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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2019

or

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

For the transition period from to

Commission file number: 001-31262

ASBURY AUTOMOTIVE GROUP, INC.

(Exact name of Registrant as specified in its charter)

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

(770) 418-8200
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $0.01 par value per share	ABG	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None.

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

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

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-Accelerated Filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

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

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

Based on the closing price of the registrant's common stock as of June 30, 2019, the aggregate market value of the common stock held by non-affiliates of the registrant was $1.61 billion (based upon the assumption, solely for purposes of this computation, that all of the officers and directors of the registrant were affiliates of the registrant).

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: The number of shares of common stock outstanding as of February 28, 2020 was 19,278,564.

DOCUMENTS INCORPORATED BY REFERENCE

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

Portions of the registrant's definitive Proxy Statement for the 2020 Annual Meeting of Stockholders, to be filed within 120 days after the end of the registrant's fiscal year, are incorporated by reference into Part III, Items 10 through 14 of this Annual Report on Form 10-K.

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FOR THE YEAR ENDED
DECEMBER 31, 2019

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PART I.

Forward-Looking Information

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

- the expected financial and operational performance of Park Place (as defined below);
- our estimated future capital expenditures, including with respect to the operations of Park Place following the consummation of the Acquisition (as defined below);
- sales fluctuations to and changes in our relationships with key customers, including the customers of Park Place following the consummation of the Acquisition;
- the seasonally adjusted annual rate of new vehicle sales in the United States;
- general economic conditions and its expected impact on our revenue and expenses;
- our expected parts and service revenue due to, among other things, improvements in vehicle technology;
- our ability to limit our exposure to regional economic downturns due to our geographic diversity and brand mix;
- manufacturers' continued use of incentive programs to drive demand for their product offerings;
- our capital allocation strategy, including as it relates to acquisitions and divestitures, stock repurchases, dividends and capital expenditures; and
- the growth of the brands that comprise our portfolio over the long-term and other factors.

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

- the occurrence of any event, change or other circumstance that could give rise to the termination of the Asset Purchase Agreement (as defined below), including the risk that the necessary manufacturer approvals may not be obtained;
- the ability to consummate the Acquisition and the other transactions on the terms or timeline currently contemplated or at all, successfully integrate the operations of Park Place into our existing operations and the diversion of management's attention from ongoing business and regular business responsibilities to effect such integration;
- the effects of increased expenses or unanticipated liabilities incurred as a result of, or due to activities related to, the Acquisition;
- disruption from the Acquisition, making it more difficult to maintain relationships with customers or suppliers of Park Place;
- changes in general economic and business conditions, including changes in employment levels, consumer demand, preferences and confidence levels, the availability and cost of credit in a rising interest rate environment, fuel prices, levels of discretionary personal income and interest rates;
- our ability to execute our balanced automotive retailing and service business strategy;
- our ability to attract and retain skilled employees;
- adverse conditions affecting the vehicle manufacturers whose brands we sell, and their ability to design, manufacture, deliver and market their vehicles successfully;
- changes in the mix and total number of vehicles we are able to sell;

- our outstanding indebtedness and our continued ability to comply with applicable covenants in our various financing and lease agreements, or to obtain waivers of these covenants as necessary;
- high levels of competition in our industry, which may create pricing and margin pressures on our products and services;
- our relationships with manufacturers of the vehicles we sell and our ability to renew, and enter into new framework and dealer agreements with vehicle manufacturers whose brands we sell, on terms acceptable to us;
- the availability of manufacturer incentive programs and our ability to earn these incentives;
- failure of our management information systems or any security breaches;
- changes in laws and regulations governing the operation of automobile franchises, including trade restrictions, consumer protections, accounting standards, taxation requirements and environmental laws;
- changes in, or the imposition of, new tariffs or trade restrictions on imported vehicles or parts;
- adverse results from litigation or other similar proceedings involving us;
- our ability to generate sufficient cash flows, maintain our liquidity and obtain any necessary additional funds for working capital, capital expenditures, acquisitions, stock repurchases, debt maturity payments and other corporate purposes, if necessary or desirable;
- our ability to consummate planned mergers, acquisitions and dispositions;
- any disruptions in the financial markets, which may impact our ability to access capital;
- our relationships with, and the financial stability of, our lenders and lessors;
- significant disruptions in the production and delivery of vehicles and parts for any reason, including natural disasters, product recalls, work stoppages or other occurrences that are outside of our control;
- our ability to execute our initiatives and other strategies;
- our ability to leverage gains from our dealership portfolio; and
- in addition to the Acquisition, our ability to successfully integrate businesses we may acquire, or that any business we acquire may not perform as we expected at the time we acquired it.

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

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

Additional Information

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to such reports filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, are made available free of charge on our website at *http://www.asburyauto.com* as soon as practical after such reports are filed with the U.S. Securities and Exchange Commission (the "Commission"). In addition, the proxy statement that will be delivered to our stockholders in connection with our 2020 Annual Meeting of Stockholders, when filed, will also be available on our website, and at the URL stated in such proxy statement. We also make available on our website copies of our certificate of incorporation, bylaws, and other materials that outline our corporate governance policies and practices, including:

- the respective charters of our audit committee, governance and nominating committee, compensation and human resources committee, and capital allocation and risk management committee;
- our criteria for independence of the members of our board of directors, audit committee, and compensation and human resources committee;
- our Corporate Governance Guidelines; and

- our Code of Business Conduct and Ethics for Directors, Officers, and Employees.

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

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

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

Item 1. BUSINESS

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

As of December 31, 2019, we owned and operated 107 new vehicle franchises, representing 31 brands of automobiles at 88 dealership locations, and 25 collision centers in 17 metropolitan markets within 10 states. Our stores offer an extensive range of automotive products and services, including new and used vehicles; parts and service, which includes vehicle repair and maintenance services, replacement parts and collision repair services (collectively referred to as "parts and services" or "P&S"); and finance and insurance products ("F&I"), including arranging vehicle financing through third parties and aftermarket products, such as extended service contracts, guaranteed asset protection ("GAP") debt cancellation, prepaid maintenance, and credit life and disability insurance.

Park Place Acquisition

On December 11, 2019, our wholly-owned subsidiary, Asbury Automotive Group, LLC ("Purchaser"), entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with certain members of the Park Place Dealership family of entities, Park Place Mid-Cities, Ltd., a Texas limited partnership, and the identified principal. Also on December 11, 2019, Purchaser entered into a Real Estate Purchase Agreement (the "Real Estate Purchase Agreement" and, together with the Asset Purchase Agreement, the "Transaction Agreements") with certain members of the Park Place Dealership family of entities ("Park Place"). Pursuant to the Transaction Agreements, we will acquire substantially all of the assets of, and certain real property related to (collectively, the "Acquisition"), the businesses described in the Asset Purchase Agreement for a purchase price of approximately $1.0 billion (excluding vehicle inventory), reflecting $785.0 million of goodwill, approximately $215.0 million for real estate and leaseholds and approximately $30 million for parts and fixed assets, in each case subject to certain adjustments described in the Transaction Agreements.

Park Place, based in Dallas, Texas, is one of the country's largest luxury dealer groups, with an attractive portfolio of high volume, award-winning, luxury dealerships and high-quality real estate. Park Place consists of a collection of:

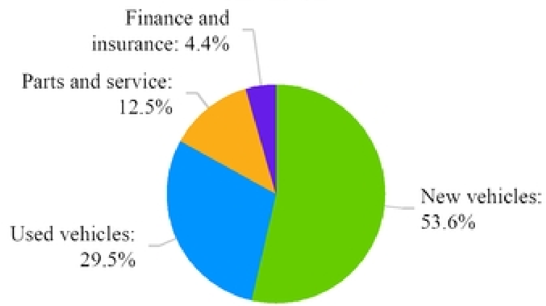
- ten luxury dealerships, including one dealership scheduled to open in the first quarter of 2020;
- an auto auction business for wholesaling used cars; and
- a subscription service platform that offers customers access to a range of luxury vehicles for a monthly fee.

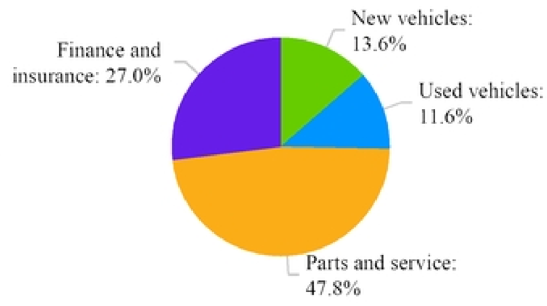
The operating assets expected to be acquired include 19 new vehicle franchises, 17 of which are located in the Dallas/Fort Worth market: 3 Mercedes-Benz, 2 Lexus, 1 Jaguar, 1 Land Rover, 1 Porsche, 1 Volvo, 1 Bentley, 1 Rolls Royce, 1 McLaren, 1 Maserati, 1 Koenigsegg and 3 Sprinter. In addition to these 17 new vehicle franchises, Park Place has rights to 1 Jaguar and 1 Land Rover open point in Austin, Texas that are both expected to open under a single dealership facility late in the first quarter of 2020.

We believe the Acquisition strengthens our dual strategy of driving operational excellence and deploying capital to its highest return. We believe Park Place is a highly efficient operator of luxury stores, with a strong base of loyal clients and approximately 2,100 team members throughout the growing Dallas/Fort Worth market. We expect that our demonstrated success acquiring and integrating well-run businesses will provide us the opportunity to leverage the best practices of both businesses going forward.

Asbury Automotive

The following charts present the contribution to total revenue and gross profit by each line of business for the year ended December 31, 2019:





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Our new vehicle franchise retail network is made up of dealerships located in 17 metropolitan markets in ten states operating primarily under 10 locally-branded dealership groups. The following chart provides a detailed breakdown of our markets, brand names, and franchises as of December 31, 2019:

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

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

Operations

New Vehicle Sales

The following table reflects the number of franchises we owned as of December 31, 2019 and the percentage of new vehicle revenues represented by class and franchise for the year ended December 31, 2019:

Class/Franchise	Number of Franchises Owned	% of New Vehicle Revenues
Luxury		
Mercedes-Benz	4	7%
Lexus	4	7
BMW	7	6
Acura	6	4
Infiniti	4	3
Audi	2	3
Lincoln	3	1
Volvo	2	1
Land Rover	2	1
Jaguar	2	*
Genesis	1	*
Porsche	1	*
Bentley	1	*
Other (a)		1
Total Luxury	39	34%
Import		
Honda	12	18%
Toyota	8	13
Nissan	9	8
Kia	2	2
Hyundai	3	2
Volkswagen	1	1
Subaru	1	*
MINI	1	*
smart (b)	—	*
Isuzu	1	*
Sprinter	3	*
Other (c)		1
Total Import	41	45%
Domestic		
Ford	7	9%
Chevrolet	6	6
Dodge	4	3
Jeep	3	2
GMC	2	1
Chrysler	3	*
Buick	2	*
Total Domestic	27	21%
Total Franchises	107	100%

(a) Other Luxury consists of Jaguar, Genesis, Porsche and Bentley.
(b) Two Franchise agreements pursuant to which we perform parts and service operations.
(c) Other Import consists of Subaru, MINI, Isuzu and Sprinter.

* Franchise accounted for less than 1% of new vehicle revenues for the year ended December 31, 2019.

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

Used Vehicle Sales

We sell used vehicles at all of our franchised dealership locations. Used vehicle sales include the sale of used vehicles to individual retail customers ("used retail") and the sale of used vehicles to other dealers at auction ("wholesale") (the terms "used retail" and "wholesale" collectively referred to as "used").

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

Parts and Service

We provide vehicle repair and maintenance services, sell replacement parts, and recondition used vehicles at all of our dealerships. In addition, we provide collision repair services at our 25 free-standing collision repair centers that we operate either on the premises of, or in close proximity to, our dealerships. Historically, parts and service revenues have been more stable than those from vehicle sales. Industry-wide, parts and service revenues have consistently increased over time primarily due to the increased cost of maintaining vehicles, the added technical complexity of vehicles, and the increasing number of vehicles on the road.

The automotive parts and service industry tends to be highly fragmented, with franchised dealerships and independent repair shops competing for this business. We believe, however, that the increased use of advanced technology in vehicles is making it difficult for independent repair shops to compete effectively with franchised dealerships as they may not be able to make the investment necessary to perform major or technical repairs. In an effort to maintain the necessary knowledge to service vehicles and further develop our technician staff, we focus on our internal and manufacturer specific training and development programs for new and existing technicians. We believe our parts and service business is also well-positioned to benefit from the service work potentially generated through the sale of extended service contracts to customers who purchase new and used vehicles from us, as historically these customers tend to have their vehicles serviced at the location where they purchased the extended service contract. In addition, our franchised dealerships benefit from manufacturer policies requiring warranty and recall related repairs be performed at a franchised dealership. We believe our collision repair centers provide us with an attractive opportunity to grow our business due to the high margins provided by collision repair services and the fact we are able to source original equipment manufacturer parts from our franchised dealerships.

Finance and Insurance

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

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

- Extended service contracts – covers certain repair work after the expiration of the manufacturer warranty;
- GAP debt cancellation – covers the customer after a total loss for the difference between the value of the vehicle and the outstanding loan or lease obligation after insurance proceeds;

- Prepaid maintenance – covers certain routine maintenance work, such as oil changes, cleaning and adjusting of brakes, multi-point vehicle inspections, and tire rotations; and
- Credit life and disability – covers the remaining amounts due on an auto loan or a lease in the event of death or disability.

Business Strategy

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

Invest in and attract top talent to improve backend operations and front-line service

We believe the core of our business success lies in our talent pool, so we are focused on obtaining and retaining the best people. Our executive management team has extensive experience in the auto retail sector, and is able to leverage experience from all positions throughout the Company. In addition, we believe that local management of dealership operations enables our retail network to provide market specific responses to sales, customer service and inventory requirements. The general manager of each of our dealerships is responsible for the operations, personnel and financial performance of that dealership as well as other day-to-day operations.

