplication, of (i) EBITDA and (ii) Rentals.

"Effective Date" is defined in Section 1.3 hereof.

"Eligible Assignee" is defined in Section 9.3 hereof.

"Environmental, Health or Safety Requirements of Law" means all Requirements of Law derived from or relating to federal, state and local laws or regulations relating to or addressing pollution or protection of the environment, or protection of worker health or safety, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. ss. 9601 et seq., the Occupational Safety and Health Act of 1970, 29 U.S.C. ss. 651 et seq., and the Resource Conservation and Recovery Act of 1976, 42 U.S.C. ss. 6901 et seq., in each case including any amendments thereto, any successor statutes, and any regulations or guidance promulgated thereunder, and any state or local equivalent thereof.

"Environmental Property Transfer Act" means any applicable Requirement of Law that conditions, restricts, prohibits or requires any notification or disclosure triggered by the closure of any property or the transfer, sale or lease of any property or deed or title for any property for environmental reasons, including, but not limited to, any so-called "Industrial Site Recovery Act" or "Responsible Property Transfer Act."

"Equipment" of a Person means all of such Person's present and future furniture, machinery, service vehicles, supplies and other equipment and any and all accessions, parts and appurtenances attached to any of the foregoing or used in connection therewith, and any substitutions therefore and replacements, products and proceeds thereof.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time including (unless the context otherwise requires) any rules or regulations promulgated thereunder.

"Event of Default" means an event described in Section 6.1 hereof.

"Excluded Tax" is defined in Section 2.9 (A) hereof.

"Existing Asbury Obligations" is defined in Schedule 1.1.6 hereof.

"Extraordinary Receipt" means extraordinary gains (and any nonrecurring unusual gains arising in or outside of the ordinary course of business) not included in extraordinary gains determined in accordance with Agreement Accounting Principles.

"Fair Value" means (a) with respect to the Capital Stock of the Borrower (after the Initial Public Offering), the closing price for such Capital Stock on the trading date immediately preceding the date of determination; and (b) with respect to the Capital Stock of the Borrower

(prior to the Initial Public Offering) and other assets, the value of the relevant asset as of the date of acquisition or sale as would be obtained in an arm's-length transaction conducted in good faith between an informed and willing buyer and an informed and willing seller each under no compulsion to buy or sell.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by the Agent from three Federal funds brokers of recognized standing selected by it.

"Fixed Charge Coverage Ratio" is defined in Section 5.4(B) hereof.

"Floor Plan Indebtedness" means any and all loans, advances, debts, liabilities and obligations, owing by any Dealership to any Lender (or any Affiliate or Subsidiary thereof), of any kind or nature, present or future, arising under a Wholesale Line, whether or not evidenced by any note, guaranty or other instrument, whether or not for the payment of money, whether arising by reason of an extension of credit, loan, guaranty, indemnification, or in any other manner, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired. The term includes, without limitation, all interest, charges, expenses, fees, attorneys' fees and disbursements and paralegals' fees, and any other sum chargeable to the Borrower or a Dealership under any documents, instruments or agreements executed by the Borrower or a Dealership in connection with a Wholesale Line.

"Ford Credit" means Ford Motor Credit Company, a Delaware corporation, and its successors and assigns.

"GMAC" means General Motors Acceptance Corporation, a Delaware corporation, and its successors and assigns.

"Governmental Authority" means any nation or government, any federal, state, local or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Guarantor" means each Dealership Guarantor and Subsidiary Holding Company Guarantor.

"Guaranty" means each Dealership Guaranty and Subsidiary Holding Company Guaranty.

"Hedging Obligations" of a Person means any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefore), under (i) any and all agreements, devices or arrangements designed to protect at least one of the parties thereto from the fluctuations of interest rates, exchange rates or forward

rates applicable to such Person's assets, liabilities or exchange transactions, including, but not limited to, dollar-denominated or cross-currency interest rate exchange agreements, forward currency exchange agreements, interest rate cap or collar protection agreements, forward rate currency or interest rate options, puts and warrants, and (ii) any and all cancellations, buy backs, reversals, terminations or assignments of any of the foregoing.

"Indebtedness" of any Person means, without duplication, such Person's (a) obligations for borrowed money, (b) obligations representing the deferred purchase price of property or services (other than accounts payable arising in the ordinary course of such Person's business payable on terms customary in the trade), (c) obligations which are evidenced by notes, acceptances or other similar instruments, (d) Capitalized Lease Obligations, (e) reimbursement obligations with respect to letters of credit (other than commercial letters of credit) issued for the account of such Person, (f) Hedging Obligations, (g) Contingent Obligations in respect of obligations of another Person of the type described in the foregoing clauses (a) through (f). The amount of Indebtedness of any Person at any date shall be without duplication (i) the outstanding balance at such date of all unconditional obligations as described above and the maximum liability of any such Contingent Obligations at such date and (ii) in the case of Indebtedness of others secured by a Lien to which the property or assets owned or held by such Person is subject, the lesser of the fair market value at such date of any asset subject to a Lien securing the Indebtedness of others and the amount of the Indebtedness secured. For the avoidance of doubt, in the case of the Borrower and its Subsidiaries, the term "Indebtedness" includes all Floor Plan Indebtedness.

"Indemnified Matters" is defined in Section 8.7 (B) hereof.

"Indemnified Taxes" is defined in Section 2.9 (A) hereof.

"Indemnitees" is defined in Section 8.7 (B) hereof.

"Initial Borrowing" is defined in Section 2.1 (A) (1) hereof.

"Initial Public Offering" means an initial public offering of equity securities of Borrower (or another entity formed in connection with a Permitted IPO Conversion (as defined herein)) registered under the Securities Act of 1933, as amended.

"Interest Expense" means, for any period, the total interest expense of the Borrower and its consolidated Subsidiaries, whether paid or accrued (including the interest component of Capitalized Leases, commitment and letter of credit fees), but excluding interest expense not payable in cash (including amortization of discount), and excluding Floor Plan Indebtedness, all as determined in conformity with Agreement Accounting Principles.

"Interest Reconciliation Date" is defined in Section 2.5 hereof.

"Inventory" of a Person means any and all present and future motor vehicles, tractors, trailers, service parts and accessories and all other property of such Person held for sale or lease in the ordinary course of business of such Person.

"Investment" of a Person means, (i) any purchase or other acquisition by that Person of any Indebtedness, Equity Interests or other securities, or of a beneficial interest in any

Indebtedness, Equity Interests or other securities, issued by any other Person, (ii) any purchase by that Person of all or substantially all of the assets of a business conducted by another Person, and (iii) any loan, advance (other than deposits with financial institutions available for withdrawal on demand, prepaid expenses, accounts receivable, advances to officers, directors, sales representatives and employees and similar items made or incurred in the ordinary course of business) or capital contribution by that Person to any other Person, including all Indebtedness to such Person arising from a sale of property by such Person other than in the ordinary course of its business.

"IRS" means the United States Internal Revenue Service and any Person succeeding to the functions thereof.

"Lenders" means, collectively, Ford Credit, Chrysler Financial, GMAC and their respective successors and Eligible Assignees that shall become a party to this Agreement pursuant to Section 9.3 hereof; in each case for so long as such Lender or Person shall be a party to this Agreement.

"Lender's Commitment" means, with respect to any Lender at any time, the amount set forth opposite such Lender's name on Schedule 1.1.4 hereto under the caption "Commitment" or, if such Lender has entered into one or more Assignment and Acceptances, set forth for such Lender in the Register maintained by the Agent pursuant to Section 9.3 (b) hereof as such lender's "Commitment," as such amount may be reduced pursuant to Section 2.3.

"LIBOR Rate" means, for any given calendar month, the monthly arithmetic average, as determined on the first Business Day of that particular calendar month, of the per annum interest rate announced from time to time as the one month London Interbank Offered Rate quoted each of the four Mondays immediately preceding the date of determination (for the Friday immediately preceding such Monday) under the Money Rates Column of The Wall Street Journal, or, if The Wall Street Journal is unavailable for any reason, as published in such other publications as the Agent may designate. In the event such rate is not quoted on Monday for the previous Friday, the rate quoted on the first business day of the week for the last business day of the previous week shall be utilized.

"Lien" means any lien (statutory or other), mortgage, pledge, hypothecation, assignment, encumbrance or security agreement or preferential arrangements of any kind or nature whatsoever (including, without limitation, the interest of a vendor or lessor under any conditional sale, Capitalized Lease or other title retention agreement).

"Loan Documents" means this Agreement, the Notes, the Loan Party Guaranties, the Collateral Documents and all other documents, instruments and agreements executed in connection herewith or contemplated hereby (other than any Wholesale Line), as the same may be amended, restated or otherwise modified and in effect from time to time.

"Loan Party" means the Borrower and each other Person that has executed a Loan Document in favor of the Agent at any time on or after the Effective Date.

"Loan Party Guaranties" means each Subsidiary Holding Company Guaranty and each Dealership Guaranty.

"Loan Party Pledges" means each of (i) the Borrower Pledge, (ii) the Dealership Pledge, (iii) the Subsidiary Holding Company Pledge, and (iv) any other pledge of Capital Stock delivered by a Loan Party from time to time to the Agent, for the benefit of the Lenders.

"Loan Party Security Agreements" means each of (i) the Borrower Security Agreement, (ii) the Dealership Security Agreement, (iii) the Subsidiary Holding Company Security Agreement, and (iv) any other security agreement delivered by a Loan Party from time to time to the Agent, for the benefit of the Lenders.

"MAI Appraisal" means an appraisal of real property performed by a Member, Appraisal Institute appraiser who meets the requirements of American Institute of Real Estate Appraisers.

"Margin Stock" shall have the meaning ascribed to such term in Regulation U.

"Material Adverse Change" means either (i) for so long as the structure of the Asbury Group involves Platforms (as defined herein), any material adverse change in the business, financial condition, operations, performance, properties or prospects of any Platform, or (ii) in the event that the structure of the Asbury Group involves geographic structures other than Platforms, a material adverse change in the business, financial condition, operations, performance, properties or prospects of any aggregation of Transaction Parties which such aggregation, taken as a whole, equals the lesser of (A) the geographic organizational component of the Asbury Group that replaces the Platform structure or (B) ten percent (10%) of the total number of Transaction Parties.

"Material Adverse Effect" means a material adverse effect upon (a) the business, financial condition, operations, performance, properties or prospects of the Borrower and its Subsidiaries, taken as a whole, (b) the ability of any Loan Party to perform its respective obligations under the Loan Documents in any material respect, or (c) the ability of the Agent or any Lender to enforce in any material respect the Obligations or its rights with respect to the Loan Documents.

"Material Subsidiary" means (i) any "Significant Subsidiary" as defined in Regulation S-X issued pursuant to the Securities Act and the Exchange Act, or (ii) any Subsidiary of the Borrower that is a Loan Party.

"Maximum Availability" means $550,000,000.00, as such amount may be reduced pursuant to Section 2.3 hereof.

"Maximum Rate" means the maximum nonusurious interest rate under applicable law.

"Minority Holder" means any holder of an Equity Interest in a Subsidiary, which Equity Interest does not exceed 20% of the Capital Stock of such Subsidiary.

"Multi-employer Plan" means a "Multi-employer Plan" as defined in Section 4001(a)(3) of ERISA which is, or within the immediately preceding six (6) years was, contributed to by either the Borrower or any member of the Controlled Group.

"Net Cash Proceeds" means, with respect to any sale, lease, transfer or other disposition of any asset or the incurrence or issuance of any Indebtedness or the sale or issuance of any Equity Interests (including, without limitation, any capital contribution) by any Person, or any Extraordinary Receipt received by or paid to or for the account of any Person, the aggregate amount of cash received from time to time (whether as initial consideration or through payment or disposition of deferred consideration) by or on behalf of such Person in connection with such transaction after deducting therefrom only (without duplication) (a) reasonable and customary brokerage commissions, underwriting fees and discounts, legal fees, finder's fees and other similar fees, disbursements and commissions, (b) the amount of taxes and other governmental costs and expenses payable in connection with or as a result of such transaction (including the amount of taxes payable by such Person's direct and indirect owners if such Person is treated as a flow through entity for tax purposes as determined for purposes of making Tax Distributions pursuant to Section 6.01 (c) of the Borrower LLC Agreement), (c) the amount of any Indebtedness secured by a Lien on such asset that, by the terms of the agreement or instrument governing such Indebtedness, is required to be repaid upon such disposition, and (d) reserves for purchase price adjustments and retained fixed liabilities that are payable by Borrower or such Subsidiary in cash to the extent required under Agreement Accounting Principles in connection with such sale, lease, transfer or disposition (it being understood that immediately upon expiration of the retention period for such reserves, amounts held as reserves must be paid as a mandatory prepayment of the Revolving Credit Obligations pursuant to Section 2.2 (B) hereof), in the case of items (a) and (c) above, to the extent, but only to the extent, that the amounts so deducted are, at the time of receipt of such cash, actually paid either (a) to a Person that is not an Affiliate of such Person, or (b) to Ripplewood Partners L.P. (with the prior written consent of the Required Lenders, which such consent may not be unreasonably withheld), and are properly attributable to such transaction or to the asset that is the subject thereof,; provided, however, that in the case of taxes that are deductible under clause (b) above but for the fact that, at the time of receipt of such cash, such taxes or any Tax Distribution related thereto have not been actually paid or are not then payable, such Person or Affiliate may deduct an amount (the "Reserved Amount") equal to the amount reserved in accordance with Agreement Accounting Principles for such party's reasonable estimate of such taxes or any Tax Distribution, other than taxes of such party for which such party is indemnified, provided further, however, that, at the time such taxes or any Tax Distribution are paid, an amount equal to the amount, if any, by which the Reserved Amount for such taxes or any Tax Distribution exceeds the amount of such taxes or any Tax Distribution actually paid shall constitute "Net Cash Proceeds" of the type for which such taxes were reserved for all purposes hereunder.

"Net Income" means, for any period, the net earnings (or loss) after taxes of the Borrower and its Subsidiaries on a consolidated basis for such period taken as a single accounting period determined in conformity with Agreement Accounting Principles.

"New Subsidiary" is defined in Section 5.3(F)(ii).

"Notes" means collectively, all promissory notes of the Borrower payable to the order of a Lender, in substantially the form of Exhibit A hereto, evidencing the indebtedness of the Borrower to such Lender, including any amendment, restatement, modification, renewal, increase or replacement thereof.

"Obligations" means all Advances, debts, liabilities, obligations, covenants and duties owing by a Loan Party to the Agent or any of the Lenders or any Indemnitee, of any kind or nature, present or future, arising under any Loan Document, whether or not evidenced by any note, guaranty or other instrument, whether or not for the payment of money, whether arising by reason of an extension of credit, loan, guaranty, indemnification, or in any other manner, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired. The term includes, without limitation, all interest, charges, expenses, fees, attorneys' fees and disbursements, paralegals' fees, and any other sum chargeable to any Loan Party under any Loan Document.

"Off Balance Sheet Liabilities" of a Person means (a) any repurchase obligation or liability of such Person or any of its Subsidiaries with respect to accounts or notes receivable sold by such Person or any of its Subsidiaries, (b) any liability under any sale and leaseback transactions which do not create a liability on the consolidated balance sheet of such Person, (c) any liability under any financing lease or so-called "synthetic" lease transaction, or (d) any obligations arising with respect to any other transaction which is the functional equivalent of borrowing but which does not constitute a liability on the consolidated balance sheets of such Person and its Subsidiaries.

"Other Taxes" is defined in Section 2.9(B) hereof.

"Over Borrowing" means any Borrowing which, if funded, would not exceed the Revolving Credit Availability at such time, but which, when allocated among the Lenders in accordance with their respective Ratable Shares, would cause any one or more of the Lenders to exceed its respective Unused Commitment at such time.

"Participants" is defined in Section 9.2(A) hereof.

"Payment Date" means the fifteenth day of each calendar month, provided, however if such day is not a Business Day, then the Payment Date shall be the next succeeding Business Day following such fifteenth day.

"PBGC" means the Pension Benefit Guaranty Corporation, or any successor thereto.

"Pending Acquisition" means any Acquisition set forth on Schedule 1.1.7 hereto.

"Permitted Acquisition" is defined in Section 5.3(F)(iii) hereof.

"Permitted Existing Indebtedness" means the Indebtedness of the Borrower and its Subsidiaries identified as such on Schedule 1.1.1 to this Agreement.

"Permitted Existing Investments" means the Investments of the Borrower and its Subsidiaries identified as such on Schedule 1.1.2 to this Agreement.

"Permitted Existing Liens" means the Liens on assets of the Borrower and its Subsidiaries identified as such on Schedule 1.1.3 to this Agreement.

"Permitted IPO Conversion" means, any of the following, occurring as a precursor to an initial public offering of securities in the Borrower, (A) a transfer of all of (x) the assets of

Borrower or (y) the Equity Interests in Borrower owned by the members of Borrower, to a newly organized stock corporation or other business entity (any such entity is referred to herein as a "Newco"), (B) a merger or consolidation of Borrower into or with a Newco, (C) the conversion of Borrower into a corporation or other type of entity, or (D) another restructuring of all of the assets of or Equity Interests in Borrower owned by the members of Borrower into a Newco; provided, however that such actions described in (A) through (D) may occur only if (i) consented to in writing by the Agent and the Required Lenders prior to the consummation of such actions, which such consent may not be unreasonably withheld, (ii) any such Newco is a Person organized under the laws of the United States, any State thereof or the District of Columbia, (iii) any such Newco (A) expressly assumes the Obligations of the Borrower and performance of the Borrower's covenants under the Loan Documents, by becoming a party thereto, and (B) takes or has taken all action required by Section 5 of the Borrower Security Agreement, and takes or has taken such other action as may be necessary or desirable, or as the Agent may reasonably request, in order to preserve the Liens, and continue the perfection thereof with the same priority, as granted and provided for or purported to be granted and provided for by the Borrower Security Agreement, and (iv) immediately after giving effect to such transaction, no event shall occur and be continuing that constitutes an Event of Default or Unmatured Default. From and after completion of a Permitted IPO Conversion, references in the Loan Documents to "Borrower" shall constitute references to Newco.

"Permitted Refinancing Indebtedness" means any replacement, renewal, refinancing or extension of any Indebtedness permitted by this Agreement that (i) does not exceed the aggregate principal amount (plus associated fees and expenses) of the Indebtedness being replaced, renewed, refinanced or extended, except to the extent permitted by Section 5.3 (A) (xi), (ii) does not rank at the time of such replacement, renewal, refinancing or extension senior to the Indebtedness being replaced, renewed, refinanced or extended, and (iii) does not contain terms (including, without limitation, terms relating to security, amortization, interest rate, premiums, fees, covenants, event of default and remedies) materially less favorable to the Borrower or to the Lenders than those applicable to the Indebtedness being replaced, renewed, refinanced or extended.

"Permitted Subordinated Indebtedness" means Indebtedness issued by the Borrower (whether in a Rule 144A or private placement offering, an SEC registered public offering or otherwise) that is consented to by the Agent and the Required Lenders in writing (which such consent may not be unreasonably withheld) and that is subordinated to the Obligations and the Wholesale Lines on terms consented to by the Agent and the Required Lenders in writing (which such consent may not be unreasonably withheld).

"Person" means any individual, corporation, firm, enterprise, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company or other entity of any kind, or any government or political subdivision or any agency, department or instrumentality thereof.

"Plan" means an employee benefit plan defined in Section 3(3) of ERISA in respect of which the Borrower or any member of the Controlled Group is, or within the immediately preceding six (6) years was, an "employer" as defined in Section 3(5) of ERISA.

"Platform" means each of (i) collectively, Asbury Automotive Arkansas L.L.C., a Delaware limited liability company, and each entity it owns, directly or indirectly, (ii) collectively,

Asbury Automotive Atlanta L.L.C., a Delaware liability company, and each entity it owns, directly or indirectly, (iii) collectively, Asbury Automotive Jacksonville, L.P., a Delaware limited partnership, and each entity it owns, directly or indirectly, (iv) collectively, Asbury Automotive North Carolina L.L.C., a Delaware limited liability company, Asbury Automotive North Carolina Real Estate Holdings L.L.C., a Delaware limited liability company, and Camco Finance, L.L.C., a Delaware limited liability company, and each entity any of the foregoing owns, directly or indirectly, (v) collectively, Asbury Automotive St. Louis L.L.C., a Delaware limited liability company, Asbury Automotive St. Louis Gen. L.L.C., a Delaware limited liability company, and Asbury Automotive St. Louis LR L.L.C., a Delaware limited liability company, and each entity any of the foregoing owns, directly or indirectly, (vi) collectively, Asbury Automotive Tampa L.P., a Delaware limited partnership, Asbury Tampa Management L.L.C., a Delaware limited liability company, Asbury Automotive Tampa GP, L.L.C., a Delaware limited liability company, and each entity it owns, directly or indirectly, (vii) collectively, Asbury Automotive Texas L.L.C., a Delaware limited liability company, and each entity it owns, directly or indirectly, (viii) Asbury Automotive Oregon Dealership Holdings L.L.C., a Delaware limited liability company, and each entity it owns, directly or indirectly, and (ix) those entities acquired in connection with any Permitted Acquisition of a group of Dealerships, operating under multiple franchise agreements with multiple automobile manufacturers operating in a specific geographic region.

"Pledged Account Agreements" means, collectively, any Pledged Account Agreement in the form attached hereto as Exhibit H, pursuant to which a Transaction Party grants the Agent, for the benefit of the Lenders, a security interest in all of its depository accounts, as the same may be amended, modified, supplemented and/or restated, and as in effect from time to time.

"Ratable Portion-Initial Advance" means with respect to Ford Credit 45.7%, with respect to Chrysler Financial 40%, and with respect to GMAC 14.3%.

"Ratable Share" means with respect to any Lender at any time, a percentage represented by a fraction the numerator of which is the amount of such Lender's Commitment at such time and the denominator of which is the sum of all Commitments at such time, in either case as reduced pursuant to the terms hereof.

"Reallocated Borrowing" means, as to any Lender at the time of a request for an Over Borrowing, such Lender's Ratable Share of the given Over Borrowing minus such Lender's Unused Commitment at such time.

"Reallocating Lender" is defined in Section 2.1 (A) (2) (c) hereof.

"Receivable(s)" of a Person means all of such Person's presently existing and hereafter arising or acquired accounts, contract rights, chattel paper, instruments, notes, letters of credit, documents, documents of title, investment property, deposit accounts, other bank accounts, general intangibles, tax refunds and other obligations of other Persons of any kind, now or hereafter existing, including, but not limited to, those arising out of or in connection with the sale or lease of goods, the rendering of services or otherwise, and all rights now or hereafter existing in and to all security agreements, leases, and other contracts securing or otherwise relating to any such accounts, contract rights, chattel paper, instruments, notes, letters of credit, documents, documents of title, investment property, deposit accounts, other bank accounts, general intangibles, tax refunds or of other Persons.

"Register" has the meaning set forth in Section 9.3 (b).

"Regulation T" means Regulation T of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by and to brokers and dealers of securities for the purpose of purchasing or carrying margin stock (as defined therein).

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit for the purpose of purchasing or carrying Margin Stock applicable to member banks of the Federal Reserve System.

"Regulation X" means Regulation X of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by foreign lenders for the purpose of purchasing or carrying margin stock (as defined therein).

"Release" means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment, including the movement of Contaminants through or in the air, soil, surface water or groundwater.

"Rentals" of a Person means the aggregate fixed amounts payable by such Person under any lease of real or personal property but does not include any amounts payable under Capitalized Leases of such Person.

"Reportable Event" means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section, with respect to a Plan, excluding, however, such events as to which the PBGC by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days after such event occurs, provided, however, that a failure to meet the minimum funding standards of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Code.

"Required Lenders" means, at any time, Lenders owed or holding at least 65% of the sum of (a) the aggregate principal amount of the Advances outstanding at such time, and (b) the Unused Commitments at such time (such sum is referred to as the "Credit"); provided, however, that if at any given time no one Lender is owed or holds 25% or more of the Credit, "Required Lender" at such time will mean Lenders owed or holding at least 51% of the Credit; provided, further, however, that if any Lender shall be a Defaulting Lender at any such time, there shall be excluded from the determination of Required Lenders at such time (X) the aggregate principal amount of the Advances owing to such Lender (in its capacity as a Lender) and outstanding at such time, and (Y) the Unused Commitment of such Lender at such time.

"Requirements of Law" means, as to any Person, the charter and by-laws or other organizational or governing documents of such Person, and any law, rule or regulation, or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject including, without limitation, the Securities Act of 1933, the Securities Exchange Act of 1934, Regulations T, U and X, ERISA, the Fair Labor Standards Act, the Worker Adjustment and Retraining Notification Act, Americans with Disabilities Act of 1990, and any certificate of occupancy, zoning ordinance, building, environmental or land use requirement or permit or environmental, labor, employment, occupational safety or health law, rule or regulation.

"Responsible Officer" means any officer of any Transaction Party.

"Restricted Franchise Agreement" is defined in Section 5.3(F)(iii)(b).

"Restricted Payment" means (i) any dividend or other distribution, direct or indirect, on account of any Equity Interests of the Borrower now or hereafter outstanding, except (a) any Tax Distribution, or (b) a dividend payable solely in the Borrower's Capital Stock (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock, (ii) any redemption, retirement, purchase or other acquisition for value, direct or indirect, of any Equity Interests of the Borrower or any of its Subsidiaries now or hereafter outstanding, other than in exchange for, or out of the proceeds of, the substantially concurrent sale (other than to a Transaction Party) of other Equity Interests of the Borrower (other than Disqualified Stock), and (iii) any payment of a claim for the rescission of the purchase or sale of, or for material damages arising from the purchase or sale of any Equity Interests of the Borrower or any of the Borrower's Subsidiaries, or of a claim for reimbursement, indemnification or contribution arising out of or related to any such claim for damages or rescission.

"Revolving Credit Availability" means, at any particular time, the difference between the Maximum Availability at such time and the Revolving Credit Obligations at such time.

"Revolving Credit Obligations" means, at any particular time, the sum of the outstanding principal amount of all Advances at such time.

"Roll-Up Transaction" has the meaning assigned to it in the Borrower LLC Agreement.

"Secretary's Certificate" with respect to any Person, means any certificate, delivered by a secretary, assistant secretary, managing member, general partner or governor of such Person which certifies (i) the names and true signatures of the incumbent officers or managers of such Person authorized to sign each Transaction Document to which it is a party and the other documents to be executed thereunder, (ii) a true and correct copy of such Person's Certificate of Incorporation, or similar charter document and all amendments thereto, (iii) a true and correct copy of the by-laws or similar governing document of such entity and all amendments thereto, and (iv) a true and correct copy of the resolutions of such Person's board of directors or members approving and authorizing the execution, delivery and performance by such entity of each Transaction Document to which it is a party and the other documents to be executed thereunder;

"Secured Parties" means the Agent, for itself and the other Lenders.

"Seller Paper" means purchase price obligations of any Loan Party to a seller of Equity Interests or assets in connection with a Permitted Acquisition, provided that (i) incurrence of such obligations must have been consented to by the Agent and the Required Lenders, which such consent may not be unreasonably withheld, (ii) such obligations are subordinated in right of payment to the prior payment in full of the Obligations and the Wholesale Lines, and (iii) such obligations are subordinate to the Obligations and the Wholesale Lines in any distributions made in any bankruptcy, insolvency or reorganization proceedings; with respect to each of (ii) and (iii) on terms acceptable to the Agent and the Required Lenders and otherwise in form reasonably acceptable to the Required Lenders.

"Shareholders Agreement" has the meaning assigned to such term in the Borrower LLC Agreement.

"Single Employer Plan" means a Plan maintained by the Borrower or any member of the Controlled Group for employees of the Borrower or any member of the Controlled Group.

"Solvent" means, with respect to any Person on a particular date, that on such date (a) the present fair saleable value of the property of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person, after giving effect to the expected value of rights of indemnity, contribution and subrogation (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature and (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute an unreasonably small amount of capital. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability, after giving effect to the expected value of rights of indemnity, contribution and subrogation.

"Subsidiary" of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Borrower.

"Subsidiary Holding Companies" means and any Subsidiary of Borrower which owns any Equity Interests in any other Person in the Asbury Group, in each case together with its successors and assigns.

"Subsidiary Holding Company Guaranty" means each Guaranty in the form attached hereto as Exhibit C-2, provided by a Subsidiary Holding Company to Agent, for the benefit of the Lenders, as the same may be amended, modified, supplemented, reaffirmed and/or restated, and in effect from time to time.

"Subsidiary Holding Company Pledge" means each Pledge Agreement delivered by any Subsidiary Holding Company to the Agent, for the benefit of the Lenders, pursuant to which such Person pledges their Capital Stock of certain corporation, limited liability company and/or partnership Subsidiaries, as such pledge agreement may be amended, restated or otherwise modified from time to time.

"Subsidiary Holding Company Security Agreement" means any Security Agreement in the form attached hereto as exhibit D-2, pursuant to which a Subsidiary Holding company grants the Agent, for the benefit of the Lenders, a security interest in all of its assets, as the same may be amended, modified, supplemented and/or restated, and in effect from time to time.

"Successor Agent" is defined in Section 7.6 of this Agreement.

"Target Amount" means a Dollar amount equal to (i) the Dollar amount of the Initial Borrowing less the Closing Fee, plus (ii) the aggregate Dollar amount of prepayments of the Revolving Credit Obligations made by Borrower from time to time; provided, however, that only prepayments made with the following types of funds may be included in (ii) above (the "Allowable Prepayments"): (A) Net Cash Proceeds received by Borrower as a direct result of an Initial Public Offering or any secondary public offering of equity securities of Borrower registered under the Securities Act of 1933, (B) Net Cash Proceeds received by Borrower as a direct result of Permitted Subordinated Indebtedness, (C) Net Cash Proceeds of an Asset Sale, or (D) Borrower's after tax net income, as determined in accordance with Agreement Accounting Principles. The Target Amount for each quarter shall be based on the Target Amount in effect on the first Business Day of such quarter and shall be determined by Agent in its sole discretion by taking into account all Allowable Prepayments made on or prior to such date. All changes in the Target Amount shall become effective on the first Business Day of a calendar quarter and shall be deemed in effect throughout such calendar quarter.

"Tax Distribution" means any distribution by the Borrower pursuant to section 6.01 (c) of the Borrower LLC Agreement.

"Termination Date" means the earlier of (a) three years less one day after the Effective Date or such other "Termination Date" specified in an Extension Notice and agreed to by the Lenders and (b) the date of termination of the Commitment pursuant to either of Section 2.3 or Section 6.2 hereof.

"Termination Event" means (i) a Reportable Event with respect to any Benefit Plan; (ii) the withdrawal of the Borrower or any member of the Controlled Group from a Benefit Plan during a plan year in which the Borrower or such Controlled Group member was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or the cessation of operations which results in the termination of employment of twenty percent (20%) of Benefit Plan participants who are employees of the Borrower or any member of the Controlled Group; (iii) the imposition of an obligation on the Borrower or any member of the Controlled Group under Section 4041 of ERISA to provide affected parties written notice of intent to terminate a Benefit Plan in a distress termination described in Section 4041(c) of ERISA; (iv) the institution by the PBGC of proceedings to terminate a Benefit Plan; (v) any event or condition which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to

administer, any Benefit Plan; or (vi) the partial or complete withdrawal of the Borrower or any member of the Controlled Group from a Multi-employer Plan.

"Total Adjusted Debt" means, for any period, on a consolidated basis for the Borrower and its Subsidiaries, the amount of Total Debt less (i) any Floor Plan Indebtedness and (ii) Permitted Subordinated Indebtedness.

"Total Debt" means, for any period, on a consolidated basis for the Borrower and its Subsidiaries, the sum of Indebtedness of the Borrower and its Subsidiaries, other than Hedging Obligations and Contingent Obligations.

"Transaction Costs" means the fees, costs and expenses payable by the Borrower in connection with the execution, delivery and performance of the Transaction Documents.

"Transaction Parties" means each of the Loan Parties and any Subsidiary of the Borrower that is not yet a Loan Party.

"Transaction Documents" means the Loan Documents and the Acquisition Documents.

"United States Person" means any Person that is resident in or organized under the laws of the United States or any political subdivision thereof, as each of these is determined for United States Federal tax purposes.

"Unmatured Default" means an event which, but for the lapse of time or the giving of notice, or both, would constitute an Event of Default.

"Unused Commitment" means, with respect to any Lender, such Lender's Commitment at such time minus the aggregate principal amount of Advances made by such Lender and outstanding at such time.

"Voting Interests" means shares of Capital Stock in any Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors, or persons performing similar functions of such Person, even if the right to vote has been suspended by the happening of such contingency.

"Waiver, Guaranty and Disbursement Agreement" means each Waiver, Guaranty and Disbursement Agreement in the form attached hereto as Exhibit G, delivered by any Loan Party to the Agent, for the benefit of the Lenders, as the same may be amended, restated, or otherwise modified from time to time.

"Wholesale Line" means any automotive floor plan wholesale credit line made by Ford Credit, Chrysler Financial, GMAC, or any Lender or any Affiliate or subsidiary thereof to a dealership.

"Working Capital Advances" is defined in Section 5.2 (K) hereof.

Any accounting terms used in this Agreement which are not specifically defined herein shall have the meanings customarily given them in accordance with generally accepted accounting principles in existence as of the date hereof.

1.2 References. The existence throughout the Agreement of references to the Borrower's Subsidiaries is for a matter of convenience only. Any references to Subsidiaries of the Borrower set forth herein shall (i) with respect to representations and warranties which deal with historical matters be deemed to include each of the Subsidiaries existing on the date the particular representation and warranty is deemed made; and (ii) shall not in any way be construed as consent by a Lender to the establishment, maintenance or acquisition of any Subsidiary, except as may otherwise be permitted hereunder.

1.3 Effectiveness of this Agreement. Upon the satisfaction of all of the conditions precedent set forth in Section 3.1 of this Agreement (the date upon which such conditions precedent are satisfied being hereinafter referred to as the "Effective Date"), this Agreement shall become effective.

ARTICLE II: THE LOAN FACILITIES

2.1 Making Advances; Repayment of Advances.

(A) Making Advances.

(1) Initial Advance. No later than 11:00 A.M. (Eastern Standard Time) on the Effective Date, each Lender severally agrees to make available to the Agent, in same day funds, such Lender's Ratable Portion-Initial Advance of the Existing Asbury Obligations (plus such Lender's Ratable Portion-Initial Advance of the Closing Fee (as defined in Section 3.1 (xxi)). If funds are made available to Agent by the Lenders as required herein, no later than 2:00 P.M. (Eastern Standard Time) on the Effective Date, the Agent will make Advances on Borrower's behalf in an aggregate amount sufficient to retire the Existing Asbury Obligations (such Advances are referred to collectively as the "Initial Borrowing"); Borrower acknowledges that a portion of the Advances comprising such Initial Borrowing, in an amount sufficient to retire the Existing Asbury Obligations owing to Agent, will be in the form of internal balance transfers performed by Agent.

(2) Additional Advances. (a) Upon satisfaction of the conditions precedent set forth in Sections 3.1 and 3.2, from and including the Effective Date of this Agreement and prior to the Termination Date, each Lender severally agrees, on the terms and conditions hereinafter set forth, to make Advances to the Borrower from time to time on any Business Day during the period from the Effective Date until the Termination Date in an amount for each such Advance not to exceed such Lender's Unused Commitment at such time; provided, however, at no time shall the Revolving Credit Obligations exceed the Commitment at such time. Each Borrowing shall be in an aggregate amount no less than $500,000.00 and in multiples of $10,000.00 if in excess thereof and will consist of Advances made simultaneously by the Lenders in accordance with Section 2.1 (A) (2) (b). Within the limits of each Lender's Unused Commitments in effect from time to time, and subject to the terms of this Agreement, the Borrower may borrow under this Section 2.1 (A) (2), prepay pursuant to Section 2.2 and reborrow under this Section 2.1 (A) (2).

(b) Borrowing Notice. Each Borrowing shall be made on notice, given not later than 11:00 A.M. (Eastern Standard Time) on the third Business Day prior to the date of the proposed Borrowing, by the Borrower to the Agent, which shall give notice to each Lender thereof on the same Business Day by telex or telecopier. Each such notice of a Borrowing (a "Borrowing Notice") must be by telephone, confirmed immediately in writing, telex or telecopier, in substantially the form of Exhibit B hereto, specifying therein the requested (i) date of such Borrowing, (ii) the aggregate amount of such Borrowing, (iii) the use of proceeds of such Borrowing, and (iv) the account or accounts into which the Advances comprising such Borrowing should be funded. Each Lender shall, before 11:00 A.M. (Eastern Standard Time) on the date of such Borrowing, make available to the Agent, at the Agent's Account, in same day funds, such Lender's Ratable Share of such Borrowing in accordance with the respective Commitments not to exceed such Lender's Unused Commitment at such time. After the Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Agent will make such funds available to the Borrower by crediting the Borrower's Account. Each Borrowing Notice shall be irrevocable and binding on the Borrower. The Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the date specified in such Borrowing Notice for such Borrowing the applicable conditions set forth in Article III, including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Advance to be made by such Lender as part of such Borrowing when such Advance, as a result of such failure, is not made on such date. Not later than 2:00 p.m. (Eastern Standard Time) on each Borrowing Date, the Agent (on behalf of each Lender) shall make available the Advance (if Agent has received funds from the Lenders as required herein), in funds immediately available to the Borrower at such account or accounts as shall have been notified to the Agent. Each Advance shall bear interest from and including the date of the making of such Advance to (but not including) the date or repayment thereof at the Applicable LIBOR Rate, changing when and as the underlying LIBOR Rate changes, which interest shall be payable in accordance with Section 2.7(B).

(c) Reallocation. Notwithstanding the provisions of the foregoing Section 2.1 (A) (2) (b) to the contrary, should Borrower submit a Borrowing Notice which, if honored, would result in an Over Borrowing, any Lender being asked to exceed its Unused Commitment at such time (any such Lender is referred to herein as a "Reallocating Lender") shall be required to make available to the Agent only that portion of such Reallocating Lender's Ratable Share of the Over Borrowing equal to such Reallocating Lender's Unused Commitment at such time; any amounts not made available to the Agent by any such Reallocating Lender (because such amounts would exceed such Lender's Unused Commitment at such time) will be reallocated and made available to the Agent by the Lenders which are not Reallocating Lenders (the reallocation of such amounts is referred to herein as the "Borrowing Spread"). Any such Reallocated Borrowing shall be reallocated as follows: (1) if more than one Lender is not a Reallocating Lender then each of such Lenders shall make equal portions of the Reallocated Borrowing available to the Agent, not in excess of each such Lender's Unused Commitment at such time, (2) if only one Lender is not a Reallocating Lender then such Lender shall make the full amount of the Reallocated Borrowing available to the Agent, not in excess of its Unused Commitment at such time. If after the first Borrowing Spread, the full amount of the Over Borrowing has not been reallocated, any such amount shall be reallocated in another Borrowing Spread in the same manner as described in the immediately preceding sentence; this process

will continue through as many Borrowing Spreads as are required to reallocate the full amount of the Over-Borrowing.

(d) Unless the Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Agent such Lender's ratable portion of such Borrowing, the Agent may assume that such Lender has made such portion available to the Agent on the date of such Borrowing in accordance with subsection (a) of this Section 2.1 (A) (2) and the Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Agent, such Lender and the Borrower severally agree to repay or pay to the Agent forthwith on demand such corresponding amount and to pay interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid or paid to the Agent, at (i) in the case of the Borrower, the Applicable LIBOR Rate, and (ii) in the case of such Lender (x) for the first three days after demand, at the Federal Funds Rate from time to time in effect, and (y) thereafter the Applicable LIBOR Rate. If such Lender shall pay to the Agent such corresponding amount, such amount so paid shall constitute such Lender's Advance as part of such Borrowing for all purposes.

(e) The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation hereunder to make its Advance on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

(B) The Borrower shall repay in full to the Agent, for the ratable account of the Lenders, on the Termination Date the aggregate principal amount of Advances then outstanding.

2.2 Optional Payments; Mandatory Prepayments

2.2 (A) Optional Payments. The Borrower may from time to time repay or prepay, without penalty or premium all or any part of outstanding Advances; provided, however, that the Borrower may not so prepay Advances unless it shall have provided written notice to Agent not less than 3 Business Days prior to the date of such prepayment stating the proposed date and the aggregate principal amount of the prepayment. The amount of any such partial prepayment must be no less than $500,000.00, and in multiples of $100,000.00 if in excess thereof.

(B) Mandatory Prepayments. If at any time and for any reason the Revolving Credit Obligations are greater than the Commitment, the Borrower shall immediately make a mandatory prepayment of the Obligations in an amount equal to such excess. Amounts equal to (i) Net Cash Proceeds of an Asset Sale shall be mandatorily applied against the Revolving Credit Obligations and (ii) a Decision Reserve in connection with or following restoration, rebuilding or replacement of insured property shall be mandatorily applied against the Revolving Credit Obligations in the amounts and in the manner set forth in Section 5.2(G) hereof. The Borrower must also make mandatory prepayments against the Revolving Credit Obligations of the following amounts: (i) eighty percent (80%) of the Net Cash Proceeds received by Borrower as a direct result of an Initial Public Offering or any other offering of equity securities of

Borrower,and (ii) one hundred percent (100%) of the Net Cash Proceeds received by Borrower as a direct result of Permitted Subordinated Indebtedness.

(C) Allocation of Prepayments. Until such time as the aggregate amount of all prepayments made under this Section 2.2 equals the amount of the Initial Borrowing made under Section 2.1 (A) (1), the Agent will allocate the amount of all prepayments among the Lenders in accordance with each Lender's respective Ratable Portion-Initial Advance. From and after the time that the aggregate amount of all prepayments made under this Section 2.2 equals the amount of the Initial Borrowing made under Section 2.1 (A) (1), the Agent will allocate the amount of all prepayments among the Lenders in accordance with each Lender's respective Ratable Share.

2.3 Changes in the Commitment. Termination of Commitment. The Borrower may permanently reduce the Commitment in whole, or in part, in an aggregate minimum amount of $50,000,000.00 and integral multiples of $10,000,000.00 in excess of that amount (unless the Commitment is reduced in whole); any reductions in the Commitment will be made ratably among the Lenders in accordance with each Lender's Commitment. Any such reduction may be made only upon at least three (3) Business Day's written notice to the Agent, which notice shall specify the amount of any such reduction, and, in the event that the Commitment is terminated in whole, upon payment of a termination fee (payable to the Agent for the account of each Lender) equal to the amount by which the Commitment is reduced multiplied by:

(a) three percent (3.0%), if Borrower terminates the Commitment on or before the first anniversary of the Effective Date; or

(b) two percent (2.0%), if Borrower terminates the Commitment after the first anniversary of the Effective Date but before the second anniversary of the Effective Date; or

(c) one percent (1.0%), if Borrower terminates the Commitment after the second anniversary of the Effective Date before the third anniversary of the Effective Date.

Notwithstanding the foregoing, the amount of the Commitment may not be reduced below the aggregate principal amount of the outstanding Revolving Credit Obligations. All accrued commitment fees and termination fees shall be payable on the effective date of any complete termination of the obligations of the Lenders to make Advances hereunder. Lenders will share in any termination fee paid under this Section 2.3 in proportion with each such Lender's Commitment. On the first Business Day following the Agent's receipt of a termination fee hereunder, the Agent will remit to each Lender its portion of the termination fee received by the Agent hereunder.

2.4 Default Rate: Late Payment Fee. After the occurrence and during the continuation of an Event of Default, at the option of the Required Lenders, the interest rate(s) applicable to the Advances shall be equal to the Applicable LIBOR Rate plus two percent (2.0%) per annum. To the extent not in excess of the Maximum Rate and in accordance with applicable law, any amount not paid by the Borrower when due shall accrue interest at an additional two percent (2.0%) per annum above the rate applicable thereto until such amounts have been paid in full and shall be payable on demand by the Agent, at the direction of the Required Lenders, and in no event later than the next succeeding Payment Date.

2.5 Method of Payment. (A) All payments of principal, interest, and fees hereunder shall be made, without setoff, deduction or counterclaim, in immediately available funds to the Agent at the Agent's address specified pursuant to Article XI, at any other address specified in writing by the Agent to the Borrower, or via wire transfer pursuant to wire transfer instructions provided by the Agent from time to time, by 12:00 noon (Eastern Standard Time) on the date when due. The Agent will promptly thereafter cause like funds to be distributed on the first Business Day after the receipt of any such payment (the date of such distribution is referred to herein as the "Interest Reconciliation Date") (i) if such payment by the Borrower is in respect of principal, interest, commitment fees or any other Obligation then payable hereunder and under the Notes to more than one Lender, to such Lender for its account ratably in accordance with the amounts of such respective Obligations then payable to such Lenders (with respect to each Lender, such Lender's Ratable Share of the interest payable hereunder and under the Notes is referred to herein as the "Interest Due Lenders") and (ii) if such payment by the Borrower is in respect of any Obligation then payable hereunder to one Lender, to such Lender for its account, in each case to be applied in accordance with the terms of this Agreement; provided, however that the Administration Fee due to the Agent (pursuant to Section 2.11 hereof) for the month immediately preceding such date will be netted out of such amounts and be maintained in or remitted to the Agent's Account by and for the benefit of the Agent. If Agent fails to remit to any Lender its portion of the Interest Due Lenders or any amount of principal, commitment fees or any other Obligation as required above, the Agent agrees to pay to each such Lender interest on such Lender's portion of all such amounts (x) for the first three days after the first Business Day following the Agent's receipt of any such payment, at the Federal Funds Rate from time to time in effect, and (y) thereafter the Applicable LIBOR Rate. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 9.3 from and after the effective date of such Assignment and Acceptance, the Agent shall make all payments hereunder and under the Notes in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(B) Unless the Agent shall have received notice from the Borrower prior to the date on which any payment is due to any Lender hereunder that the Borrower will not make such payment in full, the Agent may assume that the Borrower has made such payment in full to the Agent on such date and the Agent may (but shall not be obligated to), in reliance upon such assumption, cause to be distributed to each such Lender on such due date an amount equal to the amount then due such Lender. If and to the extent the Borrower shall not have so made such payment in full to the Agent, each such Lender shall repay to the Agent forthwith on demand such amount distributed to such Lender together with interest thereon, (x) for the first three days after such amount is distributed to such Lender until the date such Lender repays such amount to the Agent, at the Federal Funds Rate from time to time in effect, and (y) thereafter until the date such Lender repays such amount to the Agent, at the Applicable LIBOR Rate.