Implement best practices and improve productivity

We have discipline-specific executives who focus on increasing the penetration of current services and expanding the breadth of our offerings to customers through the implementation of best practices and continuous training on our technology solutions throughout our dealership network. In addition, we have marketing initiatives designed to attract customers to our online channels and mobile applications.

We tie management and employee compensation at various operational levels to performance through incentive-based pay systems based on various metrics, including dealership profitability, departmental profitability, customer satisfaction and individual performance, as appropriate. In addition, a portion of management's compensation is variable-based in nature, including an annual cash bonus based on achieving certain earnings before interest, taxes, depreciation and amortization ("EBITDA") targets and a component of equity compensation tied to our financial performance in comparison to our peer group.

Provide an exceptional customer experience

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

Centralize, streamline, and automate processes

Our Dealership Support Center ("DSC") management is responsible for our capital expenditure and operating strategy, while the implementation of our operating strategy rests with our market-based management teams and each dealership management team based on the policies and procedures established by DSC management. DSC management and our market-based management teams continuously evaluate the financial and operating results of our dealerships, as well as each dealership's geographical location, and from time to time, make decisions to evaluate new technologies and/or processes to further refine our operational processes.

Leverage our scale and cost structure to improve our operating efficiencies

We are positioned to leverage our significant scale so that we are able to achieve competitive operating margins by centralizing and streamlining various back-office functions. We are able to improve financial controls and lower servicing costs by maintaining key store-level accounting and administrative activities in our shared service centers, and we leverage our scale to reduce costs related to purchasing certain equipment, supplies, and services through national vendor relationships. Similarly, we are able to leverage our scale to implement these best practices when integrating newly acquired dealerships allowing us to continue to improve our operating efficiencies.

Successfully integrate Park Place and maximize the benefits of this transformational Acquisition

We have a well-defined integration plan for Park Place. Park Place already performs at a high level and is operated by seasoned general managers, with an average tenure of approximately 20 years, who we expect to retain. Our integration strategy is focused on achieving cost savings at a corporate level from duplicative functions and implementing our training programs and F&I product offerings at Park Place to achieve higher F&I income per vehicle sold. Asbury and Park Place utilize the same operational, human resources and accounting information technology systems, which we expect to support as part of the integration process. Additionally, we have ample internal resources at Asbury to manage the integration process.

Deploy capital to highest risk adjusted returns

Our capital allocation decisions are made within the context of maintaining sufficient liquidity and a prudent capital structure. We target a 2.5x to 3.0x net leverage ratio, and our primary focus for capital allocation will be to decrease our debt levels; however, we believe our cash position and borrowing capacity, combined with our current and expected future cash generation capability, provides us with financial flexibility to enhance shareholder value through capital deployment by reinvesting in our business, acquiring dealerships as well as repurchasing shares, when prudent.

Continue to invest in our business

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

Evaluate opportunities to refine our dealership portfolio

We continually evaluate the financial and operating results of our dealerships, as well as each dealership's geographical location and, based on various financial and strategic rationales, may make decisions to dispose of dealerships to refine our dealership and real estate portfolio. We also evaluate dealership acquisition opportunities based on market position and geography, brand representation and availability, key personnel and other factors.

Competition

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

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

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

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

Seasonality

The automobile industry has historically been subject to seasonal variations. Demand for new vehicles is generally highest during the second, third, and fourth quarters of each year and, accordingly, we expect our revenues and operating results to

generally be higher during these periods. In addition, we typically experience higher sales of luxury vehicles in the fourth quarter, which have higher average selling prices and gross profit per vehicle retailed. Revenues and operating results may be impacted significantly from quarter to quarter by changing economic conditions, vehicle manufacturer incentive programs, or adverse weather events.

Dealer and Framework Agreements

Each of our dealerships operate pursuant to a dealer agreement between the dealership and the manufacturer (or in some cases the distributor) of each brand of new vehicles sold and/or serviced at the dealership. The dealer agreements grant the franchised dealership a non-exclusive right to sell the manufacturer's (or distributor's) brand of vehicles and offer related parts and service within a specified market area. Each dealer agreement also grants our dealerships the right to use the manufacturer's trademarks and service marks in connection with the dealerships operations and they also impose numerous operational requirements related to, among other things, the following:

- inventories of new vehicles and manufacturer replacement parts;
- maintenance of minimum net working capital requirements, and in some cases, minimum net worth requirements;
- achievement of certain sales and customer satisfaction targets;
- advertising and marketing practices;
- facilities and signs;
- products offered to customers;
- dealership management;
- personnel training;
- information systems;
- geographic market, including but not limited to requirements to meet sales and service targets within an assigned market area, geographic limitations on where the dealership may locate or advertise, and restrictions on the export of vehicles; and
- dealership monthly and annual financial reporting.

Our dealer agreements are for various terms, ranging from one year to indefinite. We expect that we will be able to renew expiring agreements in the ordinary course of business. However, typical dealer agreements give the manufacturer the right to terminate or the option of non-renewal of the dealer agreement under certain circumstances, subject to applicable state franchise laws, including:

- insolvency or bankruptcy of the dealership;
- failure to adequately operate the dealership or to maintain required capitalization levels;
- impairment of the reputation or financial condition of the dealership;
- change of ownership or management of the dealership without manufacturer consent;
- certain extraordinary corporate transactions such as a merger or sale of all or substantially all of our assets without manufacturer consent;
- failure to complete facility upgrades required by the manufacturer or agreed to by the dealer;
- failure to maintain any license, permits or authorization required to conduct the dealership's business;
- conviction of a dealer/manager or owner for certain crimes; or
- material breach of other provisions of a dealer agreement.

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

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

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

Some dealer agreements and framework agreements grant the manufacturer the right to terminate or not renew our dealer and framework agreements, or to compel us to divest our dealerships, for a number of reasons, including default under the agreement, any unapproved change of control (which specific changes vary from manufacturer to manufacturer, but which include material changes in the composition of our Board of Directors during a specified time period, the acquisition of 5% or more of our voting stock by another vehicle manufacturer or distributor, the acquisition of 20% or more of our voting stock by third parties, and the acquisition of an ownership interest sufficient to direct or influence management and policies), or certain other unapproved events (including certain extraordinary corporate transactions such as a merger or sale of all or substantially all of our assets). Triggers of the clauses are often based upon actions by our stockholders and are generally outside of our control. Some of our dealer agreements and framework agreements also give the manufacturer a right of first refusal if we propose to sell any dealership representing the manufacturer's brands to a third-party. These agreements may also attempt to limit the protections available under applicable state laws and require us to resolve disputes through binding arbitration. For additional information, please refer to the risk factor captioned "We are dependent upon our relationships with the manufacturers of vehicles that we sell and are subject to restrictions imposed by, and significant influence from, these vehicle manufacturers. Any of these restrictions or any changes or deterioration of these relationships could have a material adverse effect on our business, financial condition, results of operations, and cash flows."

Our framework agreements with certain manufacturers contain provisions that, among other things, attempt to limit the protections available to dealers under these laws. If these laws are repealed in the states in which we operate, manufacturers may be able to terminate our franchises without providing advance notice, an opportunity to cure or a showing of good cause. Without the protection of these laws, it may also be more difficult for us to renew our dealer agreements upon expiration.

Changes in laws that provide manufacturers the ability to terminate our dealer agreements could materially adversely affect our business, financial condition and results of operations. Furthermore, if a manufacturer seeks protection from creditors in bankruptcy, courts have held that the federal bankruptcy laws may supersede these laws, resulting in either the termination, non-renewal or rejection of franchises by such manufacturers, which, in turn, could materially adversely affect our business, financial condition, and results of operations. For additional information, please refer to the risk factor captioned "If state laws that protect automotive retailers are repealed, weakened, or superseded by our framework agreements with manufacturers, our dealerships will be more susceptible to termination, non-renewal or renegotiation of their dealer agreements which could have a materially adverse effect on our business, financial condition, and results of operations."

Regulations

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

Our financing activities with customers are subject to federal truth-in-lending, consumer leasing, and equal credit opportunity laws and regulations, as well as state and local motor vehicle finance laws, leasing laws, installment finance laws, usury laws, and other installment state and leasing laws and regulations. Some U.S. states regulate fees and charges that may be

paid as a result of vehicle sales. Claims arising out of actual or alleged violations of law may be asserted against us or our stores by individuals or governmental entities and may expose us to significant damages, fines or other penalties, including revocation or suspension of our license to conduct store operations.

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

Environmental, Health and Safety Laws and Regulations

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

We have incurred, and will continue to incur, costs and capital expenditures to comply with these laws and regulations and to obtain and maintain all necessary environmental permits. We believe that our operations currently are being conducted in substantial compliance with all applicable environmental laws. From time to time, we may experience incidents and encounter conditions that are not in compliance with environmental laws and regulations. We occasionally receive notices from environmental agencies regarding potential violations of environmental laws or regulations. In such cases, we work with the agencies to address any issues and to implement appropriate corrective action when necessary. However, none of our dealerships have been subject to any material environmental liabilities in the past, nor do we know of any fact or condition that would result in any material environmental liabilities being incurred in the future.

Employees

As of December 31, 2019, we employed approximately 8,500 full-time and part-time employees, none of whom were covered by collective bargaining agreements. We believe we have good relations with our employees.

Insurance

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

Our insurance programs include multiple umbrella and excess policies with a total per occurrence and aggregate limit of $100.0 million. We are self-insured for certain employee medical claims and maintain stop loss insurance for individual claims. We have large deductible insurance programs in place for workers compensation, property, and general liability claims.

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

Item 1A. Risk Factors

In addition to the other information contained, referred to or incorporated by reference into this report, you should consider carefully the following factors when evaluating our business and before making an investment decision. Our business, operations, ability to implement our strategy, reputation, results of operations, financial condition, cash flows, and prospects may be materially adversely affected by the risks described below. In addition, other risks or uncertainties not presently known to us or that we currently do not deem material could arise, any of which could also materially adversely affect us.

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

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

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

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

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

Historically, we have generated most of our revenue through new vehicle sales, and new vehicle sales also tend to lead to sales of higher-margin products and services, such as finance and insurance products and vehicle-related parts and service. As a result, our profitability is dependent to a great extent on various aspects of vehicle manufacturers' operations, many of which are outside of our control. Our ability to sell new vehicles is dependent on manufacturers' ability to design and produce, and willingness to allocate and deliver to our dealerships, a desirable mix of popular new vehicles that consumers demand. Popular vehicles may often be difficult to obtain from manufacturers for a number of reasons, including the fact that manufacturers generally allocate their vehicles to dealerships based on sales history and capital expenditures associated with such dealerships. Further, if a manufacturer fails to produce desirable vehicles or develops a reputation for producing undesirable vehicles or produces vehicles that do not comply with applicable laws or government regulations, and we own dealerships which sell that manufacturer's vehicles, our revenues from those dealerships could be adversely affected as consumers shift their vehicle purchases away from that brand.

Although we seek to limit our dependence on any one vehicle manufacturer, there can be no assurance the brand mix allocated and delivered to our dealerships by the manufacturers will be appropriate or sufficiently diverse, to protect us from a significant decline in the desirability of vehicles manufactured by a particular manufacturer or disruptions in a manufacturer's ability to produce vehicles. For the year ended December 31, 2019, manufacturers representing 5% or more of our revenues

from new vehicle sales were as follows:

Manufacturer (Vehicle Brands):	% of Total New Vehicle Revenues
American Honda Motor Co., Inc. (*Honda and Acura*)	22%
Toyota Motor Sales, U.S.A., Inc. (*Toyota and Lexus*)	20%
Nissan North America, Inc. (*Nissan and Infiniti*)	11%
Ford Motor Company (*Ford and Lincoln*)	10%
Mercedes-Benz USA, LLC (*Mercedes-Benz, smart and Sprinter*)	7%
BMW of North America, LLC (*BMW and Mini*)	6%

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

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

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

In addition, the automotive manufacturing supply chain spans the globe. As such, supply chain disruptions resulting from natural disasters, adverse weather and other events may affect the flow of vehicle and parts inventories to us or our manufacturing partners. For example, in early 2020, the outbreak of a novel coronavirus in Wuhan, China has led to quarantines of a significant number of Chinese cities and widespread disruptions to travel and economic activity in that region and other countries. Until such time as the coronavirus is contained, the outbreak may lead to quarantines of additional cities or regions, including cities or regions in the United States, which may lead us to experience disruptions in the (i) supply of vehicle and parts inventories, (ii) ability and willingness of our customers to visit our stores to purchase products or service their vehicles and (iii) overall health of our labor force. At this time, it is unclear what effect, if any, the outbreak and resulting disruptions may have on the automotive manufacturing vehicle and parts supply chain, the health of our labor force and the ability and willingness of our customers to visit our stores to purchase products or service their vehicles. Such disruptions could have a material adverse effect on our business, results of operations, financial condition, and cash flows.

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

As of December 31, 2019, we had total debt of $943.3 million, (which excluded $28.1 million mortgage notes payable classified as Liabilities associated with assets held for sale) and total floor plan notes payable of $788.0 million, (which excluded $62.8 million floor plan notes payable classified as Liabilities associated with assets held for sale). We have the ability to incur substantial additional debt in the future to finance, among other things, acquisitions, working capital and capital expenditures, subject in each case to the restrictions contained in our debt instruments and other agreements existing at the time such indebtedness is incurred.

Our debt service obligations could have important consequences to us for the foreseeable future, including the following: (i) our ability to obtain additional financing for acquisitions, capital expenditures, working capital or other general corporate purposes may be impaired; (ii) a substantial portion of our cash flow from operating activities must be dedicated to the payment of principal and interest on our debt, thereby reducing the funds available to us for our operations and other corporate purposes; (iii) some of our borrowings are and will continue to be at variable rates of interest, which exposes us to risks of interest rate increases; and (iv) we may be or become substantially more leveraged than some of our competitors, which may place us at a relative competitive disadvantage and make us more vulnerable to changes in market conditions and governmental regulations.