2.6 Advances, Telephonic Notices. The Lenders are authorized to record the principal amount of each Advance and each repayment with respect to its Advances on the schedules attached to the Notes; provided, however, that the failure to so record shall not affect the Borrower's obligations under the Notes; and provided further that notwithstanding the face amount of any Note, the aggregate principal amount of all Advances outstanding at any time to

a Lender under a Note shall not exceed the aggregate principal amount of all Advances outstanding to such Lender. The Borrower authorizes the Lenders to extend Advances and the Agent to transfer funds based on telephonic notices made by any Authorized Officer the Agent reasonably and in good faith believes to be acting on behalf of the Borrower. The Borrower agrees to deliver promptly to the Agent a written confirmation, signed by an Authorized Officer, if such confirmation is requested by the Agent, of each telephonic notice. If the written confirmation differs in any material respect from the action taken by the Agent, (i) the telephonic notice shall govern absent manifest error and (ii) the Agent shall promptly notify the Authorized Officer who provided such confirmation of such difference.

2.7 Promise to Pay; Interest and Commitment Fees; Interest Payment Dates; Interest and Fee Basis.

(A) Promise to Pay. The Borrower shall repay to the Agent, for the ratable account of the Lenders, on the Termination Date, the aggregate principal amount of the Advances then outstanding. The Borrower unconditionally promises to pay when due the principal amount of each Advance and all other Obligations incurred by it, and to pay all unpaid interest accrued thereon and other amounts due hereunder, in accordance with the terms of this Agreement, the Notes and the other Loan Documents.

(B) Interest Payment Date.

(i) Interest Payable on Advances. Interest accrued on each Advance, owing to each Lender shall be payable to the Agent on each Payment Date, commencing with the first such date to occur after the date hereof and on the Termination Date (whether by acceleration or otherwise). Borrower will make interest payments to the Agent on each Payment Date via wire transfer (pursuant to wire transfer instructions provided to Borrower by the Agent from time to time).

(ii) Interest on other Obligations. Interest accrued on the principal balance of all other Obligations shall be payable in arrears (i) on the last Business Day of each calendar month, commencing on the first such day following the incurrence of such Obligation, (ii) upon repayment of all Obligations in full or in part, and (iii) if not theretofore paid in full, at the time such other Obligation becomes due and payable (whether by acceleration or otherwise).

(C) Commitment Fees; Accounting for Commitment Fees.

(i) Commitment Fees. The Borrower shall pay to the Agent, for the account of the Lenders, from and after the date hereof, and from the effective date specified in the Assignment and Acceptance pursuant to which it became a Lender, in the case of each other Lender, until the date on which the Commitment shall be terminated in whole, a commitment fee equal to thirty five hundredths of one percent (0.35%) per annum, on the Unused Commitments in effect from time to time, provided, however, that any commitment fee accrued with respect to any of the Commitments of a Defaulting Lender during the period prior to the time such Lender became a Defaulting Lender and unpaid at such time shall not be payable by the Borrower so long as such Lender shall be a Defaulting Lender except to the extent that such commitment fee shall otherwise have been due and payable by the Borrower prior to such time; and provided, further that no commitment fee shall accrue on any of the Commitments of a Defaulting Lender so long as such Lender shall be a Defaulting Lender. All

such commitment fees payable under this clause (C) shall be payable annually in arrears (via wire transfer, pursuant to wire transfer instructions provided to Borrower by the Agent in writing from time to time) on each anniversary of the Effective Date occurring after the Effective Date (provided, however, that if any such anniversary day is not a Business Day, the commitment fee must be paid on the next succeeding Business Day) and, in addition, on the date on which the Commitment shall be terminated in whole.

(ii) Accounting for Commitment Fees. On the first Business Day after the Agent's receipt of a payment of the commitment fee provided for in the preceding section, the Agent will remit to each Lender such Lender's share of the commitment fee received by Agent, based on each such Lender's Unused Commitment (via wire transfer, pursuant to wire transfer instructions provided to the Agent by Lender in writing from time to time).

(D) Interest and Fee Basis. The Agent will calculate interest and fees for actual days elapsed on the basis of a 365 day year. Interest shall be payable for the day an Obligation is incurred but not for the day of any payment on the amount paid if payment is received prior to 12:00 noon (Eastern Standard Time) at the place of payment. If any payment of principal of or interest on an Advance or any payment of any other Obligations shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and, in the case of a principal payment, such extension of time shall be included in computing interest in connection with such payment. Absent manifest error, each determination by the Agent of an interest rate, fee or commission hereunder shall be conclusive and binding for all purposes.

2.8 Termination Date. This Agreement shall be effective until the Termination Date. The Borrower shall have the right to submit a notice (an "Extension Notice") requesting an extension of the Termination Date for additional one-year periods. The Borrower shall deliver the Extension Notice to the Agent on or before the date that is at least 45 and not more than 90 days prior to the first anniversary of the Effective Date (and each like period in each subsequent year thereafter in which such option is available). The Agent shall, on or before the date that is 30 days after receipt of any such Extension Notice, and acting in accordance with instructions received from all Lenders, notify the Borrower in writing whether the then applicable Termination Date is extended for one year; provided, however, failure to give such notice shall mean that no such extension shall have been granted; and provided further, nothing herein shall obligate the Lenders to extend the initial Termination Date or any other Termination Date and any determination whether or not to so extend the Termination Date shall be made by each Lender in its sole and absolute discretion. Notwithstanding the termination of this Agreement on the Termination Date, until all of the Obligations (other than contingent indemnity obligations, but including all Floor Plan Indebtedness owed to any Lender or any of its Subsidiaries or Affiliates) shall have been fully and indefeasibly paid and satisfied and all financing arrangements between the Borrower and each Lender in connection with this Agreement shall have been terminated (other than with respect to Hedging Obligations), all of the rights and remedies under this Agreement and the other Loan Documents shall survive and each Lender shall be entitled to retain its security interest in and to all existing and future Collateral.

2.9 Taxes. (A) Any and all payments by the Borrower hereunder shall be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings or any liabilities with respect thereto including, but not

limited to, those arising after the date hereof as a result of the adoption of or any change in any law, treaty, rule, regulation, guideline or determination of a Governmental Authority or any change in the interpretation or application thereof by a Governmental Authority, but excluding (a) such taxes (including income taxes, franchise taxes and branch profit taxes) as are imposed on or measured by any Lender's income by (i) the United States of America (or any political subdivision thereof) or (ii) any Governmental Authority of the jurisdiction under the laws of which any Lender is organized or in which its principal office is located or having jurisdiction over any Lender by virtue of any Lender's location(s) or of any Lender conducting business in such jurisdiction (other than solely as a result of the transaction evidenced by this Agreement) and (b) in the case of a Lender that is not a United States Person (a "Non-U.S. Lender"), any withholding tax imposed by the United States of America that (i) is in effect and would apply to amounts payable to such Non-U.S. Lender at the time such Non-U.S. Lender becomes a party to this Agreement (or designates a new lending office) or (ii) is attributable to such Non-U.S. Lender's failure to comply with Section 2.9 (D) or (E) (either of (a) or (b) is referred to as an "Excluded Tax" and all such items other than Excluded Taxes, "Indemnified Taxes."). If the Borrower shall be required by law to deduct any Indemnified Taxes from or in respect of any sum payable hereunder or under the other Loan Documents to any Lender, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.9(A)) any Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions, and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(B) In addition, the Borrower agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges, or similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement, the other Loan Documents, the Commitment or the Advances (hereinafter referred to as "Other Taxes").

(C) The Borrower indemnifies each Lender for the full amount of Indemnified Taxes and Other Taxes (including, without limitation, any Indemnified Taxes or Other Taxes imposed by any Governmental Authority on amounts payable under this Section 2.9) paid by any Lender and any liability (including penalties, interest, and expenses) arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally asserted. This indemnification shall be made within thirty (30) days after the date a Lender makes written demand therefor. A certificate as to any additional amount payable to a Lender under this Section 2.9 submitted to the Borrower by such Lender shall show in reasonable detail the amount payable and the calculations used to determine such amount and shall, absent manifest error, be final, conclusive and binding upon each of the parties hereto. With respect to any deduction or withholding for or on account of any Indemnified Taxes or payment of any Other Taxes and to confirm that all such Indemnified Taxes or Other Taxes have been paid to the appropriate Governmental Authorities, the Borrower shall promptly (and in any event not later than thirty (30) days after receipt) furnish to such Lender such certificates, receipts or other documents reasonably satisfactory to the Lenders as evidencing payment thereof.

(D) Any Non-U.S. Lender that is entitled to an exemption from or reduction of withholding tax under the laws of the United States (or any other jurisdiction in which the Borrower is located), or any treaty to which the United States (or any such other jurisdiction) is

a party, with respect to payments under this Agreement shall deliver to the Borrower, within 30 days after receipt of a written request by Borrower, such properly completed and executed documentation as will permit such payments to be made without withholding or at a reduced rate, provided that such Non-U.S. Lender is lawfully able to do so.

(E) Each Lender organized under the laws of a jurisdiction outside the United States shall, on or prior to the date of its execution and delivery of this Agreement or on or prior to the date of the Assignment and Acceptance pursuant to which it becomes a Lender, and from time to time thereafter as reasonably requested in writing by the Borrower (but only so long thereafter as such Lender remains lawfully able to do so), provide each of the Agent and the Borrower with either two original Internal Revenue Service Forms W-8BEN, W-8IMY or W-8ECI, as appropriate, or any successor or other form prescribed by the Internal Revenue Service or in the case of a Lender that has certified in writing to the Agent that it is not (i) a "bank" (as defined in Section 881 (c) (3) (A) of the Code), (ii) a 10 percent shareholder (within the meaning of Section 871 (h) (3) (B) of the Code) or (iii) a controlled foreign corporation related to the Borrower (within the meaning of Section 864 (d) (4) of the Code), an Internal Revenue Service Form W-8BEN or Form W-8IMY as appropriate, or any successor or other form prescribed by the Internal Revenue Service, certifying that such Lender is exempt from or entitled to a reduced rate of United States withholding tax on payments pursuant to this Agreement or any other Loan Document or, in the case of a Lender that is not a "bank" as described above, certifying that such Lender is a foreign corporation, partnership, estate or trust. If the forms provided by a Lender at the time such Lender first becomes a party to this Agreement indicate a United States interest withholding tax rate in excess of zero, withholding tax at such rate shall be considered Excluded Taxes; provided, however, that if at the date of the Assignment and Acceptance pursuant to which a Lender becomes a party to this Agreement, the Lender assignor was entitled to payments under this Section 2.9 (A) in respect of United States withholding tax with respect to interest paid at such date, then, to such extent, the term Indemnified Taxes shall include United States withholding tax, if any, applicable with respect to the Lender assignor on such date.

(F) For any period with respect to which a Non-United States Lender has failed to provide the Borrower or the Agent with the appropriate form, certificate or other document described in subsection (E) above , the Borrower shall take such steps (at no cost to it) as such Lender shall reasonably request to assist such Lender to recover such Taxes. For purposes of this Section 2.9, the entry into force of the final U. S. Department of Treasury regulations promulgated under Sections 1441 and 1442 of the Code, published but not yet effective as of the date of this Agreement, will not be considered a change in the applicable law or in the interpretation or application thereof.

(G) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower, the Agent and each Lender contained in this Section 2.9 shall survive the payment in full of principal and interest hereunder and the termination of this Agreement.

2.10. Mitigation Obligations; Replacement of Lenders. (a) If the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.9 in respect of United States withholding tax, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices,

branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.9 in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.9 in respect of United States withholding tax, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.9 in respect of United States withholding tax, or if any Lender defaults in its obligation to fund Loans hereunder, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Agent, require such Lender to assign and delegate, without recourse, all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) such assignment will result in a reduction in payments required to be made pursuant to Section 2.9.

2.11 Loan Account. Each Lender may maintain, in accordance with its respective usual practices, an account or accounts (a "Loan Account") evidencing the Obligations of the Borrower owing to such Lender from time to time, including the amount of principal, interest and fees payable and paid to such Lender from time to time hereunder and under the Notes. The entries made in any Loan Account maintained by the Lenders shall be conclusive and binding for all purposes, absent manifest error, unless the Borrower objects to information contained in such Loan Account within thirty (30) days of the Borrower's receipt of such information. Any Lender's failure to maintain such an account will not affect the Borrower's obligations under the Notes.

2.12 Loan Administration Fee. On each Interest Reconciliation Date, each Lender will pay the Agent a fee in consideration for the Agent's performance of the administrative functions more particularly described herein (the "Administration Fee"). With respect to each Lender, such fee will be in an amount equal to one tenth of one percent (0.1%) per annum on the outstanding aggregate principal balance of all Advances(made by such Lender) for the month immediately preceding such Interest Reconciliation Date. Each Lender agrees to pay the Agent the Administration Fee, on each Interest Reconciliation Date, by allowing the Agent to net the Administration Fee out of the Interest Due Lenders.

2.13 Defaulting Lenders. (A) In the event that, at any time, (i) any Lender shall be a Defaulting Lender, (ii) such Defaulting Lender shall owe a Defaulted Amount or a Defaulted Advance to the Agent or any of the other Lenders and (iii) the Borrower shall make any payment hereunder or under any other Loan Document to the Agent for the account of such Defaulting Lender, then the Agent may, on its behalf or on behalf of the other Lenders and to the fullest extent permitted by applicable law, apply at such time the amount so paid by the Borrower to or for the account of such Defaulting Lender to the payment of each such Defaulted Amount or Defaulted Advance to the extent required to pay such Defaulted Amount or Defaulted Advance. In the event that the Agent shall so apply any such amount to the payment

of any such Defaulted Amount or Defaulted Advance on any date, the amount so applied by the Agent shall constitute for all purposes of this Agreement and the other Loan Documents payment, to such extent, of such Defaulted Amount or Defaulted Advance on such date. Any such amount so applied by the Agent shall be retained by the Agent or distributed by the Agent to the Lenders, ratably in accordance with the respective portions of such Defaulted Amounts or Defaulted Advances payable at such time to the Agent and the Lenders and, if the amount of such payment made by the Borrower shall at such time be insufficient to pay all Defaulted Amounts and Defaulted Advances owing at such time to the Agent, and the Lenders, in the following order of priority:

(i) first, to the Agent for any Defaulted Amounts or Defaulted Advances then owing to it, in its capacity as Agent; and

(ii) second, to the Lenders (including Agent in its capacity as a Lender) for any Defaulted Amounts and Defaulted Advances then owing to the Lenders, ratably in accordance with such respective Defaulted Amounts and Defaulted Advances then owing to the Lenders.

Any portion of such amount paid by the Borrower for the account of such Defaulting Lender remaining, after giving effect to the amount applied by the Agent pursuant to this subsection (a), shall be applied by the Agent as specified in subsection (b) of this Section 2.13.

(b) In the event that, at any one time, (i) any Lender shall be a Defaulting Lender, (ii) such Defaulting Lender shall not owe a Defaulted Advance or a Defaulted Amount and (iii) the Borrower, any Agent or any other Lender shall be required to pay or distribute any amount hereunder or under any other Loan Document to or for the account of such Defaulting Lender, then the Borrower or such Agent or such other Lender shall pay such amount to the Agent to be held by the Agent, to the fullest extent permitted by applicable law, in escrow or the Agent shall, to the fullest extent permitted by applicable law, hold in escrow such amount otherwise held by it. Any funds held by the Agent in escrow under this subsection (b) shall be deposited by the Agent in an account with an escrow agent (which is a bank or financial institution which acts as escrow agent in the ordinary course of its business and is reasonably acceptable to the Agent and the Required Lenders), in the name and under the control of the Agent, but subject to the provisions of this subsection (b). The terms applicable to such escrow account, including the rate of interest payable with respect to the credit balance of such account from time to time, shall be such escrow agent's standard terms applicable to escrow accounts maintained with it. Any interest credited to such account from time to time shall be held by the Agent in escrow under, and applied by the Agent from time to time in accordance with the provisions of, this subsection (b). The Agent shall, to the fullest extent permitted by applicable law, apply all funds so held in escrow from time to time to the extent necessary to make any Advances required to be made by such Defaulting Lender and to pay any amount payable by such Defaulting Lender hereunder and under the other Loan Documents to the Agent or any other Lender, as and when such Advances or amounts are required to be made or paid and, if the amount so held in escrow shall at any time be insufficient to make and pay all such Advances and amounts required to be made or paid at such time, in the following order of priority:

(i) first, to the Agent for any amounts then due and payable by such Defaulting Lender to it hereunder, in its capacity as such; and

(ii) second, to the Lenders (including Agent in its capacity as a Lender) for any amount then due and payable by such Defaulting Lender to the Lenders hereunder, ratably in accordance with such respective amounts then due and payable to the Lenders.

In the event that any Lender that is a Defaulting Lender shall, at any time, cease to be a Defaulting Lender, any funds held by the Agent in escrow at such time with respect to such Lender shall be distributed by the Agent to such Lender and applied by such Lender to the Obligations owing to such Lender at such time under this Agreement and the other Loan Documents ratably in accordance with the respective amounts of such Obligations outstanding at such time.

(c) The rights and remedies against a Defaulting Lender under this Section 2.13 are in addition to other rights and remedies that the Borrower may have against such Defaulting Lender with respect to any Defaulted Advance and that any Agent or any Lender may have against such Defaulting Lender with respect to any Defaulted Amount.

2.14 Evidence of Debt. (A) The Register maintained by the Agent pursuant to Section 9.3 shall record (i) the date and amount of each Advance made hereunder, (ii) the terms of each Assignment and Acceptance delivered to and accepted by it, (iii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder, and (iv) the amount of any sum received by the Agent from the Borrower hereunder and each Lender's share thereof.

(B) Entries made in good faith by the Agent in the Register pursuant to subsection (A) above, shall be prima facie evidence of the amount of principal and interest due and payable or to become due and payable from the Borrower to, in the case of the Register, each Lender and, in the case of such account or accounts, such Lender, under this Agreement, absent manifest error; provided, however, that the failure of the Agent or such Lender to make an entry, or any finding that an entry is incorrect, in the Register shall not limit or otherwise affect the obligations of the Borrower under this Agreement.

2.15. Sharing of Payments. If any Lender shall obtain at any time any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise, other than as a result of an assignment pursuant to Section 9.3) (a) on account of Obligations due and payable to such Lender hereunder and under the Notes at such time in excess of its Ratable Share (according to the proportion of (i) the amount of such Obligations due and payable to such Lender at such time to (ii) the aggregate amount of the Obligations due and payable to all Lenders hereunder and under the Notes at such time) of payments on account of the Obligations due and payable to all Lenders hereunder and under the Notes at such time obtained by all the Lenders at such time or (b) on account of Obligations owing (but not due and payable) to such Lender hereunder and under the Notes at such time in excess of its Ratable Share (according to the proportion of (i) the amount of such Obligations owing to such Lender at such time to (ii) the aggregate amount of the Obligations owing (but not due and payable) to all Lenders hereunder and under the Notes at such time) of payments on account of the Obligations owing (but not due and payable) to all Lenders hereunder and under the Notes at such time obtained by all of the Lenders at such time, such Lender shall forthwith purchase from the other Lenders such interests or participating interests in the Obligations due and payable or owing to them, as the case may be, as shall be necessary to cause such purchasing

Lender to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each other Lenders shall be rescinded and such other Lenders shall repay to the purchasing Lender the purchase price to the extent of each Lender's Ratable Share (according to the proportion of (i) the purchase price paid to each Lender to (ii) the aggregate purchase price paid to all Lenders) of such recovery together with an amount equal to each Lender's Ratable Share (according to the proportion of (i) the amount of such other Lender's required repayment to (ii) the total amount so recovered from the purchasing Lenders) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing an interest or participating interest from another Lender pursuant to this Section 2.15 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such interest or participating interest, as the case may be, as fully as if such Lender were the direct creditor of the Borrower in the amount of such interest or participating interest, as the case may be.

ARTICLE III: CONDITIONS PRECEDENT

3.1 Conditions of Effectiveness. The Effective Date of this Agreement shall be the date on which all of the following conditions shall have been satisfied or waived by the Agent:

(A) the Lenders shall have completed a due diligence investigation of the Transaction Parties in scope, and with results satisfactory to the Lenders, and nothing shall have come to the attention of the Lenders during the course of such due diligence investigation to lead them to believe (i) that any information provided by the Transaction Parties to any Lender was or has become misleading, incorrect or incomplete in any material respect, (ii) that, as of the Effective Date, the Transaction Parties would not have good and marketable title to all of the material assets reflected in the information provided by them to any Lender and (iii) that the financing contemplated hereby will have a Material Adverse Effect; without limiting the generality of the foregoing, the Lenders shall have been given such access to the management, records, books of account, contracts and properties of the Transaction Parties as they shall have requested;

(B) all due diligence materials requested by the Lenders from the Borrower shall have been delivered to the Lenders and such due diligence materials shall be in form and substance satisfactory to the Lenders;

(C) the Borrower has furnished to the Agent each of the following, all in form and substance satisfactory to the Agent:

(i) this Agreement, duly executed by the Borrower;

(ii) the Notes, duly executed by the Borrower in favor of each Lender;

(iii) the Cross Agreement duly executed by Borrower and each Guarantor;

(iv) a Dealership Guaranty and Subsidiary Holding Company Guaranty, duly executed by each Dealership and Subsidiary Holding Company, respectively, to the Agent;

(v) the Borrower Security Agreement, a Dealership Security Agreement and a Subsidiary Holding Company Security Agreement executed by Borrower, each Dealership and each Subsidiary Holding Company to the Agent, and a Pledged Account Agreement executed by each Transaction Party, together with:

(A) acknowledgment copies of proper financing statements (to be duly filed by the Agent on or before the day of the Initial Borrowing), under the Uniform Commercial Code of all jurisdictions that the Agent may deem necessary or desirable in order to perfect and protect the first priority liens and security interests created under the Collateral Documents, covering the Collateral described in the Collateral Documents,

(B) completed requests for information, dated on or before the date of the initial Borrowing, listing the financing statements referred to in clause (A) above and all other effective financing statements filed in the jurisdictions referred to in clause (A) above that name the relevant Loan Party as debtor, together with copies of such other financing statements,

(C) evidence of the completion of all other recordings and filings of or with respect to each relevant Loan Party that the Agent may deem necessary or desirable in order to perfect and protect the Liens created thereby,

(D) evidence of the insurance required by the terms of the Loan Documents,

(E) evidence that all other action that the Agent may deem necessary or desirable in order to perfect and protect the first priority liens and security interests created under the Collateral Documents has been taken (including, without limitation, receipt of duly executed payoff letters, UCC-3 termination statements and landlords' and bailees' waiver and consent agreements).

(vi) the Borrower Pledges, the Dealership Pledge and the Subsidiary Holding Company Pledge, executed by each of Borrower, each Dealership and each Subsidiary Holding Company, respectively, to the Agent (for the benefit of the Lenders) together, with (A) stock certificates evidencing the pledged Equity Interests referred to therein and undated stock powers executed in blank, and (B) acknowledgment copies of Uniform Commercial Code financing statements covering "Investment Property";

(vii) to the extent the Borrower, any Dealership or Subsidiary Holding Company has any Indebtedness other than Permitted Existing Indebtedness and Liens other than Permitted Existing Liens, pay-out letters, releases and UCC-3 Termination

Statements, where applicable, from all third-party creditors releasing all Liens securing any such Indebtedness;

(viii) Certificates of good standing for each Transaction Party from its jurisdiction of incorporation and each other jurisdiction where the nature of its business requires it to be qualified as a foreign corporation;

(ix) a copy of a certificate of the Secretary of State of the jurisdiction of incorporation of each Transaction Party, dated reasonably near the date of the initial Borrowing, certifying (A) as to a true and correct copy of the certificate of incorporation (or other Charter Documents) of such Person and each amendment thereto on file in such Secretary's office and (B) that (1) such amendments are the only amendments to such Person's certificate of incorporation (or other Charter Documents) on file in such Secretary's office, (2) such Person has paid all franchise taxes to the date of such certificate and (C) such Person is duly incorporated and in good standing or presently subsisting under the laws of the State of the jurisdiction of its incorporation;

(x) a Secretary's Certificate and a Solvency Certificate from each Transaction Party;

(xi) a certificate, in form and substance satisfactory to the Lender, signed by the chief financial officer of the Borrower stating that as of the Effective Date, no Event of Default or Unmatured Default has occurred and is continuing, and the representations and warranties of the Borrower are true and correct with full force and effect as if made on the Effective Date;

(xii) to the extent not included in the foregoing, the documents, instruments and agreements set forth on the closing list attached as Exhibit E hereto;

(xiii) such consents, waivers or other documents as any Lender or its counsel may have reasonably requested;

(xiv) favorable opinions of counsel for each Loan Party in form and substance satisfactory to the Agent;

(xv) the loss payable endorsements referenced in Section 5.2 (G) shall have been delivered to the Agent;

(xvi) the Agent shall be satisfied with the corporate and legal structure and capitalization of each Transaction Party, including the terms and conditions of the Charter Documents of each such Person and of each agreement or instrument relating to such structure or capitalization;

(xvii) there shall have occurred and be continuing no Material Adverse Change since November 30, 2000;

(xviii) There shall exist no action, suit, investigation, litigation or proceeding affecting any Transaction Party pending or threatened before any Governmental Authority or arbitrator that (i) could be reasonably likely to have a Material Adverse

Effect other than the matters described on Schedule 3.1 hereto (the "Disclosed Litigation") or (ii) purports to affect the legality, validity or enforceability of any Loan Document or the consummation of the transactions contemplated thereby;

(xix) All material governmental and third party consents and approvals necessary in connection with the Loan Documents shall have been obtained (without the imposition of any conditions that are not acceptable to the Required Lenders) and shall remain in effect; all applicable waiting periods in connection with the Loan Documents or the consummation of the transactions contemplated thereby shall have expired without any action being taken by any competent authority, and no law or regulation shall be applicable in the reasonable judgment of the Agent, in each case that restrains, prevents or imposes materially adverse conditions upon the Loan Documents or the consummation of the transactions contemplated thereby or the rights of the Transaction Parties freely to transfer or otherwise dispose of, or to create any Lien on, any properties now owned or hereafter acquired by any of them;

(xx) Borrower shall have paid a fee in the amount of $11,000,000.00 (the "Closing Fee") to the Lenders (which will be distributed among the Lenders pursuant to the terms of a separate agreement among the Lenders), and all other reasonable accrued fees of the Agent and the Lenders and all reasonable accrued expenses of the Agent and the Lenders (including the reasonable accrued fees and expenses of counsel to the Agent and each Lender);

(xxi) The Agent shall be satisfied with the amount, parties, terms and conditions and prospects for performance of all Acquisition Documents then in existence with respect to any Pending Acquisition by the Borrower or any of its Subsidiaries which the Borrower reasonably expects, as of the date hereof, to consummate after the day of the Effective Date; and the Agent shall be satisfied with all aspects of such Pending Acquisitions.

3.2 Conditions Precedent to Each Advance. No Lender shall be required to make any Advance, unless on the applicable Borrowing Date:

(i) There exists no Event of Default or Unmatured Default; and

(ii) The representations and warranties contained in Article IV are true and correct as of such Borrowing Date (unless such representation and warranty expressly relates to an earlier date).

Each Borrowing Notice with respect to each such Advance shall constitute a representation and warranty by the Borrower that the conditions contained in Sections 3.2(i) and (ii) have been satisfied.

ARTICLE IV: REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants as of the date of this Agreement and on the date of each Advance as follows to the Lenders:

4.1 Organization; Corporate Powers. Each Transaction Party (i) is a corporation, limited liability company or limited partnership duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii) is duly qualified to do business and is in good standing under the laws of each jurisdiction in which failure to be so qualified and in good standing could not reasonably be expected to have a Material Adverse Effect and (iii) has all requisite corporate, company or partnership power and authority to own, operate and encumber its property and to conduct its business as presently conducted and as proposed to be conducted.

4.2 Authority.

(A) The execution, delivery, performance and filing, as the case may be, of each of the Transaction Documents which must be executed or filed by any Transaction Party or which have been executed or filed as required by this Agreement and to which each Transaction Party is party, and the consummation of the transactions contemplated thereby, have been duly approved by the respective boards of directors or managers, or by the partners, as applicable, and, if necessary, the shareholders, members or partners, as applicable, of each Transaction Party, and such approvals have not been rescinded. No other corporate, company or partnership action or proceedings on the part of any Transaction Party is necessary to consummate such transactions contemplated by the Transaction Documents.

(B) Each of the Transaction Documents to which each Transaction Party is a party has been duly executed, delivered or filed, as the case may be, by such party and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, is in full force and effect and no material term or condition thereof has been amended, modified or waived without the prior written consent of the Required Lenders, and to the Borrower's knowledge, each of the Transaction Parties has, and, all other parties thereto have, performed and complied with all the material terms, provisions, agreements and conditions set forth therein and required to be performed or complied with by such parties on or before the date hereof, and no Event of Default, Unmatured Default or breach of any material covenant by any such Transaction Party exists thereunder.

4.3 No Conflict; Governmental Consents. The execution, delivery and performance of each of the Transaction Documents to which each Transaction Party is a party do not and will not (i) conflict with the Charter Documents of any of the Transaction Parties, (ii) to the Borrower's knowledge, constitute a tortious interference with any Contractual Obligation of any Person or conflict with, result in a breach of or constitute (with or without notice or lapse of time or both) a default under any Requirement of Law (including, without limitation, any Environmental Property Transfer Act) or Contractual Obligation of any Person, or require termination of any Contractual Obligation, (iii) result in or require the creation or imposition of any Lien whatsoever upon any of the property or assets of any Transaction Party, other than Liens permitted by the Loan Documents, or (iv) require any approval of the shareholders, members or partners of any Transaction Party except such as have been obtained. The

execution, delivery and performance of each of the Transaction Documents to which each Transaction Party is a party do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by any Governmental Authority, including under any Environmental Property Transfer Act, except (i) filings, consents or notices which have been made, obtained or given, or which, if not made, obtained or given, individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect and (ii) filings necessary to create or perfect security interests in the Collateral.

4.4 Financial Statements. All balance sheets, statements of profit and loss and other financial data that have been given to each Lender and the Agent by or on behalf of the Transaction Parties (the "Financial Information") are complete and correct in all material respects, fairly present the financial condition of the Transaction Parties as of such dates, and the results of each of their operations for the periods specified in the Financial Information, and have been prepared in accordance with Agreement Accounting Principles consistently followed throughout the periods covered thereby. Except as specifically disclosed (as to creditor, debtor, amount and security) by the Financial Information and as set forth on Schedule 1.1.1 hereto, the Transaction Parties do not have outstanding any loan or Indebtedness, direct or contingent, to any party, other than the Indebtedness due and owing to Lenders, and none of their assets is subject to any security interest, lien or other encumbrance in favor of anyone other than Agent (except for the Permitted Existing Liens). Since November 30, 2000 there has been no change in the assets, liabilities or financial condition of any Transaction Party from that set forth in the Financial Information other than changes in the ordinary course of affairs, none of which changes has had or could reasonably be expected to have a Material Adverse Effect.

4.5 No Material Adverse Effect. Since the date hereof, there has occurred no event or circumstance which has had or could reasonably be expected to have a Material Adverse Effect.

4.6 Taxes.

(A) Tax Examinations. All material deficiencies which have been asserted against the Transaction Parties as a result of any federal, state, local or foreign tax examination for each taxable year in respect of which an examination has been conducted have been fully paid or finally settled or are being contested in good faith, and as of the date hereof no issue has been raised by any taxing authority in any such examination which, by application of similar principles, reasonably can be expected to result in assertion by such taxing authority of a material deficiency for any other year not so examined which has not been reserved for in the consolidated financial statements of the applicable Transaction Party to the extent, if any, required by Agreement Accounting Principles.

(B) Payment of Taxes. All tax returns and reports of each Transaction Party required to be filed have been timely filed, and all taxes, assessments, fees and other governmental charges thereupon and upon their respective property, assets, income and franchises which are shown in such returns or reports to be due and payable by such Transaction Party have been paid except those items which are being contested in good faith and have been reserved for in accordance with Agreement Accounting Principles or for which the failure to file could not be reasonably expected to result in the payment of amounts by the Transaction Parties in the aggregate in excess of $250,000.00. The Borrower has no knowledge of any proposed tax

assessment against any Transaction Party that will have or could reasonably be expected to have a Material Adverse Effect.

4.7 Litigation; Loss Contingencies and Violations. There is no action, suit, proceeding, arbitration or (to the Borrower's knowledge after diligent inquiry) investigation before or by any Governmental Authority or private arbitrator pending or, to the Borrower's knowledge after diligent inquiry, threatened against any Transaction Party or any property of any of them (i) challenging the validity or the enforceability of any material provision of the Transaction Documents or (ii) which could reasonably be expected to have a Material Adverse Effect. There is no material loss contingency within the meaning of Agreement Accounting Principles which has not been reflected in the consolidated financial statements of the Transaction Parties prepared and delivered pursuant to Section 5.1(A) for the fiscal period during which such material loss contingency was incurred. No Transaction Party is (A) in violation of any applicable Requirements of Law which violation could reasonably be expected to have a Material Adverse Effect, or (B) subject to or in default with respect to any final judgment, writ, injunction, restraining order or order of any nature, decree, rule or regulation of any court or Governmental Authority which could reasonably be expected to have a Material Adverse Effect.

4.8 Subsidiaries. Schedule 4.8 to this Agreement (i) contains a description as of the Effective Date (or as of the date of any supplement thereto) of the corporate structure of, each Transaction Party and any other Person in which a Transaction Party holds an Equity Interest; and (ii) accurately sets forth as of the Effective Date (or as of the date of any supplement thereto) (A) the correct legal name, the jurisdiction of incorporation or formation and the jurisdictions in which each of the Transaction Parties is qualified to transact business as a foreign corporation or other foreign entity and (B) a summary of the direct and indirect partnership, joint venture, or other Equity Interests, if any, of each Transaction Party in any Person that is not a corporation. After the formation or acquisition of any New Subsidiary permitted under Section 5.3(F)(ii), if requested by the Agent, the Borrower shall provide a supplement to Schedule 4.8 to this Agreement. None of the issued and outstanding Capital Stock of any Transaction Party is subject to any redemption or repurchase agreement. The outstanding Capital Stock of the Borrower and each Transaction Party is duly authorized, validly issued, fully paid and nonassessable. The Borrower has no Subsidiaries other than (i) the Subsidiaries set forth on Schedule 4.8 and (ii) any Subsidiaries acquired in connection with a Permitted Acquisition, in connection with which the Borrower shall have provided all of the documents, instruments and agreements as required by this Agreement.

4.9 ERISA. No Benefit Plan has incurred any material accumulated funding deficiency (as defined in Sections 302(a)(2) of ERISA and 412(a) of the Code) whether or not waived. Neither the Borrower nor any member of the Controlled Group has incurred any material liability to the PBGC which remains outstanding other than the payment of premiums, and there are no premium payments which have become due which are unpaid. Schedule B to the most recent annual report filed with the IRS with respect to each Benefit Plan and, if so requested, furnished to the Agent, is complete and accurate. Since the date of each such Schedule B, there has been no material adverse change in the funding status or financial condition of the Benefit Plan relating to such Schedule B. Neither the Borrower nor any member of the Controlled Group has (i) failed to make a required contribution or payment to a Multiemployer Plan or (ii) made a complete or partial withdrawal under Sections 4203 or 4205 of ERISA from a Multiemployer Plan, in either event which could result in any material liability. Neither the Borrower nor any member of the Controlled Group has failed to make a required installment or any other required

payment under Section 412 of the Code, in either case involving any material amount, on or before the due date for such installment or other payment. Neither the Borrower nor any member of the Controlled Group is required to provide security to a Benefit Plan under Section 401(a)(29) of the Code due to a Plan amendment that results in an increase in current liability for the plan year. No Transaction Party maintains or contributes to any employee welfare benefit plan within the meaning of Section 3(1) of ERISA which provides benefits to employees after termination of employment other than as required by Section 601 of ERISA or as set forth on Schedule 4.9 hereto. Each Plan which is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service to the effect that it is so qualified and that each trust related to such Plan is exempt from federal income tax under Section 501 (a) of the Code, and, to the best knowledge of the Borrower or any Subsidiary, there is no event or condition, including any amendment to any such Plan, that would cause the loss of such qualification or exemption. Each Transaction Party is in compliance in all material respects with the responsibilities, obligations and duties imposed on them by ERISA and the Code with respect to all Plans. No Transaction Party nor any fiduciary of any Plan has engaged in a nonexempt prohibited transaction described in Sections 406 of ERISA or 4975 of the Code which could reasonably be expected to subject the Borrower or any Dealership Guarantor to material liability. Neither the Borrower nor any member of the Controlled Group has taken or failed to take any action which would constitute or result in a Termination Event, which action or inaction could reasonably be expected to subject the Borrower to material liability. Neither the Borrower nor any Subsidiary is subject to any liability under Sections 4063, 4064, 4069, 4204 or 4212(c) of ERISA and no other member of the Controlled Group is subject to any liability under Sections 4063, 4064, 4069, 4204 or 4212(c) of ERISA which could reasonably be expected to subject the Borrower or any Dealership Guarantor to material liability. No Transaction Party has, by reason of the transactions contemplated hereby, any obligation to make any payment to any employee pursuant to any Plan or existing contract or arrangement. For purposes of this Section 4.9 "material" means any noncompliance or basis for liability which could reasonably be likely to subject any Transaction Party to liability individually or in the aggregate for all such matters in excess of $250,000.00.

4.10 Accuracy of Information. The information, exhibits and reports furnished by or on behalf of the Transaction Parties to the Lenders in connection with the negotiation of, or compliance with, the Transaction Documents, the representations and warranties of the Transaction Parties contained in the Transaction Documents, and all certificates and documents delivered to the Lenders pursuant to the terms thereof, taken as a whole, do not contain as of the date furnished any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained herein or therein, taken as a whole, in light of the circumstances under which they were made, not misleading.

4.11 Securities Activities. No Transaction Party is engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

4.12 Material Agreements. No Transaction Party is a party to any Contractual Obligation or subject to any charter or other corporate restriction which individually or in the aggregate will have or could reasonably be expected to have a Material Adverse Effect. No Transaction Party has received notice or has knowledge that (i) it is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any Contractual Obligation applicable to it, or (ii) any condition exists which, with

the giving of notice or the lapse of time or both, would constitute a default with respect to any such Contractual Obligation, in each case, except where such default or defaults, if any, individually or in the aggregate will not have or could not reasonably be expected to have a Material Adverse Effect.

4.13 Compliance with Laws; Compliance with Franchise Agreements. The Transaction Parties are in compliance with all Requirements of Law applicable to them and their respective businesses, in each case where the failure to so comply individually or in the aggregate could reasonably be expected to have a Material Adverse Effect. The execution, delivery and performance by each Transaction Party of any Loan Document to which it is a party does not conflict with the franchise agreement to which it is a party.

4.14 Assets and Properties. Each Transaction Party has good and marketable title to all of its assets and properties (tangible and intangible, real or personal) owned by it or a valid leasehold interest in all of its leased assets (except insofar as marketability may be limited by any laws or regulations of any Governmental Authority affecting such assets), except where the failure to have any such title or leasehold interest, as the case may be, will not have or could not reasonably be expected to have a Material Adverse Effect, and all such assets and property are free and clear of all Liens, except Liens permitted under Section 5.3(C). Substantially all of the assets and properties owned by, leased to or used by each such Transaction Party are in adequate operating condition and repair, ordinary wear and tear excepted. Neither this Agreement nor any other Transaction Document, nor any transaction contemplated under any such agreement, will affect any right, title or interest of any Transaction Party in and to any of its assets in a manner that will have or could reasonably be expected to have a Material Adverse Effect.

4.15 Statutory Indebtedness Restrictions. No Transaction Party is subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Interstate Commerce Act, or the Investment Company Act of 1940, or any other federal, state or local statute, ordinance or regulation which limits its ability to incur indebtedness or its ability to consummate the transactions contemplated hereby.

4.16 Insurance. The insurance policies and programs of each Transaction Party reflect coverage that is reasonably consistent with prudent industry practice.

4.17 Labor Matters. As of the date hereof, to the knowledge of each Transaction Party, there are no material labor disputes to which any Transaction Party may become a party, including, without limitation, any strikes, lockouts or other disputes relating to such Persons' plants and other facilities.

4.18 Environmental Matters. (a) (i) The operations of each Transaction Party comply in all material respects with Environmental, Health or Safety Requirements of Law;

(ii) each Transaction Party has all material permits, licenses or other authorizations required under Environmental, Health or Safety Requirements of Law and are in material compliance with such permits;

(iii) neither any Transaction Party, nor any of their respective present property or operations, or, to the best of the knowledge of the Transaction Parties, any

of their respective past property or operations, are subject to or the subject of, any investigation known to any of the Transaction Parties, any judicial or administrative proceeding, order, judgment, decree, settlement or other agreement respecting: (A) any material violation of Environmental, Health or Safety Requirements of Law; (B) any material remedial action; or (C) any material claims or liabilities arising from the Release or threatened Release of a Contaminant into the environment;

(iv) there is not now, nor to the best knowledge of any Transaction Party has there ever been on or in the property of any Transaction Party any landfill, waste pile, underground storage tanks, aboveground storage tanks, surface impoundment or hazardous waste storage facility of any kind, any polychlorinated biphenyls (PCBs) used in hydraulic oils, electric transformers or other equipment, or any asbestos containing material that in the case of any of the foregoing could be reasonably expected to result in any material claims or liabilities; and

(v) no Transaction Party has any material Contingent Obligation in connection with any Release or threatened Release of a Contaminant into the environment.

(b) For purposes of this Section 4.18 "material" means any noncompliance or basis for liability which could reasonably be likely to subject any Transaction Party to liability individually or in the aggregate in excess of $500,000.00.

4.19 Benefits. Each Transaction Party will benefit from the financing arrangement established by this Agreement. Each Lender has stated and the Borrower acknowledges that, but for the agreement by each Transaction Party to execute and deliver their respective Loan Documents, no Lender would have made available the credit facilities established hereby on the terms set forth herein.

4.20 Solvency. Before and after giving effect to the execution, delivery and performance of the Transaction Documents and at the time of each Advance, each Transaction Party is Solvent.

ARTICLE V: COVENANTS

The Borrower covenants and agrees that so long as any Commitment is outstanding and thereafter until payment in full of all of the Obligations (other than contingent indemnity obligations, unless each Lender shall otherwise give its prior written consent (or, in those instances as more particularly described in Section 7.1 hereof, the Agent shall otherwise give its prior written consent):

5.1 Reporting. The Borrower shall:

(A) Financial Reporting. Furnish to the Agent (with sufficient copies for each Lender), or with respect to subsection (iii) below, to each Lender in the manner more particularly set forth therein:

(i) Quarterly Reports. As soon as practicable, and in any event within fifty (50) days after the end of each fiscal quarter in each fiscal year, the consolidated and

consolidating balance sheet of the Borrower and its Subsidiaries as at the end of such period and the related consolidated and consolidating statements of income and the related consolidated statements of cash flows of the Borrower and its Subsidiaries for such fiscal quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter, certified by the chief financial officer of the Borrower on behalf of the Borrower as fairly presenting the consolidated and consolidating financial position of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations and cash flows for the periods indicated in accordance with Agreement Accounting Principles, subject to normal year end adjustments.

(ii) Annual Reports. As soon as practicable, and in any event within ninety (90) days after the end of each fiscal year, (a) the consolidated and consolidating balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal year and the related consolidated and consolidating statements of income and the related consolidated statements of cash flows of the Borrower and its Subsidiaries for such fiscal year, and in comparative form the corresponding figures for the previous fiscal year and (b) an audit report on the items listed in clause (a) hereof (other than the consolidating statements) of independent certified public accountants of recognized national standing, which audit report shall be unqualified and shall state that such financial statements fairly present the consolidated financial position of the Borrower and its Subsidiaries as of the dates indicated and the results of their operations and cash flows for the periods indicated in conformity with Agreement Accounting Principles and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards. The deliveries made pursuant to this clause (ii) shall be accompanied by any management letter prepared by the above-referenced accountants.

(iii) Monthly Statements. As soon as practicable after a Lender's request, and in any event within five (5) Business Days after such request, with respect to any Dealership with which such Lender has outstanding a Wholesale Line, certified copies of direct (factory) statements provided by such Dealership to a manufacturer.

(iv) Officer's Certificate. Together with each delivery of any financial statement pursuant to clauses (i) and (ii) of this Section 5.1(A), an Officer's Certificate of the Borrower, substantially in the form of Exhibit F attached hereto and made a part hereof, stating that no Event of Default or Unmatured Default exists, or if any Event of Default or Unmatured Default exists, stating the nature and status thereof and setting forth (X) such financial statements and information as shall be reasonably acceptable to the Agent and (Y) upon the request of Agent, a valuation of the Collateral.

(B) Notice of Event of Default. Promptly upon any of the chief executive officer, chief operating officer, chief accounting officer, treasurer or controller of the Borrower or any of its Subsidiaries obtaining knowledge (i) of any condition or event which constitutes an Event of Default or Unmatured Default, or (ii) that any Person has given any written notice to the Borrower or any Transaction Party or taken any other action with respect to an Event of Default or event or condition of the type referred to in Section 6.1(e), deliver to the Agent a notice specifying (a) the nature and period of existence of any such Event of Default or Unmatured Default (if the aggregate amount of the Indebtedness which is the subject of the Unmatured Default exceeds $25,000.00), condition or event, (b) the notice given or action taken by such

Person in connection therewith, and (c) what action the Borrower has taken, is taking and proposes to take with respect thereto.