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

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

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

The occurrence of any one of these events may limit our ability to take strategic actions that would otherwise enable us to manage our business, in a manner in which we otherwise would, absent such limitations, which could materially adversely affect our business, financial condition, results of operations and cash flows.

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

We generally finance our purchases of new vehicle inventory, have the ability to finance the purchases of used vehicle inventory, and have the availability to borrow funds for working capital under our senior secured credit facilities that charge interest at variable rates. Therefore, our interest expense from variable rate debt will rise with increases in interest rates. In addition, a significant rise in interest rates may also have the effect of depressing demand in the interest rate sensitive aspects of our business, particularly new and used vehicle sales and the related profit margins and F&I revenue per vehicle, because most

of our customers finance their vehicle purchases. As a result, rising interest rates may have the effect of simultaneously increasing our capital costs and reducing our revenues. Given our variable interest rate debt and floor plan notes payable outstanding as of December 31, 2019, each one percent increase in market interest rates would increase our total annual interest expense by as much as $9.7 million. When considered in connection with reduced expected sales as and if interest rates increase, any such increase could materially adversely affect our business, financial condition and results of operations.

In addition, many of our loans and obligations for borrowed money are priced on variable interest rates tied to the London Interbank Offering Rate, or LIBOR. In 2017, the United Kingdom's Financial Conduct Authority, which regulates LIBOR, announced its intent to phase out LIBOR by the end of 2021. The Company has negotiated in certain of its principal debt instruments a procedure for replacing LIBOR. However, the discontinuance or modification of LIBOR, the introduction of alternative reference rates or other reforms to LIBOR could cause the interest rate calculated to be materially different than expected. This would adversely affect our asset/liability management and could lead to more asset and liability mismatches and interest rate risk unless appropriate LIBOR alternatives are developed. The cessation of LIBOR may also cause confusion that could disrupt the capital and credit markets and result in our inability to access capital required in the future to finance, among other things, acquisitions, working capital and capital expenditures.

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

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

Lenders that have historically provided financing to those buyers who, for various reasons, do not have access to traditional financing, including those buyers who have a poor credit history or lack the down payment necessary to purchase a vehicle, are often referred to as subprime lenders. If market conditions cause subprime lenders to tighten credit standards, or if interest rates increase, the ability to obtain financing from subprime lenders for these consumers to purchase vehicles could become limited, resulting in a decline in our vehicle sales, which in turn, could have a material adverse effect on our financial condition and results of operations.

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

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

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

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

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

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

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

For example, manufacturers can set performance standards with respect to sales volume, sales effectiveness and customer satisfaction, and require us to obtain manufacturer consent before we can acquire dealerships selling a manufacturer's automobiles. From time to time, we may be precluded under agreements with certain manufacturers from acquiring additional franchises, or subject to other adverse actions, to the extent we are not meeting certain performance criteria at our existing stores (with respect to matters such as sales volume, customer satisfaction and sales effectiveness) until our performance improves in accordance with the agreements, subject to applicable state franchise laws. In addition, many vehicle manufacturers place limits on the total number of franchises that any group of affiliated dealerships may own and certain manufacturers place limits on the number of franchises or share of total brand vehicle sales that may be maintained by an affiliated dealership group on a national, regional or local basis, as well as limits on store ownership in contiguous markets, which limits may be applicable to the Company as a result of the Acquisition. If we reach any of these limits, we may be prevented from making further acquisitions, or we may be required to dispose of certain dealerships, whether as a result of the Acquisition or otherwise, which could adversely affect our future growth. We cannot provide assurance that manufacturers will approve future acquisitions timely, if at all, which could significantly impair the execution of our acquisition strategy.

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

Manufacturers also typically establish facilities and minimum capital requirements for dealerships on a case-by-case basis. In certain circumstances, including as a condition to obtaining consent to a proposed acquisition, a manufacturer may require us to remodel, upgrade or move our facilities, and capitalize the subject dealership at levels we would not otherwise choose to fund, causing us to divert our financial resources away from uses that management believes may be of higher long-term value to us. Delays in obtaining, or failing to obtain, manufacturer consent, would impede our ability to execute acquisitions that we believe would integrate well with our overall strategy and limit our ability to expand our business.

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

Manufacturers may also limit our ability to divest one or more of our dealerships in a timely manner or at all. Most of our dealer agreements provide the manufacturer with a right of first refusal to purchase any of the manufacturer's franchises we seek to sell. Divestitures may also require manufacturer consent and failure to obtain consent would require us to find another potential buyer or wait until the buyer is able to meet the requirements of the manufacturer. A delay in the sale of a dealership could have a negative impact on our business, financial condition, results of operations, and cash flows.

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

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

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

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

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

If state laws that protect automotive retailers are repealed, weakened, or superseded by our framework agreements with manufacturers, our dealerships will be more susceptible to termination, non-renewal, or renegotiation of their dealer agreements, which could have a material adverse effect on our business, results of operations and financial condition.

Applicable state laws generally provide that an automobile manufacturer may not terminate or refuse to renew a dealer agreement unless it has first provided the dealer with written notice setting forth "good cause" and stating the grounds for termination or non-renewal. Some state laws allow dealers to file protests or petitions or allow them to attempt to comply with the manufacturer's criteria within a notice period to avoid the termination or non-renewal. Our framework agreements with certain manufacturers contain provisions that, among other things, attempt to limit the protections available to dealers under these laws, and, though unsuccessful to date, manufacturers' ongoing lobbying efforts may lead to the repeal or revision of these laws. If these laws are repealed in the states in which we operate, manufacturers may be able to terminate our franchises without providing advance notice, an opportunity to cure or a showing of good cause. Without the protection of these state laws, it may also be more difficult for us to renew our dealer agreements upon expiration. Changes in laws that provide manufacturers the ability to terminate our dealer agreements could materially adversely affect our business, financial condition, and results of operations. Furthermore, if a manufacturer seeks protection from creditors in bankruptcy, courts have held that the federal bankruptcy laws may supersede the state laws that protect automotive retailers resulting in the termination, non-renewal or rejection of franchises by such manufacturers, which, in turn, could materially adversely affect our business, financial condition, and results of operations.

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

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

Additionally, in the ordinary course of business, we and our partners receive significant PII about our customers in order to complete the sale or service of a vehicle and related products. We also receive PII from our employees. The regulatory environment surrounding information security and privacy is increasingly demanding, with numerous state and federal regulations, as well as payment card industry and other vendor standards, governing the collection and maintenance of PII from consumers and other individuals. We believe the automotive dealership industry is a particular target of identity thieves, as there are numerous opportunities for a data security breach, including cyber-security breaches, burglary, lost or misplaced data, scams, or misappropriation of data by employees, vendors or unaffiliated third parties. Because of the increasing number and sophistication of cyber-attacks, and despite the security measures we have in place and any additional measures we may implement or adopt in the future, our facilities and systems, and those of our third-party service providers, could be vulnerable to security breaches, computer viruses, lost or misplaced data, programming errors, scams, burglary, human errors, acts of

vandalism, and/or other events. Alleged or actual data security breaches can increase costs of doing business, negatively affect customer satisfaction and loyalty, expose us to negative publicity, individual claims or consumer class actions, administrative, civil or criminal investigations or actions, and infringe on proprietary information, any of which could have a material adverse effect on our business, financial condition, results of operations, or cash flows.

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

The automotive retail industry, including our facilities and operations, is subject to a wide range of federal, state, and local laws and regulations, such as those relating to motor vehicle sales, retail installment sales, leasing, finance and insurance, marketing, licensing, consumer protection, consumer privacy, escheatment, anti-money laundering, environmental, vehicle emissions and fuel economy, and health and safety. In addition, with respect to employment practices, we are subject to various laws and regulations, including complex federal, state, and local wage and hour and anti-discrimination laws. The violation of the laws or regulations to which we are subject could result in administrative, civil, or criminal sanctions against us, which may include a cease and desist order against the subject operations or even revocation or suspension of our license to operate the subject business, as well as significant fines and penalties. Violation of certain laws and regulations to which we are subject may also subject us to consumer class action or other lawsuits or governmental investigations and adverse publicity. We currently devote significant resources to comply with applicable federal, state, and local regulation of health, safety, environmental, zoning, and land use regulations, and we may need to spend additional time, effort, and money to keep our operations and existing or acquired facilities in compliance therewith.

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

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

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

Environmental laws and regulations govern, among other things, discharges into the air and water, storage of petroleum substances and chemicals, the handling and disposal of solid and hazardous wastes, investigation and remediation of contamination. Similar to many of our competitors, we have incurred and expect to continue to incur capital and operating expenditures and other costs to comply with such federal and state statutes. In addition, we may become subject to broad liabilities arising out of contamination at our currently and formerly owned or operated facilities, at locations to which hazardous substances were transported from such facilities, and at such locations related to entities formerly affiliated with us. For such potential liabilities, we believe we are entitled to indemnification from other entities. However, we cannot provide assurance that such entities will view their obligations as we do or will be able or willing to satisfy them. Failure to comply with applicable laws and regulations, or significant additional expenditures required to maintain compliance therewith, could have a material adverse effect on our business, results of operations, financial condition, or cash flows.

A significant judgment against us or the imposition of a significant fine could have a material adverse effect on our business, financial condition and future prospects. We further expect that, from time to time, new laws and regulations, particularly in the environmental area will be enacted, and compliance with such laws, or penalties for failure to comply, could significantly increase our costs. For example, vehicle manufacturers are subject to government-mandated fuel economy and greenhouse gas emission standards, which continue to change and become more stringent over time. Specifically, vehicle manufacturers are subject to corporate average fuel economy standards ("CAFE") for passenger cars and light trucks. Failure of a manufacturer to develop passenger vehicles and light trucks that meet CAFE and/or greenhouse gas emission standards could subject the manufacturer to substantial penalties, increase the cost of vehicles sold to us, and adversely affect our ability to market and sell vehicles to meet consumer needs and desires, which could have a material adverse effect on our business, results of operations, financial condition, or cash flows.

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

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

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

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

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

We are subject to substantial risk of property loss due to the significant concentration of property at dealership locations, and concentration of dealerships themselves, including vehicles and parts. We have historically experienced business interruptions from time to time at several of our dealerships, due to actual or threatened adverse weather conditions or natural disasters, such as hurricanes, tornadoes, floods, and hail storms, or other extraordinary events. Concentration of property at dealership locations also makes the automotive retail business particularly vulnerable to theft, fraud, and misappropriation of assets. Illegal or unethical conduct by employees, customers, vendors, and unaffiliated third parties can result in loss of assets, disrupt operations, impact brand reputation, jeopardize manufacturer and other relationships, result in the imposition of fines or penalties, and subject us to governmental investigations or lawsuits. While we maintain insurance to protect against a number of losses, including cyber-security breaches or attacks, our insurance coverage often contains significant deductibles. In addition, we "self-insure" a portion of our potential liabilities, meaning we do not carry insurance from a third-party for such liabilities, and are wholly responsible for any related losses including for certain potential liabilities that some states prohibit the maintenance of insurance to protect against. In certain instances, our insurance may not fully cover a loss depending on the applicable deductible or the magnitude and nature of the claim. Additionally, changes in the cost or availability of insurance in the future could substantially increase our costs to maintain our current level of coverage or could cause us to reduce our insurance coverage and increase our self-insured risks. To the extent we incur significant additional costs for insurance, suffer losses that are not covered by in-force insurance or suffer losses for which we are self-insured, our financial condition, results of operations, or cash flows could be materially adversely impacted.

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

A deterioration of our credit rating, or a general disruption in the credit markets, could limit our ability to obtain credit on terms acceptable to us, or at all. In addition, uncertain economic conditions or the re-pricing of certain credit risks may make it more difficult for us to obtain one or more types of funding in the amounts, or at rates considered acceptable to us, at any given time. Our inability to access necessary or desirable funding, or to enter into certain related transactions, at times and at costs deemed appropriate by us, could have a negative impact on our liquidity and our ability to conduct our operations. Any of these

developments could also reduce the ability or willingness of the financial institutions that have extended credit commitments to us, or that have entered into hedge or similar transactions with us, to fulfill their obligations to us, which also could have a material adverse effect on our liquidity and our ability to conduct our operations.

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

Our business involves the sale of vehicles, parts or vehicles composed of parts that are manufactured outside the United States. As a result, our operations are subject to risks of doing business outside of the United States and importing merchandise, including import duties, exchange rates, trade restrictions, work stoppages, natural or man-made disasters, and general political and socio-economic conditions in other countries. The United States or the countries from which our products are imported may, from time to time, impose new quotas, duties, tariffs or other restrictions or limitations, or adjust presently prevailing quotas, duties, or tariffs. The imposition of new, or adjustments to prevailing, quotas, duties, tariffs or other restrictions or limitations could have a material adverse effect on our business, financial condition, results of operations and cash flows. Relative weakness of the U.S. dollar against foreign currencies in the future may result in an increase in costs to us and in the retail price of such vehicles or parts, which could discourage consumers from purchasing such vehicles and adversely impact our revenues and profitability.

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

We believe that the automotive retailing industry is a mature industry whose sales are significantly impacted by the prevailing economic climate, both nationally and in local markets. Accordingly, we believe that our future growth depends in part on our ability to manage expansion, control costs in our operations and acquire and effectively integrate acquired dealerships into our organization. When seeking to acquire other dealerships, we often compete with several other national, regional and local dealership groups, and other strategic and financial buyers, some of which may have greater financial resources than us. Competition for attractive acquisition targets may result in fewer acquisition opportunities for us, and we may have to forgo acquisition opportunities to the extent we cannot negotiate such acquisitions on acceptable terms.