(C) Lawsuits. (i) Promptly upon the Borrower obtaining knowledge of the institution of, or written threat of, any action, suit, proceeding, governmental investigation or arbitration against or affecting any Transaction Party or any property of any Transaction Party, which action, suit, proceeding, governmental investigation or arbitration exposes, or in the case of multiple actions, suits, proceedings, governmental investigations or arbitrations arising out of the same general allegations or circumstances which expose, in the Borrower's reasonable judgment, the Transaction Party to liability in an amount aggregating $500,000.00 or more, give written notice thereof to the Agent and provide such other information as may be reasonably available to enable each Lender and its respective counsel to evaluate such matters; and (ii) in addition to the requirements set forth in clause (i) of this Section 5.1(C), upon request of the Agent, promptly give written notice of the status of any action, suit, proceeding, governmental investigation or arbitration covered by a report delivered pursuant to clause (i) above or disclosed in any filing with the Commission and provide such other information as may be reasonably available to it that would not violate any attorney-client privilege by disclosure to each Lender and the Agent to enable each Lender or the Agent and its counsel to evaluate such matters.

(D) ERISA Notices. Deliver or cause to be delivered to the Agent, at the Borrower's expense, the following information and notices as soon as reasonably possible, and in any event:

(i) (a) within ten (10) Business Days after the Borrower obtains knowledge that a Termination Event has occurred, a written statement of the chief financial officer of the Borrower describing such Termination Event and the action, if any, which the Borrower has taken, is taking or proposes to take with respect thereto, and when known, any action taken or threatened by the IRS, DOL or PBGC with respect thereto and (b) within ten (10) Business Days after any member of the Controlled Group obtains knowledge that a Termination Event has occurred which could reasonably be expected to subject the Borrower or any member of the Controlled Group to liability individually or in the aggregate in excess of $2,500,000.00, a written statement of the chief financial officer of the Borrower describing such Termination Event and the action, if any, which the member of the Controlled Group has taken, is taking or proposes to take with respect thereto, and when known, any action taken or threatened by the IRS, DOL or PBGC with respect thereto;

(ii) within ten (10) Business Days after the Borrower or any of its Subsidiaries obtains knowledge that a prohibited transaction (defined in Sections 406 of ERISA and Section 4975 of the Code) has occurred, a statement of the chief financial officer of the Borrower describing such transaction and the action which the Borrower or such Subsidiary has taken, is taking or proposes to take with respect thereto;

(iii) within ten (10) Business Days after the Borrower or any of its Subsidiaries receives notice of any unfavorable determination letter from the IRS regarding the qualification of a Plan under Section 401(a) of the Code, copies of each such letter;

(iv) within ten (10) Business Days after the filing thereof with the IRS, a copy of each funding waiver request filed with respect to any Benefit Plan and all communications received by the Borrower or a member of the Controlled Group with respect to such request;

(v) within ten (10) Business Days after receipt by the Borrower or any member of the Controlled Group of the PBGC's intention to terminate a Benefit Plan or to have a trustee appointed to administer a Benefit Plan, copies of each such notice;

(vi) within ten (10) Business Days after receipt by the Borrower or any member of the Controlled Group of a notice from a Multi-employer Plan regarding the imposition of withdrawal liability, copies of each such notice;

(vii) within ten (10) Business Days after the Borrower or any member of the Controlled Group fails to make a required installment or any other required payment under Section 412 of the Code on or before the due date for such installment or payment, a notification of such failure; and

(viii) within ten (10) Business Days after the Borrower or any member of the Controlled Group knows or has reason to know that (a) a Multi-employer Plan has been terminated, (b) the administrator or plan sponsor of a Multi-employer Plan intends to terminate a Multi-employer Plan, or (c) the PBGC has instituted or will institute proceedings under Section 4042 of ERISA to terminate a Multi-employer Plan.

For purposes of this Section 5.1(D), the Borrower, any of its Subsidiaries and any member of the Controlled Group shall be deemed to know all facts known by the Administrator of any Plan of which the Borrower or any member of the Controlled Group or such Subsidiary is the plan sponsor.

(E) Labor Matters. Notify the Agent in writing, promptly upon the Borrower's learning thereof, of (i) any material labor dispute to which the Borrower or any of its Subsidiaries may become a party, including, without limitation, any strikes, lockouts or other disputes relating to such Persons' plants and other facilities and (ii) any material liability incurred under the Worker Adjustment and Retraining Notification Act with respect to the closing of any plant or other facility of the Borrower or any of its Subsidiaries.

(F) Other Indebtedness. Deliver, or cause to be delivered, to the Agent (i) a copy of each notice or communication regarding actual defaults (including any accompanying officer's certificate) delivered by or on behalf of any Transaction Party to the holders of funded Indebtedness pursuant to the terms of the agreements governing such Indebtedness, such delivery to be made at the same time and by the same means as such notice or other communication is delivered to such holders, and (ii) a copy of each notice or other communication regarding actual defaults received by any Transaction Party from the holders of funded Indebtedness pursuant to the terms of such Indebtedness, such delivery to be made promptly after such notice or other communication is received by any Transaction Party.

(G) Other Reports. After an Initial Public Offering or incurrence of Permitted Subordinated Indebtedness, deliver or cause to be delivered to the Agent copies of all financial statements, reports and notices, if any, sent or made available generally by the Borrower to its

securities holders or filed with the Commission by the Borrower, all press releases made available generally by the Borrower or any other Transaction Party to the public concerning material developments in the business of the Borrower or any other Transaction Party and all notifications received from the Commission by the any Transaction Party pursuant to the Securities Exchange Act of 1934 and the rules promulgated thereunder (other than customary comment letters received in connection with registration statements or other routine communications between the Commission and the Borrower).

(H) Environmental Notices. Deliver, or cause to be delivered, as soon as possible and in any event within ten (10) days after receipt by any Transaction Party, a copy of (i) any notice or claim to the effect that such Transaction Party is or may be liable to any Person as a result of the Release by such Transaction Party, or any other Person of any Contaminant into the environment, and (ii) any notice alleging any violation of any Environmental, Health or Safety Requirements of Law by such Transaction Party if, in either case, such notice or claim relates to an event which could reasonably be expected to subject such Transaction Party to liability individually or in the aggregate in excess of $500,000.00.

(I) Other Information. Promptly upon receiving a request therefore from the Agent, prepare and deliver to the Agent such other information with respect to any Transaction Party, or the Collateral, including, without limitation, schedules identifying and describing the Collateral and any dispositions thereof, as from time to time may be reasonably requested by the Agent.

(J) Real Estate. (i) Within thirty (30) days after the Effective Date of this Agreement, Borrower shall have delivered to Agent, or cause to have been delivered to Agent, a report of the following information with respect to each piece of real property which is the subject of Section 5.3 (A) (xiv) of this Agreement: (1) the physical address of such property, (2) the appraised value of such property (as set forth in the first MAI Appraisal performed at the request of a Transaction Party), (3) the date of the first MAI Appraisal of such property, performed at the request of a Transaction Party, and name of the appraiser who prepared the MAI Appraisal, (4) the reasonable cost of improvements made to such property after the date of the first MAI Appraisal performed at the request of a Transaction Party, (5) principal amount of Indebtedness secured by such property, and (6) the name of the lender holding the first lien on such property.

(ii) On each anniversary day of the Effective Date (or if any such day is not a Business Day, on the next succeeding Business Day), deliver to Agent, or cause to be delivered to Agent, a supplement to the report referenced in clause (i) of this Section 5.1 (J), which must identify any changes to information previously reported, and report the following information with respect to any piece of real property which had not been the subject of a previous report and which is the subject of Section 5.3 (A) (xiv) of this Agreement: (1) the physical address of such property, (2) the appraised value of such property (as set forth in the first MAI Appraisal performed at the request of a Transaction Party), (3) the date of the first MAI Appraisal of such property, performed at the request of a Transaction Party, and name of the appraiser who prepared the MAI Appraisal, (4) the reasonable cost of improvements made to such property after the date of the first MAI Appraisal performed at the request of a Transaction Party, (5) principal amount of Indebtedness secured by such property, and (6) the name of the lender holding the first lien on such property.

(K) Meetings. The Borrower shall cause its chief executive officer and chief financial officer to attend all meetings scheduled by the Agent pursuant to Section 7.1 (d) of this Agreement.

5.2 Affirmative Covenants.

(A) Existence, Etc. Except for mergers permitted pursuant to Section 5.3(H) and except for a Permitted IPO Conversion, the Borrower shall, and shall cause each of its Subsidiaries to, at all times maintain its corporate, company or partnership existence, as applicable, and preserve and keep, or cause to be preserved and kept, in full force and effect its rights and franchises material to its businesses. It is understood and agreed that any Subsidiary of the Borrower may be dissolved in the ordinary course of business so long as the Borrower gives prior notice to the Agent of such dissolution and the assets and obligations of such dissolved Subsidiary are transferred to another Loan Party.

(B) Powers; Conduct of Business. The Borrower shall, and shall cause each of its Subsidiaries to, qualify and remain qualified to do business in each jurisdiction in which the nature of its business requires it to be so qualified and where the failure to be so qualified will have or could reasonably be expected to have a Material Adverse Effect. The Borrower will, and will cause each Subsidiary to, carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted.

(C) Compliance with Laws, Etc The Borrower shall, and shall cause its Subsidiaries to, (a) comply with all Requirements of Law and all restrictive covenants affecting such Person or the business, properties, assets or operations of such Person, and (b) obtain as needed all permits necessary for its operations and maintain such permits in good standing, unless failure to comply or obtain could not reasonably be expected to have a Material Adverse Effect.

(D) Payment of Taxes and Claims. The Borrower shall pay, and cause each of its Subsidiaries to pay, (i) all taxes, assessments and other governmental charges required to be paid by it or its Subsidiaries, as the case may be, and (ii) all claims (including, without limitation, claims for labor, services, materials and supplies) for sums which have become due and payable and which by law have or may become a Lien (other than a Lien permitted by Section 5.3(C)) upon any of the Borrower's or such Subsidiary's property or assets, prior to the time when any penalty or fine shall be incurred with respect thereto; provided, however, that no such taxes, assessments and governmental charges referred to in clause (i) above or claims referred to in clause (ii) above (and interest, penalties or fines relating thereto) need be paid if being contested in good faith by appropriate proceedings diligently instituted and conducted and if such reserve or other appropriate provision, if any, as shall be required in conformity with Agreement Accounting Principles shall have been made therefore.

(E) Insurance. The Borrower shall maintain for itself and its Subsidiaries, or shall cause each of its Subsidiaries to maintain in full force and effect, insurance policies and programs reflecting coverage that is reasonably consistent with prudent industry practice (it being understood that, to the extent consistent with prudent business practice of Persons carrying on a similar business in a similar location, with the prior written consent of the Required Lenders

(which such consent will not be unreasonably withheld) a program of self-insurance for first or other loss layers may be utilized).

(F) Inspection of Property; Books and Records; Discussions. The Borrower shall permit and cause each of the Borrower's Subsidiaries to permit, any authorized representative(s) designated by the Agent or any Lender to visit and inspect any of the properties of the Borrower or any of its Subsidiaries, to examine, audit, check and make copies of their respective financial and accounting records, books, journals, orders, receipts and any correspondence and other data relating to their respective businesses or the transactions contemplated hereby or by the Acquisitions (including, without limitation, in connection with environmental compliance, hazard or liability), and to discuss their affairs, finances and accounts with their officers and independent certified public accountants (it being understood that (i) the right of inspection is subject to the confidentiality limitation set forth in Section 9.4 hereof, (ii) the Agent and the Lenders may speak with the Borrower's certified public accountants so long as a representative of the Borrower is present, but not otherwise, and (iii) Borrower will make a representative present for such a discussion at the reasonable request of the Agent or any Lender), all upon reasonable notice and at such reasonable times during normal business hours, as often as may be reasonably requested; provided, that while no Event of Default exists, all of the foregoing shall be at the joint expense of the Lenders. The Borrower shall keep and maintain, and cause each of the Borrower's Subsidiaries to keep and maintain, in all material respects, proper books of record and account in which entries in conformity with Agreement Accounting Principles shall be made of all dealings and transactions in relation to their respective businesses and activities, including, without limitation, transactions and other dealings with respect to the Collateral. If an Event of Default has occurred and is continuing, the Borrower, upon the request of the Agent or any Lender, shall turn over any such records to the Agent, such Lender, or their respective representatives.

(G) Insurance and Condemnation Proceeds. Subject to the rights of Lenders under any Floor Plan Indebtedness to receive and/or apply any insurance proceeds for any loss with respect to the Collateral, the Borrower shall direct (and, if applicable, shall cause its Subsidiaries to direct) all insurers under policies of property damage, boiler and machinery and business interruption insurance and payors of any condemnation claim or award relating to the Collateral to pay all proceeds payable under such policies or with respect to such claim or award directly to the Agent (for the benefit of the Lenders); provided, however, in the event that such proceeds or award are less than $500,000.00 ("Excluded Proceeds"), unless an Event of Default shall have occurred and be continuing, the Agent shall remit such Excluded Proceeds to the Borrower or Subsidiary, as applicable. Each such policy shall contain a long-form loss-payable endorsement naming the Agent (for the benefit of the Lenders) as loss payee, which endorsement shall be in form and substance acceptable to the Agent and shall provide for all losses with respect to the Collateral to be paid on behalf of Agent and the applicable Transaction Party as their respective interests may appear and each policy for property damage insurance shall provide for all losses to be paid directly to the Agent. Each such policy shall in addition (i) name the applicable Transaction Party and the Agent (for the benefit of the Lenders) as insured parties thereunder (without any representation or warranty by or obligation upon the Agent) as their interests may appear, (ii) contain the agreement by the insurer that any loss thereunder shall be payable to the Agent (for the benefit of the Lenders) notwithstanding any action, inaction or breach of representation or warranty by the Transaction Party, (iii) provide that there shall be no recourse against the Agent or the Lenders for payment of premiums or other amounts with respect thereto and (iv) provide that at least ten days' prior written notice of

cancellation or of lapse shall be given to Agent by the insurer. Each Transaction Party shall, if so requested by the Agent, deliver to the Agent original or duplicate policies of such insurance and, as often as the Agent may reasonably request, a report of a reputable insurance broker with respect to such insurance. Further each Transaction Party shall, at the request of the Agent, duly execute and deliver instruments of assignment of such insurance policies to comply with the requirements of Section 5.2 (N) and cause the insurers to acknowledge notice of such assignment. The Agent shall, upon receipt of such proceeds (other than Excluded Proceeds) and at the Borrower's direction, either apply the same to the principal amount of the Advances outstanding at the time of such receipt and create a corresponding reserve against the Commitment in an amount equal to such application (the "Decision Reserve") or hold them as cash Collateral for the Obligations in an interest bearing account. For up to 150 days from the date of any loss (the "Decision Period"), the Borrower may notify Agent that it intends to restore, rebuild or replace the property subject to any insurance payment or condemnation award and shall, as soon as practicable thereafter, provide Agent detailed information, including a construction schedule and cost estimates. Should an Event of Default occur at any time during the Decision Period, should the Borrower notify the Agent that it has decided not to rebuild or replace such property during the Decision Period, or should the Borrower fail to notify the Agent of the Borrower's decision during the Decision Period, then the amounts held as cash collateral pursuant to this Section 5.2(G) or as the Decision Reserve shall be applied as a mandatory prepayment of the Advances pursuant to Section 2.2(B). Proceeds held as cash collateral pursuant to this Section 5.2(G) or constituting the Decision Reserve shall be disbursed as payments for restoration, rebuilding or replacement of such property become due; provided, however, should an Event of Default occur after the Borrower has notified the Agent that it intends to rebuild or replace the property, the Decision Reserve or amounts held as cash collateral shall be applied as a mandatory prepayment of the Advances pursuant to Section 2.2(B). In the event the Decision Reserve is to be applied as a mandatory prepayment to the Advances, the Borrower shall be deemed to have requested Advances in an amount equal to the Decision Reserve, and such Advances shall be made regardless of any failure of the Borrower to meet the conditions precedent set forth in Article III. Upon completion of the restoration, rebuilding or replacement of such property, the unused proceeds shall constitute net cash proceeds of an Asset Sale and shall be applied as a mandatory prepayment of the Advances pursuant to Section 2.2(B).

(H) ERISA Compliance. The Borrower shall, and shall cause each of the Borrower's Subsidiaries to, establish, maintain and operate all Plans, if any, to comply in all material respects with the provisions of ERISA, the Code, all other applicable laws, and the regulations and interpretations thereunder and the respective requirements of the governing documents for such Plans, except where the failure to comply could not reasonably be expected to subject the Borrower and its Subsidiaries to liability individually or in the aggregate in excess of $250,000.00.

(I) Maintenance of Property. The Borrower shall cause all property used or useful in the conduct of its business or the business of any Subsidiary to be maintained and kept in good condition, repair and working order and, and supplied with all necessary equipment and shall cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Borrower may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this Section 5.2(I) shall prevent the Borrower from discontinuing the operation or maintenance of any of such property if such discontinuance is, in

the judgment of the Borrower, desirable in the conduct of its business or the business of any Subsidiary and not disadvantageous in any material respect to any Lender. Each Transaction Party shall promptly furnish to the Agent a statement respecting any material loss or damage to its respective collective Equipment, taken as a whole.

(J) Environmental Compliance. The Borrower and its Subsidiaries shall comply with all Environmental, Health or Safety Requirements of Law, except where noncompliance could not reasonably be expected to subject the Borrower and its Subsidiaries to liability individually or in the aggregate in excess of $500,000.00. Neither the Borrower nor any of its Subsidiaries shall be the subject of any proceeding or investigation pertaining to (i) the Release by the Borrower or any of its Subsidiaries of any Contaminant into the environment or (ii) the liability of the Borrower or any of its Subsidiaries arising from the Release by any other Person of any Contaminant into the environment, which, in either case, subjects or is reasonably likely to subject the Borrower and its Subsidiaries individually or in the aggregate to liability in excess of the amount set forth above.

(K) Use of Proceeds. Except as otherwise provided in Section 2.1 (A) (1) hereof, the Borrower shall use the proceeds of Advances to (i) fund the Acquisition Costs of Permitted Acquisitions (each such Advance is referred to herein as an "Acquisition Advance") and (ii) provide funds for working capital needs and other general corporate purposes of the Borrower and the Guarantors (each such Advance is referred to as a "Working Capital Advance"), provided, however, that at no time may the aggregate amount of Working Capital Advances outstanding exceed four percent (4%) of the Revolving Credit Obligations. The proceeds of Advances hereunder may not be used to make any mandatory prepayment under Section 2.2(B). The Borrower will not, nor will it permit any Subsidiary to, use any of the proceeds of the Loans to purchase or carry any "Margin Stock" or to make any Acquisition, other than any Permitted Acquisition pursuant to Section 5.3(F).

(L) Addition of Guarantors. The Borrower shall cause each present and future Subsidiary Holding Company and each Dealership which has not heretofore provided a Subsidiary Holding Company Guaranty or a Dealership Guaranty to the Agent, to deliver to the Agent, for the benefit of the Lenders, a Subsidiary Holding Company Guaranty, in the form of Exhibit C-2, or a Dealership Guaranty, in the form of Exhibit C-1, together with Pledged Account Agreements and such other appropriate Collateral Documents, so as to grant a Lien on all of its bank accounts, property and assets, together with UCC-1 Financing Statements, an acknowledgment to be bound by the Cross Agreement, together with appropriate corporate resolutions, opinions and other documentation in form and substance reasonably satisfactory to the Agent. Each Subsidiary Holding Company and each Dealership shall provide such Subsidiary Holding Company Guaranty or Dealership Guaranty, Pledged Account Agreement and other Collateral Documents prior to or simultaneously with its Acquisition.

(M) Material Adverse Change. Promptly upon the occurrence of any Material Adverse Change, Borrower will give the Agent written notice of such Material Adverse Change, describing the nature of such Material Adverse Change and the entities affected by such Material Adverse Change, and present Agent with an action plan Borrower intends to implement to address such Material Adverse Change.

(N) Further Assurances. Borrower, the Agent and the Lenders agree to, promptly upon request by the Agent or the Borrower, as applicable, (i) correct, and cause each of its

Subsidiaries promptly to correct, any material defect or error that may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof, and (ii) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, conveyances, pledge agreements, mortgages, deeds of trust, trust deeds, assignments, financing statements and continuations thereof, termination statements, notices of assignment, transfers, certificates, assurances and other instruments as the Agent may reasonably require from time to time in order to (1) carry out more effectively the purposes of the Loan Documents, (2) to the fullest extent permitted by applicable law, subject any Loan Party's properties, assets, rights or interests to the Liens now or hereafter intended to be covered by any of the Collateral Documents, (3) perfect and maintain the validity, effectiveness and priority of any of the Collateral Documents and any of the Liens intended to be created thereunder and (4) assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the Lenders the rights granted or now or hereafter intended to be granted to the Lenders under any Loan Document or under any other instrument executed in connection with any Loan Document to which any Lender is or is to be a party, and cause each of its Subsidiaries to do so.

(O) Franchise Agreements. The Borrower shall use its reasonable best efforts to obtain waivers under existing and future franchise agreements on terms and conditions acceptable to the Lenders sufficient to permit the Liens contemplated hereunder. To the extent any franchise agreement materially limits the Liens contemplated hereunder or under any Collateral Document (other than the Liens contemplated by the Borrower Pledges, Dealership Pledges and/or Subsidiary Holding Company Pledges), the Borrower shall notify the Agent of such restriction or limitation and to the extent such franchise agreement relates to an Acquisition to be effected by the Borrower, prior to such Acquisition becoming a Permitted Acquisition, the Required Lenders shall have provided their written approval of such franchise agreement.

(P) Pledge of Capital Stock. The Borrower shall, and shall cause each of the Subsidiary Holding Companies to, pledge to and grant to the Agent, for the benefit of the Lenders, a first perfected and first priority Lien in all of its Equity Interests in each Dealership and/or other Subsidiary Holding Company, as the case may be; provided, however, such Equity Interest will be required to be pledged only to the extent not prohibited by the manufacturer under the applicable franchise agreement. In the event that a manufacturer refuses to consent to the pledge by the Borrower or a Subsidiary Holding Company of the Borrower's or Subsidiary Holding Companies' Capital Stock in a Dealership or other Subsidiary Holding Company, the Borrower and/or Subsidiary Holding Company must execute a Waiver, Guaranty and Disbursement Agreement.

5.3 Negative Covenants.

(A) Indebtedness. Neither the Borrower nor any of its Subsidiaries shall directly or indirectly create, incur, assume or otherwise become or remain directly or indirectly liable with respect to any Indebtedness, except:

(i) the Obligations;

(ii) Permitted Existing Indebtedness and Permitted Refinancing Indebtedness;

(iii) Indebtedness in respect of obligations secured by Customary Permitted Liens;

(iv) Indebtedness constituting Contingent Obligations in respect of Indebtedness otherwise permitted hereunder;

(v) Indebtedness arising from intercompany loans from the Borrower to any Guarantor or from any Subsidiary to the Borrower or any Guarantor; provided that in each case such Indebtedness is subordinated upon terms satisfactory to the Required Lenders to the obligations of the Borrower and its Subsidiaries with respect to the Obligations;

(vi) Indebtedness with respect to surety, appeal and performance bonds obtained by the Borrower or any of its Subsidiaries in the ordinary course of business;

(vii) Indebtedness not in excess of $25,000,000.00, in the aggregate outstanding at any time, in connection with the Liens set forth in Section 5.3(C)(v);

(viii) contingent obligations of the Guarantors incurred in connection with sales in the ordinary course of business of vehicle chattel paper;

(ix) Floor Plan Indebtedness incurred by a Loan Party;

(x) Indebtedness incurred from time to time in connection with Capital Expenditures, provided, however, that the aggregate of such Indebtedness incurred during any twelve month period (with the first such twelve month period beginning on the Effective Date, and each subsequent twelve month period beginning on each succeeding anniversary day of the Effective Date), may not exceed $20,000,000.00, and provided, further, that if during any given twelve month period such Indebtedness is less than $20,000,000.00 (the difference between $20,000,000.00 and the actual amount of such Indebtedness incurred during a given twelve month period not in excess of $5,000,000.00 being referred to herein as the "Carry-Over Amount"), such Carry-Over Amount may be carried either forward or back into any twelve month period during the term of this Agreement and added to the amount of Indebtedness that may be or may have been (as the case may be) incurred during such twelve month period in connection with Capital Expenditures;

(xi) other Indebtedness in an aggregate principal amount outstanding at any time not in excess of $7,500,000.00;

(xii) Indebtedness incurred hereunder in connection with a Permitted Acquisition;

(xiii) Hedging Obligations permitted under Section 5.3 (P).;

(xiv) Indebtedness incurred from time to time and secured only by the Liens described in Section 5.3 (C) (vi), provided, however, that with respect to any such given Indebtedness, (1) the aggregate principal amount of such Indebtedness may not exceed 100% of the value of the real property, fixtures and improvements collateralizing

such Indebtedness (for purposes of this Section 5.3 (A) (xiv), the value of the real property will be determined by adding the appraised value of the real property as reported in the first MAI Appraisal performed at the request of a Transaction Party and the Dollar amount reported in Section 5.1 (J) hereof as the cost of improvements made to such real property after the date of such MAI Appraisal) , and (2) no Transaction Party may guaranty such Indebtedness;

(xv) Permitted Subordinated Indebtedness; and

(xvi) obligations in respect of Seller Paper, provided, however, that (i) the aggregate amount of Indebtedness outstanding in respect of Seller Paper at any given time may not exceed $25,000,000.00, and (ii) obligations in respect of Seller Paper incurred in connection with any given Permitted Acquisition may not exceed 20% of the Acquisition Price of such Permitted Acquisition.

(B) Sales of Assets. Neither the Borrower nor any of its Subsidiaries shall sell, assign, transfer, lease, convey or otherwise dispose of any property (including the Capital Stock of any Subsidiary), whether now owned or hereafter acquired, or any income or profits therefrom, or enter into any agreement to do so, except:

(i) sales of Inventory in the ordinary course of business;

(ii) the disposition in the ordinary course of business of (A) vehicle chattel paper or sales contracts (provided that to the extent such chattel paper and/or sales contracts are proceeds of motor vehicles financed under the Floor Plan Indebtedness, the portion of the Floor Plan Indebtedness related to such motor vehicles shall be retired in full) and (B) equipment or other personal property that is obsolete, excess, condemned, worn out or no longer useful in the Borrower's or its Subsidiaries' business;

(iii) sales, assignments, transfers, leases, conveyances or other dispositions of other assets if (A) such transaction (1) is for all cash consideration, (2) is for not less than Fair Value, and (3) when combined with all such other transactions (each such transaction being valued at book value) during the immediately preceding twelve-month period, represents the disposition of not greater than $5,000,000.00, and (B) the Net Cash Proceeds of any such sale, assignment, transfer, lease conveyance or other disposition of assets are either (1) applied in their entirety to reduce the Revolving Credit Obligations, or (2) reinvested, substantially in whole with the prior written consent of Agent and the Required Lenders (which may not be unreasonably withheld), in long-term assets necessary or useful in the operation of the Asbury Group's business;

(iv) dispositions permitted by Sections 5.3 (G) and 5.3 (H);

(v) the sale of equipment to the extent such equipment is exchanged for credit against the purchase price of materially similar replacement equipment, or the proceeds of such sale are reasonably promptly applied to the purchase price of such replacement equipment;

(vi) dispositions of assets by any Transaction Party to any other Transaction Party that is also a Loan Party; and

(vii) sales of real property in connection with any REIT Transaction (as defined in Section 5.3 (G) hereof), provided that the Net Cash Proceeds of any such sale are applied as a mandatory prepayment of the Obligations under Section 2.2 (B) hereof.

(C) Liens. Neither the Borrower nor any of its Subsidiaries shall directly or indirectly create, incur, assume or permit to exist any Lien on or with respect to any of their respective property or assets, except:

(i) Permitted Existing Liens;

(ii) Customary Permitted Liens;

(iii) Liens securing the Obligations;

(iv) Liens securing Floor Plan Indebtedness;

(v) Liens (other than on the stock, real property and fixtures of any Subsidiaries) securing other obligations not exceeding $25,000,000.00 in the aggregate at any time outstanding;

(vi) Liens (encumbering only real property, fixtures, and improvements whether such real property, fixtures and improvements are now owned, under construction or hereafter acquired), which the applicable Transaction Party reasonably purported to grant as first priority Liens, securing the Indebtedness described in Section 5.3 (A) (xiv);

(vii) Liens securing Capital Expenditures permitted under Section 5.3 (A) (x), provided any such Liens are limited in scope to cover only that property which is the subject of the particular Capital Expenditure; and

(viii) Liens securing Permitted Refinancing Indebtedness permitted under Section 5.3 (A) (ii).

In addition, neither the Borrower nor any of its Subsidiaries shall become a party to any agreement, note, indenture or other instrument, or take any other action, which would prohibit the creation of a Lien on any of its properties or other assets in favor of the Agent (for the benefit of the Lenders), as collateral for the Obligations; provided that any agreement, note, indenture or other instrument in connection with Liens permitted pursuant to clause (i) above may prohibit the creation of a Lien in favor of the Agent (for the benefit of the Lenders) on the items of property subject to such Lien.

(D) Investments. Except to the extent permitted pursuant to paragraph (G) below, neither the Borrower nor any of its Subsidiaries shall directly or indirectly make or own any Investment except:

(i) Investments in Cash Equivalents;

(ii) Permitted Existing Investments in an amount not greater than the amount thereof on the date hereof;

(iii) Investments in trade receivables or received in connection with the bankruptcy or reorganization of suppliers and customers and in settlement of delinquent obligations of, and other disputes with, customers and suppliers arising in the ordinary course of business;

(iv) Investments from the Borrower to any Subsidiary or from any Subsidiary to the Borrower or any other Subsidiary permitted by Section 5.3(A)(v);

(v) Investments in any Guarantor;

(vi) Investments constituting Permitted Acquisitions;

(vii) Investments of any type in addition to those referred to elsewhere in this Section 5.3(D) in an amount not to exceed $10,000,000.00 in the aggregate at any time outstanding; and

(viii) any Estate Tax Loan (as defined in the Borrower LLC Agreement) required to be made pursuant to Section 7.07 of the Borrower LLC Agreement.

provided, however, that the Investments described in clauses (vi) through (vii) above shall not be permitted if either an Event of Default or Unmatured Default shall have occurred and be continuing on the date thereof or would result therefrom.

(E) Restricted Payments. Neither the Borrower nor any of its Subsidiaries shall declare or make any Restricted Payments, except:

(i) where the consideration therefore consists solely of Equity Interests (but excluding Disqualified Stock) of the Borrower or its Subsidiaries provided no Change of Control would occur as a result thereof;

(ii) Restricted Payments by a Subsidiary to the Borrower or to the Subsidiary Holding Company that is a parent of such Subsidiary;

(iii) annual management fees to Borrower or its Affiliates in an aggregate amount not in excess of $1,000,000.00 in any fiscal year;

(iv) so long as no Event of Default or Unmatured Default has occurred and is continuing, the Borrower may repurchase (for value as described in Article VII of the Borrower LLC Agreement) Equity Interests of the Borrower and/or options to purchase Equity Interests of the Borrower held by directors, executive officers, members of management or employees of the Borrower or any of its Subsidiaries upon the death or termination of such director, executive, officer, member or management or employee.

(F) Conduct of Business; Subsidiaries; Acquisitions. (i) Neither the Borrower nor any of its Subsidiaries shall engage in any business other than the businesses engaged in by the

Borrower and such Subsidiaries on the date hereof and any business or activities which are substantially similar, related or incidental thereto.

(ii) The Borrower may create, acquire and/or capitalize any Subsidiary (a "New Subsidiary") after the date hereof pursuant to any transaction that is permitted by or not otherwise prohibited by this Agreement; provided that upon the creation or acquisition of each New Subsidiary, the requirements set forth in Section 5.2(L) hereof shall have been satisfied and all New Subsidiaries that are Material Subsidiaries shall be Controlled Subsidiaries. Only those Subsidiaries (i) listed on Schedule 5.3 (F) hereto, or (ii) operating under a Restricted Franchise Agreement may have any Equity Interests issued to a Minority Holder, and, in the case of those entities operating under a Restricted Franchise Agreement, only to the extent required by such Restricted Franchise Agreement.

(iii) The Borrower shall not make any Acquisitions, other than Acquisitions meeting the following requirements (each such Acquisition constituting a "Permitted Acquisition"):

(a) no Event of Default or Unmatured Default shall have occurred and be continuing or would result from such Acquisition or the incurrence of any Indebtedness in connection therewith;

(b) in the case of an Acquisition of Equity Interests of an entity, such Acquisition shall be of one hundred percent (100%) of the Equity Interests of such entity or if so restricted by such entity's franchise agreement (a "Restricted Franchise Agreement"), such Acquisition shall be of at least eighty percent (80%) of the Equity Interests of such entity, provided, however, that the Borrower shall use reasonable efforts to cause such Equity Interests of Minority Holders to be pledged directly to the Agent, for the benefit of the Lenders, simultaneously with such Acquisition;

(c) the business or businesses being acquired shall be substantially similar, related or incidental to the businesses or activities engaged in by the Borrower and its Subsidiaries on the date hereof;

(d) within thirty (30) days prior to the anticipated closing date of a contemplated Acquisition, the Borrower shall deliver to the Agent a certificate from one of the Authorized Officers, demonstrating to the reasonable satisfaction of the Agent that after giving effect to such Acquisition and the incurrence of any Indebtedness hereunder and in connection herewith, on a pro forma basis (both historically and on a projected basis), as if the Acquisition and such incurrence of Indebtedness had occurred on the first day of the twelve-month period ending on the last day of the Borrower's most recently completed fiscal quarter, the Borrower would have been in compliance with all of the covenants contained in this Agreement, including, without limitation, the financial covenants set forth in Section 5.4;

(e) after giving effect to such Acquisition, the representations and warranties set forth in Article IV hereof shall be true and correct in all material respects on and as of the date of such Acquisition with the same effect as though made on and as of such date; and

(f) the Borrower shall have obtained (and shall have based the calculations set forth above on) historical audited financial statements for the target and/or reviewed unaudited financial statements (in each case to the extent available) for the target for a period of not less than (A) two (2) years for Acquisitions in excess of $30,000,000.00 and (B) one (1) year for Acquisitions in excess of $2,000,000.00, together with tax returns for the one year prior to such year, in each case obtained from the seller or provided by independent certified public accountants retained for the purposes of such Acquisition, broken down by fiscal quarter in the Borrower's reasonable judgment, copies of which shall be provided to the Agent.

(g) the Borrower shall have obtained either (i) a new franchise agreement between the Dealership and the manufacturer on substantially the same terms as the franchise agreement entered into between the manufacturer and the entity to be acquired in such Permitted Acquisition or (ii) any consent required from a manufacturer for the continued enforceability and validity of such franchise agreement after the completion of a Permitted Acquisition shall have been obtained.

(h) all material consents from applicable Governmental Authorities, and all other material consents necessary to permit, the Acquisitions shall have been obtained.

(G) Transactions with Shareholders and Affiliates. Neither the Borrower nor any Subsidiary shall directly or indirectly enter into or permit to exist any transaction (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with any holder or holders of any of the Equity Interests of the Borrower, or with any Affiliate of the Borrower which is not a Guarantor, on terms that are less favorable to the Borrower or any of its Subsidiaries, as applicable, than those that might be obtained in an arm's length transaction at the time from Persons who are not such a holder or Affiliate, except that (i) employment agreements from time to time with senior management of Borrower and its Subsidiaries for services rendered shall be permitted, and (ii) the Shareholder Agreement shall be permitted and (iii) the sale by the owner of property leased to the Borrower or any of its Subsidiaries to a public real estate investment trust or to a Person that becomes a public real estate investment trust (a "REIT Transaction") and leases of real property related to dealerships from the public real estate investment trust formed in connection with the REIT Transaction shall be permitted.

(H) Restriction on Fundamental Changes. Neither the Borrower nor any of its Subsidiaries shall enter into any merger or consolidation, or liquidate, wind-up or dissolve (or suffer any liquidation or dissolution), or convey, lease, sell, transfer or otherwise dispose of, in one transaction or series of transactions, all or substantially all of the Borrower's or any such Subsidiary's business or property, whether now or hereafter acquired, except (i) transactions permitted under Sections 5.3(B) or 5.3(G), (ii) the merger of a Transaction Party (other than the Borrower) and a Person acquired in connection with a Permitted Acquisition; (iii) the merger of a wholly-owned Transaction Party with and into the Borrower; (iv) the merger of a Transaction Party (other than the Borrower) with another Transaction Party; and (v) the conveyance, lease, sale, transfer or other disposition of any or all of the assets of a Subsidiary (upon voluntary liquidation or otherwise) to the Borrower or any Guarantor; provided, however, (x) with respect to any such permitted mergers involving any Guarantor, the surviving corporation in the merger shall also be or become a Guarantor; and (y) after the consummation of any such transaction, the Borrower shall be in compliance with the provisions of Sections 5.2(L) and 5.3(E).

Notwithstanding the foregoing, this Section 5.3 (H) shall not apply to a Permitted IPO Conversion.

(I) Sales and Leasebacks. Except for REIT Transactions, neither the Borrower nor any of its Subsidiaries shall become liable, directly, by assumption or by Contingent Obligation, with respect to any lease, whether an operating lease or a Capitalized Lease, of any property (whether real or personal or mixed) (i) which it or one of its Subsidiaries sold or transferred or is to sell or transfer to any other Person, or (ii) which it or one of its Subsidiaries intends to use for substantially the same purposes as any other property which has been or is to be sold or transferred by it or one of its Subsidiaries to any other Person in connection with such lease.

(J) Margin Regulations. Neither the Borrower nor any of its Subsidiaries, shall use all or any portion of the proceeds of any credit extended under this Agreement to purchase or carry Margin Stock.

(K) ERISA. The Borrower shall not

(i) engage, or permit any of its Subsidiaries to engage, in any prohibited transaction described in Sections 406 of ERISA or 4975 of the Code for which a statutory or class exemption is not available or a private exemption has not been previously obtained from the DOL;

(ii) permit to exist any accumulated funding deficiency (as defined in Sections 302 of ERISA and 412 of the Code), with respect to any Benefit Plan, whether or not waived;

(iii) fail, or permit any Controlled Group member to fail, to pay timely required contributions or annual installments due with respect to any waived funding deficiency to any Benefit Plan;

(iv) terminate, or permit any Controlled Group member to terminate, any Benefit Plan which would result in any liability of the Borrower or any Controlled Group member under Title IV of ERISA;

(v) fail to make any contribution or payment to any Multiemployer Plan which the Borrower or any Controlled Group member may be required to make under any agreement relating to such Multiemployer Plan, or any law pertaining thereto;

(vi) fail, or permit any Controlled Group member to fail, to pay any required installment or any other payment required under Section 412 of the Code on or before the due date for such installment or other payment; or

(vii) amend, or permit any Controlled Group member to amend, a Plan resulting in an increase in current liability for the plan year such that the Borrower or any Controlled Group member is required to provide security to such Plan under Section 401(a)(29) of the Code,

except where such transactions, events, circumstances, or failures will not have or is not reasonably likely to subject the Borrower and its Subsidiaries to liability individually or in the aggregate in excess of $250,000.00.

(L) Issuance of Equity Interests. None of the Borrower's Subsidiaries shall issue any Equity Interests other than to the Borrower or if required by the applicable manufacturer in connection with a Restricted Franchise Agreement or the state motor vehicle dealer licensing authority, to Minority Holders whose Equity Interests (i) do not exceed 20% of the Equity Interests of such Subsidiary and (ii) have been pledged to the Lenders; provided, however, that no such issuance of Equity Interests shall be permitted hereunder unless the Subsidiary to which such issuance pertains operates only under a Restricted Franchise Agreement.

(M) Corporate Documents; Franchise Agreements. Neither the Borrower nor any of its Subsidiaries shall amend, modify or otherwise change any of the terms or provisions in any of their respective constituent documents as in effect on the date hereof in any manner adverse in any material respect to the interests of any Lender without the prior written consent of such Lender. The Borrower shall not permit any Dealership to amend, modify or otherwise change any of the terms or provisions of such Dealership's franchise agreement in any manner adverse in any material respect to the interests of any Lender without the prior written consent of such Lender. It is understood and agreed that should any manufacturer require the Borrower or any of its Subsidiaries to amend, modify or otherwise change any of the foregoing documents, except to the extent that any such amendment, modification or change may result in a Material Adverse Effect, it shall not result in a breach of this Section 5.3 (M).

(N) Fiscal Year. Except as may be required by law, neither the Borrower nor any of its consolidated Subsidiaries shall change its fiscal year for accounting or tax purposes from a period consisting of the 12-month period ending on December 31 of each calendar year.

(O) Subsidiary Covenants. The Borrower will not, and will not permit any Subsidiary to, create or otherwise cause to become effective any consensual encumbrance or restriction of any kind on the ability of any Subsidiary to pay dividends or make any other distribution on its stock, or make any other Restricted Payment, pay any Indebtedness or other Obligation owed to the Borrower or any other Subsidiary, make loans or advances or other Investments in the Borrower or any other Subsidiary, or sell, transfer or otherwise convey any of its property to the Borrower or any other Subsidiary.

(P) Hedging Obligations. The Borrower shall not and shall not permit any of its Subsidiaries to enter into any Hedging Obligations, other than interest rate, foreign currency or commodity exchange, swap, collar, cap or similar agreements entered into by the Borrower or a Subsidiary pursuant to which the Borrower or such Subsidiary has hedged its actual interest rate, foreign currency or commodity exposure.

5.4 Financial Covenants. The Borrower shall comply with the following:

(A) Current Ratio. The Borrower shall not permit the ratio (the "Current Ratio") of Current Assets of the Asbury Group on a consolidated basis to Current Liabilities of the Asbury Group on a consolidated basis to be less than 1.20 : 1. In each case, the Current Ratio shall be determined as of the last day of each fiscal quarter.

(B) Fixed Charge Coverage Ratio. The Borrower shall maintain a ratio ("Fixed Charge Coverage Ratio") of (i) EBITDAR less Capital Expenditures (to the extent no Indebtedness was incurred to finance such Capital Expenditures), to (ii) the sum of (a) Interest Expense plus (b) scheduled amortization of the principal portion of all Indebtedness for money borrowed plus (c) Rentals plus (d) taxes paid in cash during such period of the Borrower and its consolidated Subsidiaries of at least 1.20 : 1 for each fiscal quarter ending from and after the Effective Date. In each case the Fixed Charge Coverage Ratio shall be determined as of the last day of each fiscal quarter for the four-quarter period ending on such day.

(C) Total Adjusted Debt to EBITDA Ratio. The Borrower shall not permit the ratio (the "Adjusted Leverage Ratio") of (i) Total Adjusted Debt of the Borrower and its consolidated Subsidiaries to (ii) EBITDA of the Borrower and its consolidated Subsidiaries, to be greater than 4.40 : 1. The Adjusted Leverage Ratio shall be calculated, in each case, determined as of the last day of each fiscal quarter based upon (a) for Total Adjusted Debt, Total Adjusted Debt as of the last day of each such fiscal quarter; and (b) for EBITDA, EBITDA for the twelve-month period ending on such day calculated as set forth in the definition thereof.

All financial covenants set forth in this Section 5.4 shall be calculated by the Agent based on the calculations set forth in and the financial statements attached to Officer's Certificates delivered hereunder and shall be binding on the Borrower for all purposes of this Agreement absent manifest error.

ARTICLE VI: EVENT OF DEFAULTS

6.1 Event of Defaults. Each of the following occurrences shall constitute an Event of Default under this Agreement:

(a) Failure to Make Payments When Due. The Borrower or any Loan Party shall (i) fail to pay when due any of the Obligations consisting of principal with respect to the Advances or (ii) fail to pay within ten (10) days of the date when due any of the other Obligations under the Loan Documents.

(b) Breach of Certain Covenants. The Borrower shall fail duly and punctually to perform or observe any agreement, covenant or obligation binding on the Borrower under Sections 5.2(F), 5.2(K), 5.3 or 5.4.

(c) Breach of Representation or Warranty. Any representation or warranty made or deemed made by any Loan Party in any Loan Documents or in any written statement or certificate at any time given by any such Person pursuant to any Loan Document shall be false or misleading in any material respect on the date as of which made (or deemed made).

(d) Other Defaults. The Borrower shall default in the performance of or compliance with any term contained in this Agreement (other than as covered by paragraphs (a), (b) or (c) of this Section 6.1), or any Loan Party shall default in the performance of or compliance with any term contained in any of the other Loan Documents, and, in either case, such default shall continue for thirty (30) days after the occurrence thereof.

(e) Default as to Other Indebtedness. Any Loan Party shall fail to make any payment when due, after giving effect to any applicable grace periods, (whether by scheduled maturity,

required prepayment, acceleration, demand or otherwise) with respect to any Indebtedness (other than Indebtedness constituting the deferred portion of the purchase price of an asset which is subject to a good faith dispute, which, together with all such other outstanding disputed Indebtedness, is not in excess of $500,000.00 and which is being contested by any Loan Party, and provided that the Loan Party has set aside adequate reserves covering such disputed Indebtedness) the aggregate outstanding principal amount of which Indebtedness is in excess of $500,000.00; or any breach, default or event of default shall occur, or any other condition shall exist under any instrument, agreement or indenture pertaining to any such Indebtedness, if the effect thereof is to cause an acceleration, mandatory redemption, a requirement that the Loan Party offer to purchase such Indebtedness or other required repurchase of such Indebtedness, or permit the holder(s) of such Indebtedness to accelerate the maturity of any such Indebtedness or require a redemption or other repurchase of such Indebtedness; or any such Indebtedness shall be otherwise declared to be due and payable (by acceleration or otherwise) or required to be prepaid, redeemed or otherwise repurchased by any Loan Party (other than by a regularly scheduled required prepayment) prior to the stated maturity thereof.

(f) Involuntary Bankruptcy; Appointment of Receiver, Etc.

(i) An involuntary case shall be commenced against any Transaction Party and the petition shall not be dismissed, stayed, bonded or discharged within sixty (60) days after commencement of the case; or a court having jurisdiction in the premises shall enter a decree or order for relief in respect of any Transaction Party in an involuntary case, under any applicable bankruptcy, insolvency or other similar law now or hereinafter in effect; or any other similar relief shall be granted under any applicable federal, state, local or foreign law.

(ii) (A) A decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over any Transaction Party or over all or a substantial part of the property of any Transaction Party shall be entered; (B) or an interim receiver, trustee or other custodian of any Transaction Party or of all or a substantial part of the property of any Transaction Party shall be appointed or (C) a warrant of attachment, execution or similar process against any substantial part of the property of any Transaction Party shall be issued and any such event described in subsection (A), (B), or (C) of this paragraph shall not be stayed, dismissed, bonded or discharged within sixty (60) days after entry, appointment or issuance.

(g) Voluntary Bankruptcy; Appointment of Receiver, Etc. Any Transaction Party shall (i) commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, (ii) consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, (iii) consent to the appointment of or taking possession by a receiver, trustee or other similar custodian for the benefit of creditors for all or a substantial part of its property, (iv) make any assignment for the benefit of creditors or (v) take any corporate action to authorize any of the foregoing.

(h) Judgments and Attachments. Any money judgment(s) (other than a money judgment covered by insurance as to which the insurance company has not disclaimed coverage or if it has reserved the right to disclaim coverage, such letter reserving the right to disclaim coverage is outstanding twelve months after such money judgment was rendered), writ

or warrant of attachment, or similar process against any Transaction Party or any of their respective assets involving in any single case or in the aggregate an amount in excess of $500,000.00 is or are entered and shall remain undischarged, unvacated, unbonded or unstayed for a period of sixty (60) days or in any event later than fifteen (15) days prior to the date of any proposed sale thereunder.

(i) Dissolution. Any order, judgment or decree shall be entered against any Transaction Party decreeing its involuntary dissolution or split up and such order shall remain undischarged and unstayed for a period in excess of sixty (60) days; or any Transaction Party shall otherwise dissolve or cease to exist except as specifically permitted by this Agreement or with the consent of the Required Lenders.

(j) Loan Documents; Failure of. At any time, for any reason, (i) any provision of any Loan Document ceases to be valid and binding on or enforceable against any Loan Party or any Loan Party seeks to repudiate its obligations thereunder or the Liens intended to be created thereby are, or any Transaction Party seeks to render such Liens, invalid or unperfected, or (ii) any Lien on Collateral in favor of the Agent (for the benefit of the Lenders) contemplated by the Loan Documents shall, at any time, for any reason, be invalidated or otherwise cease to be perfected or in full force and effect or such Lien shall not have the priority contemplated by this Agreement or the Loan Documents and such failure shall continue for three (3) days after the occurrence thereof.

(k) Termination Event. Any Termination Event occurs which is reasonably likely to subject the Borrower or any of its Subsidiaries to liability individually or in the aggregate in excess of $250,000.00, and such Termination Event shall continue for three (3) days after the occurrence thereof, provided however, if such Termination Event is a Reportable Event, then prior to such Termination Event causing an Event of Default under this Section 6.1(k), such Termination Event shall continue for ten (10) days after the occurrence thereof.

(l) Waiver of Minimum Funding Standard. If the plan administrator of any Plan applies under Section 412(d) of the Code for a waiver of the minimum funding standards of Section 412(a) of the Code and the Lenders believe the substantial business hardship upon which the application for the waiver is based could reasonably be expected to subject either the Borrower or any Controlled Group member to liability individually or in the aggregate in excess of $250,000.00.

(m) Change of Control. A Change of Control shall occur.

(n) Material Adverse Effect. In the reasonable determination of the Required Lenders, a Material Adverse Effect shall occur.

An Event of Default shall be deemed "continuing" until cured or until waived in writing.

6.2. Remedies Upon Default. (A) Termination of Commitments; Acceleration. If any Event of Default described in Section 6.1(f) or 6.1(g) occurs, the obligations of any Lender to make Advances hereunder shall automatically terminate and the Obligations shall immediately become due and payable without any election or action on the part of any Lender. If any other Event of Default occurs, the Agent may, with the consent of the Required Lenders, and shall at the request of the Required Lenders (i) declare the obligations of the Lenders to make

Advances hereunder to be terminated, whereupon the same shall be terminated and (ii) declare the Obligations to be due and payable whereupon, after written notice to the Borrower, the Obligations shall become immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which the Borrower expressly waives.

(B) Preservation of Rights. No delay or omission of any Lender or the Agent to exercise any right under the Loan Documents shall impair such right or be construed to be a waiver of any Event of Default or an acquiescence therein, and the making of an Advance notwithstanding the existence of an Event of Default or the inability of the Borrower to satisfy the conditions precedent to such Advance shall not constitute any waiver or acquiescence. Any single or partial exercise of any such right shall not preclude other or further exercise thereof or the exercise of any other right, and no waiver, amendment or other variation of the terms, conditions or provisions of the Loan Documents whatsoever shall be valid unless in writing signed by the Required Lenders, and then only to the extent in such writing specifically set forth. All remedies contained in the Loan Documents or by law afforded shall be cumulative and all shall be available to any Lender until the Obligations have been paid in full.

ARTICLE VII: THE AGENT

7.1 Authorization and Action. (a) Each Lender hereby appoints and authorizes the Agent to take such action as Agent on its own behalf and to exercise such powers and discretion under this Agreement and the other Loan Documents as are delegated to the Agent by the terms hereof and thereof, together with such powers and discretion as are reasonably incidental thereto. As to any matters not expressly provided for by the Loan Documents (including, without limitation, enforcement or collection of the Notes), the Agent shall be required to exercise only such discretion or take only such action as is: (a) in accordance with the manner in which the Agent acts or refrains from acting (and shall be fully protected in so acting or refraining from acting, except with respect to Agent's gross negligence or willful misconduct) in connection with matters in which it is the sole lender, and (b) jointly agreed upon by the Agent and the Lenders, or the Required Lenders, as the case may be, in writing (such agreement will be binding upon each Lender and all holders of the Notes); provided, however, that the Agent shall not be required to take any action that exposes it to personal liability or that is contrary to this Agreement or applicable law.

(b) For so long as Ford Credit is acting as the Agent hereunder, each Lender agrees that Ford Credit may unilaterally grant requests for and waivers of, the following matters only, provided, however, that Ford Credit must notify each Lender prior to issuing such consents or waivers to Borrower:

(1) any Event of Default (as set forth in Article VI hereof) which by its nature can be cured, and which based upon the representation of Borrower (which Ford Credit believes in good faith) will be cured, within ninety (90) days from the date upon which Ford Credit will have learned of the occurrence of such Event of Default. With respect to any Event of Default which, by its nature, cannot be cured within ninety (90) days from the date upon which Ford Credit will have learned of the occurrence of such Event of Default, Ford Credit may not respond unilaterally to any request made by Borrower. If any such Event of Default is not cured within such ninety (90) day period, Ford Credit may not take any further action unilaterally;

(2) noncompliance with any covenant or obligation binding on the Borrower, provided Borrower has represented to Ford Credit (and Ford Credit in good faith believes) that the condition causing such noncompliance will last for no more than ninety (90) days. If any such condition causing noncompliance lasts more than ninety (90) days, Ford Credit may not take any further action unilaterally.

Nothing contained in this Section 7.1 (b) may be construed to obligate either Ford Credit or a Lender to grant any such consents or forbear from exercising any of its rights with respect to any Event of Default or non-compliance which may occur from time to time. The rights and powers set forth in this Section 7.1 (b) apply only to Ford Credit acting as Agent and are not intended to benefit any Successor Agent.

(c) The Agent will provide to each Lender the following:

(1) copies of all reports, certificates and notices furnished by Borrower to the Agent pursuant to the Loan Documents (to the extent such reports and parties were not furnished directly to any Lender), within 5 Business Days after the Agent's receipt thereof;

(2) reports of all calculations made by the Agent pursuant to Section 5.4 hereof, within 5 Business Days after the Agent will have made such calculations; and

(3) copies of all documents delivered to the Agent by Borrower pursuant to Sections 5.2 (L), 5.2 (O) and 5.3 (F) hereof, within 5 Business Days after the Agent's receipt thereof.

(d) The Agent will make reasonable efforts to schedule informational meetings with the Borrower. Any such meeting will be attended by a representative of Agent (deemed appropriate by Agent in its discretion) and the chief executive officer and chief financial officer of Borrower, and which may be attended by the Lenders. The Agent will schedule such meetings (1) no more frequently than twice per year (unless there is an Unmatured Default or an Event of Default, in which case such meetings may be called more frequently), (2) with prior written notice to Borrower and the Lenders, which such notice will be given by March 1 of each year for any meeting called before the end of the second calendar quarter of such year, and by September 1 of each year for any meeting called before the end of the fourth calendar quarter of such year, and (3) to be conducted at a reasonable time and at a reasonable location.

7.2 Agent's Reliance, Etc. Neither the Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with the Loan Documents, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, the Agent: (a) may treat the payee of the Note as the holder thereof until it receives written notice of the assignment thereof signed by such payee and including the agreement of the assignee to be bound thereby as it would have been if it had been an original party to this Agreement, in form satisfactory to the Agent, as provided for in Section 9.3; (b) may consult with legal counsel (including counsel for any Lender), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (c) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations (whether written or oral) made in or in connection with the Loan Documents; (d)

shall not, other than as specifically set forth in the Loan Documents, have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of any Loan Document on the part of any party to any of the Loan Documents or to inspect the property of any party to any of the Loan Documents; (e) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, any Loan Document or any other instrument or document furnished pursuant thereto; and (f) shall incur no liability under or in respect of any Loan Document by acting upon any notice, consent, certificate or other instrument or writing (which may be by telegram, telecopy or telex) reasonably believed by it to be genuine and signed or sent by the proper party or parties.

7.3 Agent and Affiliates. With respect to its Commitments, the Advances made by it and the Notes issued to it, the Agent shall have the same rights and powers under the Loan Documents as any other Lender and may exercise the same as though it were not an agent.

7.4 Lender Credit Decision. Each Lender acknowledges that (i) it has, independently and without reliance upon the Agent and based on the financial statements referred to in Section 4.4 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Loan Documents, (ii) it will, independently and without reliance upon the Agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement, and (iii) there is no fiduciary relationship between the Agent and the Lenders.

7.5 Indemnification. (a) Each Lender agrees to indemnify the Agent and its directors, officers, agents and employees (to the extent not promptly reimbursed by the Borrower) from and against each Lender's Ratable Share (determined as provided below) of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of the Loan Documents or any action taken or omitted by the Agent under the Loan Documents (collectively, the "Indemnified Costs"); provided, however, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent's gross negligence or willful misconduct as found in a final, non-appealable judgment by a court of competent jurisdiction. Without limitation of the foregoing, each Lender agrees to reimburse Agent promptly upon demand for its Ratable Share of any costs and expenses (including, without limitation, fees and expenses of counsel) payable by the Borrower under Section 8.7 (A) , to the extent that the Agent is not promptly reimbursed for such costs and expenses by the Borrower. In the case of any investigation, litigation or proceeding giving rise to any Indemnified Costs, this Section 7.5 applies whether any such investigation, litigation or proceeding is brought by any Lender or any other Person.

(b) For purposes of this Section 7.5, each Lender's Ratable Share of any amount shall be determined, at any time, according to the aggregate principal amount of the Advances outstanding at such time and owing to the respective Lender plus such Lender's Unused Commitment. Without prejudice to the survival of any other agreement of any Lender hereunder, the agreement and obligations of the Lenders contained in this Section 7.5 shall

survive the payment in full of principal, interest and all other amounts payable hereunder and under the other Loan Documents.

7.6 Successor Agents. The Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower, which resignation will become effective at such times as more specifically set forth in this Section 7.6. Upon any such resignation, the Required Lenders shall have the right to appoint a successor agent, provided, however, that any such appointment of a successor agent must have been consented to in writing by Borrower, which consent shall not be unreasonably withheld or delayed, unless an Event of Default shall have occurred and be continuing, in which case no consent of Borrower shall be required. If no successor agent shall have been so appointed by the Lenders, and shall have accepted such appointment, within 30 days after the Agent's giving of notice of resignation, then the Agent may, on behalf of the Lenders, appoint a successor agent (from among the Lenders), which shall be a commercial bank or finance company organized under the laws of the United States or of any State thereof and having a combined capital and surplus of at least $250,000,000 (any successor agent appointed under this Section 7.6 is referred to herein as a "Successor Agent"). Upon the acceptance of any appointment as the Agent hereunder by a Successor Agent, such Successor Agent shall succeed to and become vested with such rights, powers, discretion, privileges and duties of the Agent in its capacity as agent, and Agent shall be discharged from such duties and obligations as the Agent under the Loan Documents. If within 45 days after written notice is given of the retiring the Agent's resignation under this Section 7.6 no Successor Agent shall have been appointed and shall have accepted such appointment, then on such 45th day (a) the Agent's resignation shall become effective, (b) Agent shall thereupon be discharged from such agency duties and obligations under the Loan Documents and as identified in its notice of resignation and (c) the Lenders shall thereafter perform all duties of the Agent under the Loan Documents until such time, if any, as the Lenders appoint a Successor Agent as provided above. After the Agent's resignation hereunder as agent shall have become effective, the provisions of this Article VII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was acting in its capacity as agent under this Agreement.

ARTICLE VIII: GENERAL PROVISIONS

8.1 Amendments. Other than as specifically set forth in Section 7.1 of this Agreement, no amendment or waiver of any provision of this Agreement or the Notes or any other Loan Document, nor consent to any departure, therefrom by any Transaction Party party thereto shall in any event be effective unless the same shall be in writing and signed (or, in the case of the Collateral Documents, consented to) by the Required Lenders and each Transaction Party party to the relevant Loan Document, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that (a) no amendment, waiver or consent shall, unless in writing and signed by all of the Lenders (other than any Lender that is, at such time, a Defaulting Lender), do any of the following at any time: (i) waive any of the conditions specified in Section 3.1 or, in the case of the initial Borrowing, Section 3.2, (ii) change the Ratable Share of any Lender, the number of Lenders or the percentage of (x) the Commitments or (y) the aggregate unpaid principal amount of the Advances that, in each case, shall be required for the Lenders or any of them to take any action hereunder, (iii) amend the terms of any Guarantor's Guaranty in a manner that -reduces or limits the payment obligations of any Guarantor or otherwise limits such Guarantor's liability with respect to payment of the Obligations owing to the Agent and the Lenders, (iv) release a material portion of the Collateral in any transaction or series of related transactions except to

the extent permitted under the Loan Documents, (v) amend this Section 8.1, (vi) increase the Commitments of the Lenders other than in accordance with terms of the Loan Documents, (vii) reduce the principal of, or interest on, the Notes or any fees or other amounts scheduled to be payable hereunder, (viii) postpone any date scheduled for any payment of principal of, or interest on, the Notes or any date fixed for payment of fees or other amounts payable hereunder, and (b) no amendment, waiver or consent shall, unless in writing and signed by the Agent, affect the rights or duties of the Agent under this Agreement or the other Loan Documents.

8.2 Survival of Representations. All representations and warranties of the Borrower contained in the Loan Documents shall survive delivery of the Notes and the making of the Advances herein contemplated.

8.3 Governmental Regulation. Anything contained in this Agreement to the contrary notwithstanding, no Lender shall be obligated to extend credit to the Borrower in violation of any limitation or prohibition provided by any applicable statute or regulation.

8.4 Performance of Obligations. The Borrower agrees that the Agent may, at the direction of the Required Lenders, but shall have no obligation to (i) at any time, pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against any Collateral, unless such claims are being contested in good faith by the Borrower and the Borrower has set aside adequate reserves covering such tax, lien, security interest or other encumbrance and no Event of Default has occurred and is outstanding and (ii) after the occurrence and during the continuance of an Event of Default, make any payment or perform any act required of any Loan Party under any Loan Document or take any other action which the Required Lenders, in their reasonable discretion, deem necessary or desirable to protect or preserve the Collateral, including, without limitation, any action to (y) effect any repairs or obtain any insurance called for by the terms of any of the Loan Documents and to pay all or any part of the premiums therefore and the costs thereof and (z) pay any rents payable by any Loan Party which are more than 30 days past due, or as to which the landlord has given notice of termination, under any lease. The Agent shall use its reasonable efforts to give the Borrower notice of any action taken under this Section 8.4 prior to the taking of such action or promptly thereafter provided the failure to give such notice shall not affect the Borrower's obligations in respect thereof. The Borrower agrees to pay the Agent (for the benefit of the Lenders), upon demand, the principal amount of all funds advanced by each Lender under this Section 8.4, together with interest thereon at the rate from time to time applicable to Advances from the date of such advance until the outstanding principal balance thereof is paid in full. All outstanding principal of, and interest on, advances made under this Section 8.4 shall constitute Obligations for purposes hereof.

8.5 Headings. Section headings in the Loan Documents are for convenience of reference only, and shall not govern the interpretation of any of the provisions of the Loan Documents.

8.6 Entire Agreement. The Loan Documents embody the entire agreement and understanding among the Loan Parties and the Lenders with respect to matters covered by the Loan Documents, and the Loan Documents delivered on the Effective Date supersede all prior agreements and understandings among the Borrower and the Lenders relating to the subject matter thereof.

8.7 Expenses; Indemnification.

(A) Expenses. The Borrower shall reimburse the Agent and each Lender for any reasonable costs, internal charges and out-of-pocket expenses (including reasonable attorneys' and paralegals' fees and time charges of attorneys and paralegals for the Agent or any Lender, which attorneys and paralegals may be employees of the Agent or any Lender) paid or incurred by the Agent or any Lender in connection with the preparation, negotiation, execution, delivery, review, amendment, modification, and administration of the Loan Documents. The Borrower also agrees to reimburse the Agent and each Lender for any reasonable costs, and out-of-pocket expenses (including attorneys' and paralegals' fees and time charges of attorneys and paralegals for the Agent and each Lender, which attorneys and paralegals may be employees of the Agent or any Lender) paid or incurred by the Agent or any Lender in connection with the collection of the Obligations and enforcement of the Loan Documents. In addition to expenses set forth above, the Borrower agrees to reimburse the Agent and each Lender, promptly after the Agent's or any Lender's request therefor, for each audit or other business analysis performed by it in connection with this Agreement or the other Loan Documents at a time when an Unmatured Default or Event of Default exists in an amount equal to the Agent's or a Lender's then reasonable and customary charges for each person employed to perform such audit or analysis, plus all costs and expenses (including without limitation, travel expenses) incurred by the Agent or a Lender in the performance of such audit or analysis. The Agent or the Lender shall provide the Borrower with a detailed statement of all reimbursements requested under this Section 8.7(A).

(B) Indemnity. The Borrower further agrees to defend, protect, indemnify, and hold harmless the Agent, each Lender and each of its respective Affiliates, and each of the Agent's, Lender's, or Affiliate's respective officers, directors, employees, attorneys and agents (including, without limitation, those retained in connection with the satisfaction or attempted satisfaction of any of the conditions set forth in Article III) (collectively, the "Indemnitees") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses of any kind or nature whatsoever (including, without limitation, the fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnitees shall be designated a party thereto), imposed on, incurred by, or asserted against such Indemnitees in any manner relating to or arising out of:

(i) this Agreement, the other Loan Documents or any of the Transaction Documents, or any act, event or transaction related or attendant thereto, the making of the Advances, hereunder, the management of such Advances, the use or intended use of the proceeds of the Advances hereunder, or any of the other transactions contemplated by the Transaction Documents;

(ii) any liabilities, obligations, responsibilities, losses, damages, personal injury, death, punitive damages, economic damages, consequential damages, treble damages, intentional, willful or wanton injury, damage or threat to the environment, natural resources or public health or welfare, costs and expenses (including, without limitation, attorney, expert and consulting fees and costs of investigation, feasibility or remedial action studies), fines, penalties and monetary sanctions, interest, direct or indirect, known or unknown, absolute or contingent, past, present or future relating to violation of

any Environmental, Health or Safety Requirements of Law arising from or in connection with the past, present or future operations of the Borrower, its Subsidiaries or any of their respective predecessors in interest, or, the past, present or future environmental, health or safety condition of any respective property of the Borrower or its Subsidiaries, the presence of asbestos-containing materials at any respective property of the Borrower or its Subsidiaries or the Release or threatened Release of any Contaminant into the environment (collectively, the "Indemnified Matters");

provided, however, the Borrower shall have no obligation to an Indemnitee hereunder with respect to Indemnified Matters caused by or resulting from the willful misconduct or gross negligence of such Indemnitee as determined by the final non-appealed judgment of a court of competent jurisdiction. If the undertaking to indemnify, pay and hold harmless set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, the Borrower shall contribute the maximum portion which it is permitted to pay and satisfy under applicable law, to the payment and satisfaction of all Indemnified Matters incurred by the Indemnitees. It is understood and agreed that, to the extent not precluded by a conflict of interest, each Indemnitee shall endeavor to work cooperatively with the Borrower with a view toward minimizing the legal and other expenses associated with any defense and any potential settlement or judgment. Settlement of any claim or litigation involving any material indemnified amount will require the approval of the Borrower (which may not be unreasonably withheld).

(C) Waiver of Certain Claims; Settlement of Claims. The Borrower further agrees to assert no claim against any of the Indemnitees on any theory of liability for consequential, special, indirect, exemplary or punitive damages. No settlement shall be entered into by the Borrower or any if its Subsidiaries with respect to any claim, litigation, arbitration or other proceeding relating to or arising out of the transactions evidenced by this Agreement, the other Loan Documents (whether or not any Lender or any Indemnitee is a party thereto) unless such settlement releases all Indemnitees from any and all liability with respect thereto.

(D) Survival of Agreements. The obligations and agreements of the Borrower under this Section 8.7 shall survive the termination of this Agreement.

8.8 Accounting. Except as provided to the contrary herein, all accounting terms used herein shall be interpreted and all accounting determinations hereunder shall be made in accordance with Agreement Accounting Principles.

8.9 Severability of Provisions. Any provision in any Loan Document that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of all Loan Documents are declared to be severable.

8.10 Nonliability of Lender. The relationship between the Borrower and each Lender shall be solely that of borrower and lender. No Lender shall have fiduciary responsibilities to any Loan Party and no Lender takes any responsibility to any Loan Party to review or inform any Loan Party of any matter in connection with any phase of any Loan Party's business or operations.

8.11 GOVERNING LAW. ANY DISPUTE BETWEEN THE BORROWER AND A LENDER, OR ANY INDEMNITEE ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS, AND WHETHER ARISING IN CONTRACT, TORT, EQUITY, OR OTHERWISE, SHALL BE RESOLVED IN ACCORDANCE WITH THE INTERNAL LAWS (WITHOUT REGARD TO THE CONFLICTS OF LAWS PROVISIONS) OF THE STATE OF NEW YORK.

8.12 CONSENT TO JURISDICTION; SERVICE OF PROCESS; JURY TRIAL. (A) NON EXCLUSIVE JURISDICTION. EXCEPT AS PROVIDED IN SUBSECTION (B), EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICITION OF ANY NEW YORK STATE COURT OR FEDERAL COURT OF THE UNITED STATES OF AMERICA SITTING IN NEW YORK CITY, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS , OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT , AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY 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 SHALL AFFECT ANY RIGHT THAT ANY PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS IN THE COURTS OF ANY JURISDICTION. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS TO WHICH IT IS A PARTY IN ANY NEW YORK STATE OR FEDERAL COURT. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(B) OTHER JURISDICTIONS. THE BORROWER AGREES THAT ANY LENDER OR ANY INDEMNITEE SHALL HAVE THE RIGHT TO PROCEED AGAINST THE BORROWER OR ITS PROPERTY IN A COURT IN ANY LOCATION TO ENABLE SUCH PERSON TO (1) OBTAIN PERSONAL JURISDICTION OVER THE BORROWER OR (2) REALIZE ON THE COLLATERAL OR ANY OTHER SECURITY FOR THE OBLIGATIONS OR ENFORCE A JUDGMENT OR OTHER COURT ORDER ENTERED IN FAVOR OF SUCH PERSON THE BORROWER WAIVES ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT IN WHICH SUCH PERSON HAS COMMENCED A PROCEEDING DESCRIBED IN THIS SUBSECTION (B).

(C) SERVICE OF PROCESS. THE BORROWER WAIVES PERSONAL SERVICE OF ANY PROCESS UPON IT AND IRREVOCABLY CONSENTS TO THE SERVICE OF

PROCESS OF ANY WRITS, PROCESS OR SUMMONSES IN ANY SUIT, ACTION OR PROCEEDING BY THE MAILING THEREOF BY AGENT BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO THE BORROWER ADDRESSED AS PROVIDED HEREIN. NOTHING HEREIN SHALL IN ANY WAY BE DEEMED TO LIMIT THE ABILITY OF AGENT TO SERVE ANY SUCH WRITS, PROCESS OR SUMMONSES IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW. THE BORROWER IRREVOCABLY WAIVES ANY OBJECTION (INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS) WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH IN ANY JURISDICTION SET FORTH ABOVE.

(D) APPOINTMENT OF AGENT FOR SERVICE OF PROCESS. THE BORROWER AND THE LENDERS AGREE THAT PROCESS SERVED EITHER PERSONALLY OR BY REGISTERED MAIL, RETURN RECEIPT REQUESTED, SHALL, TO THE EXTENT PERMITTED BY LAW, CONSTITUTE ADEQUATE SERVICE OF PROCESS IN ANY SUCH PROCEEDING. THE BORROWER HEREBY APPOINTS, IN THE CASE OF ANY SUCH ACTION OR PROCEEDING BROUGHT IN THE COURTS OF OR IN THE STATE OF NEW YORK, CT CORPORATION SYSTEM, WITH OFFICES ON THE DATE HEREOF AT 111 EIGHTH AVENUE, NEW YORK, NEW YORK 10011, TO RECEIVE, FOR IT AND ON ITS BEHALF, SERVICE OF PROCESS IN THE STATE OF NEW YORK WITH RESPECT THERETO, PROVIDED THAT THE BORROWER MAY APPOINT ANY OTHER PERSON WITH OFFICES IN THE STATE OF NEW YORK TO REPLACE SUCH AGENT FOR SERVICE OF PROCESS UPON DELIVERY TO THE REPRESENTATIVE HOLDER AND THE COLLATERAL TRUSTEE OF NOTICE HEREOF.

(E) WAIVER OF JURY TRIAL. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED TO OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH. EACH OF THE PARTIES HERETO AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(F) WAIVER OF BOND. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE BORROWER WAIVES THE POSTING OF ANY BOND OTHERWISE REQUIRED OF ANY PARTY HERETO IN CONNECTION WITH ANY JUDICIAL PROCESS OR PROCEEDING TO REALIZE ON THE COLLATERAL OR ANY OTHER SECURITY FOR THE OBLIGATIONS OR TO ENFORCE ANY JUDGMENT OR OTHER COURT ORDER ENTERED IN FAVOR OF SUCH PARTY, OR TO ENFORCE BY SPECIFIC PERFORMANCE, TEMPORARY RESTRAINING ORDER, PRELIMINARY OR PERMANENT INJUNCTION, THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT.

(G) ADVICE OF COUNSEL. EACH OF THE PARTIES REPRESENTS TO EACH OTHER PARTY HERETO THAT IT HAS DISCUSSED THIS AGREEMENT AND, SPECIFICALLY, THE PROVISIONS OF THIS SECTION 8.12, WITH ITS COUNSEL.

8.13 No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of the Loan Documents. In the event an ambiguity or question of intent or interpretation arises, the Loan Documents shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

8.14 Subordination of Intercompany Indebtedness. The Borrower agrees that any and all claims of the Borrower against any Loan Party, any endorser or any other guarantor of all or any part of the Obligations, or against any of its properties, including, without limitation, pursuant to the any intercompany Indebtedness permitted under Section 5.3(A)(v), shall be subordinate and subject in right of payment to the prior payment, in full and in cash, of all Obligations. Notwithstanding any right of the Borrower to ask, demand, sue for, take or receive any payment from any Loan Party, all rights, liens and security interests of the Borrower, whether now or hereafter arising and howsoever existing, in any assets of any Loan Party shall be and are subordinated to the rights, if any, of the Agent and the Lenders in those assets. The Borrower shall have no right to possession of any such asset or to foreclose upon any such asset, whether by judicial action or otherwise, unless and until all of the Obligations shall have been paid in full in cash and satisfied and all financing arrangements under this Agreement and the other Loan Documents between the Borrower, the Agent and each Lender have been terminated. If, during the continuance of an Event of Default, all or any part of the assets of any Loan Party, or the proceeds thereof, are subject to any distribution, division or application to the creditors of any Loan Party, whether partial or complete, voluntary or involuntary, and whether by reason of liquidation, bankruptcy, arrangement, receivership, assignment for the benefit of creditors or any other action or proceeding, then, and in any such event, any payment or distribution of any kind or character, either in cash, securities or other property, which shall be payable or deliverable upon or with respect to any indebtedness of any Loan Party to the Borrower, including, without limitation, pursuant to the any intercompany Indebtedness permitted under Section 5.3(A)(v) ("Intercompany Indebtedness") shall be paid or delivered directly to the Agent (for the benefit of the Lenders) for application on any of the Obligations, due or to become due, until such Obligations shall have first been paid in full in cash and satisfied; provided, however, ordinary course payments or distributions made by any Loan Party to the Borrower shall be required to be paid or delivered to the Agent (for the benefit of the Lenders) only upon the Agent's request. The Borrower irrevocably authorizes and empowers the Agent (if directed to do so by the Required Lenders) to demand, sue for, collect and receive every such payment or distribution and give acquittance therefor and to make and present for and on behalf of the Borrower such proofs of claim and take such other action, in the Agent's own name or in the name of the Borrower or otherwise, as Required Lenders may deem necessary or advisable for the enforcement of this Section 8.14. Agent may vote such proofs of claim in any such proceeding, receive and collect any and all dividends or other payments or disbursements made thereon in whatever form the same may be paid or issued and apply the same on account of any of the Obligations. Should any payment, distribution, security or instrument or proceeds thereof be received by the Borrower upon or with respect to the Intercompany Indebtedness during the continuance of an Event of Default and prior to the satisfaction of all of the Obligations and the termination of all financing arrangements under this

Agreement and the other Loan Documents between the Borrower and the Lenders, the Borrower shall receive and hold the same in trust, as trustee, for the benefit of each Lender and shall forthwith deliver the same to the Agent (for the benefit of the Lenders), in precisely the form received (except for the endorsement or assignment of the Borrower where necessary), for application to any of the Obligations, due or not due, and, until so delivered, the same shall be held in trust by the Borrower as the property of each Lender; provided, however, ordinary course payments or distributions made to or by any Loan Party to the Borrower shall be required to be paid or delivered to the Agent (for the benefit of the Lenders) only upon the Agent's request after the occurrence and continuance of an Event of Default. If the Borrower fails to make any such endorsement or assignment to the Agent (for the benefit of the Lenders), the Agent or any of its officers or employees are irrevocably authorized to make the same. The Borrower agrees that until the Obligations have been paid in full in cash and satisfied and all financing arrangements under this Agreement and the other Loan Documents between the Borrower and the Lender have been terminated, the Borrower will not assign or transfer to any Person (other than the Agent (for the benefit of the Lenders)) any claim the Borrower has or may have against any Loan Party.

8.15 Usury Not Intended. It is the intent of the Borrower and each Lender in the execution and performance of this Agreement and the other Loan Documents to contract in strict compliance with applicable usury laws, including conflicts of law concepts, governing the Advances of each Lender including such applicable laws of the State of New York and the United States of America from time-to-time in effect. In furtherance thereof, each Lender and the Borrower stipulate and agree that none of the terms and provisions contained in this Agreement or the other Loan Documents shall ever be construed to create a contract to pay, as consideration for the use, forbearance or detention of money, interest at a rate in excess of the Maximum Rate and that for purposes hereof "interest" shall include the aggregate of all charges which constitute interest under such laws that are contracted for, charged or received under this Agreement; and in the event that, notwithstanding the foregoing, under any circumstances the aggregate amounts taken, reserved, charged, received or paid on the Advances, include amounts which by applicable law are deemed interest which would exceed the Maximum Rate, then such excess shall be deemed to be a mistake and each Lender receiving same shall credit the same on the principal of the Notes (or if the Notes shall have been paid in full, refund said excess to the Borrower). In the event that the maturity of the Notes is accelerated by reason of any election of the holder thereof resulting from any Event of Default under this Agreement or otherwise, or in the event of any required or permitted prepayment, then such consideration that constitutes interest may never include more than the Maximum Rate and excess interest, if any, provided for in this Agreement or otherwise shall be canceled automatically as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited on the applicable Notes (or, if the Notes shall have been paid in full, refunded to the Borrower of such interest). In determining whether or not the interest paid or payable under any specific contingencies exceeds the Maximum Rate, the Borrower and each Lender shall to the maximum extent permitted under applicable law amortize, prorate, allocate and spread in equal parts during the period of the full stated term of the Notes all amounts considered to be interest under applicable law at any time contracted for, charged, received or reserved in connection with the Obligations. The provisions of this Section shall control over all other provisions of this Agreement or the other Loan Documents which may be in apparent conflict herewith.

ARTICLE IX: BENEFIT OF AGREEMENT; ASSIGNMENTS; PARTICIPATIONS

9.1 Successors and Assigns. The terms and provisions of the Loan Documents shall be binding upon and inure to the benefit of the Borrower, each Lender and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights or obligations under the Loan Documents.

9.2 Participations.

(A) Permitted Participants; Effect. Subject to the terms set forth in this Section 9.2, any Lender may, in accordance with applicable law, at any time sell to one or more banks or other financial institutions ("Participants") participating interests in any Advance owing to such Lender, the Notes, the Commitment or any other interest of such Lender under the Loan Documents on a pro rata or non-pro rata basis. Notice of such participation to the other Lenders and to the Borrower shall be required prior to any participation becoming effective. In the event of any such sale by any Lender of participating interests to a Participant, such Lender's obligations under the Loan Documents shall remain unchanged, such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, such Lender shall remain the holder of the Note for all purposes under the Loan Documents, all amounts payable by the Borrower under this Agreement shall be determined as if such Lender had not sold such participating interests, and the Borrower shall continue to deal solely and directly with Agent in connection with each Lender's rights and obligations under the Loan Documents, except to the extent permitted by the Loan Documents.

(B) Voting Rights. No participant under any such participation shall have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by any Loan Party therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Notes or any fees or other amounts payable hereunder, in each case to the extent subject to such participation, postpone any date fixed for any payment of principal of, or interest on, the Notes or any fees or other amounts payable hereunder, in each case to the extent subject to such participation, or release all or substantially all of the Collateral.

(C) Taxes. Any Participant under any such participation shall not be entitled to receive any greater payment under Section 2.9 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Non-U.S. Lender if it were a Lender shall not be entitled to the benefits of Section 2.9 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.9 as though it were a Lender.

9.3 Assignments. (a) Each Lender may, in the ordinary course of its business and in accordance with applicable law, at any time assign to one or more banks or other financial institutions in the United States approved in writing by the Borrower and each other Lender (each referred to as an "Eligible Assignee") within 10 days of notice to the Borrower and the Lenders by such Lender of such assignment (which such approval shall not be unreasonably withheld) all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including, without limitation, its Commitment and all Advances owing to it) pursuant to an assignment and acceptance agreement in the form attached hereto as Schedule 9.3

(each referred to as an "Assignment and Acceptance"). Notwithstanding the foregoing, (i) the Borrower shall not have any right to approve an assignee or receive notice of assignment under this Section 9.3, after the occurrence and continuance of an Event of Default, and (ii) the Borrower shall have a right to receive notice of an assignment under this Section 9.3, but not an approval right with respect to such assignment, if the assignee is an entity which has merged with a particular Lender and such assignee has by operation of law succeeded to all of the obligations, liabilities and rights of the particular Lender, provided, however, that to the extent any Lender assigns its obligations hereunder (including any assignment by operation of law), such Eligible Assignee shall be a United States Person.

(b) Upon such execution, delivery and acceptance of, and from and after the effective date specified in such Assignment and Acceptance, (i) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (ii) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights (other than its rights under Sections 2.9 and 8.7 to the extent any claim thereunder relates to an event arising prior to such assignment) and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the remaining portion of an assigning Lender's rights and obligation sunder this Agreement, such Lender shall cease to be a party hereto).

(c) By executing and delivering an Assignment and Acceptance, each Lender assignor thereunder and each assignee thereunder confirm to and agree with each other and the other parties thereto and hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with any Loan Document or the execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, any Loan Document or any other instrument or document furnished pursuant thereto; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Loan Party, or the performance or observance by any Loan Party of any of its obligations under any Loan Document or any other instrument or document furnished pursuant thereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 4.4 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and authorizes Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Loan Documents as are delegated to such Agent by the terms hereof and thereof, together with such powers and discretion as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Lender.

(d) The Agent, acting for this purpose (but only for this purpose) as the agent of the Borrower, shall maintain at its address a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lender and the Commitment of, and principal amount of the Advances owing to, each Lender from time to time (the "Register"). The entries in the Register shall be conclusive and binding for purposes of this Section 9.3, absent manifest error, and the Borrower, the Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or the Agent or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of an assignment and acceptance agreement executed pursuant to the preceding subsection (a), together with any Note or Notes subject to such assignment, the Agent will (i) accept such Assignment and Acceptance executed pursuant to the preceding subsection (a), (ii) record the information contained therein in the Register, and (iii) give prompt notice thereof to Borrower. In the case of any assignment by a Lender, within five (5) Business Days after its receipt of such notice, the Borrower, at its own expense, shall execute and deliver to the Agent in exchange for the surrendered Note or Notes a new Note to the order of such Eligible Assignee in an amount equal to the Lender's Commitment assumed by it pursuant to such Assignment and Acceptance agreement and, if any assigning Lender has retained a commitment hereunder, a new Note to the order of such assigning Lender in an amount equal to such assigning Lender's Commitment retained by it hereunder. Such new Note or Notes shall be in an aggregate principal amount equal to the aggregate principal amount of such surrendered Note or Notes, shall be dated the effective date of such assignment and acceptance agreement and shall be in substantially the form of Exhibit A hereto.

9.4 Confidentiality. Subject to Sections 9.3 and 9.5, each Lender shall hold all nonpublic information obtained pursuant to the requirements of this Agreement and identified as such by the Borrower in accordance with each respective Lender's customary procedures for handling confidential information of this nature and in any event may make disclosure reasonably required by a prospective Transferee (as defined in Section 9.5) in connection with the contemplated participation or as required or requested by any Governmental Authority or representative thereof or pursuant to legal process and shall require any such Transferee to agree (and require any of its Transferees to agree) to comply with this Section 9.4. In no event shall any Lender be obligated or required to return any materials furnished by the Borrower; provided, however, each prospective Transferee shall be required to agree that if it does not become a participant it shall return all materials furnished to it by or on behalf of the Borrower in connection with this Agreement. In the event that any Lender is requested to make a disclosure to a Governmental Authority or representative thereof or pursuant to legal process, such Lender will use reasonable efforts to give Borrower prior notice of such disclosure.

9.5 Dissemination of Information. The Borrower authorizes each Lender to disclose to any Participant or Eligible Assignee or any other Person acquiring an interest in the Loan Documents by operation of law (each a "Transferee") and any prospective Transferee any and all information in the Lender's possession concerning the Borrower and its Subsidiaries; provided that prior to any such disclosure, such prospective Transferee shall agree to preserve in accordance with Section 9.4 the confidentiality of any confidential information described therein.

ARTICLE X: NOTICES

10.1 Giving Notice. Except as otherwise permitted by Section 2.1 (a) (2) (b) with respect to borrowing notices, all notices and other communications provided to any party hereto under this Agreement or any other Loan Documents shall be in writing or by telex or by facsimile and addressed or delivered to such party at its address set forth below its signature hereto or at such other address as may be designated by such party in a notice to the other parties. Any notice, if mailed and properly addressed with postage prepaid, shall be deemed given when received; any notice, if transmitted by telex or facsimile, shall be deemed given when transmitted (answerback confirmed in the case of telexes).

10.2 Change of Address. The Borrower, the Agent and each Lender may each change the address for service of notice upon it by a notice in writing to the other parties hereto.

ARTICLE XI: COUNTERPARTS

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Agreement by signing any such counterpart. This Agreement shall be effective when it has been executed by the Borrower and each Lender.

IN WITNESS WHEREOF, the Borrower, the Agent and each Lender have executed this Agreement as of the date first above written.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGES TO FOLLOW]

ASBURY AUTOMOTIVE GROUP, L.L.C.,
as the Borrower

By: /s/ Brian Kendrick

Name: Brian Kendrick
Title: President

Address:
Asbury Automotive Group
3 Landmark Square - Suite 500
Stamford, CT 06901
Attention:
Telephone No.: (203) 356-4400
Facsimile No.: (203) 356-4470

[SIGNATURE PAGE TO CREDIT AGREEMENT]

FORD MOTOR CREDIT COMPANY,
as Lender, and as Agent

By: /s/ Stephen L. Starks

Name: Stephen L. Starks
Title: National Account Manager

Address:
Ford Motor Credit Company
The American Road
Major Accounts Office
Dearborn, Michigan 48124
Attention: Stephen L. Starks
Telephone No.: (313) 390-2472
Facsimile No.: (313) 390-5459

[SIGNATURE PAGE TO CREDIT AGREEMENT]

CHRYSLER FINANCIAL COMPANY, LLC,
as Lender

By: /s/ T.J. Madden

Name: T.J. Madden
Title: Vice President

Address:

Chrysler Financial Company L.L.C.
27777 Franklin Road, 25th Floor
Southfield, Michigan 48034-8286
Attention: Claude W. Muller
Telephone No.: -----
Facsimile: (248) 948-3838

[SIGNATURE PAGE TO CREDIT AGREEMENT]

GENERAL MOTORS ACCEPTANCE
CORPORATION, as Lender

By: /s/ Jeffrey G. McLeod

Name: Jeffrey G. McLeod
Title: Vice President, GMAC National Accounts

Address:
Mail Code 482-B10-C76
200 Renaissance Center
P.O. Box 200
Detroit, Michigan 48265-2000
Attention: Jeffrey G. McLeod
Telephone No.: (313) 665-6208
Facsimile No.: (313) 665-6089

[SIGNATURE PAGE TO CREDIT AGREEMENT]

EXHIBIT A

[Form of Note]

PROMISSORY NOTE
(Acquisition/Revolving Line of Credit)
(LIBOR Rate)

$---------- ----------, -----------

----------, 2000

FOR VALUE RECEIVED, ASBURY AUTOMOTIVE GROUP, L.L.C, a Delaware limited liability company ("Borrower"), whose address is ----------, promises to pay to ----------, ("Lender"), or order, at - ----------, or at such other place as Lender may from time to time in writing designate, in lawful money of the United States of America, the principal sum of ---------- DOLLARS ($----------),or such lesser amount as may be advanced from time to time by the Lender to the Borrower pursuant to the Credit Agreement dated as of even date herewith, among the Borrower, the Agent and the Lenders who are parties thereto (the "Agreement"; terms defined therein, unless otherwise defined herein, being used herein as therein defined). The entire outstanding unpaid principal balance of this Note (the Principal Balance") shall be payable in full on the Termination Date.

The Borrower promises to pay interest on the Principal Balance, adjusted monthly, on the Principal Balance outstanding from time to time, until such Principal Balance is paid in full, at such interest rates, and payable at such times, as are specified in the Agreement.

Both principal and interest are payable in lawful money of the United States of America to the Agent under the Agreement, in same day funds. Each Advance owing to the Lender by the Borrower, and all payments made on account of principal thereof, shall be recorded by the Lender and, prior to any transfer hereof, endorsed on the grid attached hereto, which is part of this Note; provided, however, that the failure of the Lender to make any such recordation or endorsement will not affect the Obligations of the Borrower under this Note.

This Note is one of the Notes referred to in, and is entitled to the benefits of, the Agreement. The Agreement, among other things, (i) provides for the making of Advances by the Lenders to or for the benefit of the Borrower from time to time in an aggregate amount not to exceed at any time outstanding the U.S. dollar amount first above mentioned, the indebtedness of the Borrower resulting from each such Advance being evidenced by this Note, and (ii) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the Termination Date upon the terms and conditions therein specified. The Obligations of Borrower under this

Note and the Loan Documents, and the obligations of the other Loan Parties are secured by the Collateral as provided in the Loan Documents.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

IN WITNESS WHEREOF, Borrower, intending to be legally bound hereby, has duly executed this Note under seal, the day and year first above written.

ASBURY AUTOMOTIVE GROUP, L.L.C.,
a Delaware limited liability company

By: _____ (SEAL)
Name:
Title:

SCHEDULE OF REVOLVING LOANS AND PAYMENTS OR PREPAYMENTS

Date	Amount of Advance	Principal Paid or Prepaid	Amount of Unpaid Principal Balance	Notation Made By

EXHIBIT B

[form of Borrowing Notice]

Borrowing Notice

TO: FORD MOTOR CREDIT COMPANY (the "Agent") under that certain Credit Agreement dated _____, 2000 (the "Credit ----- ------- Agreement") by and between Asbury Automotive Group, L.L.C. (the "Borrower") , Agent and the lenders more --------- -------- specifically identified therein.

I, the undersigned, hereby certify that I am the _____ of the Borrower . On behalf of the Borrower, I hereby give to the Agent a Borrowing Notice pursuant to Section 2.4 of the Credit Agreement, and Borrower hereby requests to borrow on _____, _____ (the "Borrowing Date") an aggregate principal amount of $_____ in Advances under loan # _____ to be funded to account _____ for the purpose of _____ _____.

The undersigned hereby certifies that (i) the representations and warranties of the Borrower contained in Section 4 of the Credit Agreement are and shall be true and correct in all material respects on and as of the date hereof and on and as of the Borrowing Date, except for representations and warranties expressly stated to relate to a specific earlier date, in which case such representations and warranties are true and correct in all material respects as of such earlier date; (ii) I have reviewed the terms of the Credit Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Borrower and its Subsidiaries during the accounting period covered by the attached financial statements; (iii) the examinations described in section (ii) did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes and Event of Default or Unmatured Default and which has occurred and is continuing on the date hereof or on the Borrowing Date will result from the making of the proposed Advances.