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

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

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

Our ability to make payments on our indebtedness and fund our ongoing operations depends on our operating subsidiaries' ability to generate cash in the future and distribute that cash to us. It is possible that our subsidiaries may not generate cash from operations in an amount sufficient to enable us to service our indebtedness. In addition, many of our subsidiaries are required to comply with the provisions of franchise agreements, dealer agreements, other agreements with manufacturers, mortgages, and credit facility providers. Many of these agreements contain minimum working capital or net worth requirements, and are subject to change at least annually. Although the requirements contained in these agreements did not restrict our subsidiaries from distributing cash to us as of December 31, 2019, unexpected changes to our franchise agreements, dealer agreements, or other agreements with manufacturers could require us to alter the manner in which we distribute or use cash. If our operating subsidiaries are unable to generate and distribute sufficient cash to us to service our indebtedness and fund our ongoing operations, our financial condition may be materially adversely affected.

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

Our principal intangible assets are goodwill and our rights under our franchise agreements with vehicle manufacturers. Goodwill and indefinite-lived intangible assets, including manufacturer franchise rights, are subject to impairment assessments at least annually (or more frequently when events or changes in circumstances indicate that an impairment may have occurred), by applying a qualitative or quantitative assessment. A decrease in our market capitalization or profitability increases the risk of goodwill impairment. The fair value of our manufacturer franchise rights is determined by discounting a sub-set of the projected cash flows at a dealership that we attribute to the value of the franchise. Changes to the business mix or declining cash flows in a dealership increase the risk of impairment. An impairment loss could have a material adverse effect on our results of operations and stockholders' equity. During the years ended December 31, 2019 and 2018, we recognized $7.1 million and $3.7 million, respectively, in pre-tax non-cash impairment charges associated with manufacturer franchise rights recorded at certain dealerships. See Note 9 "Goodwill and Intangible Franchise Rights" of the Notes to Consolidated Financial Statements for more information.

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

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

Risks Related to the Acquisition

The Acquisition, if consummated, will create numerous risks and uncertainties which could adversely affect our business and results of operations.

After consummation of the Acquisition, we will have significantly more sales, assets and employees than we did prior to the transaction. The integration process will require us to expend significant capital and significantly expand the scope of our operations and financial systems. Our management will be required to devote a significant amount of time and attention to the process of integrating the operations of our business with that of Park Place. There is a significant degree of difficulty and management involvement inherent in that process.

These difficulties include:

- integrating the operations of Park Place while carrying on the ongoing operations of our business;
- managing a significantly larger company than before consummation of the Acquisition;
- the possibility of faulty assumptions underlying our expectations regarding the (i) integration process, including, among other things, unanticipated delays, costs or inefficiencies, and (ii) retention of key employees;
- the effects of unanticipated liabilities;
- operating a more diversified business;
- integrating two separate business cultures, which may prove to be incompatible;
- attracting and retaining the necessary personnel associated with the business of Park Place following the Acquisition;
- creating uniform standards, controls, procedures, policies and information systems and controlling the costs associated with such matters; and
- integrating information, purchasing, accounting, finance, sales, billing, payroll and regulatory compliance systems.

As a private company, Park Place was not required to obtain an audit of its internal control over financial reporting or otherwise have such internal control assessed, except to the extent required in connection with audits pursuant to GAAP; however, following the consummation of the Acquisition, the financial systems of Park Place will be integrated into our financial system and subject to the internal control audit required with respect to the Company as a public company.

If any of these factors limits our ability to integrate Park Place into our operations successfully or on a timely basis, the expectations of future results of operations, including certain run-rate synergies expected to result from the Acquisition, might not be met. As a result, we may not be able to realize the expected benefits that we seek to achieve from the Acquisition, which could also affect our ability to service our debt obligations. In addition, we may be required to spend additional time or money on integration that otherwise would be spent on the development and expansion of our business, including efforts to further expand our product portfolio.

We may be unable to realize the anticipated cost savings or operational improvements or may incur additional and/or unexpected costs in order to realize them.

There can be no assurance that we will be able or realize the anticipated cost savings or operational improvements from the proposed transaction in the anticipated amounts or within the anticipated timeframes or costs expectations or at all. We are implementing a series of cost savings initiatives at the Combined Company that we expect to result in recurring, annual run-rate cost savings. We expect to incur one-time, non-recurring costs to achieve such synergies.

These or any other cost savings or operational improvements that we realize may differ materially from our estimates. We cannot provide assurances that these anticipated savings will be achieved or that our programs and improvements will be completed as anticipated or at all. In addition, any cost savings that we realize may be offset, in whole or in part, by reductions in revenues or through increases in other expenses.

Failure to realize the expected costs savings and operating synergies related to the Acquisition could result in increased costs and have an adverse effect on the combined Company's financial results and prospects.

If the Acquisition is consummated, our post-closing recourse for liabilities related to Park Place is limited.

As part of the Acquisition, we will assume certain liabilities of Park Place. There may be liabilities that we failed or were unable to discover in the course of performing due diligence investigations into Park Place. In addition, as Park Place is integrated, we may learn additional information about Park Place, such as unknown or contingent liabilities or other issues relating to the operations of Park Place. Any such liabilities or issues, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations. Under the Asset Purchase Agreement, the Sellers will be liable for certain breaches of representations, warranties and covenants but our recovery may be contingent upon the aggregate damages arising out of any such breaches exceeding specified dollar thresholds and is subject to other time-based and monetary-based limitations. Accordingly, we may not be able to enforce certain claims against the sellers with respect to liabilities of Park Place.

We do not currently control Park Place and will not control Park Place until completion of the Acquisition.

We do not currently control Park Place and will not control Park Place until completion of the Acquisition. The Asset Purchase Agreement imposes certain limitations on how Park Place manages its business, but we cannot assure you that Park Place's business will be operated in the same way as it would be under our control.

The purchase price for the Acquisition could increase significantly from our estimates, which may adversely impact our liquidity.

The purchase price for the Acquisition will be based, in part, on the value of vehicle inventory at the Park Place dealerships on the closing date of the Acquisition. The value of vehicle inventories at automobile dealerships fluctuates significantly due to changes in economic conditions, the availability of consumer financing and the seasonality of demand for vehicles, among other factors. If the value of the vehicle inventory at the Park Place dealerships is greater than we currently estimate, we will be required to pay additional purchase price consideration, which may require use to draw on existing sources of liquidity, including the Revolving Credit Facility (as defined below) and cash on hand. To the extent we are required to pay a higher purchase price for the Acquisition, we may have less liquidity to fund our other operations and growth strategies, which may adversely impact our financial condition, results of operations or cash flows.

Item 1B. Unresolved Staff Comments

None.

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Item 2. Properties

We lease our corporate headquarters, which is located at 2905 Premiere Parkway, NW, Suite 300, Duluth, Georgia 30097. As of December 31, 2019, our operations encompassed 88 franchised dealership locations throughout ten states, and 25 collision repair centers as follows:

	Dealerships			Collision Repair Centers	
Dealership Group:	**Owned**	**Leased**		**Owned**	**Leased**
Coggin Automotive Group	12	4	(a)	5	2
Courtesy Autogroup	5	3		2	—
Crown Automotive Company	13	5	(b)	3	—
David McDavid Auto Group	6	—		3	1
Bill Estes & Hare Automotive Group	8	—		1	1
Gray-Daniels Auto Family	—	5	(b)	—	1
Mike Shaw Subaru	1	—		—	—
Nalley Automotive Group	18	1		4	1
Plaza Motor Company	6	1	(b)	—	1
Total	69	19		18	7

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

Item 3. Legal Proceedings

From time to time, we and our dealerships are involved and will continue to be involved in various claims relating to, and arising out of, our business and our operations. These claims may involve, but are not limited to, financial and other audits by vehicle manufacturers or lenders, and certain federal, state, and local government authorities, which relate primarily to (i) incentive and warranty payments received from vehicle manufacturers, or allegations of violations of manufacturer agreements or policies, (ii) compliance with lender rules and covenants and (iii) payments made to government authorities relating to federal, state, and local taxes, as well as compliance with other government regulations. Claims may also arise through litigation, government proceedings, and other dispute resolution processes. Such claims, including class actions, can relate to, but are not limited to, the practice of charging administrative fees, employment-related matters, truth-in-lending practices, contractual disputes, actions brought by governmental authorities, and other matters. We evaluate pending and threatened claims and establish loss contingency reserves based upon outcomes we currently believe to be probable and reasonably estimable. We do not believe that the ultimate resolution of the claims we are involved in will have a material adverse effect on our business, results of operations, financial condition, cash flow and prospects.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

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

Our common stock is traded on the New York Stock Exchange (the "NYSE") under the symbol "ABG."

We did not pay any dividends during any of these periods. On February 28, 2020, the last reported sale price of our common stock on the NYSE was $88.64 per share, and there were approximately 514 record holders of our common stock.

Our credit agreement with Bank of America, N.A. ("Bank of America"), as administrative agent, and the other agents and lenders party thereto (the "2019 Senior Credit Facility") and the Indenture governing our 6.0% Notes (the "Indenture") and the Indentures governing the New Senior Notes (as defined below) (collectively, the "Indentures") currently allow for us to make certain restricted payments, including payments to repurchase shares of our common stock, among other things, subject to our continued compliance with certain covenants. For additional information, see the "Covenants and Defaults" section within "Liquidity and Capital Resources."

Issuer Purchases of Equity Securities

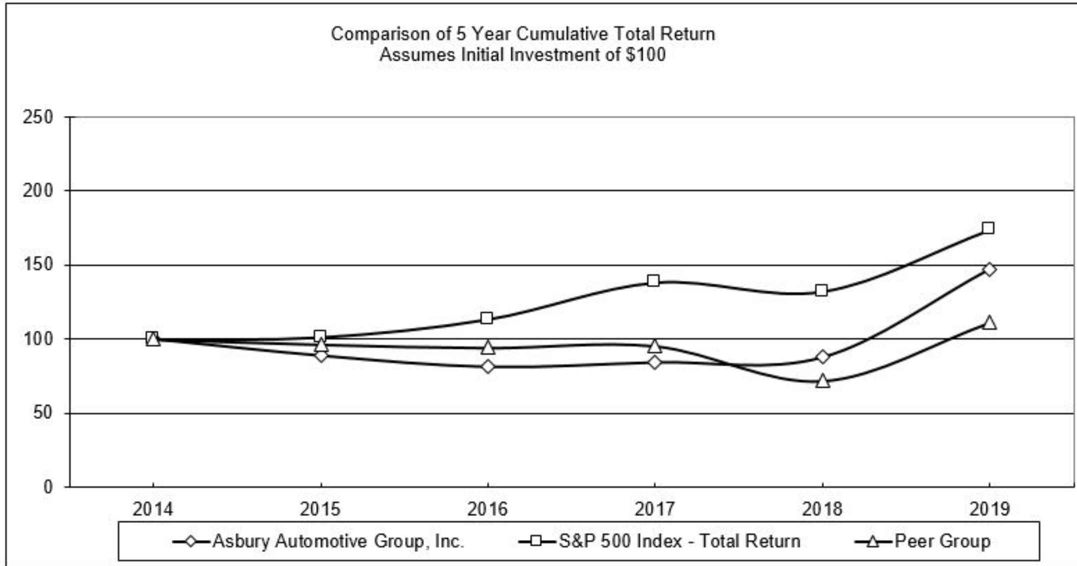
On January 30, 2014, our Board of Directors authorized our current share repurchase program (the "Repurchase Program"). On both January 24, 2018 and October 19, 2018, our Board of Directors reset the authorization under our Repurchase Program to $100.0 million in the aggregate, for the repurchase of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

During the year ended December 31, 2019, we repurchased 202,379 shares of our common stock under the Repurchase Program for a total of $15.3 million and an additional 72,368 shares of our common stock for $5.2 million from employees in connection with a net share settlement feature of employee equity-based awards. As of December 31, 2019, we had remaining authorization to repurchase up to an additional $66.3 million of our common stock. Any repurchases will be subject to applicable limitations in our debt or other financing agreements that may be in existence from time to time.

PERFORMANCE GRAPH

The following graph furnished by us shows the value as of December 31, 2019, of a $100 investment in our common stock made on December 31, 2014, as compared with similar investments based on (i) the value of the S&P 500 Index (with dividends reinvested) and (ii) the value of a market-weighted Peer Group Index composed of the common stock of AutoNation, Inc.; Sonic Automotive, Inc.; Group 1 Automotive, Inc.; Penske Automotive Group, Inc.; and Lithia Motors, Inc., in each case on a "total return" basis assuming the reinvestment of any dividends. The market-weighted Peer Group Index values were calculated from the beginning of the performance period. The historical stock performance shown below is not necessarily indicative of future expected performance.

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



Item 6. Selected Financial Data

The following table sets forth selected consolidated financial data as of and for the years ended December 31, 2019, 2018, 2017, 2016, and 2015. Certain reclassifications of amounts previously reported have been made to the accompanying income statement data and balance sheet data in order to conform to current presentation. The following information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our Consolidated Financial Statements and the Notes thereto, included elsewhere in this annual report on Form 10-K.

	For the Years Ended December 31,				
Income Statement Data:	**2019**	**2018**	**2017**	**2016**	**2015**
	(in millions, except per share data)				
REVENUE:					
New vehicle	$ 3,863.3	$ 3,788.7	$ 3,561.1	$ 3,611.9	$ 3,652.5
Used vehicle	2,131.6	1,972.4	1,834.1	1,876.4	1,931.7
Parts and service	899.4	821.0	786.1	778.5	740.7
Finance and insurance, net	316.0	292.3	275.2	261.0	263.4
TOTAL REVENUE	7,210.3	6,874.4	6,456.5	6,527.8	6,588.3
COST OF SALES	6,041.4	5,771.4	5,400.6	5,469.1	5,527.5
GROSS PROFIT	1,168.9	1,103.0	1,055.9	1,058.7	1,060.8
OPERATING EXPENSES:					
Selling, general, and administrative expenses	799.8	755.8	729.7	732.5	729.9
Depreciation and amortization	36.2	33.7	32.1	30.7	29.5
Franchise rights impairment	7.1	3.7	5.1	—	—
Other operating expense (income), net	0.8	(1.1)	1.3	(2.3)	(0.2)
INCOME FROM OPERATIONS	325.0	310.9	287.7	297.8	301.6
OTHER EXPENSES (INCOME):					
Floor plan interest expense	37.9	32.5	22.7	19.3	16.1
Other interest expense, net	54.9	53.1	53.9	53.1	44.0
Swap interest expense	—	0.5	2.0	3.1	3.0
Gain on divestitures	(11.7)	—	—	(45.5)	(34.9)
Total other expenses, net	81.1	86.1	78.6	30.0	28.2
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX	243.9	224.8	209.1	267.8	273.4
Income tax expense	59.5	56.8	70.0	100.6	104.0
INCOME FROM CONTINUING OPERATIONS	184.4	168.0	139.1	167.2	169.4
Discontinued operations, net of tax	—	—	—	—	(0.2)
NET INCOME	$ 184.4	$ 168.0	$ 139.1	$ 167.2	$ 169.2
Income from continuing operations per common share:					
Basic	$ 9.65	$ 8.36	$ 6.69	$ 7.43	$ 6.44
Diluted	$ 9.55	$ 8.28	$ 6.62	$ 7.40	$ 6.42

Balance Sheet Data:	As of December 31,				
	2019	2018	2017	2016	2015
	(in millions)				
Working capital	$ 355.6	$ 249.7	$ 243.9	$ 227.5	$ 323.4
Inventories (a)	1,052.7	1,067.6	826.0	894.9	917.2
Total assets	2,911.3	2,695.4	2,356.7	2,336.1	2,294.1
Floor plan notes payable (b)	850.8	966.1	732.1	781.8	712.2
Total debt (b)	967.5	905.3	875.5	926.7	954.3
Total shareholders' equity	$ 646.3	$ 473.2	$ 394.2	$ 279.7	$ 314.5

(a) Includes amounts classified as Assets held for sale on our Consolidated Balance Sheet.

(b) Includes amounts classified as Liabilities associated with assets held for sale on our Consolidated Balance Sheet.

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

OVERVIEW

We are one of the largest automotive retailers in the United States. As of December 31, 2019 we owned and operated 107 new vehicle franchises (88 dealership locations), representing 31 brands of automobiles, and 25 collision centers, in 17 metropolitan markets, within ten states. Our stores offer an extensive range of automotive products and services, including new and used vehicles; parts and service, which include repair and maintenance services, replacement parts, and collision repair service; and finance and insurance products. For the year ended December 31, 2019, our new vehicle revenue brand mix consisted of 45% imports, 34% luxury, and 21% domestic brands.

Our revenues are derived primarily from: (i) the sale of new vehicles; (ii) the sale of used vehicles to individual retail customers ("used retail") and to other dealers at auction ("wholesale") (the terms "used retail" and "wholesale" collectively referred to as "used"); (iii) repair and maintenance services, including collision repair, the sale of automotive replacement parts, and the reconditioning of used vehicles (collectively referred to as "parts and service"); and (iv) the arrangement of third-party vehicle financing and the sale of a number of vehicle protection products (defined below and collectively referred to as "F&I"). We evaluate the results of our new and used vehicle sales based on unit volumes and gross profit per vehicle sold, our parts and service operations based on aggregate gross profit, and our F&I business based on F&I gross profit per vehicle sold.

Our continued organic growth is dependent upon the execution of our balanced automotive retailing and service business strategy, the continued strength of our brand mix, and the production and allocation of desirable vehicles from the automobile manufacturers whose brands we sell. Our vehicle sales have historically fluctuated with product availability as well as local and national economic conditions, including consumer confidence, availability of consumer credit, fuel prices, and employment levels. Additionally, our ability to sell certain new and used vehicles can be negatively impacted by a number of factors, some of which are outside of our control and may include manufacturer imposed stop-sales or open safety recalls, primarily due to, but not limited to, vehicle safety concerns or a vehicle's failure to meet environmental related requirements. Further, governmental actions, such as changes in, or the imposition of, tariffs or trade restrictions on imported goods, may adversely affect vehicle sales and depress demand. However, we believe that the impact on our business of any future negative trends in new vehicle sales would be partially mitigated by (i) the expected relative stability of our parts and service operations over the long-term, (ii) the variable nature of significant components of our cost structure, and (iii) our diversified brand and geographic mix.

The seasonally adjusted annual rate ("SAAR") of new vehicle sales in the U.S. during 2019 was 17.0 million compared to 17.3 million in 2018. The automotive retail business continues to benefit from the availability of credit to consumers, strong consumer confidence and historically low unemployment levels. Demand for new vehicles is generally highest during the second, third, and fourth quarters of each year and, accordingly, we expect our revenues to generally be higher during these periods. We typically experience higher sales of luxury vehicles in the fourth quarter, which have higher average selling prices and gross profit per vehicle retailed. Revenues and operating results may be impacted significantly from quarter-to-quarter by changing economic conditions, vehicle manufacturer incentive programs, adverse weather events, or other developments outside our control.

Our gross profit margin varies with our revenue mix. Sales of new vehicles generally result in a lower gross profit margin than used vehicle sales, sales of parts and service, and sales of F&I products. As a result, when used vehicle, parts and service, and F&I revenue increase as a percentage of total revenue, we expect our overall gross profit margin to increase.

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

We had total available liquidity of $472.9 million as of December 31, 2019, which consisted of cash and cash equivalents of $3.5 million, $132.1 million of funds in our floor plan offset accounts, $190.0 million of availability under our new vehicle floor plan facility that is able to be convert to our revolving credit facility, $47.3 million of availability under our revolving credit facility, and $100.0 million of availability under our used vehicle revolving floor plan facility. For further discussion of our liquidity, please refer to "Liquidity and Capital Resources" below.

CRITICAL ACCOUNTING POLICIES AND SIGNIFICANT ESTIMATES

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions, that affect the amounts of assets and liabilities and disclosures of contingent assets and liabilities, as of the date of the financial statements, and reported amounts of revenues and expenses during the periods presented. On an ongoing basis, management evaluates their estimates and assumptions and the effects of any such revisions are reflected in the financial statements, in the period in which they are determined to be necessary. Actual outcomes could differ materially from those estimates in a manner that could have a material effect on our Consolidated Financial Statements. Set forth below are the policies and estimates that we have identified as critical to our business operations and understanding our results of operations, based on the high degree of judgment or complexity in their application.

Goodwill and Manufacturer Franchise Rights—

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

Our only significant identifiable intangible assets, other than goodwill, are our rights under franchise agreements with manufacturers, which are recorded at an individual franchise level. The fair value of our manufacturer franchise rights are determined at the acquisition date, by discounting the projected cash flows specific to each franchise. We have determined that manufacturer franchise rights have an indefinite life as there are no economic, contractual or other factors that limit their useful lives, and they are expected to generate cash flows indefinitely due to the historically long lives of the manufacturers' brand names. Furthermore, to the extent that any agreements evidencing our manufacturer franchise rights would expire, we expect that we would be able to renew those agreements in the ordinary course of business. We performed quantitative impairment tests as of October 1, 2019, and identified six dealerships with franchise rights carrying values that exceeded their fair values, and as a result, recorded non-cash impairment charges of $7.1 million.

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

F&I Chargeback Reserves

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

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

Our F&I cash chargebacks for the years ended December 31, 2019, 2018, and 2017 were $40.6 million, $37.5 million, and $34.0 million, respectively. Our chargeback reserves were $48.2 million and $44.2 million as of December 31, 2019 and December 31, 2018, respectively. Total chargebacks as a percentage of F&I commissions for the years ended December 31, 2019, 2018, and 2017, were 13%, 13%, and 12%, respectively. A 100 basis point change in our estimated reserve rate for future chargebacks, would change our finance and insurance chargeback reserve by approximately $3.4 million as of December 31, 2019.

Insurance Reserves—

We are self-insured for employee medical claims and maintain stop loss insurance for large-dollar individual claims. We have large deductible insurance programs for workers compensation, property and general liability claims. We maintain and review our claim and loss history to assist in assessing our expected future liability for these claims. We also use professional service providers, such as account administrators and actuaries, to help us accumulate and assess this information. Provisions for retained losses and deductibles are made by charges to expense based upon periodic evaluations of the estimated ultimate liabilities on reported and unreported claims.

We had $17.0 million and $16.5 million of insurance reserves for incurred and expected employee medical, workers compensation, property, and general liability claims, net of anticipated insurance recoveries, as of December 31, 2019 and December 31, 2018, respectively. Expenses associated with employee medical, workers compensation, property, and general liability claims, including premiums for insurance coverage, for the years ended December 31, 2019, 2018, and 2017, totaled $33.3 million, $29.9 million, and $27.9 million, respectively.

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RESULTS OF OPERATIONS

The Year Ended December 31, 2019 Compared to the Year Ended December 31, 2018

	For the Year Ended December 31, 2019	For the Year Ended December 31, 2018	Increase (Decrease)	% Change
	(Dollars in millions, except per share data)			
REVENUE:				
New vehicle	$ 3,863.3	$ 3,788.7	$ 74.6	2 %
Used vehicle	2,131.6	1,972.4	159.2	8 %
Parts and service	899.4	821.0	78.4	10 %
Finance and insurance, net	316.0	292.3	23.7	8 %
TOTAL REVENUE	7,210.3	6,874.4	335.9	5 %
GROSS PROFIT:				
New vehicle	159.5	165.2	(5.7)	(3)%
Used vehicle	134.1	129.7	4.4	3 %
Parts and service	559.3	515.8	43.5	8 %
Finance and insurance, net	316.0	292.3	23.7	8 %
TOTAL GROSS PROFIT	1,168.9	1,103.0	65.9	6 %
OPERATING EXPENSES:				
Selling, general, and administrative	799.8	755.8	44.0	6 %
Depreciation and amortization	36.2	33.7	2.5	7 %
Franchise rights impairment	7.1	3.7	3.4	92 %
Other operating expenses (income), net	0.8	(1.1)	1.9	(173)%
INCOME FROM OPERATIONS	325.0	310.9	14.1	5 %
OTHER EXPENSES (INCOME):				
Floor plan interest expense	37.9	32.5	5.4	17 %
Other interest expense, net	54.9	53.1	1.8	3 %
Swap interest expense	—	0.5	(0.5)	(100)%
Gain on divestitures	(11.7)	—	(11.7)	— %
Total other expenses, net	81.1	86.1	(5.0)	(6)%
INCOME BEFORE INCOME TAXES	243.9	224.8	19.1	8 %
Income tax expense	59.5	56.8	2.7	5 %
NET INCOME	$ 184.4	$ 168.0	$ 16.4	10 %
Net income per common share—Diluted	$ 9.55	$ 8.28	$ 1.27	15 %

	For the Year Ended December 31,	
	2019	2018
REVENUE MIX PERCENTAGES:		
New vehicles	53.6%	55.1%
Used retail vehicles	26.9%	25.9%
Used vehicle wholesale	2.6%	2.8%
Parts and service	12.5%	11.9%
Finance and insurance, net	4.4%	4.3%
Total revenue	100.0%	100.0%
GROSS PROFIT MIX PERCENTAGES:		
New vehicles	13.6%	15.0%
Used retail vehicles	11.5%	11.5%
Used vehicle wholesale	0.1%	0.2%
Parts and service	47.8%	46.8%
Finance and insurance, net	27.0%	26.5%
Total gross profit	100.0%	100.0%
GROSS PROFIT MARGIN	16.2%	16.0%
SG&A EXPENSES AS A PERCENTAGE OF GROSS PROFIT	68.4%	68.5%

Total revenue during 2019 increased by $335.9 million (5%) compared to 2018, due to a $74.6 million (2%) increase in new vehicle revenue, a $159.2 million (8%) increase in used vehicle revenue, a $78.4 million (10%) increase in parts and service revenue and a $23.7 million (8%) increase in F&I revenue. The $65.9 million (6%) increase in gross profit during 2019 was the result of a $4.4 million (3%) increase in used vehicle gross profit, a $23.7 million (8%) increase in F&I gross profit and a $43.5 million (8%) increase in parts and service gross profit, partially offset by a $5.7 million (3%) decrease in new vehicle gross profit. Our total gross profit margin increased 20 basis points from 16.0% in 2018 to 16.2% in 2019.

Income from operations during 2019 increased by $14.1 million (5%) compared to 2018, primarily due to a $65.9 million (6%) increase in gross profit, partially offset by a $44.0 million (6%) increase in selling, general, and administrative expenses, a $3.4 million increase in franchise rights impairment, a $2.5 million (7%) increase in depreciation and amortization expenses, and a $1.9 million increase in other operating expenses (income), net.

Total other expenses (income), net decreased by $5.0 million in 2019, primarily due to an $11.7 million increase in gain on divestitures and a $0.5 million decrease in swap interest expense in 2019, partially offset by a $5.4 million increase in floor plan interest expense, and a $1.8 million increase in other interest expense, net. As a result, income before income taxes increased by $19.1 million (8%) to $243.9 million in 2019. The $2.7 million (5%) increase in income tax expense was primarily attributable to the 8% increase in income before taxes, partially offset by a 3% decrease associated with a lower effective tax rate. Overall, net income increased by $16.4 million (10%) from $168.0 million in 2018 to $184.4 million in 2019.

On January 1, 2019, we adopted ASC 842, utilizing the optional transition relief method, which allowed for the effective date of the new leases standard as the date of initial application. Our prior period comparative information has not been adjusted and continues to be reported under accounting standards in effect for those periods. The adoption of this accounting standard had a minimal impact on the financial results of the Company for the twelve months ended December 31, 2019. For additional information related to the impacts from the adoption of this update, please refer to Note 18 "Leases" within the accompanying Consolidated Financial Statements.

On January 1, 2019, the Company adopted ASU 2017-12. This update aligns the recognition and presentation, which are to be applied prospectively, of the effects of the hedging instrument and the hedged item in the financial statements. As a result of the adoption of this update, the Company's swap interest expense is now presented within other interest expense, net. Please refer to Note 14 "Financial Instruments and Fair Value" within the accompanying Consolidated Financial Statements for additional details regarding the Company's interest rate swap agreements.