Unless otherwise defined herein, terms defined in the Credit Agreement shall have the same meanings in this Borrowing Notice.

Date: _____, 200_____

ASBURY AUTOMOTIVE GROUP, L.L.C.

By: _____

Name:_____

Tile: _____

EXHIBIT C-1

[Form of Dealership Guaranty]

GUARANTY

GUARANTY (this "Guaranty") dated _____, 2000 made by each of the entities listed on the signature pages hereto, jointly and severally, (each referred to individually herein as a "Guarantor," and collectively, the "Guarantors"), in favor of FORD MOTOR CREDIT COMPANY (the "Agent"), as agent for the lenders (the "Lenders") under the Credit Agreement defined below. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the Credit Agreement defined below.

PRELIMINARY STATEMENTS

WHEREAS, pursuant to the terms of a certain Credit Agreement dated as of even date herewith, the Lenders extended to Asbury Automotive Group L.L.C., a Delaware limited liability company, and the entity which exercises control (directly or indirectly) over the Guarantors ("Borrower"), a revolving credit facility in an amount not to exceed $550,000,000.00 (as such agreement may be amended, restated, supplemented, refinanced, increased or otherwise modified from time to time, the "Credit Agreement");

WHEREAS, the Credit Agreement is evidenced by the Notes as defined in the Credit Agreement (the "Notes"); and -----

WHEREAS, it is a condition precedent to the making of loans under the Credit Agreement, that each Guarantor executes and delivers this Guaranty;

NOW, THEREFORE, in consideration of the premises and in order to induce each Lender to make Advances under the Credit Agreement, each Guarantor hereby agrees as follows:

Section 1. Guaranty. (a) Each Guarantor hereby unconditionally and irrevocably guarantees the punctual payment when due, whether at stated maturity, by acceleration or otherwise, of all obligations of each other Loan Party now or hereafter existing under or in respect of the Loan Documents (including, without limitation, any extensions, modifications, substitutions, amendments or renewals of any or all of the foregoing obligations), whether direct or indirect, absolute or contingent, and whether for principal, interest, premiums, fees, indemnities, contract causes of action, costs, expenses or otherwise (such obligations being the "Guaranteed Obligations"), and agrees to pay any and all expenses (including reasonable counsel fees and expenses) incurred by the Agent or the Lenders in enforcing any rights under this Guaranty. Without limiting the generality of the foregoing, each Guarantor's liability shall extend to all amounts that constitute part of the Guaranteed Obligations and would be owed by any Loan Party to any Lender but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving such Loan Party.

(b) Each Guarantor, and by its acceptance of this Guaranty, the Agent and each Lender, hereby confirms that it is the intention of all such Persons that this Guaranty and the obligations of each Guarantor hereunder not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law (as hereinafter defined), the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar foreign, federal or state law to the extent applicable to this Guaranty and the obligations of each Guarantor hereunder. To effectuate the foregoing intention, the Agent, the Lenders and the Guarantors hereby irrevocably agree that the obligations of each Guarantor under this Guaranty at any time shall be limited to the maximum amount as will result in the obligations of such Guarantor under this Guaranty not constituting a fraudulent transfer or conveyance. For purposes hereof, "Bankruptcy Law" means any proceeding of the type referred to in Section 6.1(f) and (g) of the Credit Agreement or Title 11, U.S. Code, or any similar foreign, federal or state law for the relief of debtors.

(c) Each Guarantor hereby unconditionally and irrevocably agrees that, in the event any payment shall be required to be made to any Lender under this Guaranty or any other guaranty (in respect of the Guaranteed Obligations and/or any and all expenses (including reasonable counsel fees and expenses) incurred by the Agent or the Lenders in enforcing any rights under this Guaranty), such Guarantor will contribute, to the maximum extent permitted by law, such amounts to each other Guarantor and each other guarantor so as to maximize the aggregate amount paid to the Lenders under or in respect of the Loan Documents

Section 2. Guaranty Absolute. Each Guarantor guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms of the Loan Documents, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Agent or the Lenders with respect thereto. The obligations of each Guarantor under this Guaranty are independent of the Guaranteed Obligations or any other obligations of any other party under the Loan Documents, and a separate action or actions may be brought and prosecuted against each Guarantor to enforce this Guaranty, irrespective of whether any action is brought against the Borrower or any other Loan Party or whether the Borrower or any other Loan Party is joined in any such action or actions. This Guaranty is a guaranty of payment and performance and not of collection. The liability of each Guarantor under this Guaranty shall be irrevocable, absolute and unconditional irrespective of, and each Guarantor hereby irrevocably waives any defenses it may now or hereafter have in any way relating to, any or all of the following:

(a) any lack of validity or enforceability of any Loan Document or any agreement or instrument relating thereto;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to departure from any Loan Document, including, without limitation, any increase in the Guaranteed Obligations resulting from the extension of additional credit to Borrower or any other Loan Party or otherwise;

(c) any taking, exchange, release or non-perfection of any Collateral, or any taking, release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations;

(d) any manner of application of Collateral, or proceeds thereof, to all or any of the Guaranteed Obligations, or any manner of sale or other disposition of any Collateral for all or any of the Guaranteed Obligations under the Loan Documents or any other assets of any Loan Party;

(e) any change, restructuring or termination of the corporate structure or existence of any Loan Party;

(f) any failure of the Agent or any Lender to disclose to any Loan Party any information relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of any other Loan Party now or hereafter known to the Agent or such Lender (each Guarantor waiving any duty on the part of the Agent and the Lenders to disclose such information);

(g) the failure of any other Person to execute or deliver this Guaranty or any other guaranty or agreement or the release or reduction of liability of any Guarantor or other guarantor or surety with respect to the Guaranteed Obligations; or

(h) any other circumstance (including, without limitation, any statute of limitations) or any existence of or reliance on any representation by the Agent or any Lender that might otherwise constitute a defense available to, or a discharge of, any Loan Party or any other guarantor or surety.

This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by the Agent or any Lender or any other person upon the insolvency, bankruptcy or reorganization of any Loan Party or otherwise, all as though such payment had not been made.

Section 3. Waivers and Acknowledgments. (a) Each Guarantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Guaranteed Obligations and this Guaranty and any requirement that the Agent or any Lender protect, secure, perfect or insure any lien or any property subject thereto or exhaust any right or take any action against any Loan Party or any other Person or any Collateral.

(b) Each Guarantor hereby waives any right to revoke this Guaranty, and acknowledges that this Guaranty is continuing in nature and applies to all Guaranteed Obligations, whether existing now or in the future.

(c) Each Guarantor acknowledges that it will receive substantial direct and indirect benefits from the financing arrangements contemplated by the Loan Documents and that the waivers set forth in this Guaranty are knowingly made in contemplation of such benefits.

(d) Each Guarantor hereby unconditionally and irrevocably waives (i) any defense arising by reason of any claim or defense based upon an election of remedies by the Agent or the Lenders that in any manner impairs, reduces, releases or otherwise adversely affects the subrogation, reimbursement, exoneration, contribution or indemnification rights of such Guarantor or other rights of such Guarantor to proceed

against any of the other Loan Parties, any other guarantor or any other Person or any Collateral and (ii) any defense based on any right of set-off or counterclaim against or in respect of the obligations of such Guarantor hereunder.

(e) Each Guarantor hereby unconditionally and irrevocably waives any duty on the part of the Agent or the Lenders to disclose to such Guarantor any matter, fact or thing relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of any other Loan Party or any of its Subsidiaries now or hereafter known by the Agent or the Lenders.

Section 4. Subrogation. No Guarantor will exercise any rights that it may now or hereafter acquire against any Loan Party that arise from the existence, payment, performance or enforcement of the Guarantor's obligations under this Guaranty, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of the Agent or any Lender against any Loan Party or any Collateral, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from any Loan Party directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right, unless and until all of the Guaranteed Obligations and all other amounts payable under this Guaranty shall have been paid in full in cash in accordance with the terms of the Loan Documents. If any amount shall be paid to any Guarantor in violation of the preceding sentence at any time prior to the payment in full in cash of the Guaranteed Obligations and all other amounts payable under this Guaranty, such amount shall be held in trust for the benefit of the Agent and shall forthwith be paid to the Agent to be credited and applied to the Guaranteed Obligations and all other amounts payable under this Guaranty, whether matured or unmatured, in accordance with the terms of the Loan Documents, or to be held as Collateral for any Guaranteed Obligations or other amounts payable under this Guaranty thereafter arising. If (i) any Guarantor shall make payment to the Agent or any Lender of all or any part of the Guaranteed Obligations, (ii) all of the Guaranteed Obligations and all other amounts payable under this Guaranty shall be paid in full in cash and (iii) the Loan Documents shall have terminated in accordance with their own terms, the Agent and the Lenders will, at the Guarantors' request and expense, execute and deliver to the Guarantors appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to the Guarantors of an interest in the Guaranteed Obligations resulting from such payment by the Guarantor.

Section 5. Representations and Warranties. Each Guarantor hereby represents and warrants as of the date hereof and as of the date of each Advance as follows:

(a) Each Guarantor (i) is a corporation, limited liability company or limited partnerhsip duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii) is duly qualified and in good standing in each other jurisdiction in which it owns or leases property or in which the conduct of its business requires it to so qualify or be licensed except where the failure to so qualify or be licensed would not have a Material Adverse Effect (as defined in the Credit Agreement), and (iii) has all requisite power and authority to own or lease and operate its properties and to carry on its business as now conducted and as proposed to be conducted.

(b) The execution, delivery and performance by each Guarantor of this Guaranty and the other Loan Documents executed by the Guarantor are within each such Guarantor's powers, have been duly authorized by all necessary corporate, limited liability company, or limited partnership action, and do not (i) contravene each such Guarantor's charter or bylaws or similar organizational documents, (ii) violate any law (including, without limitation, the Securities Exchange Act of 1934 and the Racketeer Influenced and Corrupt Organizations Chapter of the Organized Crime Control Act of 1970), rule, regulation (including, without limitation, Regulations T, U and X of the Board of Governors of the Federal Reserve System), order, writ, judgment, injunction, decree, determination or award, (iii) conflict with or result in the breach of, or constitute a default under, any loan agreement, contract, indenture, mortgage, deed of trust, lease or other instrument binding on or affecting such Guarantor or any of its properties, the effect of which conflict, breach or default is reasonably likely to have a Material Adverse Effect, or (iv) except for the liens permitted under the Loan Documents, result in or require the creation or imposition of any lien upon or with respect to any of the properties of any such Guarantor. No Guarantor is in violation of any such law, rule, regulation, order, writ, judgment, injunction, decree, determination or award, or in breach of any such contract, loan agreement, indenture, mortgage, deed of trust, lease or other instrument, the violation or breach of which would be reasonably likely to have a Material Adverse Effect.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is required for (i) the due execution, delivery, recordation, filing or performance by any Guarantor of this Guaranty and the other Loan Documents executed by the Guarantor, and (ii) the exercise by the Agent or the Lenders of their rights under this Guaranty and the other Loan Documents executed by the Guarantor in each case, except for (a) those that have been made, obtained or given, and (b) filings necessary to create or perfect security interests in the Collateral.

(d) This Guaranty and the other Loan Documents executed by the Guarantor have been duly executed and delivered by such Guarantor. This Guaranty and the other Loan Documents executed by the Guarantor are the legal, valid and binding obligation of such Guarantor, enforceable against such Guarantor in accordance with their terms except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or limiting creditors' rights or by equitable principles generally.

(e) There are no conditions precedent to the effectiveness of this Guaranty and the other Loan Documents executed by the Guarantor that have not been satisfied or waived.

(f) Each Guarantor has, independently and without reliance upon the Agent or any Lender, and based on such documents and information as it has deemed appropriate, made its own decision to enter into this Guaranty and the other Loan Documents executed by the Guarantor.

Section 6. Covenants. Each Guarantor covenants and agrees that, so long as any part of the Guaranteed Obligations shall remain unpaid or any Loan Document shall be in effect,

such Guarantor will perform and observe, and cause each of its Subsidiaries to perform and observe, all of the terms, covenants and agreements set forth in the Loan Documents on its or their part to be performed or observed or that the Borrower has agreed to cause such Guarantor or such Subsidiaries to perform or observe.

Section 7. No Waiver, Remedies. No failure on the part of the Agent or any Lender to exercise, and no delay in exercising, any right under any 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 in the Loan Documents are cumulative and not exclusive of any remedies provided by law.

Section 8. Indemnification. (a) Each Guarantor agrees to defend, protect, indemnify, and hold harmless the Agent, each Lender and each of its respective Affiliates, and each of the Agent's, Lender's, or Affiliate's respective officers, directors, employees, attorneys and agents (including, without limitation, those retained in connection with the satisfaction or attempted satisfaction of any of the conditions set forth in Article III) (collectively, the "Indemnified Parties" and each an "Indemnified Party") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses of any kind or nature whatsoever (including, without limitation, the fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnitees shall be designated a party thereto), imposed on, incurred by, or asserted against such Indemnitees in any manner relating to or arising out of:

(i) this Guaranty, the other Loan Documents or any of the Transaction Documents, or any act, event or transaction related or attendant thereto, the making of the Advances, under the Credit Agreement, the management of such Advances, the use or intended use of the proceeds of the Advances under the Credit Agreement, or any of the other transactions contemplated by the Transaction Documents;

(ii) any liabilities, obligations, responsibilities, losses, damages, personal injury, death, punitive damages, economic damages, consequential damages, treble damages, intentional, willful or wanton injury, damage or threat to the environment, natural resources or public health or welfare, costs and expenses (including, without limitation, attorney, expert and consulting fees and costs of investigation, feasibility or remedial action studies), fines, penalties and monetary sanctions, interest, direct or indirect, known or unknown, absolute or contingent, past, present or future relating to violation of any Environmental, Health or Safety Requirements of Law arising from or in connection with the past, present or future operations of the Borrower, any Guarantor or any of their respective predecessors in interest, or, the past, present or future environmental, health or safety condition of any respective property of the Borrower or any Guarantor, the presence of asbestos-containing materials at any respective property of the Borrower or any Guarantor or the Release or threatened Release of any Contaminant into the environment (collectively, the "Indemnified Matters");

provided, however, that no Guarantor shall have any obligation to an Indemnified Party hereunder with respect to any of the aforementioned indemnified matters caused by or resulting from the willful misconduct or gross negligence of such Indemnified Party as determined by the final non-appealed judgment of a court of competent jurisdiction. If the undertaking to indemnify,

pay and hold harmless set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, each Guarantor shall contribute the maximum portion which it is permitted to pay and satisfy under applicable law, to the payment and satisfaction of all Indemnified Matters incurred by the Indemnified Parties. It is understood and agreed that, to the extent not precluded by a conflict of interest, each Indemnitee shall endeavor to work cooperatively with the Borrower with a view toward minimizing the legal and other expenses associated with any defense and any potential settlement or judgment. Settlement of any claim or litigation involving any material indemnified amount will require the approval of the Borrower (which may not be unreasonably withheld)., provided, however, that no Guarantor shall have any obligation to an Indemnified Party hereunder with respect to any of the aforementioned indemnified matters caused by or resulting from the willful misconduct or gross negligence of such Indemnified Party as determined by the final non-appealed judgment of a court of competent jurisdiction.

(b) Each Guarantor hereby also agrees that none of the Indemnified Parties shall have any liability (whether direct or indirect, in contract, tort or otherwise) to any of the Guarantors or any of their respective Affiliates or any of their respective officers, directors, employees, agents and advisors, and each Guarantor hereby agrees not to assert any claim against any Indemnified Party on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to the Loan Documents, the actual or proposed use of the proceeds of the advances made under the Loan Documents, the Loan Documents or any of the transactions contemplated by the Loan Documents.

(c) Without prejudice to the survival of any of the other agreements of any Guarantor under this Guaranty or any of the other Loan Documents, the agreements and obligations of each Guarantor contained in Section 1(a) (with respect to enforcement expenses), the last sentence of Section 2 and this Section 8 shall survive the payment in full of the Guaranteed Obligations and all of the other amounts payable under this Guaranty.

Section 9. Subordination. Each Guarantor hereby subordinates any and all debts, liabilities and other Obligations owed to such Guarantor by each other Loan Party (the "Subordinated Obligations") to the Guaranteed Obligations to the extent and in the manner hereinafter set forth in this Section 9:

(a) Prohibited Payments. Except during the continuance of an Event of Default (including the commencement and continuation of any proceeding under any Bankruptcy Law relating to any Loan Party), to the extent permitted by the Credit Agreement, each Guarantor may receive regularly scheduled payments from any other Loan Party on account of the Subordinated Obligations. After the occurrence and during the continuance of any Event of Default (including the commencement and continuation of any proceeding under any Bankruptcy Law relating to any Loan Party), however, unless the Agent otherwise agrees, no Guarantor shall demand, accept or take any action to collect any payment on account of the Subordinated Obligations.

(b) Prior Payment of Guaranteed Obligations. In any proceeding under any Bankruptcy Law relating to any Loan Party, each Guarantor agrees that the Lenders shall be entitled to receive payment in full in cash of all Guaranteed Obligations (including all interest and expenses accruing after the commencement of a proceeding under any Bankruptcy Law, whether or not constituting an allowed claim in such

proceeding ("Post Petition Interest")) before such Guarantor receives payment of any Subordinated Obligations.

(c) Turn-Over. After the occurrence and during the continuance of any Event of Default (including the commencement and continuation of any proceeding under any Bankruptcy Law relating to any Loan Party), each Guarantor shall, if the Agent so requests, collect, enforce and receive payments on account of the Subordinated Obligations as trustee for the Lenders and deliver such payments to the Agent on account of the Guaranteed Obligations (including all Post Petition Interest), together with any necessary endorsements or other instruments of transfer, but without reducing or affecting in any manner the liability of such Guarantor under the other provisions of this Guaranty and the other Loan Documents executed by the Guarantor.

(d) Administrative Agent Authorization. After the occurrence and during the continuance of any Event of Default (including the commencement and continuation of any proceeding under any Bankruptcy Law relating to any Loan Party), the Agent is authorized and empowered (but without any obligation to so do), in its discretion, (i) in the name of each Guarantor, to collect and enforce, and to submit claims in respect of, Subordinated Obligations and to apply any amounts received thereon to the Guaranteed Obligations (including any and all Post Petition Interest), and (ii) to require each Guarantor (A) to collect and enforce, and to submit claims in respect of, Subordinated Obligations and (B) to pay any amounts received on such obligations to the Agent for application to the Guaranteed Obligations (including any and all Post Petition Interest).

Section 10. Continuing Guaranty. This Guaranty is a continuing guaranty and shall (a) remain in full force and effect until the later of the payment in full in cash of the Guaranteed Obligations and all other amounts payable under this Guaranty and the date the Loan Documents shall have terminated in accordance with their own terms, (b) be binding upon each Guarantor, its successors and assigns, and (c) inure to the benefit of and be enforceable by the Agent and any Lender and its successors, transferees and assigns.

Section 11. Definitions. With respect to all Loan Documents executed by the Guarantor, the singular shall include the plural and vice versa and any gender shall include any other gender as the context may require.

Section 12. Successors and Assigns. This Guaranty and the other Loan Documents executed by the Guarantor shall be binding upon and inure to the benefit of the Guarantor, the Agent and the Lenders, and their respective successors and assigns. The Guarantor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for the Guarantor. Without limiting the generality of the foregoing clause, any Lender may assign or otherwise transfer all or any portion of its rights and obligations under the Loan Documents (including, without limitation, all or any portion of its Commitment, the Advances owing to it and any Note held by it) to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise, subject, however to the provisions of Article VII of the Credit Agreement.

Section 13. Governing Law; Severability. This Guaranty and the other Loan Documents executed by the Guarantor shall be governed by, and construed in

accordance with, the internal laws (as opposed to conflict of laws provisions) of the State of New York. Whenever possible, each provision of this Guaranty and the other Loan Documents executed by the Guarantor shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guaranty or the other Loan Documents executed by the Guarantor shall be held to be prohibited 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 the remaining provisions of this Guaranty and the other Loan Documents executed by the Guarantor.

Section 14. Advice of Counsel. The Guarantor represents and warrants to the Agent that it has consulted with its legal counsel regarding all waivers under the Loan Documents, it believes that it fully understands all rights that it is waiving and the effect of such waivers, that it assumes the risk of any misunderstanding that it may have regarding any of the foregoing, and that it intends that such waivers shall be a material inducement to Lenders to extend the indebtedness secured hereby.

Section 15. Further Assurances. The Guarantor agrees that it will cooperate with the Agent and the Lenders and will execute and deliver, or cause to be executed and delivered, all such other agreements, instruments, documents, stock powers and proxies and will take all such other actions, including, without limitation, the execution and filing of financing statements, as the Agent may reasonably request from time to time in order to carry out the provisions and purposes of the Loan Documents executed by the Guarantor.

Section 16. Costs and Expenses. The Guarantor will upon demand pay to the Agent the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, which the Agent may incur in connection with (i) the administration of the Loan Documents executed by the Guarantor, (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Pledged Collateral, (iii) the exercise or enforcement of any of the rights of the Agent or the Lenders under the Loan Documents executed by the Guarantor, or (iv) the failure by the Guarantor to perform or observe any of the provisions of the Loan Documents executed by the Guarantor.

Section 17. Notices. All notices and other communications provided for under any Loan Documents executed by the Guarantor shall be in writing (including telecopier, telegraphic, telex or cable communication) and mailed, telecopied, telegraphed, telexed, cabled or delivered, if to the Guarantor, care of Borrower at its address at 3 Landmark Square, Suite 500, Stamford, Connecticut 06901, if to the Agent, at its address specified in the Credit Agreement; or, as to each party, at such other address as shall be designated by such party in a written notice to the other party. All such notices and communications shall be effective, upon receipt, or in the case of (i) notice by mail, five days after being deposited in the United States mails, first class postage prepaid, (ii) notice by overnight courier, one business day after being deposited with a national overnight courier service, (iii) notice by telex, when telexed against receipt of answer back or (iv) notice by facsimile copy, when transmitted against mechanical confirmation of successful transmission.

Section 18. Amendments, Waivers and Consents. No amendment or waiver of any provision of any Loan Document executed by the Guarantor nor consent to any departure by the Guarantor therefrom, shall in any event be effective unless the same shall be in writing and

signed by the Agent and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 19. Section Headings. The section headings in the Loan Documents executed by the Guarantor are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

Section 20. Execution in Counterparts. The Loan Documents executed by the Guarantor may be executed in any number of counterparts, each of which shall be an original, but all of which shall together constitute one and the same agreement.

Section 21. Merger. This Loan Documents executed by the Guarantor represent the final agreement of the Guarantor with respect to the matters contained herein and may not be contradicted by evidence of prior or contemporaneous agreements, or subsequent oral agreements, between the Guarantor and the Agent and the Lenders.

Section 22. No Strict Construction. The parties to the Loan Documents have participated jointly in the negotiation and drafting of the Loan Documents. In the event an ambiguity or question of intent or interpretation arises, the Loan Documents shall be construed as if drafted jointly by the parties hereto and no presumption or burden or proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of the Loan Documents.

Section 23. Waiver of Jury Trial. To the maximum extent of applicable law, each of the Guarantors waives any right to trial by jury in any dispute, whether sounding in contract, tort, or otherwise, between the Agent, the Lenders any Guarantor or any other Person arising out of or related to this Guaranty or the other Loan Documents executed by the Guarantor and the transactions contemplated by this Guaranty and the other Loan Documents executed by the Guarantor or any other instrument, document or agreement executed or delivered in connection herewith or therewith. The Guarantors or the Agent or the Lenders may file an original counterpart or a copy of this Guaranty with any court as written evidence of the consent of the parties hereto to the waiver of their right to trial by jury.

Section 24. Consent to Jurisdiction; Service of Process; Jury Trial. (a) Non Exclusive Jurisdiction. Each Guarantor irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York state court or federal court of the united States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Guaranty and the other Loan Documents or arising out of or relating to the relationship established among them in connection with this Guaranty or any of the other Loan Documents, or for recognition or enforcement of any judgment, and each Guarantor irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York state court or, to the fullest extent permitted by law, in such federal court. Each Guarantor 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 Guaranty shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Guaranty or any of the other Loan Documents in the courts of any jurisdiction. Each Guarantor irrevocably and unconditionally waives, to the fullest extend it may legally and

effectively do so, any objection that it may nor or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Guaranty or any of the other Loan Documents to which it is a party in any New York state or federal court. Each Guarantor irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(b) Other Jurisdictions. Each of Agent and the Lenders shall have the right to proceed against any Guarantor or its real or personal property in a court in any location to enable the Agent or the Lenders to obtain personal jurisdiction over the Guarantor, to realize on the Collateral or any other security for the obligations or to enforce a judgment or other court order entered in favor of the Agent or the Lenders. No Guarantor shall assert any permissive counterclaims in any proceeding brought by the Agent or the Lenders under this Section 24.

(c) Venue; Forum Non Conveniens. Each of the Agent and the Guarantors waives any objection that it may have (including, without limitation, any objection to the laying of venue or based on forum non conveniens) to the location of the court in which any proceeding is commenced in accordance with this Section 24.

Section 25. Service of Process. Each Guarantor waives personal service of any process upon it and, as security for the Guaranteed Obligations, irrevocably appoints CT Corporation Systems as its registered agent for the purpose of accepting service of process issued by any court in connection with any dispute between any Guarantor, the Agent and the Lenders arising out of or related to the Loan Documents or the relationship established between them in connection with the Loan Documents or any other document to which any Guarantor is a party.

IN WITNESS WHEREOF, each Guarantor has caused this Guaranty to be duly executed under seal and delivered by its officer thereunto duly authorized as of the date first above written.

EXHIBIT C-2

[Form of Subsidiary Holding Company Guaranty]

GUARANTY

GUARANTY (this "Guaranty") dated _____, 2000 made by each of the entities listed on the signature pages hereto, jointly and severally, (each referred to individually herein as a "Guarantor," and collectively, the "Guarantors"), in favor of FORD MOTOR CREDIT COMPANY (the "Agent"), as agent for the lenders (the "Lenders") under the Credit Agreement defined below. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the Credit Agreement defined below.

PRELIMINARY STATEMENTS

WHEREAS, pursuant to the terms of a certain Credit Agreement dated as of even date herewith, the Lenders extended to Asbury Automotive Group L.L.C., a Delaware limited liability company, and the entity which exercises control (directly or indirectly) over the Guarantors ("Borrower"), a revolving credit facility in an amount not to exceed $550,000,000.00 (as such agreement may be amended, restated, supplemented, refinanced, increased or otherwise modified from time to time, the "Credit Agreement");

WHEREAS, the Credit Agreement is evidenced by the Notes as defined in the Credit Agreement (the "Notes"); and -----

WHEREAS, it is a condition precedent to the making of loans under the Credit Agreement, that each Guarantor executes and delivers this Guaranty;

NOW, THEREFORE, in consideration of the premises and in order to induce each Lender to make Advances under the Credit Agreement, each Guarantor hereby agrees as follows:

Section 1. Guaranty. (a) Each Guarantor hereby unconditionally and irrevocably guarantees the punctual payment when due, whether at stated maturity, by acceleration or otherwise, of all obligations of each other Loan Party now or hereafter existing under or in respect of the Loan Documents (including, without limitation, any extensions, modifications, substitutions, amendments or renewals of any or all of the foregoing obligations), whether direct or indirect, absolute or contingent, and whether for principal, interest, premiums, fees, indemnities, contract causes of action, costs, expenses or otherwise (such obligations being the "Guaranteed Obligations"), and agrees to pay any and all expenses (including reasonable counsel fees and expenses) incurred by the Agent or the Lenders in enforcing any rights under this Guaranty. Without limiting the generality of the foregoing, each Guarantor's liability shall extend to all amounts that constitute part of the Guaranteed Obligations and would be owed by any Loan Party to any Lender but for the fact that they are unenforceable or not allowable due

to the existence of a bankruptcy, reorganization or similar proceeding involving such Loan Party.

(b) Each Guarantor, and by its acceptance of this Guaranty, the Agent and each Lender, hereby confirms that it is the intention of all such Persons that this Guaranty and the obligations of each Guarantor hereunder not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law (as hereinafter defined), the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar foreign, federal or state law to the extent applicable to this Guaranty and the obligations of each Guarantor hereunder. To effectuate the foregoing intention, the Agent, the Lenders and the Guarantors hereby irrevocably agree that the obligations of each Guarantor under this Guaranty at any time shall be limited to the maximum amount as will result in the obligations of such Guarantor under this Guaranty not constituting a fraudulent transfer or conveyance. For purposes hereof, "Bankruptcy Law" means any proceeding of the type referred to in Section 6.1(f) and (g) of the Credit Agreement or Title 11, U.S. Code, or any similar foreign, federal or state law for the relief of debtors.

(c) Each Guarantor hereby unconditionally and irrevocably agrees that, in the event any payment shall be required to be made to any Lender under this Guaranty or any other guaranty (in respect of the Guaranteed Obligations and/or any and all expenses (including reasonable counsel fees and expenses) incurred by the Agent or the Lenders in enforcing any rights under this Guaranty), such Guarantor will contribute, to the maximum extent permitted by law, such amounts to each other Guarantor and each other guarantor so as to maximize the aggregate amount paid to the Lenders under or in respect of the Loan Documents

Section 2. Guaranty Absolute. Each Guarantor guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms of the Loan Documents, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Agent or the Lenders with respect thereto. The obligations of each Guarantor under this Guaranty are independent of the Guaranteed Obligations or any other obligations of any other party under the Loan Documents, and a separate action or actions may be brought and prosecuted against each Guarantor to enforce this Guaranty, irrespective of whether any action is brought against the Borrower or any other Loan Party or whether the Borrower or any other Loan Party is joined in any such action or actions. This Guaranty is a guaranty of payment and performance and not of collection. The liability of each Guarantor under this Guaranty shall be irrevocable, absolute and unconditional irrespective of, and each Guarantor hereby irrevocably waives any defenses it may now or hereafter have in any way relating to, any or all of the following:

(a) any lack of validity or enforceability of any Loan Document or any agreement or instrument relating thereto;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to departure from any Loan Document, including, without limitation, any increase in the Guaranteed Obligations resulting from the extension of additional credit to Borrower or any other Loan Party or otherwise;

(c) any taking, exchange, release or non-perfection of any Collateral, or any taking, release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations;

(d) any manner of application of Collateral, or proceeds thereof, to all or any of the Guaranteed Obligations, or any manner of sale or other disposition of any Collateral for all or any of the Guaranteed Obligations under the Loan Documents or any other assets of any Loan Party;

(e) any change, restructuring or termination of the corporate structure or existence of any Loan Party;

(f) any failure of the Agent or any Lender to disclose to any Loan Party any information relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of any other Loan Party now or hereafter known to the Agent or such Lender (each Guarantor waiving any duty on the part of the Agent and the Lenders to disclose such information);

(g) the failure of any other Person to execute or deliver this Guaranty or any other guaranty or agreement or the release or reduction of liability of any Guarantor or other guarantor or surety with respect to the Guaranteed Obligations; or

(h) any other circumstance (including, without limitation, any statute of limitations) or any existence of or reliance on any representation by the Agent or any Lender that might otherwise constitute a defense available to, or a discharge of, any Loan Party or any other guarantor or surety.

This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by the Agent or any Lender or any other person upon the insolvency, bankruptcy or reorganization of any Loan Party or otherwise, all as though such payment had not been made.

Section 3. Waivers and Acknowledgments. (a) Each Guarantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Guaranteed Obligations and this Guaranty and any requirement that the Agent or any Lender protect, secure, perfect or insure any lien or any property subject thereto or exhaust any right or take any action against any Loan Party or any other Person or any Collateral.

(b) Each Guarantor hereby waives any right to revoke this Guaranty, and acknowledges that this Guaranty is continuing in nature and applies to all Guaranteed Obligations, whether existing now or in the future.

(c) Each Guarantor acknowledges that it will receive substantial direct and indirect benefits from the financing arrangements contemplated by the Loan Documents and that the waivers set forth in this Guaranty are knowingly made in contemplation of such benefits.

(d) Each Guarantor hereby unconditionally and irrevocably waives (i) any defense arising by reason of any claim or defense based upon an election of remedies

by the Agent or the Lenders that in any manner impairs, reduces, releases or otherwise adversely affects the subrogation, reimbursement, exoneration, contribution or indemnification rights of such Guarantor or other rights of such Guarantor to proceed against any of the other Loan Parties, any other guarantor or any other Person or any Collateral and (ii) any defense based on any right of set-off or counterclaim against or in respect of the obligations of such Guarantor hereunder.

(e) Each Guarantor hereby unconditionally and irrevocably waives any duty on the part of the Agent or the Lenders to disclose to such Guarantor any matter, fact or thing relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of any other Loan Party or any of its Subsidiaries now or hereafter known by the Agent or the Lenders.

Section 4. Subrogation. No Guarantor will exercise any rights that it may now or hereafter acquire against any Loan Party that arise from the existence, payment, performance or enforcement of the Guarantor's obligations under this Guaranty, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of the Agent or any Lender against any Loan Party or any Collateral, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from any Loan Party directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right, unless and until all of the Guaranteed Obligations and all other amounts payable under this Guaranty shall have been paid in full in cash in accordance with the terms of the Loan Documents. If any amount shall be paid to any Guarantor in violation of the preceding sentence at any time prior to the payment in full in cash of the Guaranteed Obligations and all other amounts payable under this Guaranty, such amount shall be held in trust for the benefit of the Agent and shall forthwith be paid to the Agent to be credited and applied to the Guaranteed Obligations and all other amounts payable under this Guaranty, whether matured or unmatured, in accordance with the terms of the Loan Documents, or to be held as Collateral for any Guaranteed Obligations or other amounts payable under this Guaranty thereafter arising. If (i) any Guarantor shall make payment to the Agent or any Lender of all or any part of the Guaranteed Obligations, (ii) all of the Guaranteed Obligations and all other amounts payable under this Guaranty shall be paid in full in cash and (iii) the Loan Documents shall have terminated in accordance with their own terms, the Agent and the Lenders will, at the Guarantors' request and expense, execute and deliver to the Guarantors appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to the Guarantors of an interest in the Guaranteed Obligations resulting from such payment by the Guarantor.

Section 5. Representations and Warranties. Each Guarantor hereby represents and warrants as of the date hereof and as of the date of each Advance as follows:

(a) Each Guarantor (i) is a corporation, limited liability company or limited partnerhsip duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii) is duly qualified and in good standing in each other jurisdiction in which it owns or leases property or in which the conduct of its business requires it to so qualify or be licensed except where the failure to so qualify or be licensed would not have a Material Adverse Effect (as defined in the Credit Agreement),

and (iii) has all requisite power and authority to own or lease and operate its properties and to carry on its business as now conducted and as proposed to be conducted.

(b) The execution, delivery and performance by each Guarantor of this Guaranty and the other Loan Documents executed by the Guarantor are within each such Guarantor's powers, have been duly authorized by all necessary corporate, limited liability company, or limited partnership action, and do not (i) contravene each such Guarantor's charter or bylaws or similar organizational documents, (ii) violate any law (including, without limitation, the Securities Exchange Act of 1934 and the Racketeer Influenced and Corrupt Organizations Chapter of the Organized Crime Control Act of 1970), rule, regulation (including, without limitation, Regulations T, U and X of the Board of Governors of the Federal Reserve System), order, writ, judgment, injunction, decree, determination or award, (iii) conflict with or result in the breach of, or constitute a default under, any loan agreement, contract, indenture, mortgage, deed of trust, lease or other instrument binding on or affecting such Guarantor or any of its properties, the effect of which conflict, breach or default is reasonably likely to have a Material Adverse Effect, or (iv) except for the liens permitted under the Loan Documents, result in or require the creation or imposition of any lien upon or with respect to any of the properties of any such Guarantor. No Guarantor is in violation of any such law, rule, regulation, order, writ, judgment, injunction, decree, determination or award, or in breach of any such contract, loan agreement, indenture, mortgage, deed of trust, lease or other instrument, the violation or breach of which would be reasonably likely to have a Material Adverse Effect.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is required for (i) the due execution, delivery, recordation, filing or performance by any Guarantor of this Guaranty and the other Loan Documents executed by the Guarantor, and (ii) the exercise by the Agent or the Lenders of their rights under this Guaranty and the other Loan Documents executed by the Guarantor in each case, except for (a) those that have been made, obtained or given, and (b) filings necessary to create or perfect security interests in the Collateral.

(d) This Guaranty and the other Loan Documents executed by the Guarantor have been duly executed and delivered by such Guarantor. This Guaranty and the other Loan Documents executed by the Guarantor are the legal, valid and binding obligation of such Guarantor, enforceable against such Guarantor in accordance with their terms except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or limiting creditors' rights or by equitable principles generally.

(e) There are no conditions precedent to the effectiveness of this Guaranty and the other Loan Documents executed by the Guarantor that have not been satisfied or waived.

(f) Each Guarantor has, independently and without reliance upon the Agent or any Lender, and based on such documents and information as it has deemed appropriate, made its own decision to enter into this Guaranty and the other Loan Documents executed by the Guarantor.

Section 6. Covenants. Each Guarantor covenants and agrees that, so long as any part of the Guaranteed Obligations shall remain unpaid or any Loan Document shall be in effect, such Guarantor will perform and observe, and cause each of its Subsidiaries to perform and observe, all of the terms, covenants and agreements set forth in the Loan Documents on its or their part to be performed or observed or that the Borrower has agreed to cause such Guarantor or such Subsidiaries to perform or observe.

Section 7. No Waiver, Remedies. No failure on the part of the Agent or any Lender to exercise, and no delay in exercising, any right under any 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 in the Loan Documents are cumulative and not exclusive of any remedies provided by law.

Section 8. Indemnification. (a) Each Guarantor agrees to defend, protect, indemnify, and hold harmless the Agent, each Lender and each of its respective Affiliates, and each of the Agent's, Lender's, or Affiliate's respective officers, directors, employees, attorneys and agents (including, without limitation, those retained in connection with the satisfaction or attempted satisfaction of any of the conditions set forth in Article III) (collectively, the "Indemnified Parties" and each an "Indemnified Party") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses of any kind or nature whatsoever (including, without limitation, the fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnitees shall be designated a party thereto), imposed on, incurred by, or asserted against such Indemnitees in any manner relating to or arising out of:

(i) this Guaranty, the other Loan Documents or any of the Transaction Documents, or any act, event or transaction related or attendant thereto, the making of the Advances, under the Credit Agreement, the management of such Advances, the use or intended use of the proceeds of the Advances under the Credit Agreement, or any of the other transactions contemplated by the Transaction Documents;

(ii) any liabilities, obligations, responsibilities, losses, damages, personal injury, death, punitive damages, economic damages, consequential damages, treble damages, intentional, willful or wanton injury, damage or threat to the environment, natural resources or public health or welfare, costs and expenses (including, without limitation, attorney, expert and consulting fees and costs of investigation, feasibility or remedial action studies), fines, penalties and monetary sanctions, interest, direct or indirect, known or unknown, absolute or contingent, past, present or future relating to violation of any Environmental, Health or Safety Requirements of Law arising from or in connection with the past, present or future operations of the Borrower, any Guarantor or any of their respective predecessors in interest, or, the past, present or future environmental, health or safety condition of any respective property of the Borrower or any Guarantor, the presence of asbestos-containing materials at any respective property of the Borrower or any Guarantor or the Release or threatened Release of any Contaminant into the environment (collectively, the "Indemnified Matters");

provided, however, that no Guarantor shall have any obligation to an Indemnified Party hereunder with respect to any of the aforementioned indemnified matters caused by or resulting from the willful misconduct or gross negligence of such Indemnified Party as determined by the final non-appealed judgment of a court of competent jurisdiction. If the undertaking to indemnify, pay and hold harmless set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, each Guarantor shall contribute the maximum portion which it is permitted to pay and satisfy under applicable law, to the payment and satisfaction of all Indemnified Matters incurred by the Indemnified Parties. It is understood and agreed that, to the extent not precluded by a conflict of interest, each Indemnitee shall endeavor to work cooperatively with the Borrower with a view toward minimizing the legal and other expenses associated with any defense and any potential settlement or judgment. Settlement of any claim or litigation involving any material indemnified amount will require the approval of the Borrower (which may not be unreasonably withheld)., provided, however, that no Guarantor shall have any obligation to an Indemnified Party hereunder with respect to any of the aforementioned indemnified matters caused by or resulting from the willful misconduct or gross negligence of such Indemnified Party as determined by the final non-appealed judgment of a court of competent jurisdiction.

(b) Each Guarantor hereby also agrees that none of the Indemnified Parties shall have any liability (whether direct or indirect, in contract, tort or otherwise) to any of the Guarantors or any of their respective Affiliates or any of their respective officers, directors, employees, agents and advisors, and each Guarantor hereby agrees not to assert any claim against any Indemnified Party on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to the Loan Documents, the actual or proposed use of the proceeds of the advances made under the Loan Documents, the Loan Documents or any of the transactions contemplated by the Loan Documents.

(c) Without prejudice to the survival of any of the other agreements of any Guarantor under this Guaranty or any of the other Loan Documents, the agreements and obligations of each Guarantor contained in Section 1(a) (with respect to enforcement expenses), the last sentence of Section 2 and this Section 8 shall survive the payment in full of the Guaranteed Obligations and all of the other amounts payable under this Guaranty.

Section 9. Subordination. Each Guarantor hereby subordinates any and all debts, liabilities and other Obligations owed to such Guarantor by each other Loan Party (the "Subordinated Obligations") to the Guaranteed Obligations to the extent and in the manner hereinafter set forth in this Section 9:

(a) Prohibited Payments. Except during the continuance of an Event of Default (including the commencement and continuation of any proceeding under any Bankruptcy Law relating to any Loan Party), to the extent permitted by the Credit Agreement, each Guarantor may receive regularly scheduled payments from any other Loan Party on account of the Subordinated Obligations. After the occurrence and during the continuance of any Event of Default (including the commencement and continuation of any proceeding under any Bankruptcy Law relating to any Loan Party), however, unless the Agent otherwise agrees, no Guarantor shall demand, accept or take any action to collect any payment on account of the Subordinated Obligations.

(b) Prior Payment of Guaranteed Obligations. In any proceeding under any Bankruptcy Law relating to any Loan Party, each Guarantor agrees that the Lenders

shall be entitled to receive payment in full in cash of all Guaranteed Obligations (including all interest and expenses accruing after the commencement of a proceeding under any Bankruptcy Law, whether or not constituting an allowed claim in such proceeding ("Post Petition Interest")) before such Guarantor receives payment of any Subordinated Obligations.

(c) Turn-Over. After the occurrence and during the continuance of any Event of Default (including the commencement and continuation of any proceeding under any Bankruptcy Law relating to any Loan Party), each Guarantor shall, if the Agent so requests, collect, enforce and receive payments on account of the Subordinated Obligations as trustee for the Lenders and deliver such payments to the Agent on account of the Guaranteed Obligations (including all Post Petition Interest), together with any necessary endorsements or other instruments of transfer, but without reducing or affecting in any manner the liability of such Guarantor under the other provisions of this Guaranty and the other Loan Documents executed by the Guarantor.

(d) Administrative Agent Authorization. After the occurrence and during the continuance of any Event of Default (including the commencement and continuation of any proceeding under any Bankruptcy Law relating to any Loan Party), the Agent is authorized and empowered (but without any obligation to so do), in its discretion, (i) in the name of each Guarantor, to collect and enforce, and to submit claims in respect of, Subordinated Obligations and to apply any amounts received thereon to the Guaranteed Obligations (including any and all Post Petition Interest), and (ii) to require each Guarantor (A) to collect and enforce, and to submit claims in respect of, Subordinated Obligations and (B) to pay any amounts received on such obligations to the Agent for application to the Guaranteed Obligations (including any and all Post Petition Interest).

Section 10. Continuing Guaranty. This Guaranty is a continuing guaranty and shall (a) remain in full force and effect until the later of the payment in full in cash of the Guaranteed Obligations and all other amounts payable under this Guaranty and the date the Loan Documents shall have terminated in accordance with their own terms, (b) be binding upon each Guarantor, its successors and assigns, and (c) inure to the benefit of and be enforceable by the Agent and any Lender and its successors, transferees and assigns.

Section 11. Definitions. With respect to all Loan Documents executed by the Guarantor, the singular shall include the plural and vice versa and any gender shall include any other gender as the context may require.

Section 12. Successors and Assigns. This Guaranty and the other Loan Documents executed by the Guarantor shall be binding upon and inure to the benefit of the Guarantor, the Agent and the Lenders, and their respective successors and assigns. The Guarantor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for the Guarantor. Without limiting the generality of the foregoing clause, any Lender may assign or otherwise transfer all or any portion of its rights and obligations under the Loan Documents (including, without limitation, all or any portion of its Commitment, the Advances owing to it and any Note held by it) to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise, subject, however to the provisions of Article VII of the Credit Agreement.

Section 13. Governing Law; Severability. This Guaranty and the other Loan Documents executed by the Guarantor shall be governed by, and construed in accordance with, the internal laws (as opposed to conflict of laws provisions) of the State of New York. Whenever possible, each provision of this Guaranty and the other Loan Documents executed by the Guarantor shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guaranty or the other Loan Documents executed by the Guarantor shall be held to be prohibited 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 the remaining provisions of this Guaranty and the other Loan Documents executed by the Guarantor.

Section 14. Advice of Counsel. The Guarantor represents and warrants to the Agent that it has consulted with its legal counsel regarding all waivers under the Loan Documents, it believes that it fully understands all rights that it is waiving and the effect of such waivers, that it assumes the risk of any misunderstanding that it may have regarding any of the foregoing, and that it intends that such waivers shall be a material inducement to Lenders to extend the indebtedness secured hereby.

Section 15. Further Assurances. The Guarantor agrees that it will cooperate with the Agent and the Lenders and will execute and deliver, or cause to be executed and delivered, all such other agreements, instruments, documents, stock powers and proxies and will take all such other actions, including, without limitation, the execution and filing of financing statements, as the Agent may reasonably request from time to time in order to carry out the provisions and purposes of the Loan Documents executed by the Guarantor.

Section 16. Costs and Expenses. The Guarantor will upon demand pay to the Agent the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, which the Agent may incur in connection with (i) the administration of the Loan Documents executed by the Guarantor, (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Pledged Collateral, (iii) the exercise or enforcement of any of the rights of the Agent or the Lenders under the Loan Documents executed by the Guarantor, or (iv) the failure by the Guarantor to perform or observe any of the provisions of the Loan Documents executed by the Guarantor.

Section 17. Notices. All notices and other communications provided for under any Loan Documents executed by the Guarantor shall be in writing (including telecopier, telegraphic, telex or cable communication) and mailed, telecopied, telegraphed, telexed, cabled or delivered, if to the Guarantor, care of Borrower at its address at 3 Landmark Square, Suite 500, Stamford, Connecticut 06901, if to the Agent, at its address specified in the Credit Agreement; or, as to each party, at such other address as shall be designated by such party in a written notice to the other party. All such notices and communications shall be effective, upon receipt, or in the case of (i) notice by mail, five days after being deposited in the United States mails, first class postage prepaid, (ii) notice by overnight courier, one business day after being deposited with a national overnight courier service, (iii) notice by telex, when telexed against receipt of answer back or (iv) notice by facsimile copy, when transmitted against mechanical confirmation of successful transmission.

Section 18. Amendments, Waivers and Consents. No amendment or waiver of any provision of any Loan Document executed by the Guarantor nor consent to any departure by the Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Agent and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 19. Section Headings. The section headings in the Loan Documents executed by the Guarantor are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

Section 20. Execution in Counterparts. The Loan Documents executed by the Guarantor may be executed in any number of counterparts, each of which shall be an original, but all of which shall together constitute one and the same agreement.

Section 21. Merger. This Loan Documents executed by the Guarantor represent the final agreement of the Guarantor with respect to the matters contained herein and may not be contradicted by evidence of prior or contemporaneous agreements, or subsequent oral agreements, between the Guarantor and the Agent and the Lenders.

Section 22. No Strict Construction. The parties to the Loan Documents have participated jointly in the negotiation and drafting of the Loan Documents. In the event an ambiguity or question of intent or interpretation arises, the Loan Documents shall be construed as if drafted jointly by the parties hereto and no presumption or burden or proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of the Loan Documents.

Section 23. Waiver of Jury Trial. To the maximum extent of applicable law, each of the Guarantors waives any right to trial by jury in any dispute, whether sounding in contract, tort, or otherwise, between the Agent, the Lenders any Guarantor or any other Person arising out of or related to this Guaranty or the other Loan Documents executed by the Guarantor and the transactions contemplated by this Guaranty and the other Loan Documents executed by the Guarantor or any other instrument, document or agreement executed or delivered in connection herewith or therewith. The Guarantors or the Agent or the Lenders may file an original counterpart or a copy of this Guaranty with any court as written evidence of the consent of the parties hereto to the waiver of their right to trial by jury.

Section 24. Consent to Jurisdiction; Service of Process; Jury Trial. (a) Non Exclusive Jurisdiction. Each Guarantor irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York state court or federal court of the united States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Guaranty and the other Loan Documents or arising out of or relating to the relationship established among them in connection with this Guaranty or any of the other Loan Documents, or for recognition or enforcement of any judgment, and each Guarantor irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York state court or, to the fullest extent permitted by law, in such federal court. Each Guarantor 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 Guaranty shall

affect any right that any party may otherwise have to bring any action or proceeding relating to this Guaranty or any of the other Loan Documents in the courts of any jurisdiction. Each Guarantor irrevocably and unconditionally waives, to the fullest extend it may legally and effectively do so, any objection that it may nor or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Guaranty or any of the other Loan Documents to which it is a party in any New York state or federal court. Each Guarantor irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(b) Other Jurisdictions. Each of Agent and the Lenders shall have the right to proceed against any Guarantor or its real or personal property in a court in any location to enable the Agent or the Lenders to obtain personal jurisdiction over the Guarantor, to realize on the Collateral or any other security for the obligations or to enforce a judgment or other court order entered in favor of the Agent or the Lenders. No Guarantor shall assert any permissive counterclaims in any proceeding brought by the Agent or the Lenders under this Section 24.

(c) Venue; Forum Non Conveniens. Each of the Agent and the Guarantors waives any objection that it may have (including, without limitation, any objection to the laying of venue or based on forum non conveniens) to the location of the court in which any proceeding is commenced in accordance with this Section 24.

Section 25. Service of Process. Each Guarantor waives personal service of any process upon it and, as security for the Guaranteed Obligations, irrevocably appoints CT Corporation Systems as its registered agent for the purpose of accepting service of process issued by any court in connection with any dispute between any Guarantor, the Agent and the Lenders arising out of or related to the Loan Documents or the relationship established between them in connection with the Loan Documents or any other document to which any Guarantor is a party.

IN WITNESS WHEREOF, each Guarantor has caused this Guaranty to be duly executed under seal and delivered by its officer thereunto duly authorized as of the date first above written.

EXHIBIT D-1

[Form of Dealership Security Agreement]

SECURITY AGREEMENT

SECURITY AGREEMENT (the "Agreement") dated _____, 2000, made by each of the entities listed on the signature pages hereto, jointly and severally, (each referred to individually herein as a "Grantor," and collectively, the "Grantors"), to FORD MOTOR CREDIT COMPANY, as agent (the "Agent") for the lenders (the "Lenders") under the Credit Agreement defined below. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the Credit Agreement defined below.

PRELIMINARY STATEMENTS:

WHEREAS, Asbury Automotive Group L.L.C., a Delaware limited liability company, (the "Borrower"), the Agent and the Lenders have entered into a certain Credit Agreement dated as of even date herewith, pursuant to which the Lenders agreed, subject to certain conditions precedent, to make loans and other financial accommodations to the Borrower from time to time in an amount not to exceed $550,000,000.00 (as such agreement may be further amended, restated, supplemented, refinanced, increased or otherwise modified from time to time, the "Credit Agreement") and;

WHEREAS, the Grantors have entered into a Guaranty of even date herewith (the "Guaranty"), pursuant to which each Grantor guaranties all of the obligations of the Borrower under the Credit Agreement to the Lenders; and

WHEREAS, in order to comply with the terms of the Credit Agreement, the Grantors must execute and deliver this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and of any financial accommodations or extensions of credit (including, without limitation, any loan or advance by renewal, refinancing or extension of the agreements described hereinabove or otherwise) heretofore, now or hereafter made to or for the benefit of the Borrower pursuant to the Credit Agreement or, any other agreement, instrument or document executed pursuant to or in connection therewith, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby agrees with Agent, for the benefit of the Lenders, as follows:

SECTION 1. Grant of Security. Each Grantor, severally, hereby assigns and pledges to Agent, for the benefit of the Lenders, and hereby grants to Agent, for the benefit of the Lenders, a security interest in, all of its respective right, title and interest in and to the following, whether now owned or hereafter acquired (collectively, the "Collateral"):

(a) all equipment in all of its forms, including furniture, machinery, service vehicles, supplies and other equipment (the "Equipment");

(b) all inventory in all of its forms, including motor vehicles, tractors, trailers, service parts and accessories and other inventory ("Inventory");

(c) all accounts, contract rights, chattel paper, instruments, notes, letters of credit, documents, documents of title, investment property, deposit accounts, other bank accounts, general intangibles, tax refunds and other obligations of third persons of any kind, now or hereafter existing, whether or not arising out of or in connection with the sale or lease of goods, the rendering of services or otherwise, and all rights now or hereafter existing in and to all security agreements, leases, and other contracts securing or otherwise relating to any such accounts, contract rights, chattel paper, instruments, notes, letters of credit, documents, documents of title, investment property, deposit accounts, other bank accounts, general intangibles, tax refunds or obligations of third persons (any and all such accounts, contract rights, chattel paper, instruments, notes, letters of credit, documents, documents of title, investment property, deposit accounts, other bank accounts, general intangibles, tax refunds and obligations of third persons being the "Receivables", and any and all such leases, security agreements and other contracts being the "Related Contracts");

(d) all of the Grantor's governmental approvals and authorizations to the maximum extent permitted by applicable law;

(e) all property and interests in property of the Grantor now or hereafter coming into the actual possession, custody or control of the Agent or a Lender in any way or for any purpose (whether for safekeeping, deposit, custody, pledge, transmission, collection or otherwise);

(f) leasehold interests in and fixtures located on any real property;

(g) records and other books and records relating to the foregoing;

(h) all intellectual property;

(i) all goods;

(j) all UCC references;

(k) all security entitlements; and

(l) all accessions and additions to, substitutions for, and replacements, products and proceeds of any of the foregoing (including, without limitation, proceeds which constitute property of the types described in clauses (a) through (k) of this Section 1 and, to the extent not otherwise included, all (i) payments under insurance (whether or not the Agent or a Lender is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral and (ii) cash.

Provided that the foregoing shall exclude (A) any Contract Rights (other than any Contract Rights pursuant to a franchise agreement between Borrower and an automobile manufacturer) or General Intangibles of the Grantor to the extent the Grantor may not grant a security interest in the same without breach of the terms thereof and (B) unless the relevant automobile manufacturer grants its consent thereto, any Contract Rights or General Intangibles related to a franchise agreement with an

automobile manufacturer if the granting of the foregoing security interest would permit such automobile manufacturer to terminate or materially alter such franchise agreement or any related agreements with the Borrower, provided that Grantor shall use commercially reasonable efforts to obtain agreements from the relevant manufacturers (a) permitting the grant of a security interest described in subsection (A) above and (b) granting the consent described in subsection (B) above.

It is hereby acknowledged that certain of the franchise agreements and other related agreements between the various automobile manufacturers and the Grantors contain (i) restrictions on the ability of each Grantor to transfer its ownership interest in any Dealership without the consent of the relevant automobile manufacturer, (ii) provisions giving the automobile manufacturer a right of first refusal over any proposed sale or transfer of the ownership interests in any Dealership or any portion of the assets of any Dealership (provided, however, that for the purposes of this acknowledgment, the interpretation of the Agent and the Lenders is that "transfer" does not include the granting of a security interest in assets other than ownership interests in a Dealership and contract rights under franchise agreements) and (iii) requirements that under certain circumstances (including, without limitation, upon termination of the relevant franchise agreement) the Grantor must sell certain property (consisting primarily of a particular manufacturer's vehicles, parts, accessories, signs, tools and other similar items) to the manufacturer free and clear of any liens and encumbrances. It is understood and agreed that the existence or occurrence of any of the foregoing shall not result in a breach of or default under this Agreement, provided, however, that it is understood that for purposes of this acknowledgment, the interpretation of the Agent and the Lenders is that nothing contained in clause (iii) of the preceding sentence may be construed as invalidating the Liens evidenced by, or the terms of, any of the Collateral Documents.

SECTION 2. Security for Obligations. This Agreement secures the payment of (i) all obligations of the Grantors now or hereafter existing under the Guaranty, whether for principal, interest, fees, expenses or otherwise, and (ii) all obligations of any Grantor hereafter existing under this Agreement (all such obligations of the Grantors and the Borrower being the "Obligations"). Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts which constitute part of the Obligations and would be owed by any Grantor to any Lender under the Credit Agreement but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving any Grantor or the Borrower.

SECTION 3. Grantors Remain Liable. Anything herein to the contrary notwithstanding, (a) each Grantor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein to perform all of its respective duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by Agent of any of the rights hereunder shall not release any Grantor from any of its respective duties or obligations under the contracts and agreements included in the Collateral, and (c) neither the Agent nor the Lenders shall have any obligation or liability under the contracts and agreements included in the Collateral by reason of this Agreement, nor shall the Agent or the Lenders be obligated to perform any of the obligations or duties of any Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 4. Representations and Warranties. Each Grantor represents and warrants as follows as of the date hereof and as of the date of each Advance:

(a) All of its Equipment and Inventory is located at the places specified on Schedule 4 (a) hereto. The chief place of business and chief executive office of each Grantor and the office where the Grantor keeps its records concerning the Receivables, and the originals of all chattel paper that evidence Receivables, are located at the address specified in Section 16. None of the Receivables is evidenced by a promissory note or other instrument.

(b) Each Grantor is the legal and beneficial owner of its respective Collateral free and clear of any lien, security interest, option or other charge or encumbrance except for (i) the security interest created by this Agreement, and (ii) any security interests consented to by the Lenders in the Credit Agreement (collectively, the "Permitted Liens"). Other than financing statements with respect to Permitted Liens, no effective financing statement or other document similar in effect covering all or any part of the Collateral is on file in any recording office, except such as may have been filed in favor of the Agent relating to this Agreement.

(c) Each Grantor has exclusive possession and control of its Equipment and Inventory.

(d) Subject to the Permitted Liens, this Agreement creates a valid and perfected first priority security interest in the Collateral, securing the payment of the Obligations, and all filings and other actions necessary or desirable to perfect and protect such security interest have been duly taken or are being taken substantially contemporaneously with the execution and delivery of this Agreement.

(e) No consent of any other Person and no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required (i) for the grant by the Grantors of the security interest granted hereby or for the execution, delivery or performance of this Agreement by the Grantors, (ii) for the perfection or maintenance of the security interest created hereby (including the first priority nature of such security interest) or (iii) for the exercise by the Agent (for the benefit of the Lenders) of its rights and remedies hereunder, in each case, except for (i) filings made or to be made with respect to Agent's security interest in the Collateral, and (ii) those that have been made, obtained or given.

(f) There are no conditions precedent to the effectiveness of this Agreement that have not been satisfied or waived.

(g) Each Grantor has, independently and without reliance upon the Agent or any Lender and based on such documents and information as it has deemed appropriate, made its own decision to enter into this Agreement.

SECTION 5. Further Assurances. (a) Each Grantor agrees that from time to time, at its expense, it will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Agent may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable the Agent (acting for the benefit of the Lenders) to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the

generality of the foregoing, each Grantor will upon such reasonable request: (i) mark conspicuously each item of chattel paper included in the Receivables and each Related Contract and, at the request of the Agent, each of its records pertaining to the Collateral with a legend, in form and substance satisfactory to the Agent, indicating that such document, chattel paper, Related Contract or Collateral is subject to the security interest granted hereby; (ii) if any Receivable shall be evidenced by a promissory note or other instrument or chattel paper, deliver and pledge to the Agent (for the benefit of the Lenders) hereunder such note or instrument or chattel paper duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Agent; and (iii) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Agent may reasonably request, in order to perfect and preserve the security interest granted or purported to be granted hereby.

(b) Each Grantor hereby authorizes the Agent to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Collateral without its signature where permitted by law. A photocopy or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(c) Each Grantor will furnish to the Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Agent may reasonably request, all in reasonable detail.

SECTION 6. As to Equipment and Inventory. (a) Each Grantor shall keep its Equipment and Inventory at the locations referred to on Section 4(a) or, upon 30 days' prior written notice to the Agent, at such other places in the United States of America in jurisdictions where all action required by Section 5 shall have been taken with respect to its Equipment and Inventory.

SECTION 7. As to Receivables. (a) Each Grantor shall keep its chief place of business and chief executive office and the office where it keeps its records concerning the Receivables, and the originals of all chattel paper that evidence Receivables, if any, at the location therefor referred to in Section 4(a) or, upon 30 days' prior written notice to Agent, at any other locations in the United States of America in a jurisdiction where all action required by Section 5 shall have been taken with respect to the Receivables. Each Grantor will hold and preserve such records and chattel paper and will permit representatives of the Agent at any time during normal business hours to inspect and make abstracts from such records and chattel paper. No Grantor shall change its name, identity or corporate structure to such an extent that any financing statement filed in connection with this Agreement would become seriously misleading, unless the Borrower shall have given the Agent at least 30 days prior written notice thereof and prior to effecting any such change, taken such steps, at Borrower's expense, as Agent may deem necessary or desirable to continue the perfecting and priority of the liens in favor of the Agent granted in connection herewith.

(b) Except as otherwise provided in this subsection (b), the Grantor shall continue to collect, at its own expense, all amounts due or to become due the Grantor under the Receivables. In connection with such collections, the Grantor may take (and, at the Agent's direction, shall take) such action as the Grantor or the Agent may reasonably deem necessary

or advisable to enforce collection of the Receivables; provided, however, that the Agent shall have the right at any time, upon the occurrence and during the continuance of an Event of Default or an Unmatured Default and upon written notice to the Grantor of its intention to do so, to notify the account debtors or obligors under any Receivables of the assignment of such Receivables to the Agent and to direct such account debtors or obligors to make payment of all amounts due or to become due to the Grantor thereunder directly to the Agent and, upon such notification and at the expense of the Grantor, to enforce collection of any such Receivables, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Grantor might have done. After receipt by the Grantor of the notice from the Agent referred to in the proviso to the preceding sentence, (i) all amounts and proceeds (including instruments) received by the Grantor in respect of the Receivables shall be received in trust for the benefit of the Agent hereunder, shall be segregated from other funds of the Grantor and shall be forthwith paid over to the Agent in the same form as so received (with any necessary indorsement) to be held as cash collateral and either (A) released to the Grantor so long as no Event of Default shall have occurred and be continuing or (B) if any Event of Default shall have occurred and be continuing, applied as provided by Section 12(b), and (ii) the Grantor shall not adjust, settle or compromise the amount or payment of any Receivable, release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon, except in the ordinary course of business consistent with past practice.

SECTION 8. Transfers and Other Liens. No Grantor may (i) sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any of the Collateral, or (ii) create or permit to exist any lien, security interest, option or other charge or encumbrance upon or with respect to any of the Collateral, except for the security interest under this Agreement and Liens permitted by the Credit Agreement.

SECTION 9. Agent Appointed Attorney-in-Fact. Each Grantor hereby irrevocably appoints Agent such Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor, the Lenders or otherwise, from time to time in the Agent's discretion, upon the occurrence and continuance of an Unmatured Default or an Event of Default to take any action and to execute any instrument which the Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation:

(a) to obtain and adjust insurance required to be paid to the Agent pursuant to Section 7,

(b) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in connection with the Collateral,

(c) to receive, indorse, and collect any drafts or other instruments, documents and chattel paper, in connection therewith, and

(d) to file any claims or take any action or institute any proceedings which the Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Agent or the Lenders with respect to any of the Collateral.

SECTION 10. Agent May Perform. If any Grantor fails to perform any agreement contained herein, the Agent may itself perform, or cause performance of, such agreement, and the expenses of the Agent or the Lenders incurred in connection therewith shall be payable by the Grantors upon demand.

SECTION 11. Agent's Duties. The powers conferred on the Agent hereunder are solely to protect its interest (in its capacity as agent on behalf of the Lenders) in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the exercise of reasonable care in the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which Agent accords its own property.

SECTION 12. Remedies. If any Event of Default shall have occurred and be continuing:

(a) Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the Uniform Commercial Code in effect in the State of New York at that time (the "Code") (whether or not the Code applies to the affected Collateral), and also may (i) require any of the Grantors to, and each of the Grantors hereby agrees that it will at its expense and upon request of Agent forthwith, assemble all or part of the Collateral as directed by the Agent and make it available to Agent at a place to be designated by Agent which is reasonably convenient to both parties and (ii) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Agent's or Lender's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Agent may deem commercially reasonable. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to the applicable Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) Any cash held by Agent as Collateral and all cash proceeds received by the Agent in respect of any sale of, collection from, or other realization upon all or any part of the Collateral may, in the discretion of the Agent, be held by the Agent as collateral for, and/or then or at any time thereafter be applied (after payment of any amounts payable to the Agent or the Lenders pursuant to any indemnity in the Guaranty) in whole or in part by the Agent against, all or any part of the Obligations in such order as the Agent shall elect. Any surplus of such cash or cash proceeds held by the Agent and remaining after payment in full in cash of all the Obligations shall be paid over to the Grantors or to whomsoever may be lawfully entitled to receive such surplus.

SECTION 13. Continuing Security Interest; Assignments under Credit Agreement. This Agreement shall create a continuing assignment of and security interest in the Collateral and shall (i) remain in full force and effect until the payment in full in cash of the Obligations and all other amounts payable under this Agreement and termination of the Loan Documents (such date, the "Security Termination Date"), (ii) be binding upon each Grantor, and such Grantor's successors and assigns and (iii) inure to the benefit of, and be enforceable by, the Agent and its successors, transferees and assigns. On the Security Termination Date, the security interest granted hereby shall terminate and all rights to the Collateral shall revert to the Grantor. Upon any such termination, the Agent will, at the Grantors' expense, execute and deliver to each Grantor such documents as it shall reasonably request to evidence such termination.

SECTION 14. Security Interest Absolute. The obligations of the Grantor under this Agreement are independent of the Obligations, and a separate action or actions may be brought and prosecuted against the Grantor to enforce this Agreement, irrespective of whether any action is brought against any other Loan Party or whether any other Loan Party is joined in any such action or actions. All rights of the Agent and security interests hereunder, and all obligations of the Grantor hereunder, shall be absolute and unconditional, irrespective of:

(a) any lack of validity or enforceability of any Loan Document or any other agreement or instrument relating thereto;

(b) any change in the time, manner or place of payment of, or in 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 Loan Document, including, without limitation, any increase in the Obligations resulting from the extension of additional credit to any Loan Party or any of its Subsidiaries or otherwise;

(c) any taking, exchange, release or non-perfection of any other collateral, or any taking, release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Obligations;

(d) any manner of application of collateral, or proceeds thereof, to all or any of the Obligations, or any manner of sale or other disposition of any Collateral for all or any of the Obligations or any other assets of any loan Party or any of its Subsidiaries;

(e) any change, restructuring or termination of the corporate structure or existence of any loan Party or any of its Subsidiaries; or

(f) any other circumstance which might otherwise constitute a defense available to, or a discharge of, any Loan Party or a third party grantor of a security interest.

SECTION 15. Revised Article 9. It is the intention of the parties to this Agreement that the priorities and agreements herein contained continue to apply after the enactment by the various States of Revised Article 9 -- Secured Transactions (with conforming amendments to Articles 1, 2, 2a, 4, 5, 6, 7 and 8) to the UCC as approved by The American Law Institute in 1998 and approved and recommended for enactment in all the States by the

National Conference of Commissioners for Uniform State Laws in 1998 ("Revised Article 9") and the effectiveness of Revised Article 9 in any State. After the effectiveness of Revised Article 9 in any State governing perfection and the effect of perfection or non-perfection of a security interest in any Collateral, as to such State and such Collateral, (i) all section references herein to, and all defined terms used herein defined in, Article 9 of the UCC as currently in effect shall be deemed to be to any corresponding Section or definition of Revised Article 9, (ii) if any definition used herein by reference to Revised Article 9 is broader than the corresponding definition used in current Article 9 of the UCC, such broader definition will apply herein.

EXHIBIT D-2
[Form of Subsidiary Holding Company Security Agreement]
SECURITY AGREEMENT

SECURITY AGREEMENT (the "Agreement") dated _____, 2000, made by each of the entities listed on the signature pages hereto, jointly and severally, (each referred to individually herein as a "Grantor," and collectively, the "Grantors"), to FORD MOTOR CREDIT COMPANY, as agent (the "Agent") for the lenders (the "Lenders") under the Credit Agreement defined below. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the Credit Agreement defined below.

PRELIMINARY STATEMENTS:

WHEREAS, Asbury Automotive Group L.L.C., a Delaware limited liability company, (the "Borrower"), the Agent and the Lenders have entered into a certain Credit Agreement dated as of even date herewith, pursuant to which the Lenders agreed, subject to certain conditions precedent, to make loans and other financial accommodations to the Borrower from time to time in an amount not to exceed $550,000,000.00 (as such agreement may be further amended, restated, supplemented, refinanced, increased or otherwise modified from time to time, the "Credit Agreement") and;

WHEREAS, the Grantors have entered into a Guaranty of even date herewith (the "Guaranty"), pursuant to which each Grantor guaranties all of the obligations of the Borrower under the Credit Agreement to the Lenders; and

WHEREAS, in order to comply with the terms of the Credit Agreement, the Grantors must execute and deliver this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and of any financial accommodations or extensions of credit (including, without limitation, any loan or advance by renewal, refinancing or extension of the agreements described hereinabove or otherwise) heretofore, now or hereafter made to or for the benefit of the Borrower pursuant to the Credit Agreement or, any other agreement, instrument or document executed pursuant to or in connection therewith, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby agrees with Agent, for the benefit of the Lenders, as follows:

SECTION 1. Grant of Security. Each Grantor, severally, hereby assigns and pledges to Agent, for the benefit of the Lenders, and hereby grants to Agent, for the benefit of the Lenders, a security interest in, all of its respective right, title and interest in and to the following, whether now owned or hereafter acquired (collectively, the "Collateral"):

(a) all equipment in all of its forms, including furniture, machinery, service vehicles, supplies and other equipment (the "Equipment");

(b) all inventory in all of its forms, including motor vehicles, tractors, trailers, service parts and accessories and other inventory ("Inventory");

(c) all accounts, contract rights, chattel paper, instruments, notes, letters of credit, documents, documents of title, investment property, deposit accounts, other bank accounts, general intangibles, tax refunds and other obligations of third persons of any kind, now or hereafter existing, whether or not arising out of or in connection with the sale or lease of goods, the rendering of services or otherwise, and all rights now or hereafter existing in and to all security agreements, leases, and other contracts securing or otherwise relating to any such accounts, contract rights, chattel paper, instruments, notes, letters of credit, documents, documents of title, investment property, deposit accounts, other bank accounts, general intangibles, tax refunds or obligations of third persons (any and all such accounts, contract rights, chattel paper, instruments, notes, letters of credit, documents, documents of title, investment property, deposit accounts, other bank accounts, general intangibles, tax refunds and obligations of third persons being the "Receivables", and any and all such leases, security agreements and other contracts being the "Related Contracts");

(d) all of the Grantor's governmental approvals and authorizations to the maximum extent permitted by applicable law;

(e) all property and interests in property of the Grantor now or hereafter coming into the actual possession, custody or control of the Agent or a Lender in any way or for any purpose (whether for safekeeping, deposit, custody, pledge, transmission, collection or otherwise);

(f) leasehold interests in and fixtures located on any real property;

(g) records and other books and records relating to the foregoing;

(h) all intellectual property;

(i) all goods;

(j) all UCC references;

(k) all security entitlements; and

(l) all accessions and additions to, substitutions for, and replacements, products and proceeds of any of the foregoing (including, without limitation, proceeds which constitute property of the types described in clauses (a) through (k) of this Section 1 and, to the extent not otherwise included, all (i) payments under insurance (whether or not the Agent or a Lender is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral and (ii) cash.

Provided that the foregoing shall exclude (A) any Contract Rights (other than any Contract Rights pursuant to a franchise agreement between Borrower and an automobile manufacturer) or General Intangibles of the Grantor to the extent the Grantor may not grant a security interest in the same without breach of the terms thereof and (B) unless the relevant automobile manufacturer grants its consent thereto, any Contract Rights or General Intangibles related to a franchise agreement with an

automobile manufacturer if the granting of the foregoing security interest would permit such automobile manufacturer to terminate or materially alter such franchise agreement or any related agreements with the Borrower, provided that Grantor shall use commercially reasonable efforts to obtain agreements from the relevant manufacturers (a) permitting the grant of a security interest described in subsection (A) above and (b) granting the consent described in subsection (B) above.

It is hereby acknowledged that certain of the franchise agreements and other related agreements between the various automobile manufacturers and the Grantors contain (i) restrictions on the ability of each Grantor to transfer its ownership interest in any Dealership without the consent of the relevant automobile manufacturer, (ii) provisions giving the automobile manufacturer a right of first refusal over any proposed sale or transfer of the ownership interests in any Dealership or any portion of the assets of any Dealership (provided, however, that for the purposes of this acknowledgment, the interpretation of the Agent and the Lenders is that "transfer" does not include the granting of a security interest in assets other than ownership interests in a Dealership and contract rights under franchise agreements) and (iii) requirements that under certain circumstances (including, without limitation, upon termination of the relevant franchise agreement) the Grantor must sell certain property (consisting primarily of a particular manufacturer's vehicles, parts, accessories, signs, tools and other similar items) to the manufacturer free and clear of any liens and encumbrances. It is understood and agreed that the existence or occurrence of any of the foregoing shall not result in a breach of or default under this Agreement, provided, however, that it is understood that for purposes of this acknowledgment, the interpretation of the Agent and the Lenders is that nothing contained in clause (iii) of the preceding sentence may be construed as invalidating the Liens evidenced by, or the terms of, any of the Collateral Documents.

SECTION 2. Security for Obligations. This Agreement secures the payment of (i) all obligations of the Grantors now or hereafter existing under the Guaranty, whether for principal, interest, fees, expenses or otherwise, and (ii) all obligations of any Grantor hereafter existing under this Agreement (all such obligations of the Grantors and the Borrower being the "Obligations"). Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts which constitute part of the Obligations and would be owed by any Grantor to any Lender under the Credit Agreement but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving any Grantor or the Borrower.

SECTION 3. Grantors Remain Liable. Anything herein to the contrary notwithstanding, (a) each Grantor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein to perform all of its respective duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by Agent of any of the rights hereunder shall not release any Grantor from any of its respective duties or obligations under the contracts and agreements included in the Collateral, and (c) neither the Agent nor the Lenders shall have any obligation or liability under the contracts and agreements included in the Collateral by reason of this Agreement, nor shall the Agent or the Lenders be obligated to perform any of the obligations or duties of any Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 4. Representations and Warranties. Each Grantor represents and warrants as follows as of the date hereof and as of the date of each Advance:

(a) All of its Equipment and Inventory is located at the places specified on Schedule 4 (a) hereto. The chief place of business and chief executive office of each Grantor and the office where the Grantor keeps its records concerning the Receivables, and the originals of all chattel paper that evidence Receivables, are located at the address specified in Section 16. None of the Receivables is evidenced by a promissory note or other instrument.

(b) Each Grantor is the legal and beneficial owner of its respective Collateral free and clear of any lien, security interest, option or other charge or encumbrance except for (i) the security interest created by this Agreement, and (ii) any security interests consented to by the Lenders in the Credit Agreement (collectively, the "Permitted Liens"). Other than financing statements with respect to Permitted Liens, no effective financing statement or other document similar in effect covering all or any part of the Collateral is on file in any recording office, except such as may have been filed in favor of the Agent relating to this Agreement.

(c) Each Grantor has exclusive possession and control of its Equipment and Inventory.

(d) Subject to the Permitted Liens, this Agreement creates a valid and perfected first priority security interest in the Collateral, securing the payment of the Obligations, and all filings and other actions necessary or desirable to perfect and protect such security interest have been duly taken or are being taken substantially contemporaneously with the execution and delivery of this Agreement.

(e) No consent of any other Person and no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required (i) for the grant by the Grantors of the security interest granted hereby or for the execution, delivery or performance of this Agreement by the Grantors, (ii) for the perfection or maintenance of the security interest created hereby (including the first priority nature of such security interest) or (iii) for the exercise by the Agent (for the benefit of the Lenders) of its rights and remedies hereunder, in each case, except for (i) filings made or to be made with respect to Agent's security interest in the Collateral, and (ii) those that have been made, obtained or given.

(f) There are no conditions precedent to the effectiveness of this Agreement that have not been satisfied or waived.

(g) Each Grantor has, independently and without reliance upon the Agent or any Lender and based on such documents and information as it has deemed appropriate, made its own decision to enter into this Agreement.

SECTION 5. Further Assurances. (a) Each Grantor agrees that from time to time, at its expense, it will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Agent may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable the Agent (acting for the benefit of the Lenders) to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the

generality of the foregoing, each Grantor will upon such reasonable request: (i) mark conspicuously each item of chattel paper included in the Receivables and each Related Contract and, at the request of the Agent, each of its records pertaining to the Collateral with a legend, in form and substance satisfactory to the Agent, indicating that such document, chattel paper, Related Contract or Collateral is subject to the security interest granted hereby; (ii) if any Receivable shall be evidenced by a promissory note or other instrument or chattel paper, deliver and pledge to the Agent (for the benefit of the Lenders) hereunder such note or instrument or chattel paper duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Agent; and (iii) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Agent may reasonably request, in order to perfect and preserve the security interest granted or purported to be granted hereby.

(b) Each Grantor hereby authorizes the Agent to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Collateral without its signature where permitted by law. A photocopy or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(c) Each Grantor will furnish to the Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Agent may reasonably request, all in reasonable detail.

SECTION 6. As to Equipment and Inventory. (a) Each Grantor shall keep its Equipment and Inventory at the locations referred to on Section 4(a) or, upon 30 days' prior written notice to the Agent, at such other places in the United States of America in jurisdictions where all action required by Section 5 shall have been taken with respect to its Equipment and Inventory.

SECTION 7. As to Receivables. (a) Each Grantor shall keep its chief place of business and chief executive office and the office where it keeps its records concerning the Receivables, and the originals of all chattel paper that evidence Receivables, if any, at the location therefor referred to in Section 4(a) or, upon 30 days' prior written notice to Agent, at any other locations in the United States of America in a jurisdiction where all action required by Section 5 shall have been taken with respect to the Receivables. Each Grantor will hold and preserve such records and chattel paper and will permit representatives of the Agent at any time during normal business hours to inspect and make abstracts from such records and chattel paper. No Grantor shall change its name, identity or corporate structure to such an extent that any financing statement filed in connection with this Agreement would become seriously misleading, unless the Borrower shall have given the Agent at least 30 days prior written notice thereof and prior to effecting any such change, taken such steps, at Borrower's expense, as Agent may deem necessary or desirable to continue the perfecting and priority of the liens in favor of the Agent granted in connection herewith.

(b) Except as otherwise provided in this subsection (b), the Grantor shall continue to collect, at its own expense, all amounts due or to become due the Grantor under the Receivables. In connection with such collections, the Grantor may take (and, at the Agent's direction, shall take) such action as the Grantor or the Agent may reasonably deem necessary

or advisable to enforce collection of the Receivables; provided, however, that the Agent shall have the right at any time, upon the occurrence and during the continuance of an Event of Default or an Unmatured Default and upon written notice to the Grantor of its intention to do so, to notify the account debtors or obligors under any Receivables of the assignment of such Receivables to the Agent and to direct such account debtors or obligors to make payment of all amounts due or to become due to the Grantor thereunder directly to the Agent and, upon such notification and at the expense of the Grantor, to enforce collection of any such Receivables, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Grantor might have done. After receipt by the Grantor of the notice from the Agent referred to in the proviso to the preceding sentence, (i) all amounts and proceeds (including instruments) received by the Grantor in respect of the Receivables shall be received in trust for the benefit of the Agent hereunder, shall be segregated from other funds of the Grantor and shall be forthwith paid over to the Agent in the same form as so received (with any necessary indorsement) to be held as cash collateral and either (A) released to the Grantor so long as no Event of Default shall have occurred and be continuing or (B) if any Event of Default shall have occurred and be continuing, applied as provided by Section 12(b), and (ii) the Grantor shall not adjust, settle or compromise the amount or payment of any Receivable, release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon, except in the ordinary course of business consistent with past practice.

SECTION 8. Transfers and Other Liens. No Grantor may (i) sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any of the Collateral, or (ii) create or permit to exist any lien, security interest, option or other charge or encumbrance upon or with respect to any of the Collateral, except for the security interest under this Agreement and Liens permitted by the Credit Agreement.

SECTION 9. Agent Appointed Attorney-in-Fact. Each Grantor hereby irrevocably appoints Agent such Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor, the Lenders or otherwise, from time to time in the Agent's discretion, upon the occurrence and continuance of an Unmatured Default or an Event of Default to take any action and to execute any instrument which the Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation:

(a) to obtain and adjust insurance required to be paid to the Agent pursuant to Section 7,

(b) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in connection with the Collateral,

(c) to receive, indorse, and collect any drafts or other instruments, documents and chattel paper, in connection therewith, and

(d) to file any claims or take any action or institute any proceedings which the Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Agent or the Lenders with respect to any of the Collateral.

SECTION 10. Agent May Perform. If any Grantor fails to perform any agreement contained herein, the Agent may itself perform, or cause performance of, such agreement, and the expenses of the Agent or the Lenders incurred in connection therewith shall be payable by the Grantors upon demand.

SECTION 11. Agent's Duties. The powers conferred on the Agent hereunder are solely to protect its interest (in its capacity as agent on behalf of the Lenders) in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the exercise of reasonable care in the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which Agent accords its own property.

SECTION 12. Remedies. If any Event of Default shall have occurred and be continuing:

(a) Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the Uniform Commercial Code in effect in the State of New York at that time (the "Code") (whether or not the Code applies to the affected Collateral), and also may (i) require any of the Grantors to, and each of the Grantors hereby agrees that it will at its expense and upon request of Agent forthwith, assemble all or part of the Collateral as directed by the Agent and make it available to Agent at a place to be designated by Agent which is reasonably convenient to both parties and (ii) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Agent's or Lender's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Agent may deem commercially reasonable. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to the applicable Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) Any cash held by Agent as Collateral and all cash proceeds received by the Agent in respect of any sale of, collection from, or other realization upon all or any part of the Collateral may, in the discretion of the Agent, be held by the Agent as collateral for, and/or then or at any time thereafter be applied (after payment of any amounts payable to the Agent or the Lenders pursuant to any indemnity in the Guaranty) in whole or in part by the Agent against, all or any part of the Obligations in such order as the Agent shall elect. Any surplus of such cash or cash proceeds held by the Agent and remaining after payment in full in cash of all the Obligations shall be paid over to the Grantors or to whomsoever may be lawfully entitled to receive such surplus.

SECTION 13. Continuing Security Interest; Assignments under Credit Agreement. This Agreement shall create a continuing assignment of and security interest in the

Collateral and shall (i) remain in full force and effect until the payment in full in cash of the Obligations and all other amounts payable under this Agreement and termination of the Loan Documents (such date, the "Security Termination Date"), (ii) be binding upon each Grantor, and such Grantor's successors and assigns and (iii) inure to the benefit of, and be enforceable by, the Agent and its successors, transferees and assigns. On the Security Termination Date, the security interest granted hereby shall terminate and all rights to the Collateral shall revert to the Grantor. Upon any such termination, the Agent will, at the Grantors' expense, execute and deliver to each Grantor such documents as it shall reasonably request to evidence such termination.

SECTION 14. Security Interest Absolute. The obligations of the Grantor under this Agreement are independent of the Obligations, and a separate action or actions may be brought and prosecuted against the Grantor to enforce this Agreement, irrespective of whether any action is brought against any other Loan Party or whether any other Loan Party is joined in any such action or actions. All rights of the Agent and security interests hereunder, and all obligations of the Grantor hereunder, shall be absolute and unconditional, irrespective of:

(a) any lack of validity or enforceability of any Loan Document or any other agreement or instrument relating thereto;

(b) any change in the time, manner or place of payment of, or in 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 Loan Document, including, without limitation, any increase in the Obligations resulting from the extension of additional credit to any Loan Party or any of its Subsidiaries or otherwise;

(c) any taking, exchange, release or non-perfection of any other collateral, or any taking, release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Obligations;

(d) any manner of application of collateral, or proceeds thereof, to all or any of the Obligations, or any manner of sale or other disposition of any Collateral for all or any of the Obligations or any other assets of any loan Party or any of its Subsidiaries;

(e) any change, restructuring or termination of the corporate structure or existence of any loan Party or any of its Subsidiaries; or

(f) any other circumstance which might otherwise constitute a defense available to, or a discharge of, any Loan Party or a third party grantor of a security interest.

SECTION 15. Revised Article 9. It is the intention of the parties to this Agreement that the priorities and agreements herein contained continue to apply after the enactment by the various States of Revised Article 9 -- Secured Transactions (with conforming amendments to Articles 1, 2, 2a, 4, 5, 6, 7 and 8) to the UCC as approved by The American Law Institute in 1998 and approved and recommended for enactment in all the States by the National Conference of Commissioners for Uniform State Laws in 1998 ("Revised Article 9") and the effectiveness of Revised Article 9 in any State. After the effectiveness of Revised Article 9 in any State governing perfection and the effect of perfection or non-perfection of a

security interest in any Collateral, as to such State and such Collateral, (i) all section references herein to, and all defined terms used herein defined in, Article 9 of the UCC as currently in effect shall be deemed to be to any corresponding Section or definition of Revised Article 9, (ii) if any definition used herein by reference to Revised Article 9 is broader than the corresponding definition used in current Article 9 of the UCC, such broader definition will apply herein.

IN WITNESS WHEREOF, the Grantors have caused this Agreement to be duly executed under seal and delivered by its officer thereunto duly authorized as of the date first above written.

EXHIBIT E

EXHIBIT E

REVOLVING LOAN FACILITY

CLOSING STATEMENT

Closing statement for revolving loan facility in the original principal amount of $550,000,000.00 (the "Loan") to be made by FORD MOTOR CREDIT COMPANY ("Ford Credit" or "Agent"), GENERAL MOTORS ACCEPTANCE CORPORATION ("GMAC"), CHRYSLER FINANCIAL COMPANY, L.L.C. ("Chrysler Financial," and together with Ford Credit, GMAC and any and all other lenders under the Credit Agreement, the "Lender") to ASBURY AUTOMOTIVE GROUP, L.L.C. a Delaware limited liability company ("Borrower"), and guaranteed by each of the following (collectively, "Guarantor"):

NORTH CAROLINA PLATFORM:
- ----------------------

Asbury Automotive North Carolina L.L.C
Asbury Automotive North Carolina Dealership Holdings L.L.C Crown CPG L.L.C.
Crown CHH L.L.C.
Crown GBM L.L.C
Crown CHV L.L.C
Crown GAU L.L.C.
Crown RPG L.L.C.
Crown GKI L.L.C.
Crown RIS L.L.C.
Crown GMI L.L.C.
Crown RIM L.L.C.
Crown GDO L.L.C.
Crown RIB L.L.C.
Crown GNI L.L.C.
Crown RIA L.L.C.
Crown GAC L.L.C.
Asbury Automotive North Carolina Management L.L.C.
Crown GHO L.L.C.
Asbury Automotive North Carolina Real Estate Management L.L.C.
Crown Used Car Mall L.L.C.
Crown FFO Holdings L.L.C.
Crown FFO L.L.C.
Camco Finance L.L.C.

OREGON PLATFORM:
- ---------------

Asbury Automotive Oregon Dealership Holdings L.L.C.
Thomason FRD L.L.C.
Thomason TY L.L.C.
Thomason SUZU L.L.C.
Thomason Hon L.L.C.
Thomason Sub L.L.C.
Thomason HUND L.L.C.
Thomason NISS L.L.C.
Thomason MAZ L.L.C.
Thomason ZUK L.L.C.
Thomason On Canyon L.L.C.
Thomason Auto Credit Northwest, Inc.
Asbury Automotive Oregon Management L.L.C.
Asbury Automotive Oregon Real Estate Management L.L.C.
Thomason Dam L.L.C.
Asbury Automotive North Carolina Real Estate Holdings L.L.C.

ATLANTA PLATFORM:
- -----------------

Asbury Automotive Atlanta L.L.C.
Asbury Atlanta Hon L.L.C.
Asbury Atlanta Chevrolet L.L.C.
Asbury Atlanta LEX L.L.C.
Asbury Atlanta AC L.L.C.

ST. LOUIS PLATFORM:
- -------------------

Asbury Automotive St. Louis L.L.C.
Asbury St. Louis LEX L.L.C.
Asbury St. Louis Cadillac L.L.C.
Asbury St. Louis LR L.L.C.
Asbury St. Louis Gen L.L.C.

TEXAS PLATFORM:
- --------------

Asbury Automotive Texas L.L.C.
Asbury Texas Management L.L.C.
Asbury Automotive Texas Holdings L.L.C.
McDavid Grande L.P.
McDavid Auction L.P.
McDavid Outfitters L.P.
McDavid Houston Hon L.P.
McDavid Houston NISS L.P.
McDavid Houston Kia L.P.
McDavid Irving PG&G L.P.
McDavid Irving ZUK L.P.
McDavid Plano Acura L.P.
McDavid Austin Acura L.P.
McDavid Communications L.P.
McDavid Irving - Hon L.P.
Plano Lincoln-Mercury, Inc.

TAMPA PLATFORM:
- --------------

Asbury Villanova II L.L.C.
Asbury Automotive Tampa GP L.L.C.
Asbury Automotive Tampa L.P.
Asbury Tampa Management L.L.C.
Tampa HUND L.P.
Tampa Kia L.P.
Tampa LM L.P.
Tampa MIT L.P.
Tampa SUZU L.P.
WMZ Motors L.P.
WMZ Brandon Motors L.P.
WTY Motors L.P.
Tampa Pontiac GMC L.P.
Asbury Automotive Brandon L.P.
Precision Enterprises Tampa, Inc.
Precision Nissan, Inc.
Precision Computer Services, Inc
Precision Motorcars, Inc.
Precision Infiniti, Inc.

JACKSONVILLE PLATFORM:
- ---------------------

Asbury Automotive Jacksonville GP L.L.C.
Asbury Automotive Jacksonville L.P.
Asbury Jax Holdings L.P.
Coggin Automotive Corp.
CN Motors Ltd.
CP-GMC Motors Ltd.
CFP Motors Ltd.
Avenues Motors Ltd.
CH Motors Ltd.
CHO Partnership Ltd.
Asbury Automotive Central Fl, L.L.C.
Coggin Starling Chevrolet L.L.C.
Coggin Starling Chevrolet Olds, L.L.C.
Asbury Jax Management L.L.C.
ANL L.P.
Bayway Financial Service L.P.
Coggin Management L.P.
C & O Properties Ltd.
Asbury Deland Imports 2, L.L.C.
Asbury-Deland Imports, L.L.C.
Asbury Automotive Deland, L.L.C.
AF Motors, L.L.C.
ALM Motors, L.L.C.
Coggin Cars L.L.C.
CSA Imports L.L.C.
Coggin Chevrolet L.L.C.

ARKANSAS PLATFORM:
- -----------------

Asbury Villanova V L.L.C.
Asbury Automotive Arkansas L.L.C.
Asbury Automotive Arkansas Dealership Holdings L.L.C.
NP FLM L.L.C.
NP VKW L.L.C.
Prestige TOY L.L.C.
Premier NSN L.L.C.
Premier Lm L.L.C.
Hope FLM L.L.C.
NP MZD L.L.C.
Prestige Bay L.L.C.
Premier PON L.L.C.
Hope CPD L.L.C.
TXK L.L.C.
TXK FRD L.P.
TXK CPD L.P.
Hope FLM L.L.C.
Escude NN L.L.C.
Escude T L.L.C.
Escude M L.L.C.
Escude Ns L.L.C.
Escude D L.L.C.