We assess the organic growth of our revenue and gross profit on a same store basis. We believe that our assessment on a same store basis represents an important indicator of comparative financial performance and provides relevant information to assess our performance. As such, for the following discussion, same store amounts consist of information from dealerships for

identical months in each comparative period, commencing with the first month we owned the dealership. Additionally, amounts related to divested dealerships are excluded from each comparative period.

New Vehicle—

	For the Year Ended December 31,		Increase	%
	2019	2018	(Decrease)	Change
	(Dollars in millions, except for per vehicle data)			
As Reported:				
Revenue:				
Luxury	$ 1,318.7	$ 1,235.3	$ 83.4	7 %
Import	1,742.4	1,790.2	(47.8)	(3)%
Domestic	802.2	763.2	39.0	5 %
Total new vehicle revenue	$ 3,863.3	$ 3,788.7	$ 74.6	2 %
Gross profit:				
Luxury	$ 83.3	$ 80.0	$ 3.3	4 %
Import	42.1	52.6	(10.5)	(20)%
Domestic	34.1	32.6	1.5	5 %
Total new vehicle gross profit	$ 159.5	$ 165.2	$ (5.7)	(3)%
New vehicle units:				
Luxury	23,988	22,979	1,009	4 %
Import	61,420	62,939	(1,519)	(2)%
Domestic	19,835	19,357	478	2 %
Total new vehicle units	105,243	105,275	(32)	— %
Same Store:				
Revenue:				
Luxury	$ 1,314.4	$ 1,235.3	$ 79.1	6 %
Import	1,687.1	1,744.8	(57.7)	(3)%
Domestic	681	763.2	(82.2)	(11)%
Total new vehicle revenue	$ 3,682.5	$ 3,743.3	$ (60.8)	(2)%
Gross profit:				
Luxury	$ 83.4	$ 80.0	$ 3.4	4 %
Import	39.9	51.0	(11.1)	(22)%
Domestic	27.9	32.6	(4.7)	(14)%
Total new vehicle gross profit	$ 151.2	$ 163.6	$ (12.4)	(8)%
New vehicle units:				
Luxury	23,890	22,979	911	4 %
Import	59,539	61,305	(1,766)	(3)%
Domestic	16,817	19,357	(2,540)	(13)%
Total new vehicle units	100,246	103,641	(3,395)	(3)%

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New Vehicle Metrics—

	For the Year Ended December 31,		Increase (Decrease)	% Change
	2019	2018		
As Reported:				
Revenue per new vehicle sold	$ 36,708	$ 35,989	$ 719	2 %
Gross profit per new vehicle sold	$ 1,516	$ 1,569	$ (53)	(3)%
New vehicle gross margin	4.1%	4.4%	(0.3)%	
Luxury:				
Gross profit per new vehicle sold	3,473	3,481	(8)	— %
New vehicle gross margin	6.3%	6.5%	(0.2)%	
Import:				
Gross profit per new vehicle sold	$ 685	$ 836	$ (151)	(18)%
New vehicle gross margin	2.4%	2.9%	(0.5)%	
Domestic:				
Gross profit per new vehicle sold	$ 1,719	$ 1,684	$ 35	2 %
New vehicle gross margin	4.3%	4.3%	— %	
Same Store:				
Revenue per new vehicle sold	$ 36,735	$ 36,118	$ 617	2 %
Gross profit per new vehicle sold	$ 1,508	$ 1,579	$ (71)	(4)%
New vehicle gross margin	4.1%	4.4%	(0.3)%	
Luxury:				
Gross profit per new vehicle sold	$ 3,491	$ 3,481	$ 10	— %
New vehicle gross margin	6.3%	6.5%	(0.2)%	
Import:				
Gross profit per new vehicle sold	$ 670	$ 832	$ (162)	(19)%
New vehicle gross margin	2.4%	2.9%	(0.5)%	
Domestic:				
Gross profit per new vehicle sold	$ 1,659	$ 1,684	$ (25)	(1)%
New vehicle gross margin	4.1%	4.3%	(0.2)%	

New vehicle revenue increased by $74.6 million (2%), as a result of a 2% increase in revenue per new vehicle sold, Same store new vehicle revenue decreased by $60.8 million (2%) as a result of a 3% decrease in new vehicle units sold, partially offset by an increase in revenue per new vehicle sold.

The 3% decrease in same store unit sales volume was driven by a 3% and 13% decrease in import and domestic units, respectively, partially offset by a 4% increase in luxury units.

Same store new vehicle gross profit in 2019 decreased by $12.4 million (8%), as a result of a 4% decrease in gross profit per new vehicle sold, and a 3% decrease in unit volumes. Same store new vehicle gross margin decreased 30 basis points to 4.1% in 2019, as a result of margin pressure across our brand offerings, but particularly our import brands, which decreased 50 basis points from 2.9% in 2018 to 2.4% in 2019.

Used Vehicle—

	For the Year Ended December 31,		Increase (Decrease)	% Change
	2019	2018		
	(Dollars in millions, except for per vehicle data)			
As Reported:				
Revenue:				
Used vehicle retail revenues	$ 1,941.3	$ 1,783.3	$ 158.0	9 %
Used vehicle wholesale revenues	190.3	189.1	1.2	1 %
Used vehicle revenue	$ 2,131.6	$ 1,972.4	$ 159.2	8 %
Gross profit:				
Used vehicle retail gross profit	$ 133.1	$ 127.8	$ 5.3	4 %
Used vehicle wholesale gross profit	1.0	1.9	(0.9)	(47)%
Used vehicle gross profit	$ 134.1	$ 129.7	$ 4.4	3 %
Used vehicle retail units:				
Used vehicle retail units	88,602	82,377	6,225	8 %
Same Store:				
Revenue:				
Used vehicle retail revenues	$ 1,848.9	$ 1,755.7	$ 93.2	5 %
Used vehicle wholesale revenues	183.9	185.4	(1.5)	(1)%
Used vehicle revenue	$ 2,032.8	$ 1,941.1	$ 91.7	5 %
Gross profit:				
Used vehicle retail gross profit	$ 126.0	$ 126.1	$ (0.1)	— %
Used vehicle wholesale gross profit	1.1	2.0	(0.9)	(45)%
Used vehicle gross profit	$ 127.1	$ 128.1	$ (1.0)	(1)%
Used vehicle retail units:				
Used vehicle retail units	83,822	80,963	2,859	4 %

Used Vehicle Metrics—

	For the Year Ended December 31,		Increase (Decrease)	% Change
	2019	2018		
As Reported:				
Revenue per used vehicle retailed	$ 21,910	$ 21,648	$ 262	1 %
Gross profit per used vehicle retailed	$ 1,502	$ 1,551	$ (49)	(3)%
Used vehicle retail gross margin	6.9%	7.2%	(0.3)%	
Same Store:				
Revenue per used vehicle retailed	$ 22,057	$ 21,685	$ 372	2 %
Gross profit per used vehicle retailed	$ 1,503	$ 1,558	$ (55)	(4)%
Used vehicle retail gross margin	6.8%	7.2%	(0.4)%	

Used vehicle revenue increased by $159.2 million (8%), due to a $158.0 million (9%) increase in used retail revenue and $1.2 million (1%) increase in used vehicle wholesale revenue. Same store used vehicle revenue increased by $91.7 million (5%) due to a $93.2 million (5%) increase in used vehicle retail revenue, partially offset by a $1.5 million (1%) decrease in used vehicle wholesale revenues.

In 2019, total Company and same store used vehicle retail gross profit margins decreased 30 and 40 basis points to 6.9% and 6.8%, respectively. We primarily attribute the decreases in used vehicle retail gross profit margin to the Company's efforts to grow our sales volume, which benefits our reconditioning and preparation business and finance and insurance, net, as well increased competition and price transparency within the used vehicle marketplace.

We believe that our used vehicle inventory continues to be well-aligned with current consumer demand, with approximately 29 days of supply as of December 31, 2019.

Parts and Service—

	For the Year Ended December 31, 2019	For the Year Ended December 31, 2018	Increase (Decrease)	% Change
	(Dollars in millions)			
As Reported:				
Parts and service revenue	$ 899.4	$ 821.0	$ 78.4	10%
Parts and service gross profit:				
Customer pay	$ 317.3	$ 292.0	$ 25.3	9%
Warranty	88.8	76.8	12.0	16%
Wholesale parts	23.8	22.8	1.0	4%
Parts and service gross profit, excluding reconditioning and preparation	$ 429.9	$ 391.6	$ 38.3	10%
Parts and service gross margin, excluding reconditioning and preparation	47.8%	47.7%	0.1%	
Reconditioning and preparation *	129.4	124.2	5.2	4%
Total parts and service gross profit	559.3	515.8	43.5	8%
Same Store:				
Parts and service revenue	$ 867.0	$ 810.9	$ 56.1	7%
Parts and service gross profit:				
Customer pay	$ 305.4	$ 288.6	$ 16.8	6%
Warranty	85.4	76.1	9.3	12%
Wholesale parts	23.4	22.5	0.9	4%
Parts and service gross profit, excluding reconditioning and preparation	$ 414.2	$ 387.2	$ 27.0	7%
Parts and service gross margin, excluding reconditioning and preparation	47.8%	47.7%	0.1%	
Reconditioning and preparation *	124.5	122.0	2.5	2%
Total parts and service gross profit	538.7	509.2	29.5	6%

** Reconditioning and preparation represents the gross profit earned by our parts and service departments for internal work performed and is included as a reduction of Parts and service cost of sales within the accompanying Consolidated Statements of Income upon the sale of the vehicle.*

The $78.4 million (10%) increase in parts and service revenue was due to a $48.0 million (9%) increase in customer pay revenue, a $21.6 million (15%) increase in warranty revenue, and an $8.8 million (7%) increase in wholesale parts revenue. Same store parts and service revenue increased $56.1 million (7%) from $810.9 million in 2018 to $867.0 million in 2019. The increase in same store parts and service revenue was due to a $32.7 million (6%) increase in customer pay revenue, a $16.4 million (11%) increase in warranty revenue, and a $7.0 million (6%) increase in wholesale parts revenue.

Parts and service gross profit, excluding reconditioning and preparation, increased by $38.3 million (10%) to $429.9 million and same store gross profit, excluding reconditioning and preparation, increased by $27.0 million (7%) to $414.2 million. The $27.0 million increase in same store gross profit, excluding reconditioning and preparation, is primarily due to a $16.8 million (6%) increase in customer pay gross profit, a $9.3 million (12%) increase in warranty gross profit, and a $0.9 million (4.0%) increase in wholesale parts gross profit. We attribute the increase in same store gross profit to our continued strategic focus on customer retention as well as additional warranty work.

Finance and Insurance, net—

	For the Year Ended December 31,		Increase	%
	2019	2018	(Decrease)	Change
	(Dollars in millions, except for per vehicle data)			
As Reported:				
Finance and insurance, net	$ 316.0	$ 292.3	$ 23.7	8%
Finance and insurance, net per vehicle sold	$ 1,630	$ 1,558	$ 72	5%
Same Store:				
Finance and insurance, net	$ 302.4	$ 287.1	$ 15.3	5%
Finance and insurance, net per vehicle sold	$ 1,643	$ 1,555	$ 88	6%

F&I revenue, net increased by $23.7 million (8%) in 2019 when compared to 2018 primarily as a result of a 5% increase in F&I per vehicle retailed and a 3% increase in new and used retail unit sales.

On a same store basis F&I revenue, net increased by $15.3 million (5%) in 2019 when compared to 2018 primarily as a result of a 6% increase in F&I per vehicle retailed.

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

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Selling, General, and Administrative Expense—

	For the Year Ended December 31,					
	2019	% of Gross Profit	2018	% of Gross Profit	Increase (Decrease)	% of Gross Profit Increase (Decrease)
	(Dollars in millions)					
As Reported:						
Personnel costs	$ 384.2	32.9%	$ 362.6	32.9%	$ 21.6	— %
Sales compensation	122.1	10.4%	115.6	10.5%	6.5	(0.1)%
Share-based compensation	12.5	1.1%	10.5	1.0%	2.0	0.1 %
Outside services	85.1	7.3%	83.0	7.5%	2.1	(0.2)%
Advertising	34.4	2.9%	30.6	2.8%	3.8	0.1 %
Rent	27.1	2.3%	25.6	2.3%	1.5	— %
Utilities	16.4	1.4%	16.2	1.5%	0.2	(0.1)%
Insurance	14.5	1.2%	14.7	1.3%	(0.2)	(0.1)%
Other	103.5	8.9%	97.0	8.7%	6.5	0.2 %
Selling, general, and administrative expense	$ 799.8	68.4%	$ 755.8	68.5%	$ 44.0	(0.1)%
Gross profit	$ 1,168.9		$ 1,103.0			
Same Store:						
Personnel costs	$ 368.4	32.9%	$ 357.8	32.9%	$ 10.6	— %
Sales compensation	116.3	10.4%	113.5	10.4%	2.8	— %
Share-based compensation	12.5	1.1%	10.5	1.0%	2.0	0.1 %
Outside services	81.3	7.3%	81.4	7.5%	(0.1)	(0.2)%
Advertising	30.7	2.7%	29.8	2.7%	0.9	— %
Rent	26.9	2.4%	25.5	2.3%	1.4	0.1 %
Utilities	15.7	1.4%	16.0	1.5%	(0.3)	(0.1)%
Insurance	13.4	1.2%	14.3	1.3%	(0.9)	(0.1)%
Other	100.8	9.0%	95.1	8.8%	5.7	0.2 %
Selling, general, and administrative expense	$ 766.0	68.4%	$ 743.9	68.4%	$ 22.1	— %
Gross profit	$ 1,119.4		$ 1,088.0			

SG&A expense as a percentage of gross profit decreased 10 basis points from 68.5% in 2018 to 68.4% in 2019. Same store SG&A expense as a percentage of gross profit remained at 68.4% in both 2018 and 2019.