Asbury Management L.L.C.

Asbury Everest Holdings L.L.C.

The conditions set forth in Section I hereof and the documents set forth in Section II hereof are subject to change and may be added to or otherwise modified by Ford Credit in its sole and absolute discretion as the transaction progresses.

EXHIBIT F

[Form of Officer's Certificate]

OFFICER'S CERTIFICATE

I, the undersigned, hereby certify that I am the _____ of ASBURY AUTOMOTIVE GROUP, L.L.C., a limited liability company duly organized and existing under the laws of the State of Delaware (the "Borrower"). Capitalized terms used herein and not otherwise defined herein are as defined in that certain Credit Agreement dated _____, 2000, between the Borrower and FORD MOTOR CREDIT COMPANY (the "Agent") and each of the lenders as more specifically set forth therein (as amended, restated, supplemented or modified from time to time, the "Credit Agreement").

I further certify that, pursuant to Section 3.2 of the Credit Agreement, as of the date hereof:

1. The representations and warranties of the Borrower contained in Section 4 of the Credit Agreement are true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except for representations and warranties expressly stated to relate to a specific earlier date, in which case such representations and warranties are true and correct in all material respects as of such earlier date;

2. I have reviewed the terms of the Credit Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Borrower and its Subsidiaries during the accounting period covered by the attached financial statements;

3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes and Event of Default or Unmatured Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth below:

Describe nature and status of Event of Default) _____
_____
_____
_____

4. The current outstanding dollar amount of all Off Balance Sheet Liabilities of the Asbury Group is $----------.

IN WITNESS WHEREOF, I hereby subscribe my name on behalf of the Borrower on this _____ day of _____.

Asbury Automotive Group, L.L.C.

By _____

Name _____

Title _____

EXHIBIT G

[form of Waiver, Guaranty and Disbursement Agreement]

WAIVER, GUARANTY AND DISBURSEMENT AGREEMENT

THIS WAIVER, GUARANTY AND DISBURSEMENT AGREEMENT (the "Agreement"), dated as of _____, is made by and among _____ (the "Subsidiary"), _____ (the "Agent") for the lenders (the "Lenders") under the Credit Agreement defined below (the "Agent"), and _____, as borrower ("Borrower").

A. The Borrower, Agent and the Lender have entered into that certain Credit Agreement dated as of _____, (as the same may have been or may be amended, restated or otherwise modified from time to time, the "Credit Agreement") pursuant to which the Lender has agreed to finance the acquisition by the Borrower of automobile dealerships. Unless defined herein to the contrary, all of the defined terms in the Credit Agreement are incorporated herein by reference.

B. The Borrower has entered into a contract under which the Subsidiary will acquire all or substantially all of the tangible and intangible assets (collectively, the "Acquired Assets") of an existing automobile dealership which will then be used by the Subsidiary to operate as a Asbury Dealership. This acquisition has been approved, and will be financed, by the Lender. The Borrower is required by the Credit Agreement to pledge its Capital Stock in the Subsidiary to the Lender. The applicable manufacturer, which must consent to the acquisition by the Borrower or the Subsidiary of the Acquired Assets, has generally consented to the acquisition but has refused to consent to the pledge by the Borrower of the Borrower's Capital Stock in the Subsidiary. The Borrower has requested that the Lender waive its requirement of the pledge, and the Lender is willing to do so on the terms set forth in this Agreement.

Accordingly, the Subsidiary, the Lender and the Borrower, in consideration of the foregoing and other good and valuable consideration, hereby agree as follows:

1. Direct Disbursement; Status as Advance. An Advance in the amount of $_____ (the "Direct Disbursement") has been requested to finance the acquisition of the Acquired Assets. The Direct Disbursement shall be made directly to, or as directed by, the Subsidiary, and shall be used by the Subsidiary to finance the acquisition of the Acquired Assets. The Borrower acknowledges and agrees that the Direct Disbursement is and shall constitute an Advance for all purposes under the Credit Agreement.

2. Waiver of Requirement of Pledge of Capital Stock. The Lender waives the requirement that the Borrower pledge its Capital Stock in the Subsidiary as collateral for the Borrower's obligations to the Lender. In consideration of this waiver, the Borrower shall not pledge the Capital Stock of the Subsidiary to any person other than the Lender for any purpose. Should the applicable manufacturer subsequently allow the pledging by the Borrower to the Lender of the Borrower's Capital Stock in the Subsidiary, the Borrower shall promptly upon the request of the Lender execute and deliver a Borrower Pledge of the Borrower's Capital Stock in the Subsidiary.

3. Conditions Precedent. Unless otherwise waived by the Lender, all of the conditions precedent to an Advance under the Credit Agreement including, without limitation, the execution and delivery by the Subsidiary of a Dealership Guaranty and a Dealership Security Agreement, shall be delivered to the Lender.

4. Acknowledgment of Benefit; Guaranty. The making of the Direct Disbursement will allow the Subsidiary to finance the acquisition of the Acquired Assets, which acquisition clearly constitutes a direct, pecuniary benefit to the Subsidiary. Without limiting the Subsidiary's obligations under the Dealership Guaranty executed or to be executed by the Subsidiary, the Subsidiary hereby (i) guarantees to the Lender prompt payment of the Direct Disbursement in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration or otherwise) strictly in accordance with the terms of the Credit Agreement with respect to the Revolving Credit Obligations and (ii) agrees that if any of the Direct Disbursement is not paid in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration or otherwise), the Subsidiary will promptly pay and perform the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of the Revolving Credit Obligations, the Direct Disbursement will be promptly paid in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

5. Terms Not Changed; General. Unless expressly modified or waived by the terms of this Agreement, all of the terms and conditions of the Credit Agreement and the other Loan Documents shall remain in full force and effect. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute one contract.

IN WITNESS WHEREOF, the Subsidiary, the Borrower and the Agent have each caused this Waiver, Guaranty and Disbursement Agreement to be duly executed by its authorized officers as of the day and year first above written.

EXHIBIT H

[form of Pledged Account Agreement]

PLEDGED ACCOUNT AGREEMENT

THIS PLEDGED ACCOUNT AGREEMENT (this "Agreement") is made and entered into as of this ____ day of _____, 2000, by and among [NAME OF BANK], a national banking association (the "Bank"), [NAME OF ASBURY ENTITY], (a) (an) _____ corporation/limited liability company/limited partnership (the "Company"), and FORD MOTOR CREDIT COMPNY, a Delaware corporation, as agent (the "Agent") for the lenders (collectively, the "Lenders") from time to time party to the Credit Agreement described below.

Pursuant to that certain Credit Agreement dated as of _____ among Asbury Automotive Group L.L.C., a Delaware limited liability company, (the entity which directly or indirectly owns and controls the Company; the "Borrower"), the Lenders and the Agent (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), the Lenders have agreed to make loans and extend other financial accommodations to the Borrower. The Company guarantees the obligations of Borrower under the Credit Agreement pursuant to the terms of a Guaranty (as defined in the Credit Agreement) from the Company to the Agent, for the benefit of the Lenders.

The Company has established deposit accounts with the Bank as more specifically identified on Schedule I attached hereto (collectively the "Pledged Accounts" and each, a "Pledged Account").

The parties hereto desire to enter into this Agreement in order to set forth their relative rights and duties with respect to the Pledged Accounts and all funds on deposit therein from time to time.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. Effectiveness. This Agreement shall take effect immediately upon its execution by all parties hereto and shall supersede any blocked account or similar agreement in effect with respect to any Pledged Account.

2. Security Interest; Agency. As collateral security for all obligations of the Company to the Agent and the Lenders now or hereafter existing under the Company's Guaranty, whether for principal, interest, fees, expenses or otherwise, the Company hereby grants to the Agent, for its own benefit and the ratable benefit of the Lenders, a present and continuing security interest in (a) the Pledged Accounts, (b) all contract rights, claims and privileges in respect of the Pledged Accounts, and (c) all cash, checks, money orders, instruments, all investment property and other items of value of the Company now or hereafter paid, deposited, credited, held (whether for collection, provisionally or otherwise) or otherwise in the possession or under the control of, or in transit to, the Bank or any agent, bailee or custodian

thereof (collectively, "Receipts"), and all proceeds of the foregoing, and the Bank acknowledges that this Agreement constitutes notice of the Agent's security interest in such collateral and does hereby consent thereto. The Agent hereby appoints the Bank as the Agent's bailee and pledgee-in-possession for the Pledged Accounts and all Receipts, and the Bank hereby accepts such appointment and agrees to be bound by the terms of this Agreement. The Company hereby agrees to such appointment and further agrees that the Bank, on behalf of the Agent, shall be entitled to exercise, upon the written instructions of the Agent (without any further consent from the Company), any and all rights which the Agent may have under the Guaranty, the Credit Agreement, the other Loan Documents described therein or under applicable law with respect to the Pledged Accounts, all Receipts and all other collateral described in this paragraph 2; provided, that the Agent and the Company acknowledge that the Bank shall not be obligated to exercise any such rights which the Agent may have except as specifically required under this Agreement. The Bank agrees to comply with instructions originated by the Agent directing disposition of the funds in the Pledged Accounts without further consent by the Company.

3. Control of Pledged Accounts. Each Pledged Account shall be under the sole dominion and control of the Agent and shall be maintained by the Bank in the name of [NAME OF ASBURY ENTITY]; provided, however, that unless and until notice in writing to the contrary is provided by the Agent, in its sole discretion, to the Bank, the Company shall have the right from time to time to write checks against amounts from the Pledged Accounts and to make transfers and withdrawals of funds from the Pledged Accounts. If so directed in such notice (without the need of any further consent from the Company), all checks received by the Bank on or after the second Banking Day (a day on which the Bank is open to conduct its regular banking business, other than a Saturday, Sunday or public holiday) after the Banking Day on which the Bank receives such notice will be returned unpaid to the presenter marked "REFER TO MAKER". The Bank will comply with any written instructions it receives from the Agent (without any further consent from the Company) to transfer immediately all collected funds then on deposit in any or all Pledged Accounts and to close such Pledged Account(s).

4. Statements and Other Information. Upon the Agent's request, the Bank shall provide the Agent with copies of the regular monthly bank statements provided to the Company and such other information relating to each Pledged Account as shall reasonably be requested by the Agent. Bank shall also deliver a copy of all notices and statements required to be sent to Company pursuant to any agreement governing or related to each Pledged Account to the Agent at such times as provided therein.

5. Fees. The Company agrees to pay on demand all usual and customary service charges, transfer fees and account maintenance fees (collectively, "Fees") of the Bank in connection with the Pledged Accounts. In the event the Company fails to timely make a payment to the Bank of any Fees, the Bank may thereafter exercise its right of set-off against the Pledged Accounts for such amounts. The Agent shall not have any responsibility or liability for the payment of any Fees.

6. Set-off; Subordination. The Bank hereby agrees that it will not exercise or claim any right of set-off or banker's lien against any Pledged Account or any Receipts on deposit therein, and Bank hereby further waives any such right or lien which it may have against any Receipts deposited in the Pledged Accounts, except (a) for debits to cover the full amount of any check or other item credited to a Pledged Account and then returned unpaid for any reason, and (b) to the extent expressly set forth in paragraph 5 above. The Bank hereby subordinates any security interest it now has or may hereafter acquire in the Pledged Accounts and/or the Receipts and agrees that the security interest granted to the Agent (for the benefit of the Lenders) pursuant to paragraph 2 of this Agreement shall at all times be prior to any security interest of the Bank in the Pledged Accounts and/or the Receipts. The priorities set forth herein shall apply notwithstanding the time or order of attachment or perfection of any security interest or the rules of priority established under the Uniform Commercial Code as adopted in New York or other applicable law.

7. Exculpation of Bank; Indemnification by Company. The Company and the Agent agree that the Bank shall have no liability to either of them for any loss or damage that either or both may claim to have suffered or incurred, either directly or indirectly, by reason of this Agreement or any transaction or service contemplated by the provisions hereof, unless occasioned by the gross negligence or willful misconduct of the Bank. In no event shall the Bank be liable for losses or delays resulting from computer malfunction, interruption of communication facilities, labor difficulties or other causes beyond the Bank's reasonable control or for indirect, special, punitive or consequential damages. The Company agrees to indemnify the Bank and hold it harmless from and against any and all claims, other than those ultimately determined to be founded on gross negligence or willful misconduct of the Bank, and from and against any damages, penalties, judgments, liabilities, losses or expenses (including reasonable attorney's fees and disbursements) incurred as a result of the assertion of any claim, by any person or entity, arising out of, or otherwise related to, any transaction conducted or service provided by the Bank through the use of any account at the Bank pursuant to the procedures provided for or contemplated by this Agreement.

8. Termination. This Agreement may be terminated by the Company only upon delivery to the Bank of a written notification thereof jointly executed by the Company and the Agent. This Agreement may be terminated by the Agent at any time, with or without cause, upon its delivery of written notice thereof to each of the Company and the Bank. This Agreement may be terminated by the Bank at any time on not less than 60 days prior written notice delivered to each of the Company and the Agent. Upon delivery or receipt of such notice of termination to or by the Bank, the Bank will (without any further consent from the Company): (a) immediately transmit to such account as the Agent may direct (i) all collected funds, if any, then on deposit in, or otherwise to the credit of, each Pledged Account, and (ii) upon receipt, all funds received after such notice for deposit in, or otherwise to the credit of, each Pledged Account; and (b) deliver directly to the Agent all Receipts consisting of checks, money orders, drafts and other instruments or items of value, whether then in the possession of the Bank or received by the Bank after such notice, without depositing such Receipts in any Pledged Account or any other account. The provisions of paragraphs 2, 3 and 6 shall survive termination of this Agreement unless and until specifically released by the Agent in writing. All rights of Bank under paragraphs 5 and 7 shall survive any termination of this Agreement.

9. Irrevocable Agreements. The Company acknowledges that the agreements made by it and the authorizations granted by it in paragraphs 2 and 3 hereof are irrevocable and that the authorizations granted in paragraphs 2 and 3 hereof are powers coupled with an interest and may be exercised by Agent with no need for any authorization by the Company beyond the authorizations as set forth herein.

10. Notices. All notices, requests or other communications given to the Company, Agent or Bank shall be given in writing (including by facsimile) at the address specified below:

Agent:

FORD MOTOR CREDIT COMPANY
The American Road
Dearborn, Michigan 48126
Attention: Stephen Starks
Telephone: (____) _____-_____
Facsimile: (____) _____-_____

Bank:

_____
Attention: _____
Telephone: (____) _____-_____
Facsimile: (____) _____-_____

Company:

_____
c/o Asbury Automotive Group L.L.C.
3 Landmark Square - Suite 500
Stamford, Connecticut 06901
Attention: Brian Kendrick, President & CEO
Telephone: (203) 356-4400
Facsimile: (____) _____-_____

Any party may change its address for notices hereunder by notice to each other party hereunder given in accordance with this paragraph 10. Each notice, request or other communication shall be effective (a) if given by facsimile, when such facsimile is transmitted to the facsimile number specified in this paragraph 10 and confirmation of receipt is made by the appropriate party, (b) if given by overnight courier, 24 hours after such communication is deposited with the overnight courier for delivery, addressed as aforesaid, or (c) if given by any other means, when delivered at the address specified in this paragraph 10.

11. Miscellaneous.

(a) This Agreement may be amended only by a written instrument executed by the Agent, the Bank and the Company acting by their respective duly authorized representatives.

(b) This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, but neither the Company nor the Bank shall be entitled to assign or delegate any of its rights or duties hereunder without first obtaining the express prior written consent of the Agent.

(c) This Agreement may be executed in any number of several counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

(d) THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK (WITHOUT GIVING EFFECT TO ITS CONFLICTS OF LAW RULES).

(e) Revised Article 9. It is the intention of the parties to this Agreement that the priorities and agreements herein contained continue to apply after the enactment by the various States of Revised Article 9 - Secured Transactions (with conforming amendments to Articles 1, 2, 2a, 4, 5, 6, 7, and 8) to the UCC as approved by The American Law Institute in 1998 and approved and recommended for enactment in all the States by the National Conference of Commissioners for Uniform State Laws in 1998 ("Revised Article 9") and the effectiveness of Revised Article 9 in any State. After the effectiveness of Revised Article 9 in any State governing perfection and the effect of perfection or non-perfection of a security interest in a Pledged Account, as to such State and such Pledged Account, (i) all section references herein to, and all defined terms used herein defined in, Article 9 of the UCC as currently in effect shall be deemed to be any corresponding Section or definition of Revised Article 9, (ii) if any definition used herein by reference to Revised Article 9 is broader than the corresponding definition used in current Article 9 of the UCC, such broader definition will apply.

(f) Severability. Any provision in this Agreement that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end, the provisions of this Agreement are declared to be severable.

IN WITNESS WHEREOF, each of the parties has executed and delivered this Agreement as of the day and year first above set forth.

Schedule 1.1.1

[Permitted Existing Indebtedness]

Schedule 1.1.2

[Permitted Existing Investments]

Schedule 1.1.3

[Permitted Existing Liens]

Schedule 1.1.4

[Lender's Commitment]

	"Commitment"
Ford Motor Credit Company	$235,000,000.00
Chrysler Financial Company, L.L.C.	$235,000,000.00
General Motors Acceptance Corporation	$80,000,000.00

Schedule 1.1.5

[Dealership Guarantors]

Schedule 1.1.6

"Existing Asbury Obligations" means, collectively, all outstanding amounts of principal and accrued interest, plus other amounts due and owing on the Effective Date under each of the following obligations:

1.

2.

3.

4.

Schedule 1.1.7

[Pending Acquisitions]

NONE

Schedule 1.1.8

[Subsidiaries not wholly owned]

Schedule 3.1

"Disclosed Litigation"

Schedule 4.8

[Subsidiaries]

Schedule 4.9

[ERISA: employee welfare benefit plans]

NONE

Schedule 5.3 (F)

[Entities with a Minority Holder of Equity Interests]

Jacksonville Platform

Asbury Automotive Central Florida, L.L.C.
Asbury Automotive Deland, L.L.C.
Asbury Deland Imports 2, L.L.C.

3 Total Subsidiaries in Platform

St. Louis Platform

Asbury St. Louis LR L.L.C.

1 Total Subsidiaries in Platform

SCHEDULE 9.3

FORM OF
ASSIGNMENT AND ACCEPTANCE

Reference is made to the Credit Agreement dated as of _____ ____, ____ (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"; the terms defined therein, unless otherwise defined herein, being used herein as therein defined) among _____, a _____ corporation (the "Borrower"), the Lender Parties party thereto, _____, as Administrative Agent for the Lender Parties.

Each "Assignor" referred to on Schedule 1 hereto (each, an "Assignor") and each "Assignee" referred to on Schedule 1 hereto (each, an "Assignee") agrees severally with respect to all information relating to it and its assignment hereunder and on Schedule 1 hereto as follows:

1. Such Assignor hereby sells and assigns, without recourse except as to the representations and warranties made by it herein, to such Assignee, and such Assignee hereby purchases and assumes from such Assignor, an interest in and to such Assignor's rights and obligations under the Credit Agreement as of the date hereof equal to the percentage interest specified on Schedule 1 hereto of all outstanding rights and obligations under the Credit Agreement [Facility or Facilities specified on Schedule 1 hereto]. After giving effort to such sale and assignment, such Assignee's Commitments and the amount of the Advances owing to such Assignee will be as set forth on Schedule 1 hereto.

2. Such Assignor (i) represents and warrants that its name set forth on Schedule 1 hereto is its legal name, that it is the legal and beneficial owner of the interest or interests being assigned by it hereunder and that such interest or interests are free and clear of any adverse claim; (ii) make no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with any Loan Document or the execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with any Loan Document or any other instrument or document furnished pursuant thereto; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Loan Party or the performance or observance by any Loan Party of any of its obligations under any Loan Document or any other instrument or document furnished pursuant thereto; and (iv) attaches the Note or Notes held by such Assignor and requests that the Administrative Agent exchange such Note or Notes for a new Note or Notes payable to the order of such Assignee in an amount equal to the Commitments assumed by such Assignee pursuant hereto or new Notes payable to the order of such Assignee in an amount equal to the Commitments assumed by such Assignee pursuant hereto and such Assignor in an amount equal to the Commitments retained by such Assignor under the Credit Agreement, respectively, as specified on Schedule 1 hereto.

3. Such Assignee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.4 thereof and such other

documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon any Agent, any Assignor or any other Lender Party and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) represents and warrants that its name set forth on Schedule 1 hereto is its legal name; (iv) confirms that it is an Eligible Assignee; (v) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Loan Documents as are delegated to such Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto; (vi) agrees that it will perform in accordance with their terms all of the obligations that by the terms of the Credit Agreement are required to be performed by it as a Lender Party; and (vii) attaches any U.S. Internal Revenue Service forms required under Section 2.12 of the Credit Agreement.

4. Following the execution of this Assignment and Acceptance, it will be delivered to the Administrative Agent for acceptance and recording by the Administrative Agent. The effective date for this Assignment and Acceptance (the "Effective Date") shall be the date of the acceptance hereof by the Administrative Agent, unless otherwise specified on Schedule 1 hereto.

5. Upon such acceptance and recording by the Administrative Agent, as of the Effective Date, (i) such Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender Party thereunder and (ii) such Assignor shall, to the extent provided in this Agreement and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement (other than its rights and obligations under the Loan Documents that are specified under the terms of such Loan Documents to survive the payment in full of the Obligations of the Loan Parties under the Loan Documents to the extent any claim thereunder relates to an event arising prior to the Effective Date of this Assignment and Acceptance) and, if this Assignment and Acceptance covers all of the remaining portion of the rights and obligations of such Assignor under the Credit Agreement, such Assignor shall cease to be a party thereto.

6. Upon such acceptance and recording by the Agent, from and after the Effective Date, the Agent shall make all payments under the Credit Agreement and the Notes in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and commitment fees with respect thereto) to such Assignee. Such Assignor and such Assignee shall make all appropriate adjustments in payments under the Credit Agreement and the Notes for periods prior to the Effective Date directly between themselves.

7. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the State of New York.

8. This Assignment and Acceptance may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of Schedule 1 to this Assignment and Acceptance by telecopier shall be effective as delivery of an original executed counterpart of this Assignment and Acceptance.

IN WITNESS WHEREOF, each Assignor and each Assignee have caused Schedule 1 to this Assignment and Acceptance to be executed by their officers thereunto duly authorized as of the date specified thereon.

Effective Date (if other than date of acceptance by Administrative Agent):

- -------------- -----, ------

Assignors

Assignees

Accepted [and Approved] this _____
day of _____, _____

[NAME OF AGENT],
as Agent

By _____
Title:

[Approved this ____ day
of _____, _____

[NAME OF BORROWER]

By_____
Title:]

[FORM OF SHAREHOLDERS AGREEMENT]

SHAREHOLDERS AGREEMENT dated as of o, o (this "Agreement"), among [NEWCO], a [Delaware] 1 corporation (the "Company"), ASBURY AUTOMOTIVE HOLDINGS L.L.C., a Delaware limited liability company ("AAH"), and the other stockholders listed on the signature pages hereto (collectively, the "Specified Shareholders" and, together with AAH, the "Shareholders").

Preliminary Statements

WHEREAS, the Shareholders were members of Asbury Automotive Group L.L.C., a Delaware limited liability company ("Oldco"), and are parties to the LLC Agreement (as defined below); and

WHEREAS, the LLC Agreement provided for the IPO (as defined below) and the execution of this Agreement by the Shareholders and the Company; and

WHEREAS, the Company, as successor to Oldco 2 , currently intends to consummate the IPO.

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

ARTICLE I

Definitions

SECTION 1.01. Definition of Certain Terms Used Herein. (a) As used herein, the following terms shall have meanings specified below:

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1/ This form of shareholders agreement assumes that Newco will be a Delaware corporation. In the event Newco is formed in another jurisdiction, this form of agreement shall be appropriately modified.

2/ This form of shareholders agreement assumes that all of Oldco's assets and liabilities will be acquired by the Company by merger or otherwise and Oldco will cease to exist. In the event another form of transaction is utilized, this form of agreement shall be appropriately modified.

"Affiliate" shall mean, with respect to any person, any other person that directly or indirectly through one or more intermediaries controls or is controlled by or is under common control with such person. For the purposes of this definition, "control" when used with respect to any particular person, means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"AAH Matter" shall mean any matter brought before a Shareholders Meeting and proposed or sponsored by AAH to be acted upon by the stockholders of the Company at such Shareholders Meeting.

"AAH Nominee" shall mean any person nominated by AAH for election as a director to the Board of Directors.

"beneficial owner" shall have the meaning assigned to such term in Rule 13d-3 under the Exchange Act.

"Blackout Period" shall have the meaning specified in Section 5.01(b).

"Board of Directors" shall mean the Board of Directors of the Company.

"Claims" shall have the meaning specified in Section 5.06(a).

"Common Stock" shall mean the common stock, par value $[ ] per share, of the Company.

"Dealer Nominee" shall mean any person nominated by the holders of a majority of the Shares held by the Specified Shareholders for election as a director to the Board of Directors, provided such person is reasonably acceptable to AAH. AAH agrees that each of the individuals set forth on Schedule I is an acceptable Dealer Nominee so long as such individual continues to be employed by the Company or an Affiliate of the Company.

"Demand Holder" shall mean (i) AAH or (ii) a Majority in Interest of the Specified Shareholders.

"Demand Number" shall mean (i) with respect to AAH, five and (ii) with respect to the Specified Shareholders, two; provided that if a Triggering Event occurs and if the Voting Termination Date has not occurred, the Demand Number with respect to the Specified Shareholders

shall be three; provided, further, that if a Triggering Event is no longer continuing or if the Voting Termination Date occurs, the Specified Shareholders' Demand Number shall revert to two. Each Specified Shareholder shall be deemed to have exercised a Demand Request if a Majority in Interest of the Specified Shareholders make a Demand Request.

"Demand Period" shall have the meaning specified in Section 5.01(a).

"Demand Registration" shall have the meaning specified in Section 5.01(a).

"Demand Request" shall have the meaning specified in Section 5.01(a).

"Directors" shall mean members of the Board of Directors.

"DGCL" shall mean the Delaware General Corporation Law, as amended.

"Effective Period" shall have the meaning specified in Section 5.04(a)(iii).

"Effective Time" shall mean the date on which the IPO is consummated.

"Election Meeting" shall mean any Shareholders Meeting relating to the election of Directors to the Board of Directors.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

"Exercising Demand Holder" shall mean a Demand Holder who has exercised a Demand Request that it is entitled to exercise under the terms of this Agreement (together with any Subsidiary Holder thereof whose shares are included in such Demand Request). If a Majority in Interest of the Specified Shareholders make a Demand Request, each Specified Shareholder participating in such Demand Request shall be deemed an Exercising Demand Holder.

"Governmental Entity" shall mean any Federal, state or local government or any court, administrative or regulatory agency or commission or other governmental authority or agency, domestic or foreign.

"Inspectors" shall have the meaning specified in Section 5.04(a)(iv).

"IPO" shall have the meaning assigned to such term in the LLC Agreement.

"Liens" shall mean any pledges, claims, liens, charges, encumbrances or security interests of any kind or nature whatsoever.

"LLC Agreement" shall mean the Third Amended and Restated Limited Liability Company Agreement of Asbury Automotive Group L.L.C. dated as of February 1, 2000, among AAH and the Specified Shareholders.

"Majority in Interest of the Specified Shareholders" shall mean the Specified Shareholders who, at the time in question, hold (together with their Subsidiary Holders) Shares aggregating more than 50% of all Shares held by all Specified Shareholders (together with their Subsidiary Holders).

"Material Transaction" shall have the meaning specified in Section 5.01(b).

"Maximum Number" shall have the meaning specified in Section 5.02(b).

"Other Holder" shall have the meaning specified in Section 5.02(b).

"Other Matter" shall mean any matter (including the election of directors to the Board of Directors) brought before a Shareholders Meeting and proposed or sponsored by a person other than AAH, to be acted upon by the stockholders of the Company.

"Piggy Back Registration" shall have the meaning specified in Section 5.02(a).

"Piggy Back Request" shall have the meaning specified in Section 5.02(a).

"Records" shall have the meaning specified in Section 5.04(a)(iv).

"Registered Shares" shall have the meaning specified in Section 5.04(a)(xvii).

"Registration" shall have the meaning specified in Section 5.02(a).

"Registration Expenses" shall have the meaning specified in Section 5.05.

"SEC" shall mean the United States Securities and Exchange Commission or any other United States federal agency at the time administering the Securities Act or the Exchange Act, as applicable, whichever is the relevant statute.

"Securities Act" shall mean the Securities Act of 1933 and the rules and regulations thereunder.

"Shareholders Meeting" shall mean (i) any annual or special meeting of the stockholders of the Company or (ii) any action by written consent of the stockholders of the Company.

"Shares" shall mean, with respect to a Shareholder, the shares of Common Stock owned by such Shareholder or any Subsidiary Holder, including any shares of Common Stock acquired by such Shareholder or any subsidiary Holder after the date of this Agreement.

"Subsidiary Holder" shall mean any Affiliate of a Shareholder which has beneficial ownership of any of the Shares while this Agreement is in effect and has executed a counterpart hereto in accordance with Section 7.06 hereof.

"Triggering Event" shall mean (i) the declaration, pronouncement, ruling, order, decision or written opinion of the SEC or a United States federal court that a voting arrangement factually similar to Section 3.01(a) of this Agreement causes all of the Specified Shareholders collectively to constitute a single "affiliate" of the Company for purposes of the sale of Shares by the Specified Shareholders in compliance with the provisions of Rule 144(e)(1) promulgated under the Securities Act or (ii) the Company's refusal to cause stop transfer restrictions to be released or the legends described in Section 7.02 to be removed if the Company has taken the position that the Specified Shareholders collectively constitute a single "affiliate" of the Company. A Triggering Event shall be deemed to continue (i) for so long as such declaration, pronouncement, ruling, order, decision or written opinion remains in effect or is not rescinded, overruled, repealed or superseded or (ii) until the Company either (x) causes stop transfer restrictions to be released and the legends described in Section 7.02 to be removed or (y) ceases to take the position that the Specified Shareholders collectively constitute a single "affiliate" of the Company.

"Voting Termination Date" shall mean the earlier of the date that (i) is the fifth anniversary of the Effective Time, (ii) is two years after the date that AAH and its Subsidiary Holders first are the beneficial owners in aggregate of less than 20% of the outstanding shares of Common Stock or (iii) AAH and its Subsidiary Holders first are the beneficial owners in aggregate of less than 5% of the outstanding shares of Common Stock.

(b) All other terms used herein without definitions shall have the meanings ascribed to such terms in the LLC Agreement.

SECTION 1.02. Usage. The definitions in this Article I shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. All references in this Agreement to Articles, Sections and Exhibits shall be deemed to be references to Articles, Sections and Exhibits of or to this Agreement, unless the context shall otherwise require. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", regardless of whether such phrase so appears.

ARTICLE II

Representations and Warranties

SECTION 2.01. Representations and Warranties of the Company. The Company hereby represents and warrants to each other party that it is a corporation duly organized and validly existing under the laws of the State of Delaware and has all requisite corporate power and authority to execute and deliver this Agreement, to carry out the provisions hereof and to perform its obligations hereunder. The execution, delivery and performance by the Company of its obligations under this Agreement and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company. This Agreement has been duly and validly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms.

SECTION 2.02. Representations and Warranties of the Shareholders. Each Shareholder hereby represents and warrants to the Company and each other Shareholder that this Agreement has been duly and validly executed and delivered by such Shareholder and constitutes the legal, valid and

binding obligation of such Shareholder, enforceable against it in accordance with its terms.

ARTICLE III

Voting

SECTION 3.01. Agreement to Vote. (a) At each and every Shareholders Meeting held after the Effective Time and prior to the Voting Termination Date, each Specified Shareholder hereby agrees (x) if any annual or special meeting of the stockholders of the Company is held, to appear at such meeting or otherwise cause its Shares to be counted as present thereat for purposes of establishing a quorum, and to vote or (y) to act by written consent with respect to (or cause to be voted or acted upon by written consent), (i) all Shares for which such Specified Shareholder or any Subsidiary Holder thereof is the record holder or beneficial owner at the time of such vote or action by written consent and (ii) all Shares as to which such Specified Shareholder or any Subsidiary Holder thereof at the time of such vote or action by written consent has voting control, in each case:

(A) In favor of:

(i) All of the AAH Nominees;

(ii) Any AAH Matter; and/or

(iii) Any Other Matter, only if AAH has informed (by oral or written notice) the Specified Shareholders that AAH intends to vote in favor of such Other Matter; and

(B) Against:

(i) The election of any person or persons nominated in opposition to the AAH Nominees;

(ii) Any matter brought before such Shareholders Meeting to be acted upon by the shareholders of the Company that is in opposition to an AAH Matter; and/or

(iii) Any Other Matter, only if AAH has informed (by oral or written notice) the Specified Shareholders that AAH intends to vote against such Other Matter.

(b) At each and every Shareholders Meeting held after the Effective Time and prior to the Voting Termination Date, each Shareholder hereby agrees (x) if any annual or special meeting of the stockholders of the Company is held, to appear at such meeting or otherwise cause its Shares to be counted as present thereat for purposes of establishing a quorum, and to vote or (y) act by written consent with respect to (or cause to be voted or acted upon by written consent), (i) all Shares for which such Shareholder or any Subsidiary Holder thereof is the record holder or beneficial owner at the time of such vote or action by written consent and (ii) all shares as to which such Shareholder or any Subsidiary Holder thereof at the time of such vote or action by written consent has voting control, in each case in favor of (A) at least one Dealer Nominee if the total number of Directors (excluding Directors that are employees of the Company) on the Board of Directors at the time of such Shareholders Meeting is less than seven and at least two Dealer Nominees if such number of Directors is more than six and (B) against the election of any person or persons nominated in opposition to such Dealer Nominee(s).

SECTION 3.02. Financial and Other Information. Each Shareholder shall be entitled to receive, and the Company shall provide to such Shareholder (i) quarterly unaudited financial statements and reports, (ii) annual audited financial statements and reports, (iii) budgets and financial plans and (iv) such other data relating to the business, affairs, prospects or condition (financial or otherwise) of the Company as is available to the Company that (A) such Shareholder may reasonably request so long as such Shareholder is the record holder or beneficial owner of at least 5% of the outstanding shares of Common Stock or (B) such Shareholder is, or is controlled by, one of the individuals listed on Schedule I hereto.

SECTION 3.03. Grant of Irrevocable Proxy. In the event that any Specified Shareholder shall fail at any time to vote or act by written consent with respect to any of such Specified Shareholder's Shares as agreed by such Specified Shareholder in this Agreement, such Specified Shareholder hereby irrevocably grants to and appoints AAH (and any officer of AAH or each of them individually), such Specified Shareholder's proxy and attorney-in-fact (with full power of substitution), for and in the name, place and stead of such Specified Shareholder, to vote, act by written consent or grant a consent, proxy or approval in respect of such Shares with respect to such vote or action by written consent exclusively as agreed by such Specified Shareholder in this Agreement. Each Specified Shareholder hereby affirms that any such irrevocable proxy set forth in this

Section 3.03 is given in connection with the consummation of the IPO and that such irrevocable proxy is given to secure the performance of obligations of such Specified Shareholder under this Agreement. Each such Specified Shareholder hereby further affirms that any such proxy hereby granted shall be irrevocable and shall be deemed coupled with an interest, in accordance with Section 212(e) of the DGCL. Each Specified Shareholder agrees to execute and deliver any further powers of attorney, consents, proxies or other agreements necessary or appropriate to give effect to this Section 3.03. This Section 3.03 shall terminate upon the occurrence of the Voting Termination Date.

SECTION 3.04. Certain Actions. Each Shareholder agrees that it will, and will cause its subsidiaries and Affiliates to, take all action as a stockholder of the Company or as is otherwise within its control as are necessary to give effect to the provisions of this Agreement and to perform, pay and satisfy all of their respective obligations and liabilities hereunder as and when due.

ARTICLE IV

Covenants

SECTION 4.01. Lock-Up. Each Specified Shareholder hereby agrees that, without the prior written consent of the Company, it will not, during the period ending two years 3 after the Effective Time (the "Lock-Up Period"), (i) offer, pledge, sell, assign, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any of its Shares or any securities convertible into or exercisable or exchangeable for Common Stock or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash, property or otherwise (any action

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3/ The Company agrees to use reasonable efforts to assist the Dealers in negotiating with the underwriters of the IPO for a shorter lock-up period to the extent a shorter "lock-up period" is customary for initial public offerings such as the IPO. If the underwriters of the IPO agree to a shorter "lock-up period", such shorter period shall be the Lock-Up Period for purposes of this Section 4.01.

prohibited by the foregoing clauses (i) or (ii), a "Transfer") except that a Specified Shareholder (x) 180 days or more following the Effective Time, may Transfer any of its Shares to (A) a person, other than a charity or a trust for the benefit of a charity, that is a Permitted Transferee (as defined in clauses (ii) or (iii) of the definition of "Permitted Transferee" in the LLC Agreement) or (B) a charity or a trust for the benefit of a charity solely controlled by such Specified Shareholder so long as during the Lock-Up Period such Specified Shareholder does not Transfer in aggregate pursuant to this clause (x)(B) more than 15% of the Shares it held at the Effective Time, (y) 180 days or more following the Effective Time, may pledge Shares to a lender solely in connection with a recourse loan to such Specified Shareholder so long as the aggregate principal amount of such recourse loan does not exceed 20% of the fair market value (determined at the time such recourse loan is made) of the Shares that such Specified Shareholder pledges as security for such recourse loan pursuant to this clause (y) and (z) may pledge Shares solely to the extent the pledge of such Shares is in substitution for and to the same Lender as a pledge by such Specified Shareholder prior to the Effective Time of all or a portion of its equity interest in the Company or the predecessor entity of the Company, as applicable, and such prior pledge complied with Section 7.01(c)(iv) of the LLC Agreement; provided that each transferee pursuant to the foregoing clauses (x), (y) and (z) prior to such Transfer shall agree in writing in a form reasonably acceptable to the Company to be bound by this Section 4.01. In addition, each Specified Shareholder agrees that, without the prior written consent of the Company, it will not during the Lock- Up Period exercise any right available to it under Article V of this Agreement with respect to the registration of any shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock. Each Specified Shareholder agrees to enter into a "lockup" agreement with the underwriters of the IPO for a term equal to the Lock-Up Period and that otherwise is substantially the same as this Section 4.01.

SECTION 4.02. Noncompetition. This Section 4.02 applies to each employee of the Company or any subsidiary of the Company who owns Shares, whether directly or indirectly, in the Company who is a Specified Shareholder of the Company or is the beneficial owner of interests in a Specified Shareholder of the Company (or a Subsidiary Holder thereof) and is not bound by a non-competition restriction contained in a consulting or employment agreement between such employee and the Company or any of its subsidiaries (each, a "Management Employee"); provided, however, that this

Section 4.02 shall not apply to any Management Employee that is an Affiliate of AAH (including for this purpose any member of the Board of Directors who was an AAH Nominee). Each Management Employee shall agree in writing (or if a party to this Agreement, hereby agrees) that following any termination of his employment by the Company or a subsidiary thereof "for cause" or his voluntary resignation from such employment (a) he shall not compete, directly or indirectly (including as an employee, proprietor, owner, partner, shareholder, member, joint venturer or agent of, or as a consultant to, any person or entity which competes), with the retail motor vehicle business of the Company or any of its subsidiaries within 50 miles of any motor vehicle dealership owned by the Company or any of its subsidiaries where such Management Employee worked during the year prior to the termination of his employment and (b) he shall not violate Section 4.03 (with respect to each Management Employee, a "Non-Compete Covenant"). A Management Employee's Non-Compete Covenant shall become effective on the date that such Management Employee's employment by the Company or a subsidiary thereof terminates and shall terminate on the first anniversary of such date. The Company shall not be obligated to provide any Specified Shareholders with the benefit of any of the Company's obligations under Section 4.01 or Article V unless each Management Employee that is a direct or indirect beneficial owner of such Specified Shareholder has provided the Company with such written agreement in a form reasonably satisfactory to the Company.

SECTION 4.03. Nonsolicitation. No Specified Shareholder (or if such Specified Shareholder is not a natural person, any natural person that owns a beneficial interest in such Specified Shareholder or a Subsidiary Holder thereof) shall, during the time such Specified Shareholder is a Specified Shareholder and for one (1) year after such Specified Shareholder ceases to be a Specified Shareholder or such natural person ceases to own a beneficial interest in such Specified Shareholder or a Subsidiary Holder thereof, (i) directly or indirectly employ, solicit, entice or encourage to leave the employ of the Company or any of its subsidiaries, any person who is, or at any time during the preceding twelve months was, employed by, or otherwise engaged to perform services for, the Company or any of its subsidiaries or (ii) otherwise intentionally interfere with the relationship of the Company or any of its subsidiaries with any person who is employed by or otherwise engaged to perform services for the Company or any of its subsidiaries; provided, however, that the restrictions set forth in this Section 4.03 shall not apply to AAH, any Affiliate of AAH or to any Specified Shareholder

or natural person who is bound by a non-solicitation restriction contained in a consulting or employment agreement between such Member or natural person or the Company or its subsidiaries.

ARTICLE V

Registration Rights

SECTION 5.01. Demand Registrations. (a) Any time following the Effective Time and prior to the date on which the Company shall have obtained a written opinion of legal counsel reasonably satisfactory to each Demand Holder and addressed to the Company and such Demand Holder to the effect that the Shares may be publicly offered for sale in the United States by such Demand Holder or any Subsidiary Holder thereof without restriction as to manner of sale and amount of securities sold and without registration or other restriction under the Securities Act (such period, the "Demand Period"), such Demand Holder shall have the right on a number of occasions equal to the Demand Number for such Demand Holder to require the Company to file a registration statement under the Securities Act in respect of all or a portion of the Shares then held by such Demand Holder and any Subsidiary Holder thereof (so long as such request covers at least 1% of the shares of Common Stock then outstanding), by delivering to the Company written notice stating that such right is being exercised, specifying the number of the Shares to be included in such registration and describing the intended method of distribution thereof (a "Demand Request"). In the case of any Demand Holder other than AAH, (i) such Demand Holder may not make a Demand Request during the Lock-Up Period, (ii) such Demand Holder may only make one Demand Request during each successive one- year period following the termination of the Lock-Up Period and (iii) the first Demand Request made by such Demand Holder shall be limited with respect to each applicable Exercising Demand Holder to a number of Shares that is less than or equal to 50% of the number of Shares owned at such time by such Exercising Demand Holder and any Subsidiary Holder thereof; provided that such Exercising Demand Holders may not in aggregate register pursuant to such Demand Request more than 20% of the aggregate number of Shares owned at such time by the Specified Shareholders and any Subsidiary Holders thereof (the "Share Limit"); provided, further, that if the aggregate number of Shares that such Exercising Demand Holders have included in their Demand Request exceeds the Share Limit, the Shares of each Exercising Demand Holder requesting the registration of more than 20% of the aggregate number of Shares owned at such

time by such Exercising Demand Holder and any Subsidiary Holder thereof (with respect to each Exercising Demand Holder, its "20% Limit") shall be excluded from the Demand Requests, to the extent necessary to comply with the Share Limit, on a pro rata basis according to the total number of Shares requested to be registered by all such Exercising Demand Holders until the Demand Request of each such Exercising Demand Holder has been reduced to (and not below) its 20% Limit. As promptly as practicable, but in no event later than forty-five (45) days after the Company receives a Demand Request, the Company shall file with the SEC and thereafter use its reasonable best efforts to cause to be declared effective promptly a registration statement (a "Demand Registration") providing for the registration of such number of Shares as such Exercising Demand Holder(s) shall have demanded be registered for distribution in accordance with such intended method of distribution.

(b) Anything in this Agreement to the contrary notwithstanding, the Company shall be entitled to postpone and delay, for a reasonable period of time, not to exceed forty-five (45) days in the case of clauses (i) and (ii) below, or fifteen (15) days in the case of clause (iii) below (each, a "Blackout Period"), the filing of any Demand Registration if the Company shall determine that any such filing or the offering of any Shares would (i) in the good faith judgment of the Board, unreasonably impede, delay or otherwise interfere with any pending or contemplated material acquisition, corporate reorganization or other material matter involving the Company (each, a "Material Transaction"), (ii) based upon advice from the Company's investment banker or financial advisor, materially adversely affect any pending or contemplated financing, offering or sale of any class of securities by the Company, or (iii) in the reasonable and good faith judgment of the Board require disclosure of material non-public information (other than information relating to an event described in clause (i) or (ii) of this subsection (b)) which, if disclosed at such time, would be materially harmful to the interests of the Company and its stockholders; provided, however, that in the case of a Blackout Period pursuant to clause (i) or (ii) above, the Blackout Period shall earlier terminate upon the completion or abandonment of the relevant securities offering or sale, financing, acquisition, corporate reorganization or other similar material transaction; and provided, further, that in the case of a Blackout Period pursuant to clause (iii) above, the Company shall give written notice of its determination to postpone or delay the filing of any Demand Registration and in the case of clause (iii) above, the Blackout Period shall earlier terminate upon public disclosure by the Company or public admission by

the Company of such material non-public information or such time as such material non-public information shall be publicly disclosed without breach by the Exercising Demand Holder(s) of the penultimate sentence of this subsection (b); and provided, further, that in the case of a Blackout Period pursuant to clause (i), (ii) or (iii) above, the Company shall furnish to the Exercising Demand Holder(s) a certificate of an executive officer of the Company to the effect that an event permitting a Blackout Period has occurred. Notwithstanding anything herein to the contrary, the Company shall not exercise pursuant to clause (i), (ii), or (iii) of the preceding sentence the right to postpone or delay the filing of any Demand Registration for an aggregate period of more than ninety (90) days in any twelve (12) month period. Upon notice by the Company to each Exercising Demand Holder of any such determination, such Exercising Demand Holder covenants that it shall keep the fact of any such notice strictly confidential, and, in the case of a Blackout Period pursuant to clause (iii) above or Section 5.01(c) below, promptly halt any offer, sale, trading or transfer by it or any of its Affiliates of any Common Stock for the duration of the Blackout Period set forth in such notice (or until such Blackout Period shall be earlier terminated in writing by the Company) and promptly halt any use, publication, dissemination or distribution of the Demand Registration, each prospectus included therein, and any amendment or supplement thereto by it and any of its Affiliates for the duration of the Blackout Period set forth in such notice (or until such Blackout Period shall be earlier terminated in writing by the Company) and, if so directed by the Company, will deliver to the Company any copies then in such Exercising Demand Holder's possession of the prospectus covering such Shares, that was in effect at the time of receipt of such notice. After the expiration of any Blackout Period and without further request from any Demand Holder, the Company shall effect the filing of the relevant Demand Registration and shall use its reasonable best efforts to cause any such Demand Registration to be declared effective as promptly as practicable unless such Demand Holder shall have, prior to the effective date of such Demand Registration, withdrawn in writing its initial request, in which case such withdrawn request shall not constitute a Demand Registration for purposes of determining the number of Demand Registrations to which such Demand Holder is entitled under this Agreement.

(c) Anything in this Agreement to the contrary notwithstanding, in case a Demand Registration has been filed, if a Material Transaction has occurred, the Company may cause such Demand Registration to be withdrawn and its effectiveness terminated or may postpone amending or

supplementing such Demand Registration for a reasonable period of time, not to exceed forty-five (45) days; provided, however, that in no event shall a Demand Registration so withdrawn by the Company count for the purposes of determining the number of Demand Registrations to which the applicable Demand Holder is entitled under Section 5.01(a); provided further that the Company shall not so withdraw or terminate a Demand Registration Statement more than one time or postpone or delay amending or supplementing any Demand Registration Statements for an aggregate period of more than ninety (90) days during any twelve (12) month period.

(d) A Demand Holder may withdraw a Demand Request in circumstances including, but not limited to, the following: if (i) the Company is in material breach of its obligations hereunder and has not cured such breach after having received notice thereof and a reasonable opportunity to do so or (ii) the withdrawal occurs during a Blackout Period. Any Demand Request withdrawn (x) pursuant to subsection (d)(ii) prior to such Demand Registration becoming effective or (y) pursuant to subsection (d)(i) shall not constitute a Demand Registration for the purposes of determining the number of Demand Registrations to which such Demand Holder is entitled under Section 5.01(a).

(e) Subject to Section 5.02, the Company may elect to include in any registration statement filed pursuant to this Section 5.01 any Common Stock to be issued by it or held by any of its subsidiaries or by any other shareholders only to the extent such Common Stock is offered and sold pursuant to, and on the terms and subject to the conditions of, any underwriting agreement or distribution arrangements entered into or effected by the applicable Demand Holder and only to the extent the managing underwriter thereof does not reasonably and in good faith advise each applicable Exercising Demand Holder prior to the consummation of any Demand Registration that the inclusion in such registration statement of any such Common Stock to be issued by the Company or sold by any of its subsidiaries or any other shareholder will not create a substantial risk that the price per share of Common Stock that the Exercising Demand Holder(s) will derive from such Demand Registration will be materially and adversely affected or that the number of shares of Common Stock sought to be registered (including any shares of Common Stock sought to be registered at the request of the Company and any other shareholder and those sought to be registered by such Exercising Demand Holder(s)) is a greater number than can be reasonably sold.

(f) The managing underwriter for any Demand Registration shall be selected by the Demand Holder exercising the Demand Request, provided that such managing underwriter or underwriters shall be of recognized national standing.

SECTION 5.02. "Piggy-Back" Registrations. (a) Subject to Section 4.01, if, at any time following the Effective Time, the Company proposes to register any Common Stock under the Securities Act, whether or not for sale for its own account, on a registration statement on Form S-1, Form S-2 or Form S-3 (or any equivalent general registration form then in effect) for purposes of a primary offering, secondary offering (including any Demand Registration) or combined offering of such Common Stock, the Company shall give prompt written notice to each Shareholder of its intention to do so. Such notice shall specify, at a minimum, the number of shares of Common Stock so proposed to be registered, the proposed date of filing of such registration statement, any proposed means of distribution of such Common Stock, any proposed managing underwriter or underwriters of such offering and a good faith estimate by the Company of the proposed maximum offering price thereof, as such price is proposed to appear on the facing page of such registration statement. Upon the written direction of a Shareholder (a "Piggy-Back Request"), given within thirty (30) business days following the receipt by such Shareholder of any such written notice (which direction shall specify the number of the Shares intended to be disposed of by such Shareholder or any Subsidiary Holder thereof), the Company shall include in such registration statement (a "Piggy-Back Registration" and, collectively with a Demand Registration, a "Registration"), subject to the provisions of Section 5.02 hereof, such number of the Shares as shall be set forth in any such Piggy-Back Request delivered by a Shareholder.

(b) In the event that the Company proposes to register Common Stock in connection with an underwritten offering and a nationally recognized independent investment banking firm selected by the Company or a Demand Holder to act as managing underwriter thereof reasonably and in good faith shall have advised the Company, any holder of Common Stock (including a Demand Holder if it has made a Demand Request) intending to offer such Common Stock in a secondary offering or combined offering (each, an "Other Holder") or any Shareholder who submitted a Piggy-Back Request in writing that, in its opinion, the inclusion in the registration statement of some or all of the Shares sought to be registered by any such Shareholder making a Piggyback Request creates a substantial risk that the price per share of Common Stock that the Company or any Other Holder will

derive from such registration will be materially and adversely affected or that the number of shares of Common Stock sought to be registered (including any shares of Common Stock sought to be registered at the request of the Company and any Other Holder and those sought to be registered by any such Shareholder making a Piggyback Request) is a greater number than can reasonably be sold, the Company shall include in such registration statement such number of shares of Common Stock as the Company, any Other Holder and any such Shareholder making a Piggyback Request are so advised can be sold in such offering without such an effect (the "Maximum Number") as follows and in the following order of priority: (A) first, in the case of a secondary or combined offering, if a Demand Holder has made a Demand Request, such number of shares of Common Stock as each applicable Exercising Demand Holder intended to be registered and sold by it (subject to any limitation pursuant to Section 5.01(a) on the number of Shares that may be registered under such Demand Request by such Exercising Demand Holder), provided that if such number exceeds the Maximum Number, the shares of Common Stock of such Shareholders will be excluded on a pro rata basis according to the total number of Shares requested to be registered by such persons (after giving effect to any limitation pursuant to Section 5.01(a)), (B) second, in the case of a secondary or combined offering, if an Other Holder (other than such Exercising Demand Holder(s)) has exercised a similar demand registration right and if to the extent that such number of shares of Common Stock to be registered under clause (A) is less than the Maximum Number, such number of shares of Common Stock as the Other Holder intended to be registered and sold by it which, when added to the number of shares of Common Stock to be registered under clause (A), is less than or equal to the Maximum Number, (C) third, in the case of a primary or combined offering and if and to the extent that such number of shares of Common Stock to be registered under clauses (A) and (B) is less than the Maximum Number, such number of shares of Common Stock as the Company intended to be registered and sold by the Company which, when added to the number of shares of Common Stock to be registered under clauses (A) and (B), is less than or equal to the Maximum Number, and (D) fourth, in the case of a secondary or combined offering and if and to the extent that the number of shares of Common Stock to be registered under clauses (A) , (B) and (C) is less than the Maximum Number, such number of shares of Common Stock as the Shareholders who submitted Piggy-Back Requests shall have intended to register which, when added to the number of shares of Common Stock to be registered under clauses (A), (B), (C) and (D), is less than or equal to the Maximum Number; provided that if such number exceeds the Maximum Number, the shares of Common Stock of

such Shareholders will be excluded on a pro rata basis according to the total number of Shares requested to be registered by such persons.

(c) No Piggy-Back Registration effected under this Section 5.02 shall be deemed to have been effected pursuant to Section 5.01 hereof or shall release the Company of its obligations to a Demand Holder to effect any Demand Registration upon request as provided under Section 5.01 hereof.

(d) Notwithstanding any request under this Section 5.02, each Shareholder who submitted a Piggy-Back Request may elect in writing to withdraw its request for inclusion of its Shares in any registration statement provided, however, that (i) such request must be made in writing prior to the earlier of the execution of the underwriting agreement or the execution of the custody agreement with respect to such registration and (ii) such withdrawal shall be irrevocable and, after making such withdrawal, any such Shareholder shall no longer have any right to include Shares in the registration as to which such withdrawal was made.

(e) If, at any time after giving written notice of its intention to register any Common Stock and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register or to delay registration of such Common Stock, the Company may, at its election, give written notice of such determination to each Shareholder who submitted a Piggy-Back Request and (i) in the case of a determination not to register, shall be relieved of its obligation to register any Shares in connection with such abandoned registration, without prejudice, however, to the rights of an Exercising Demand Holder under Section 5.01 and (ii) in the case of a determination to delay such registration of the Company's Common Stock, shall be permitted to delay the registration of such Shares for the same period as the delay in registering such other Common Stock.

(f) If, as a result of the proration provisions of this Section 5.02, each Shareholder who submitted a Piggy-Back Request shall not be entitled to include all Shares in a registration that each such Shareholder has requested to be included, each such Shareholder may elect to withdraw his request to include Shares in such registration or may reduce the number of Shares requested to be included, provided that the same limitations in subsection (d) shall apply.

SECTION 5.03. Additional Agreements. Anything in this Agreement to the contrary notwithstanding, if at any time the Company shall obtain a written opinion of legal counsel reasonably satisfactory to AAH and addressed to the Company and the Shareholders to the effect that the Shares may be publicly offered for sale in the United States by each Shareholder or any Subsidiary Holder without restriction as to manner of sale and amount of securities sold and without registration or other restriction under the Securities Act, the Company shall no longer be obligated to file or maintain a registration statement with respect to the Shares pursuant to this Agreement. In such case, the Company shall issue to each Shareholder certificates representing the Shares without any legend restricting transfer and shall remove all stop transfer orders relating to the Shares.

SECTION 5.04. Registration Procedures. (a) In connection with each registration statement prepared pursuant to this Agreement, and in accordance with the intended method or methods of distribution of the Shares as described in such registration statement, the Company shall, as soon as reasonably practicable (and, in any event, subject to the terms of this Agreement, including, without limitation, Section 5.01(a), at or before the time required by applicable laws and regulations):

(i) prepare and file with the SEC a registration statement on an appropriate registration form of the SEC, with respect to such Shares, which form shall be selected by the Company with the Shareholder's reasonable consent, and use its reasonable best efforts to cause such registration statement to become and remain effective promptly; provided that before filing a registration statement or prospectus or any amendments or supplements thereto, the Company will furnish to one counsel selected by the Demand Holder exercising the Demand Request and one counsel to the Shareholders selling under a Piggy-Back Registration, and the sales or placement agent or agents, if any, for the Shares and the managing underwriter or underwriters, if any, draft copies of all such documents proposed to be filed at least seven (7) days prior to such filing, which documents will be subject to the reasonable review of the Shareholders, the sales or placement agent or agents, if any, for the Shares and the managing underwriter or underwriters, if any, and their respective agents and representatives and the Company will not file any Demand Registration or amendment thereto or any prospectus or any supplement

thereto to which such Demand Holder exercising such Demand Request shall reasonably object in writing;

(ii) furnish without charge to the Shareholders, the sales or placement agent or agents, if any, and the managing underwriter or underwriters, if any, such number of copies of such registration statement and of each amendment and supplement thereto (in each case including all exhibits), such number of copies of the summary, preliminary, final, amended or supplemented prospectuses included in such registration statement in conformity with the requirements of the Securities Act and any regulations promulgated thereunder and (upon the reasonable request by the Shareholders) any documents incorporated therein by reference and such other documents as the Shareholders may reasonably request in order to facilitate the public sale or other disposition of such Shares (the Company hereby consenting to the use in accordance with all applicable law of the prospectus or any amendment or supplement thereto by the Shareholders in connection with the offering and sale of the Shares covered by the prospectus or any amendment or supplement thereto);

(iii) use its reasonable best efforts to keep such registration statement effective for at least 180 days (not counting any period that such registration statement is not effective pursuant to Section 5.01(c)) (the "Effective Period"); prepare and file with the SEC such amendments, post-effective amendments and supplements to the registration statement and the prospectus as may be necessary to maintain the effectiveness of the registration for the Effective Period and to cause the prospectus (and any amendments or supplements thereto) to be filed pursuant to Rules 424 and 430A under the Securities Act and/or any successor rules that may be adopted by the SEC, as such rules may be amended from time to time; and comply with the provisions of the Securities Act with respect to the disposition of all Shares covered by such registration statement during the applicable period in accordance with the intended method or methods of distribution thereof, as specified in writing by the Shareholder;

(iv) except during any Blackout Period, make available for inspection by the Shareholders or by any underwriter, attorney, accountant or other agent retained by the Shareholders (collectively, the "Inspectors") financial and other records and pertinent corporate documents of the Company (collectively, the

"Records"), provide the Inspectors with opportunities to discuss the business of the Company with its officers and provide opportunities to discuss the business of the Company with the independent public accountants who have certified its most recent annual financial statements, in each case to the extent customary for transactions of the size and type intended, as specified by the Shareholders, but only to the extent reasonably necessary to enable each Shareholder or any underwriter retained by the Shareholders to conduct a "reasonable investigation" for purposes of Section 11(a) of the Securities Act. Records which the Company determines, in good faith, to be confidential and which it notifies the Inspectors are confidential shall not be disclosed by the Inspector unless (A) the disclosure of such Records is necessary to avoid or correct a misstatement of a material fact or omission to state a material fact in the Registration, (B) the disclosure of such Records is required by any court or governmental body with jurisdiction over any of the Shareholders or Inspector or (C) all of the information contained in such Records has been made generally available to the public. Each Shareholder agrees that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction or by any governmental body, promptly give prior notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of those Records deemed confidential;

(v) if requested by (i) a Demand Holder exercising a Demand Request, use reasonable best efforts to participate in and assist with a "road show" and other customary marketing efforts in connection with the sale of Shares pursuant to such registration statement, at such times and in such manner as the Company and such Demand Holder mutually may determine (and as do not unreasonably interfere with the Company's operations); provided that the executives of the Company shall not be required to participate in a "road show" unless the proposed aggregate offering price of the Shares being sold pursuant to such registration statement equals or exceeds $35,000,000 and (ii) a Demand Holder executing a block trade, use reasonable best efforts to assist with such block trade, at such times and in such manner as the Company and such Demand Holder mutually may determine (and as do not unreasonably interfere with the Company's operations);

(vi) use its reasonable best efforts to register or qualify the Shares covered by such registration statement under such other securities or "blue sky" laws of such jurisdictions in the United States as the Shareholders shall reasonably request, keep such registrations or qualifications in effect for so long as the registration statement remains in effect, and do any and all other acts and things which may be reasonably necessary to enable the Shareholders or any underwriter to consummate the public sale or other disposition of the Shares in such jurisdictions; provided, however, that in no event shall the Company be required to qualify to do business as a foreign corporation in any jurisdiction where it is not so qualified; to execute or file any general consent to service of process under the laws of any jurisdiction; to take any action that would subject it to service of process in suits other than those arising out of the offer and sale of the Shares covered by the registration statement; or to subject itself to taxation in any jurisdiction where it would not otherwise be obligated to do so, but for this paragraph (vii);

(vii) use its reasonable best efforts to cause the Shares to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the Shareholders to consummate the public sale or other disposition of the Shares;

(viii) use its reasonable best efforts to cause all Shares covered by such registration statement to be approved for listing on a national securities exchange or approved for trading on a national interdealer quotation system or listed on the securities exchanges on which similar securities issued by the Company are then listed or traded;

(ix) promptly notify each Shareholder whose Shares are covered by a Registration, at any time when a prospectus relating to any of the Shares covered by such registration statement is required to be delivered under the Securities Act, of the Company's becoming aware that the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and, at the request of the Demand Holder exercising the Demand Request, promptly prepare and furnish to the

Shareholders a reasonable number of copies of a prospectus supplemented or amended so that, as thereafter delivered to the purchasers of such Shares, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

(x) promptly notify the Shareholders whose Shares are covered by a Registration, the sales or placement agent or agents, if any, for the Shares and the managing underwriter or underwriters, if any, thereof, after becoming aware thereof, when the registration statement or any related prospectus or any amendment or supplement has been filed, and, with respect to the registration statement or any post-effective amendment, when the same has become effective, (A) of any request by the SEC for amendments or supplements to the registration statement or the related prospectus or for additional information, (B) of the issuance by the SEC of any stop order suspending the effectiveness of the registration statement or the initiation of any proceedings for that purpose, (C) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Shares for sale in any jurisdiction or the initiation of any proceeding for such purpose or (D) within the Effective Period of the happening of any event which makes any statement in the registration statement or any post-effective amendment thereto, prospectus or any amendment or supplement thereto, or any document incorporated therein by reference untrue in any material respect or which requires the making of any changes in the registration statement or post- effective amendment thereto or any prospectus or amendment or supplement thereto so that they will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein (in light of the circumstances under which they were made) not misleading;

(xi) during the Effective Period, use its reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of the registration statement or any post-effective amendment thereto;

(xii) permit AAH if, in AAH's sole judgment exercised in good faith, it believes it might be deemed to be a controlling person of the Company, to

participate in the preparation of such registration statement and all discussions between the Company and the SEC or its staff with respect to such registration statement, and to require the insertion therein of material, furnished to the Company in writing, which in the sole judgment exercised in good faith of AAH should be included;

(xiii) deliver promptly to each Shareholder whose Shares are subject to a Registration, upon such Shareholder's request, copies of all correspondence between the SEC and the Company, its counsel or auditors and all memoranda relating to discussions with the SEC or its staff with respect to the registration statement and permit such Shareholder to do such investigation, with respect to information contained in or omitted from the registration statement, as it deems reasonably necessary. Each such Shareholder agrees that it will use its reasonable efforts not to interfere unreasonably with the Company's business when conducting any such investigation;

(xiv) provide a transfer agent and registrar for all such Shares covered by such registration statement not later than the effective date of such registration statement, which transfer agent and registrar may be the Company, subject to any applicable law or regulations;

(xv) cooperate with each Shareholder whose Shares are subject to a Registration and the managing underwriter or underwriters, if any, to facilitate the timely preparation and delivery of certificates representing such Shares to be sold under the registration statement, which certificates shall not bear any restrictive legends except as required by law; and, in the case of an underwritten offering, enable such Shares to be in such denominations and registered in such names as the managing underwriter or underwriters, if any, may request in writing at least two (2) business days prior to any sale of the Shares to the underwriters;

(xvi) enter into such agreements (including, if the offering is an underwritten offering, an underwriting agreement) as are customary in transactions of such kind and take such other actions as are reasonably necessary in connection therewith in order to expedite or facilitate the disposition of such Shares; and (A) make such representations and warranties with respect to the registration statement,

post-effective amendment or supplement thereto, prospectus or any amendment or supplement thereto, and documents incorporated by reference, if any, to the managing underwriter or underwriters, if any, of the Shares and, at the option of each Shareholder whose Shares are subject to a Registration, make to and for the benefit of such Shareholder the representations, warranties and covenants of the Company which are being made to the underwriters, in form, substance and scope as are customarily made by the Company in connection with offerings of Shares in transactions of such kind (representations and warranties by the Other Holders shall also be made as are customary in agreements of that type); provided that the Company shall not be required to make any representations or warranties with respect to information specifically provided by such Other Holders for inclusion in the registration documents; (B) obtain an opinion of counsel to the Company (which counsel may be internal counsel for the Company unless the managing underwriter or underwriters shall otherwise reasonably request) in customary form and covering matters of the type customarily covered by such an opinion, addressed to such managing underwriter or underwriters, if any, and to the Shareholders and dated the date of the closing of the sale of the Shares relating thereto; (C) obtain a "comfort" letter or letters from the independent certified public accountants who have certified the Company's most recent audited financial statements that are incorporated by reference in the registration statement which is addressed to the Shareholders and the managing underwriter or underwriters, if any, and is dated the date of the prospectus used in connection with the offering of such Shares and/or the date of the closing of the sale of such Shares relating thereto, such letter or letters to be in customary form and covering such matters of the type customarily covered by "comfort" letters of such type; (D) deliver such documents and certificates as may be reasonably requested by any Shareholder whose Shares are subject to a Registration and the managing underwriter or underwriters, if any, of the Shares to evidence compliance with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company; and (E) undertake such obligations relating to expense reimbursement, indemnification and contribution as provided in Sections 5.05 and 5.06 hereof; and

(xvii) comply with all applicable rules and regulations of the SEC and generally make available to

its security holders an earnings statement (which need not be audited), as soon as reasonably practicable but in no event later than ninety (90) days after the end of the period of twelve (12) months commencing on the first day of any fiscal quarter next succeeding each sale by each Shareholder of Shares which have been registered pursuant to this Agreement (the "Registered Shares") after the date hereof, which earnings statement shall cover such twelve (12) month period and shall satisfy the provisions of Section 11(a) of the Securities Act and may be prepared in accordance with Rule 158 under the Securities Act.

(b) In the event that the Company would be required, pursuant to Section 5.04(a)(xi)(D) above, to notify any Shareholder, the sales or placement agent or agents, if any, for the Shares and the managing underwriter or underwriters, if any, thereof, the Company shall, subject to the provisions of Section 5.01(b) hereof, as promptly as practicable, prepare and furnish to each Shareholder, to each placement or sales agent, if any, and to each underwriter, if any, a reasonable number of copies of a prospectus supplemented or amended so that, as thereafter delivered to purchasers of Registered Shares, such prospectus shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Each Shareholder agrees that, upon receipt of any notice from the Company pursuant to Section 5.04(a)(xi)(D) hereof, such Shareholder shall, and shall use its reasonable best efforts to cause any sales or placement agent or agents for the Shares and the underwriters, if any, thereof, to forthwith discontinue disposition of the Shares until such person shall have received copies of such amended or supplemented prospectus and, if so directed by the Company, to destroy or to deliver to the Company all copies, other than permanent file copies, then in its possession of the prospectus (prior to such amendment or supplement) covering such Shares as soon as practicable after such Shareholder's receipt of such notice.

(c) Each Shareholder whose Shares are covered by a Registration shall furnish to the Company in writing such information regarding such Shareholder and its intended method of distribution of the Shares as the Company may from time to time reasonably request in writing, but only to the extent that such information is required in order for the Company to comply with its obligations under all applicable securities and other laws and to ensure that the prospectus relating to such Shares conforms to the applicable

requirements of the Securities Act and the rules and regulations thereunder. Each Shareholder whose Shares are covered by a Registration shall notify the Company as promptly as practicable of any inaccuracy or change in information previously furnished by such Shareholder to the Company or of the occurrence of any event, in either case as a result of which any prospectus relating to the Shares contains or would contain an untrue statement of a material fact regarding such Shareholder or its intended method of distribution of such Shares or omits to state any material fact regarding such Shareholder or its intended method of distribution of such Shares required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and promptly furnish to the Company any additional information required to correct and update any previously furnished information or required so that such prospectus shall not contain, with respect to such Shareholder or the distribution of the Shares, an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(d) Each Shareholder agrees not to, and shall not cause any Subsidiary Holder to, effect any public sale or distribution of any Shares, including any sale pursuant to Rule 144 under the Securities Act, and not to effect any such public sale or distribution of any other equity security of the Company or of any security convertible into or exchangeable or exercisable for any equity security of the Company (in each case, other than as part of such underwritten public offering) during the ten (10) days prior to, and during the ninety (90) day period (or such longer period as the Shareholder and/or the applicable Subsidiary Holder agrees with the underwriter of such offering) beginning on, the consummation of any underwritten public offering of the Shares covered by a registration statement referred to in Section 5.02 to the extent the Shareholder's or Subsidiary Holder's Registered Shares are being sold thereunder.

(e) In the case of any registration under Section 5.01 pursuant to an underwritten offering, or in the case of a Registration under Section 5.02 if the Company has determined to enter into an underwriting agreement in connection therewith, all Shares to be included in such Registration shall be subject to such underwriting agreement and no person may participate in such Registration unless such person agrees to sell such person's securities on the basis provided therein which shall be the same for all

Shareholders whose Shares are covered by such Registration and completes and executes all questionnaires, indemnities, underwriting agreements and other document s(other than powers of attorney) which must be executed in connection therewith, and provides such other information to the Company or the underwriter as may be reasonably requested to register such person's Shares.

SECTION 5.05. Registration Expenses. The Company agrees to bear and to pay, or cause to be paid, promptly upon request being made therefor, all expenses incident to the Company's performance of or compliance with this Agreement, including, without limitation: (a) all fees and expenses in connection with the qualification of the Registered Shares for offering and sale under state securities or "blue sky" laws referred to in Section 5.04(a)(vii) hereof, including reasonable fees and disbursements of counsel for any placement or sales agent or underwriter in connection with such qualifications, (b) all expenses relating to the preparation, printing, distribution and reproduction of the registration statement, each prospectus included therein or prepared for distribution pursuant hereto, each amendment or supplement to the foregoing, the certificates representing the Shares and all other documents relating hereto, (c) the costs and charges of any escrow agent, transfer agent, registrar, any custodian or attorney-in-fact appointed to act on behalf of the Shareholders (including, without limitation, all salaries and expenses of the Company's officers and employees performing legal or accounting duties), (d) fees, disbursements and expenses of the Company's counsel and its other advisors and experts and independent certified public accountants of the Company (including the expenses of any opinions or "comfort" letters required by or incident to such performance and compliance), (e) the fees and expenses incurred in connection with the listing of the Shares on The New York Stock Exchange, Inc. and any other stock exchange or national securities exchange on which Shares shall at such time be listed, and (f) fees, disbursements and expenses of one counsel selected by a Demand Holder exercising a Demand Request and retained on behalf of all Shareholders registering Shares in connection with such Demand Request and any Piggyback Request in connection therewith (collectively, the "Registration Expenses"). To the extent that any Registration Expenses are incurred, assumed or paid by the Shareholders, any sales or placement agent or agents for the Shares and the underwriters, if any, thereof, the Company shall reimburse such person for the full amount of the Registration Expenses so incurred, assumed or paid promptly after receipt of a request therefor. Each Shareholder shall pay its pro rata portion

of underwriting discounts and commissions and any capital gains, income or transfer taxes, if any, attributable to the sale of such Shareholder's Shares being registered.

SECTION 5.06. Indemnification; Contribution. (a) Indemnification by the Company. The Company shall, and it hereby agrees to, indemnify and hold harmless each Shareholder, and each person who participates as a placement or sales agent or as an underwriter in any offering or sale of the Shares, against any losses, claims, damages or liabilities to which each such Shareholder or such agent or underwriter may become subject, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) (collectively, "Claims") arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any registration statement pursuant to which any Shares of such Shareholder are registered pursuant to this Agreement, or any preliminary or final prospectus contained therein, or any amendment or supplement thereto, or any document incorporated by reference therein, or arise out of or are based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, and the Company shall, and it hereby agrees to, reimburse each such Shareholder or any such agent or underwriter for any legal or other out-of-pocket expenses reasonably incurred by them in connection with investigating or defending any such Claims; provided, however, that the Company shall not be liable to any such person in any such case to the extent that any such Claims arise out of or are based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, or preliminary or final prospectus, or amendment or supplement thereto, in reliance upon and in conformity with written information furnished to the Company by such Shareholder or any agent, underwriter or representative of such Shareholder expressly for use therein, or by such Shareholder's failure to furnish the Company, upon request, with the information with respect to such Shareholder, or any agent, underwriter or representative of such Shareholder, or such Shareholder's intended method of distribution, that is the subject of the untrue statement or omission or if the Company shall sustain the burden of proving that such Shareholder or such agent or underwriter sold securities to the person alleging such Claims without sending or giving, at or prior to the written confirmation of such sale, a copy of the applicable prospectus (excluding any documents incorporated by reference therein) or of the applicable prospectus, as then amended or supplemented (excluding any documents

incorporated by reference therein), if the Company had previously furnished copies thereof to such Shareholder or such agent or underwriter, and such prospectus corrected such untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement.

(b) Indemnification by the Shareholders and Any Agents or Underwriters. Each Shareholder shall, and hereby agrees, severally and not jointly, to (i) indemnify and hold harmless the Company, its directors, officers, employees and controlling persons, if any, each other Shareholder, and each underwriter, its partners, officers, directors, employees and controlling persons, if any, in any offering or sale of Shares, against any Claims to which the Company, its directors, officers, employees and controlling persons, if any, may become subject, insofar as such Claims (including any amounts paid in settlement as provided herein), or actions or proceedings in respect thereof, arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in such registration statement, or any preliminary or final prospectus contained therein, or any amendment or supplement thereto, or any document incorporated by reference therein, or arise out of or are based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Shareholder or any agent, underwriter, or representative (as the case may be) expressly for use therein, and (ii) reimburse the Company for any legal or other out-of-pocket expenses reasonably incurred by the Company in connection with investigating or defending any such Claim.

(c) Notice of Claims, Etc. Promptly after receipt by an indemnified party under subsection (a) or (b) above of written notice of the commencement of any action or proceeding for which indemnification under subsection (a) or (b) may be requested, such indemnified party shall, without regard to whether a claim in respect thereof is to be made against an indemnifying party pursuant to the indemnification provisions of, or as contemplated by, this Section 5.06, notify such indemnifying party and the underwriter in writing of the commencement of such action or proceeding; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party in respect of such action or proceeding on account of the indemnification provisions of

or contemplated by Section 5.06(a) or 5.06(b) hereof unless the indemnifying party was materially prejudiced by such failure of the indemnified party to give such notice, and in no event shall such omission relieve the indemnifying party from any other liability it may have to such indemnified party. In case any such action or proceeding shall be brought against any indemnified party and it shall notify an indemnifying party of the commencement thereof, unless in the reasonable opinion of outside counsel to the indemnified party a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, such indemnifying party shall be entitled to participate therein and, to the extent that it shall determine, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party, and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, such indemnifying party shall not be liable to such indemnified party for any legal or any other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation (unless such indemnified party reasonably objects to such assumption on the grounds that there may be defenses available to it which are different from or in addition to the defenses available to such indemnifying party, in which event the indemnified party shall have the right to control its defense and shall be reimbursed by the indemnifying party for the expenses incurred in connection with retaining one separate counsel). If the indemnifying party is not entitled to, or elects not to, assume the defense of a claim, it will not be obligated to pay the fees and expenses of more than one counsel for each indemnified party with respect to such claim. The indemnifying party will not be subject to any liability for any settlement made without its consent, which consent shall not be unreasonably withheld or delayed. No indemnifying party shall, without the prior written consent of the indemnified party, compromise or consent to entry of any judgment or enter into any settlement agreement with respect to any action or proceeding in respect of which indemnification is sought under Section 5.06(a) or (b) (whether or not the indemnified party is an actual or potential party thereto), unless such compromise, consent or settlement includes an unconditional term thereof the giving by the claimant or plaintiff to the indemnified party of a release from all liability in respect of such claim or litigation and does not subject the indemnified party to any material injunctive relief or other material equitable remedy.

(d) Contribution. Each Shareholder and the Company agree that if, for any reason, the indemnification provisions contemplated by Sections 5.06(a) or 5.06(b) hereof are unavailable to or are insufficient to hold harmless an indemnified party in respect of any Claims referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such Claims in such proportion as is appropriate to reflect the relative fault of, and benefits derived by, the indemnifying party and the indemnified party, as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such indemnifying party or by such indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The relative benefit derived by the parties shall be determined by reference to the fact that the Company entered into this Agreement as an integral part of the transactions pursuant to which the Shares were acquired. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5.06(d) were determined by any method of allocation which does not take account of the equitable considerations referred to in this Section 5.06(d). The amount paid or payable by an indemnified party as a result of the Claims referred to above shall be deemed to include (subject to the limitations set forth in Section 5.06(c) hereof) any legal or other fees or expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action, proceeding or claim. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(e) The indemnification and contribution required by this Section 5.06 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or expense, loss, damage or liability is incurred.

(f) Beneficiaries of Indemnification. The obligations of the Company under this Section 5.06 shall be in addition to any liability that it may otherwise have and shall extend, upon the same terms and conditions, to each employee, officer, director and partner of each Shareholder or any Subsidiary Holder, each agent of such Shareholder or

any Subsidiary Holder, each underwriter of the Shares and each person, if any, who controls such Shareholder or any Subsidiary Holder or any such agent or underwriter within the meaning of the Securities Act; and the obligations of such Shareholder and each Subsidiary Holder and any agents or underwriters contemplated by this Section 5.06 shall be in addition to any liability that such Shareholder or any Subsidiary Holder or their respective agents or underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company (including any person who, with his consent, is named in any registration statement as about to become a director of the Company) and to each person, if any, who controls the Company within the meaning of the Securities Act.

SECTION 5.07. Underwriters. If any of the Shares are to be sold pursuant to an underwritten offering, the investment banker or bankers and the managing underwriter or underwriters thereof shall be selected by the Company except in the case of a Demand Registration, in which the managing underwriter or underwriters shall be selected by the Demand Holder exercising the Demand Request, provided that such managing underwriter or underwriters must be of recognized national standing.

SECTION 5.08. Exchange Act Filings; Rule 144; Rule 144A. (a) The Company covenants to and with each Shareholder that to the extent it shall be required to do so under the Exchange Act, the Company shall timely file the reports required to be filed by it under the Exchange Act or the Securities Act (including, but not limited to, the reports under Sections 13 and 15(d) of the Exchange Act referred to in subparagraph (c)(1) of Rule 144 adopted by the SEC under the Securities Act and the rules and regulations adopted by the SEC thereunder) and shall take such further action as any Shareholder may reasonably request, all to the extent required from time to time to enable the Shareholders to sell Shares without registration under the Securities Act within the limitations of the exemption provided by Rule 144 under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC. Upon the request of a Shareholder, the Company shall deliver to such Shareholder a written statement as to whether it has complied with such requirements.

(b) If at any time the Company is not subject to Section 13 or 15(d) of the Exchange Act and is not exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, the Company agrees, upon the request of a Shareholder seeking to transfer Shares in conformity with Rule 144A

under the Securities Act, to furnish to such Shareholder or prospective purchasers of the Shares from the Shareholder the information required by Rule 144A(d)(4)(i) under the Securities Act in the manner and at the times contemplated by such Rule.

(c) The Company covenants to make available "adequate current public information" concerning the Company within the meaning of Rule 144(c) under the Securities Act.

SECTION 5.09. Agreements of the Shareholders. Each Shareholder agrees not to, and it shall cause its Affiliates not to, make any sale, transfer or other disposition of Shares except in compliance with the registration requirements of the Securities Act and the rules and regulations thereunder, including exemptions, and in accordance with the terms of this Agreement.

SECTION 5.10. Recapitalizations, Exchanges, Etc. Affecting the Shares. The provisions of this Agreement shall apply to any and all shares of capital stock of the Company or any successor or assign of the Company (whether by merger, consolidation, sale of assets or otherwise) which may be issued in respect of, in exchange for, or in substitution of the Shares, by reason of a stock dividend, stock split, stock issuance, reverse stock split, combination, recapitalization, reclassification, merger, consolidation or otherwise. Upon the occurrence of any such event, amounts hereunder shall be appropriately adjusted.

ARTICLE VI

Term of Agreement

SECTION 6.01. Term of Agreement. This Agreement shall take effect immediately upon the occurrence of Effective Time. This Agreement (other than the provisions of Section 5.06) shall terminate with respect to any Shareholder on the date that such Shareholder and its Subsidiary Holders no longer own any shares of Common Stock.

ARTICLE VII

Miscellaneous Provisions

SECTION 7.01. Specific Performance. The parties hereto hereby declare that irreparable damage would occur as a result of the failure of any party hereto to perform any of its obligations under this Agreement in accordance with

the specific terms hereof. Therefore, all parties hereto shall have the right to specific performance of the obligations of the other parties under this Agreement and if any party hereto shall institute any action or proceeding to enforce the provisions hereof, any person against whom such action or proceeding is brought hereby waives the claim or defense therein that such party has an adequate remedy at law. The right to specific performance should be in addition to any other remedy to which a party hereto may be entitled at law or in equity.

SECTION 7.02. Legends. (a) Each certificate representing Shares shall bear the following legend:

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO TERMS AND CONDITIONS (INCLUDING RESTRICTIONS ON VOTING AND TRANSFER) SET FORTH IN A SHAREHOLDERS AGREEMENT DATED AS OF o, o, A COPY OF WHICH MAY BE OBTAINED FROM [NEWCO], INC. NO TRANSFER OF SUCH SECURITIES WILL BE MADE ON THE BOOKS OF, OR BE EFFECTIVE WITH RESPECT TO, [NEWCO], INC. UNLESS ACCOMPANIED BY EVIDENCE OF COMPLIANCE WITH THE TERMS OF SUCH AGREEMENT.

(b) In addition, stop transfer restrictions will be given to the Company's transfer agent(s) with respect to the Shares and there will be placed on the certificates or instruments representing the Shares, and on any certificate or instrument delivered in substitution therefor, a legend stating in substance:

> THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO SUCH REGISTRATION OR IN ACCORDANCE WITH AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

(c) The Company hereby agrees that it will cause stop transfer restrictions to be released with respect to any Shares that are transferred in compliance with the terms and provisions of this Agreement and (i) pursuant to an effective registration statement under the Securities Act, (ii) pursuant to Rule 144 or 145 under the Securities Act, (iii) in accordance with the requirements of Rule 903 or 904 of Regulation S under the Securities Act, or (iv) pursuant to another exemption from the registration requirements of the Securities Act; provided, however, that

in the case of any transfer pursuant to clause (ii), (iii) or (iv) above, the request for transfer is accompanied by a written statement signed by a Shareholder confirming compliance with the requirements of the relevant exemption from registration; and provided, further, that in the case of any transfer pursuant to clause (iv) above, other than any transfer by such Shareholder to one or more of such Shareholder's direct or indirect subsidiaries, or among such subsidiaries, or by any such subsidiary to such Shareholder, the Company shall have received a written opinion of counsel reasonably satisfactory to the Company. The Company further agrees that it will cause the legends described in subsections (a) and (b) of this Section 7.02 to be removed in the event of any transfer as provided in clause (i), (ii) or (iii) above.

SECTION 7.03. Conflicts and Inconsistent Agreements. Each of the Shareholders and the Company shall take all action necessary, including but not limited to the voting of capital stock of the Company, to ensure that the certificate of incorporation and by-laws of the Company and the certificates of incorporation and by-laws or other governing documents of the Company's subsidiaries are consistent with, and do not conflict with, the terms of this Agreement. Neither the Company nor any Shareholder shall enter into any agreement inconsistent with the terms of this Agreement.

SECTION 7.04. Complete Agreement. This Agreement constitutes the entire agreement and understanding among the parties hereto with respect to the matters referred to herein and supersedes all prior agreements and understandings among the parties hereto with respect to the matters referred to herein.

SECTION 7.05. Amendment. This Agreement may not be amended, modified or supplemented and no waivers of or consents to departures from the provisions hereof may be given unless consented to in writing by the Company, AAH and Specified Shareholders holding a majority of all Shares held by Specified Shareholders.

SECTION 7.06. Successors; Assigns; Subsidiary Holders. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, directly or indirectly, including by operation of law, by any Shareholder without the prior written consent of the Company. The terms and conditions of this Agreement shall be binding on and inure to the benefit of the respective successors and permitted assigns of the parties hereto. Each Shareholder agrees with respect to any Affiliate that

becomes a Subsidiary Holder hereunder, to promptly thereafter cause such Affiliate to execute a counterpart hereof agreeing to be bound by all of the terms, conditions and restrictions of this Agreement, as and to the same extent as such Shareholder. The execution of a counterpart hereof by an Affiliate who has become a Subsidiary Holder does not constitute an assignment of any part of this Agreement prohibited by this Section 7.06, and the Shareholder with which such Subsidiary Holder is affiliated with will remain bound by all of the terms, conditions and restrictions of this Agreement.

SECTION 7.07. Attorney Fees. A party in breach of this Agreement shall, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees and expenses, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement. The payment of such expenses is in addition to any other relief to which such other party may be entitled.

SECTION 7.08. Notices. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand or sent by prepaid telex, cable or telecopy or sent, postage prepaid, by registered, certified or express mail or reputable overnight courier service and shall be deemed given when so delivered by hand, telexed, cabled or

telecopied, or if mailed, three days after mailing (one business day in the case of express mail or overnight courier service), as follows (or at such other address, telephone number and fax number as a party shall notify each other party hereto):

(i) if to the Company:

1050 Westlakes Drive
Suite 300
Berwyn, PA, 19312
Attention: [ ]
Telecopy: [ ]
Telephone: [ ]

with copies to:

[ ]
[ ]
[ ]
Attention: [ ]
Telecopy: [ ]
Telephone: [ ]

(ii) if to AAH:

c/o Ripplewood Holdings L.L.C.
One Rockefeller Plaza
32nd Floor
New York, NY 10020
Attention: [ ]
Telecopy: [ ]
Telephone: [ ]

with copies to:

Cravath, Swaine & Moore
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019
Attention: Peter S. Wilson, Esq.
Telecopy: (212) 474-3700
Telephone: (212) 474-1000

(iii) if to any of the Specified Shareholders, at the addresses, telecopy and telephone numbers beneath each Specified Shareholder's signature on the signature pages hereto.

with copies to:

Patterson, Belknap, Webb & Tyler LLP
1133 Avenue of the Americas
New York, NY 10036
Attention: George S. Frazza, Esq.
Telecopy: [ ]
Telephone: [ ]

SECTION 7.09. Interpretation; Exhibits and Schedules. The headings contained in this Agreement, in any Exhibit or Schedule hereto and in the table of contents to this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Schedule or Exhibit but not otherwise defined therein, shall have the meaning as defined in this Agreement.

SECTION 7.10. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the parties and delivered to the other party.

SECTION 7.11. Severability. If any provision of this Agreement (or any portion thereof) or the application of any such provision (or any portion thereof) to any person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof (or the remaining portion thereof) or the application of such provision to any other persons or circumstance.

SECTION 7.12. GOVERNING LAW. THIS AGREEMENT AND ALL ACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE (WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES).

SECTION 7.13. SUBMISSION TO JURISDICTION. ANY AND ALL SUITS, LEGAL ACTIONS OR PROCEEDINGS ARISING OUT OF THIS AGREEMENT SHALL BE BROUGHT IN THE SUPERIOR COURT OR THE COURT OF CHANCERY OF THE STATE OF DELAWARE OR THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

OR IN THE SUPREME COURT OF THE STATE OF NEW YORK, NEW YORK COUNTY OR THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND EACH PARTY HEREBY SUBMITS TO AND ACCEPTS THE EXCLUSIVE JURISDICTION OF SUCH COURTS FOR THE PURPOSE OF SUCH SUITS, LEGAL ACTIONS OR PROCEEDINGS. IN ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING, EACH PARTY WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLIANT OR OTHER PROCESS AND AGREES THAT SERVICE THEREOF MAY BE MADE BY CERTIFIED OR REGISTERED MAIL DIRECTED TO IT AT ITS ADDRESS SET FORTH IN THE BOOKS AND RECORDS OF THE COMPANY. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OR ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING IN ANY SUCH COURT AND HEREBY FURTHER WAIVES ANY CLAIM THAT ANY SUIT, LEGAL ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

SECTION 7.14. WAIVER OF JURY TRIAL. EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY (I) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7.14.

SECTION 7.15. No Waiver of Rights. No failure or delay on the part of any party in the exercise of any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude other or further exercise thereof or of any other right or power. The waiver by any party or parties hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other or subsequent breach hereunder. All rights and remedies

existing under this Agreement are cumulative and are not exclusive of any rights or remedies otherwise available.

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

[NEWCO],

by

Name:
Title:

ASBURY AUTOMOTIVE HOLDINGS L.L.C.,

by

Name:
Title:

SPECIFIED SHAREHOLDERS:

[ ]

[ ]

[ ]

Schedule I

Names of Acceptable Designees as
Dealer Directors

David McDavid

Royce Reynolds

John Capps

Luther Coggin

Jim Nalley

Thomas F. McLarty

Scott Thomason

Jeffrey I. Wooley

Charlie (C.B.) Tomm

Power of Attorney

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned directors and officers of Asbury Automotive Group, L.L.C. (the "Company"), constitutes and appoints Brian E. Kendrick and Thomas F. Gilman, as his or her true and lawful attorneys-in-fact and agents, each acting alone, with full powers of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign a Registration Statement on Form S-1 (the "Registration Statement") to be filed with the Securities and Exchange Commission (the "SEC") in connection with the registration under the Securities Act of 1933, as amended (the "Securities Act"), of common stock, and any or all amendments to such Registration Statement, including post-effective amendments, and to file the same, with all exhibits thereto and other documents in connection therewith, with the SEC and other appropriate governmental agencies, and grants unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intent and purposes as he or she might or could do in person, and hereby ratifies and confirms all that said attorneys-in-fact and agents, each acting alone, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof. This Power of Attorney may be executed in any number of counterparts (whether facsimile or original), each of which shall be deemed an original with respect to any party whose signature appears thereon, and all of which shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have duly signed this Power of Attorney this [ ] day of July, 2001.

/s/ Brian E. Kendrick
- ----------
Brian E. Kendrick
President and Chief Executive Officer

/s/ Thomas F. Gilman
- ----------
Thomas F. Gilman
Vice President and Chief Financial Officer

/s/ Thomas R. Gibson
- ----------
Thomas R. Gibson
Chairman and Director

/s/ Michael C. Paul
- ----------
Michael C. Paul
Controller

/s/ Timothy C. Collins
- ----------
Timothy C. Collins
Director

/s/ Ian K. Snow
- ----------
Ian K. Snow
Director

/s/ John M. Roth
- ----------
John M. Roth
Director

/s/ C.V. Jim Nalley

- ----------
C.V. Jim Nalley
Director

/s/ B. David McDavid
- ----------
B. David McDavid
Director

/s/ Charles B. Tomm
- ----------
Charles B. Tomm
Director