Depreciation and Amortization Expense —

The $2.5 million (7%) increase in depreciation and amortization expense during 2019 compared to 2018, was primarily the result of depreciation associated with dealership acquisitions during 2019, additional assets placed into service during 2019, and depreciation expense associated with the purchase of previously leased properties.

Franchise rights impairment —

We assessed our manufacturer franchise rights for impairment by comparing the present value of cash flows attributable to each franchise right to its carrying value. As a result of our impairment testing, we recognized a $7.1 million pretax non-cash charge related to six dealerships for the year ended December 31, 2019 and a $3.7 million charge related to three dealerships for the year ended December 31, 2018.

Other Operating Expenses (Income), net —

Other operating expenses (income), net includes gains and losses from the sale of property and equipment, income derived from lease arrangements, and other non-core operating items. During the twelve months ended December 31, 2019, the Company recorded expense of $0.8 million, net, which included a $2.6 million pre-tax loss related to the write-off of fixed assets, partially offset by $1.8 million, net of other non-core operating income.

The $1.1 million in other operating income, net for 2018, is primarily due to a $0.7 million gain resulting from legal settlements and $0.4 million of other non-core operating income.

Floor Plan Interest Expense —

Floor plan interest increased by $5.4 million (17%) to $37.9 million during 2019 compared to $32.5 million during 2018, as a result of an increase in LIBOR from which our floor plan interest rate is calculated and increased floor plan borrowings from higher inventory levels during 2019.

Income Tax Expense —

The $2.7 million (5%) increase in income tax expense was the result of a $19.1 million (8%) increase in income before income taxes, partially offset by a decrease as a result of a lower effective tax rate and an excess tax benefit related to the vesting of share-based awards. Our effective tax decreased from 25.3% in 2018 to 24.4% in 2019. The decrease in our effective tax rate was primarily due to a reduced state rate attributed to lower apportionment in certain jurisdictions and statutory rate reductions in states in which the Company has significant activity. We expect our effective tax rate to be between 24.5% and 25.5% for 2020.

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

RESULTS OF OPERATIONS

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

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

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

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

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

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

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

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

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New Vehicle—

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

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New Vehicle Metrics—

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

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

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

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

Used Vehicle—

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

Used Vehicle Metrics—

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

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

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

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

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Parts and Service—

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

** Reconditioning and preparation represents the gross profit earned by our parts and service departments for internal work performed and is included as a reduction of Parts and service cost of sales within the accompanying Consolidated Statements of Income upon the sale of the vehicle.*

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

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

Finance and Insurance, net—

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

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

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

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

Selling, General, and Administrative Expense—

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

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

Depreciation and Amortization Expense —

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

Franchise rights impairment —

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

Other Operating (Income) Expenses, net —

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

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

Floor Plan Interest Expense —

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

Income Tax Expense—

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

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

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2019, we had total available liquidity of $472.9 million, which consisted of $3.5 million of cash and cash equivalents, $132.1 million of available funds in our floor plan offset accounts, $190.0 million of availability under our new vehicle floor plan facility that is able to be converted to our revolving credit facility, $47.3 million of availability under our revolving credit facility, and $100.0 million of availability under our used vehicle revolving floor plan facility. The borrowing capacities under our revolving credit facility and our used vehicle revolving floor plan facility are limited by borrowing base calculations and, from time to time, may be further limited by our required compliance with certain financial covenants. As of December 31, 2019, these financial covenants did not further limit our availability under our other credit facilities. For more information on our financial covenants, see "Covenants and Defaults" and "Share Repurchases and Dividend Restrictions" below.

We continually evaluate our liquidity and capital resources based upon (i) our cash and cash equivalents on hand, (ii) the funds that we expect to generate through future operations, (iii) current and expected borrowing availability under our 2019 Senior Credit Facility, our other floor plan facilities, our Real Estate Credit Agreement, our Restated Master Loan Agreement, and our mortgage financings (each, as defined below), (iv) amounts in our new vehicle floor plan notes payable offset accounts, and (v) the potential impact of our capital allocation strategy and any contemplated or pending future transactions, including, but not limited to, financings, acquisitions, dispositions, equity and/or debt repurchases, dividends, or other capital expenditures. We believe we will have sufficient liquidity to meet our debt service and working capital requirements; commitments and contingencies; debt repayment, maturity and repurchase obligations; acquisitions; capital expenditures; and any operating requirements for at least the next twelve months.

We currently are party to the following material credit facilities and agreements, and have the following material indebtedness outstanding. For a more detailed description of the material terms of these agreements and facilities, and this indebtedness, refer to the "Long-Term Debt" footnote included in the Notes to Consolidated Financial Statements.

- **2019 Senior Credit Facility**—On September 25, 2019, the Company and certain of its subsidiaries entered into the 2019 Senior Credit Facility, which amended and restated the Company's pre-existing second amended and restated credit agreement, dated as of July 25, 2016, among the Company and certain of its subsidiaries and Bank of America, as administrative agent, and the other lenders party thereto. The 2019 Senior Credit Agreement provides for the following:

  Revolving Credit Facility **—** A $250.0 million revolving credit facility for, among other things, acquisitions, working capital and capital expenditures, including a $50.0 million sub-limit for letters of credit. As described below, as of December 31, 2019, we converted $190.0 million of aggregate commitments from the Revolving Credit Facility to our New Vehicle Floor Plan Facility, resulting in $60.0 million of borrowing capacity. In

addition, we had $12.7 million in outstanding letters of credit as of December 31, 2019, resulting in $47.3 million of borrowing availability as of December 31, 2019.

At our option, we have the ability to re-designate a portion of our availability under our Revolving Credit Facility to the New Vehicle Floor Plan Facility or the Used Vehicle Floor Plan Facility. The maximum amount we are allowed to re-designate is determined based on aggregate commitments under the Revolving Credit Facility, less $50.0 million. In addition, we are able to re-designate any amounts moved to the New Vehicle Floor Plan Facility or Used Vehicle Floor Plan Facility back to the Revolving Credit Facility. As of December 31, 2019, $190.0 million of availability under our Revolving Credit Facility was re-designated to the New Vehicle Floor Plan Facility. We re-designated this amount to take advantage of the lower commitment fee rates on our New Vehicle Floor Plan Facility when compared to our Revolving Credit Facility.

New Vehicle Floor Plan Facility — A $1.04 billion New Vehicle Floor Plan Facility. In connection with the New Vehicle Floor Plan Facility, we established an account with Bank of America that allows us to transfer cash as an offset to floor plan notes payable. These transfers reduce the amount of outstanding new vehicle floor plan notes payable that would otherwise accrue interest, while retaining the ability to transfer amounts from the offset account into our operating cash accounts within one to two days. As a result of the use of our floor plan offset account, we experience a reduction in Floor plan interest expense on our Consolidated Statements of Income. As of December 31, 2019, we had $698.6 million outstanding under our new vehicle floor plan facility, which included $40.9 million classified as Liabilities associated with assets held for sale on our Consolidated Balance Sheet and is net of $115.9 million in our floor plan offset account.

Used Vehicle Floor Plan Facility — A $160.0 million Used Vehicle Floor Plan Facility to finance the acquisition of used vehicle inventory and for, among other things, working capital and capital expenditures, as well as to refinance used vehicles. Our borrowing capacity under the Used Vehicle Floor Plan Facility was limited to $100.0 million, based on our borrowing base calculation as of December 31, 2019. We began the year with $30.0 million in outstanding borrowings on our used vehicle floor plan facility. During the year ended December 31, 2019, we had borrowings of $80.0 million and made repayments of $110.0 million, resulting in no outstanding amounts under our Used Vehicle Floor Plan Facility as of December 31, 2019.

Subject to compliance with certain conditions, the 2019 Senior Credit Agreement provides that we have the ability, at our option and subject to the receipt of additional commitments from existing or new lenders, to increase the size of the facilities by up to $350.0 million in the aggregate without lender consent.

Borrowings under the 2019 Senior Credit Facility bear interest, at our option, based on LIBOR or the Base Rate, in each case plus an Applicable Rate. The Base Rate is the highest of (i) the Federal Funds Rate plus 0.50%, (ii) the Bank of America prime rate, and (iii) one month LIBOR plus 1.00%. Applicable Rate means with respect to the Revolving Credit Facility, a range from 1.00% to 2.00% for LIBOR loans and 0.15% to 1.00% for Base Rate loans, in each case based on the Company's consolidated total lease adjusted leverage ratio. Borrowings under the New Vehicle Floorplan Facility bear interest, at our option, based on LIBOR plus 1.10% or the Base Rate plus 0.10%. Borrowings under the Used Vehicle Floorplan Facility bear interest, at our option, based on LIBOR plus 1.40% or the Base Rate plus 0.40%.

In addition to the payment of interest on borrowings outstanding under the 2019 Senior Credit Facility, we are required to pay a quarterly commitment fee on total unused commitments thereunder. The fee for unused commitments under the Revolving Credit Facility is between 0.15% and 0.40% per year, based on the Company's total lease adjusted leverage ratio, and the fee for unused commitments under the New Vehicle Facility Floor Plan and the Used Vehicle Facility Floor Plan Facility is 0.15% per year.

In connection with the Acquisition, we have obtained amendments to our 2019 Senior Credit Agreement (as defined below), among other things, to (1) increase the aggregate commitments under the revolving credit facility to $350.0 million, (2) increase the aggregate commitments under the new vehicle floorplan facility to $1.35 billion and (3) increase the aggregate commitments under the used vehicle floorplan facility to $200.0 million. These amendments to increase the aggregate commitments will become effective concurrently with the consummation of the Acquisition. In connection with the consummation of the Acquisition, we intend to borrow under the New Vehicle Floor Plan Facility and under the Used Vehicle Floor Plan Facility to finance the Park Place vehicle inventory.

- **Manufacturer affiliated new vehicle floor plan and other financing facilities**—We have a floor plan facility with the Ford Motor Credit Company ("Ford Credit") to purchase new Ford and Lincoln vehicle inventory. This floor plan facility was amended in December 2019 to extend the maturity date from December 5, 2019 to May 31, 2020. We also have established a floor plan offset account with Ford Credit, which operates in a similar manner to our floor plan offset account with Bank of America. As of December 31, 2019, we had $152.2 million outstanding under our floor

plan facility, which included $21.9 million classified as Liabilities associated with assets held for sale and is net of $16.2 million in our floor plan offset account. Additionally, we had $87.0 million, which included $3.1 million classified as Liabilities associated with assets held for sale, outstanding under facilities with certain manufacturers for the financing of loaner vehicles, which were presented within Accounts payable and accrued liabilities in our Consolidated Balance Sheets. Neither our floor plan facility with Ford Credit nor our facilities for loaner vehicles have stated borrowing limitations.

- **The New Senior Notes**—On February 19, 2020, the Company completed its offering of senior unsecured notes, consisting of $525.0 million aggregate principal amount of 4.50% Senior Notes due 2028 (the “2028 Notes”) and $600.0 million aggregate principal amount of 4.75% Senior Notes due 2030 (the “2030 Notes” and, together with the 2028 Notes, the “Notes”). The 2028 Notes and 2030 Notes mature on March 1, 2028 and March 1, 2030, respectively. Interest is payable semiannually, on March 1 and September 1 of each year. The New Senior Notes were offered, together with additional borrowings and cash on hand, to (i) fund, if consummated, the acquisition of substantially all of the assets of Park Place, (ii) redeem all of our outstanding $600.0 million aggregate principal amount of 6.0% Senior Subordinated Notes due 2024 (the “6.0% Notes”) and (iii) pay fees and expenses in connection with the foregoing. If (i) the consummation of the Acquisition has not occurred on or before April 30, 2020 (the “End Date”) or (ii) we notify the trustee for the Notes of our abandonment or termination of the Asset Purchase Agreement or our determination that the consummation of the Acquisition will not occur on or before the End Date, then we will be required to redeem $525.0 million (the “Mandatory Redemption Amount”) aggregate principal amount of the 2028 Notes and the 2030 Notes on a pro rata basis in proportion to the aggregate principal amount of each series of Notes at a redemption price equal to 100% of the Mandatory Redemption Amount, plus accrued and unpaid interest to, but excluding, the redemption date. The New Senior Notes of each series are guaranteed, jointly and severally, on a senior unsecured basis, by each of our existing and future restricted subsidiaries (including subsidiaries created or acquired as a result of the Acquisition), with certain exceptions. In addition, the New Senior Notes are subject to customary covenants and events of default. The New Senior Notes are required to be registered under the Securities Act of 1933 within 270 days of the closing date for the offering of the New Senior Notes.

- **6.0% Senior Subordinated Notes due 2024**—As of December 31, 2019 we had $600.0 million in aggregate principal amounts outstanding related to our 6.0% Notes. We are required to pay interest on the 6.0% Notes on June 15 and December 15 of each year until maturity on December 15, 2024. On February 3, 2020, we issued a conditional notice of redemption to the holders of our 6.0% Notes, notifying such holders that we intend to redeem all of the Existing Notes on March 4, 2020. The 6.0% Notes will be redeemed at 103% of par, plus accrued and unpaid interest to, but excluding, the date of redemption.

- **Mortgage notes**—As of December 31, 2019, we had $100.5 million of mortgage note obligations. These obligations are collateralized by the associated real estate at our dealership locations.

- **2013 BofA Real Estate Facility**—As of December 31, 2019, we had $35.5 million of outstanding borrowings under the 2013 BofA Real Estate Facility. There is no further borrowing availability under this agreement.

- **2015 Wells Fargo Master Loan Facility**—Borrowings under the 2015 Wells Fargo Master Loan Facility (as defined herein) are guaranteed by us and are collateralized by the real property financed under the 2015 Wells Fargo Master Loan Facility. As of December 31, 2019, the outstanding balance under this agreement was $78.3 million, which included $1.5 million classified as Liabilities associated with assets held for sale. There is no further borrowing availability under this facility.

- **2018 BofA Real Estate Facility**—On November 13, 2018, the Company and certain of its subsidiaries entered into the 2018 BofA Real Estate Facility (as defined herein) with Bank of America, which provides for term loans in an aggregate amount not to exceed $128.1 million. Our right to make draws under the 2018 BofA Real Estate Facility terminated on November 13, 2019. All of the real property financed by an operating dealership subsidiary of the Company under the 2018 BofA Real Estate Facility is collateralized by first priority liens, subject to certain permitted exceptions. As of December 31, 2019, we had $114.9 million of outstanding borrowings under the 2018 BofA Real Estate Facility, which included $26.6 million classified as Liabilities associated with assets held for sale.

- **2018 Wells Fargo Master Loan Facility—**On November 16, 2018, certain subsidiaries of the Company entered into a 2018 Wells Fargo Master Loan Agreement (as defined herein) which provides for term loans to certain of the Company's subsidiaries that are borrowers under the 2018 Wells Fargo Master Loan Facility in an aggregate amount not to exceed $100.0 million. Our right to make draws under the 2018 Wells Fargo Master Loan Facility will terminate on June 30, 2020. On November 16, 2018, we borrowed an aggregate amount of $25.0 million under the 2018 Wells

Fargo Master Loan Facility, the proceeds of which were used for general corporate purposes. As of December 31, 2019, we had $25.0 million outstanding borrowings under the 2018 Wells Fargo Master Loan Facility.

- **New BofA Real Estate Facility—**On February 7, 2020, certain subsidiaries of the Company entered into a new real estate term loan credit agreement (as amended, restated or supplemented from time to time, the "New BofA Real Estate Credit Agreement") with the various financial institutions party thereto, as lenders, certain of the Company's subsidiaries that own or lease the real estate financed thereunder, as borrowers, and Bank of America, as lender, providing for term loans in an aggregate amount not to exceed $280.6 million, subject to customary terms and conditions (the "New BofA Real Estate Facility"). Term loans under our New BofA Real Estate Facility will bear interest, at our option, based on (1) LIBOR plus an applicable margin based on a pricing grid ranging from 1.50% per annum to 2.00% per annum based on our consolidated total lease adjusted leverage ratio or (2) the Base Rate (as described below) plus an applicable margin based on a pricing grid ranging from 0.50% per annum to 1.00% per annum based on our consolidated total lease adjusted leverage ratio. The Base Rate is the highest of (i) the Federal Funds rate plus 0.50%, (ii) the Bank of America prime rate, and (iii) one month LIBOR plus 1.0%. We will be required to make 27 consecutive quarterly principal payments of 1.25% of the initial amount of each loan, with a balloon repayment of the outstanding principal amount of loans due on the maturity date. The New BofA Real Estate Facility matures seven years from the initial funding date. Borrowings under the New BofA Real Estate Facility are guaranteed by us and each of our operating dealership subsidiaries that lease or own the real estate being financed under the New BofA Real Estate Facility, and are collateralized by first priority liens, subject to certain permitted exceptions, on all of the real property financed thereunder. In connection with the Acquisition, we intend to borrow $216.6 million under the New BofA Real Estate Facility, and have the ability to make one additional draw in an amount up to 80% of the appraised value of the property expected to be acquired at or after the consummation of the Acquisition.

Covenants and Defaults

We are subject to a number of customary covenants in our various debt and lease agreements, including those described below. We were in compliance with all of our covenants as of December 31, 2019. Failure to comply with any of our debt covenants would constitute a default under the relevant debt agreements, which would entitle the lenders under such agreements to terminate our ability to borrow under the relevant agreements and accelerate our obligations to repay outstanding borrowings, if any, unless compliance with the covenants were waived. In many cases, defaults under one of our agreements could trigger cross-default provisions in our other agreements. If we are unable to remain in compliance with our financial or other covenants, we would be required to seek waivers or modifications of our covenants from our lenders, or we would need to raise debt and/or equity financing or sell assets to generate proceeds sufficient to repay such debt. We cannot give any assurance that we would be able to successfully take any of these actions on terms, or at times, that may be necessary or desirable.

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

The representations and covenants contained in the 2018 BofA Real Estate Credit Agreement are customary for financing transactions of this nature, including, among others, a requirement to comply with a minimum consolidated current ratio, minimum consolidated fixed charge coverage ratio and maximum consolidated total lease adjusted leverage ratio, in each case as set out in the 2018 BofA Real Estate Credit Agreement. In addition, certain other covenants could restrict our ability to incur additional debt, pay dividends or acquire or dispose of assets. The 2018 BofA Real Estate Credit Agreement also provides for events of default that are customary for financing transactions of this nature, including cross-defaults to other material indebtedness. Upon the occurrence of an event of default, we could be required by the 2018 BofA Real Estate Credit Agreement to immediately repay all amounts outstanding thereunder.

The representations, warranties and covenants contained in the 2018 Wells Fargo Master Loan Agreement and the related documents are customary for financing transactions of this nature, including, among others, a requirement to comply with a minimum consolidated current ratio, minimum consolidated fixed charge coverage ratio and maximum consolidated total lease adjusted leverage ratio. In addition, certain other covenants could restrict our ability to incur additional debt, pay dividends or acquire or dispose of assets. The 2018 Wells Fargo Master Loan Agreement also provides for events of default that are customary for financing transactions of this nature, including cross-defaults to other material indebtedness. Upon the

occurrence of an event of default, we could be required by the 2018 Wells Fargo Master Loan Facility to immediately repay all amounts outstanding thereunder.

The representations and covenants contained in the 2013 BofA Real Estate Credit Agreement are customary for financing transactions of this nature, including, among others, a requirement to comply with a minimum consolidated current ratio, minimum consolidated fixed charge coverage ratio and maximum consolidated total lease adjusted leverage ratio, in each case as set out in the 2013 BofA Real Estate Credit Agreement. In addition, certain other covenants could restrict our ability to incur additional debt, pay dividends or acquire or dispose of assets. The 2018 BofA Real Estate Credit Agreement also provides for events of default that are customary for financing transactions of this nature, including cross-defaults to other material indebtedness. Upon the occurrence of an event of default, we could be required by the 2013 BofA Real Estate Credit Agreement to immediately repay all amounts outstanding thereunder.

The representations, warranties and covenants contained in the 2015 Wells Fargo Master Loan Agreement and the related documents are customary for financing transactions of this nature, including, among others, a requirement to comply with a minimum consolidated current ratio, minimum consolidated fixed charge coverage ratio and maximum consolidated total lease adjusted leverage ratio. In addition, certain other covenants could restrict our ability to incur additional debt, pay dividends or acquire or dispose of assets. The 2015 Wells Fargo Master Loan Agreement also provides for events of default that are customary for financing transactions of this nature, including cross-defaults to other material indebtedness. Upon the occurrence of an event of default, we could be required by the 2015 Wells Fargo Master Loan Facility to immediately repay all amounts outstanding thereunder.

The representations and covenants contained in the agreement governing the 2019 Senior Credit Facility are customary for financing transactions of this nature including, among others, a requirement to comply with a minimum consolidated current ratio, minimum consolidated fixed charge coverage ratio and maximum consolidated total lease adjusted leverage ratio, in each case as set out in the agreement governing the 2019 Senior Credit Facility. In addition, certain other covenants could restrict the Company's ability to incur additional debt, pay dividends or acquire or dispose of assets.

The agreement governing the 2019 Senior Credit Facility also provides for events of default that are customary for financing transactions of this nature, including cross-defaults to other material indebtedness. In certain instances, an event of default under either the Revolving Credit Facility or the Used Vehicle Floor Plan Facility could be, or result in, an event of default under the New Vehicle Floor Plan Facility, and vice versa. Upon the occurrence of an event of default, the Company could be required to immediately repay all amounts outstanding under the applicable facility.

The 2019 Senior Credit Facility and the Indentures currently allow for restricted payments without limit so long as our Consolidated Total Leverage ratio (as defined in the 2019 Senior Credit Facility and the Indenture) is no greater than 3.0 to 1.0 after giving effect to such proposed restricted payments. Restricted payments generally include items such as dividends, share repurchases, unscheduled repayments of subordinated debt, or purchases of certain investments. In the event that our Consolidated Total Leverage ratio does (or would) exceed 3.0 to 1.0, the 2019 Senior Credit Facility and the Indenture would then also allow for restricted payments under the following mutually exclusive parameters, subject to certain exclusions:

- Restricted payments in an aggregate amount not to exceed $20.0 million in any fiscal year;
- General restricted payments allowance of $150.0 million; and
- Subject to our continued compliance with a minimum consolidated current ratio, a consolidated fixed charge coverage ratio and a maximum consolidated total lease adjusted leverage ratio, in each case as set out in the Indentures, restricted payments capacity additions (or subtractions if negative) equal to (i) 50% of our net income (as defined in the 2019 Senior Credit Facility and the Indenture) beginning on October 1, 2014 and ending on the date of the most recently completed fiscal quarter (the "Measurement Period"), plus (ii) 100% of any cash proceeds we receive from the sale of equity interests during the Measurement Period minus (iii) the dollar amount of share purchases made and dividends paid on or after December 4, 2014.

Share Repurchases and Dividend Restrictions

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

On January 30, 2014, our Board of Directors authorized the Repurchase Program, On October 19, 2018, our Board of Directors reset the authorization under our Repurchase Program to $100.0 million in the aggregate, for the repurchase of our common stock in open market transactions or privately negotiated transactions, from time to time. During 2019, we repurchased 202,379 shares of our common stock under the Repurchase Program for a total of $15.3 million. As of

December 31, 2019 we had remaining authorization to repurchase $66.3 million in shares of our common stock under the Repurchase Program.

During 2019, we repurchased 72,368 shares of our common stock for $5.2 million from employees in connection with a net share settlement feature of employee equity-based awards.

Contractual Obligations

As of December 31, 2019, we had the following contractual obligations (in millions; note references are to the notes to our Consolidated Financial Statements included elsewhere herein):

	Payments due by period						
	2020	**2021**	**2022**	**2023**	**2024**	**Thereafter**	**Total**
Floor plan notes payable (Notes10&11)	$ 850.8	$ —	$ —	$ —	$ —	$ —	$ 850.8
Operating lease liabilities (a)	21.2	19.0	14.3	6.6	3.1	12.3	76.5
Operating lease liabilities expense (a)	3.0	2.1	1.4	1.0	0.7	5.1	13.3
Long-term debt (Note 13) (a)	35.7	35.0	33.2	53.2	648.6	165.7	971.4
Interest on long-term debt (a)(b)	49.6	47.6	46.7	44.8	41.4	6.9	237.0
Total contractual obligations	$ 960.3	$ 103.7	$ 95.6	$ 105.6	$ 693.8	$ 190.0	$ 2,149.0

(a) For additional information related to the Company's operating and finance lease liabilities presented within the accompanying Consolidated Financial Statements, see Note 18 "Leases" of the Notes thereto.
(b) Includes variable rate interest payments calculated using an estimated LIBOR rate of 1.78%, and assumes that borrowings will not be refinanced prior to or upon maturity.

Cash Flows

Classification of Cash Flows Associated with Floor Plan Notes Payable

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

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

Cash provided by operating activities, as adjusted, includes borrowings and repayments of floor plan notes payable to lenders not affiliated with the manufacturer from which we purchase the related new vehicles and all floor plan notes payable relating to used vehicles. Cash provided by operating activities, as adjusted, has material limitations, and therefore, may not be

comparable to similarly titled measures of other companies and should not be considered in isolation, or as a substitute for analysis of our operating results in accordance with GAAP. In order to compensate for these potential limitations we also review the related GAAP measures.

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

	For the Years Ended December 31,		
	2019	2018	2017
	(In millions)		
Reconciliation of Cash provided by operating activities to Cash provided by operating activities, as adjusted			
Cash provided by operating activities, as reported	$ 349.8	$ 10.1	$ 266.3
New vehicle floor plan borrowings (repayments)—non-trade, net	(194.7)	171.5	(70.7)
Cash provided by operating activities, as adjusted	$ 155.1	$ 181.6	$ 195.6

Operating Activities—

Net cash provided by operating activities totaled $349.8 million, $10.1 million, and $266.3 million for the years ended December 31, 2019, 2018, and 2017, respectively. Net cash provided by operating activities, as adjusted, totaled $155.1 million, $181.6 million, and $195.6 million for the years ended December 31, 2019, 2018, and 2017, respectively. Net cash provided by operating activities, as adjusted, includes net income, adjustments to reconcile net income to net cash provided by operating activities, changes in working capital, and changes in floor plan notes payable—non-trade.

The $26.5 million decrease in our net cash provided by operating activities, as adjusted, for the year ended December 31, 2019 compared to the year ended December 31, 2018, was primarily the result of the following:

- $101.3 million increase related to the change in inventory, net of floor plan notes payable, including both trade and non-trade.

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

- $34.9 million related to non-cash adjustments to net income;
- $26.9 million related to the change in accounts payable and accrued liabilities;
- $8.9 million related to the change in other current assets and other long-term assets and liabilities, net; and
- $4.1 million related timing and collection of accounts receivable and contracts-in-transit during 2019 as compared to 2018.

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

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

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

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

Investing Activities—

Net cash used in investing activities totaled $227.6 million, $149.6 million, and $127.8 million for the years ended December 31, 2019, 2018, and 2017, respectively. Cash flows from investing activities relate primarily to capital expenditures, acquisitions, divestitures, and the sale of property and equipment.

Capital expenditures, excluding the purchase of real estate and acquisitions, were $57.6 million, $40.3 million, and $42.3 million for the years ended December 31, 2019, 2018, and 2017, respectively. Purchases of real estate totaled $9.2 million, $17.6 million, and $5.8 million for the years ended December 31, 2019, 2018, and 2017, respectively. In addition, we purchased previously leased facilities for $4.9 million, $4.4 million, and $5.4 million during the years ended December 31, 2019, 2018, and 2017, respectively.

We expect that capital expenditures during 2020 will total approximately $68.8 million to upgrade or replace our existing facilities, construct new facilities, expand our service capacity, and invest in technology and equipment. In addition, as part of our capital allocation strategy, we continually evaluate opportunities to purchase properties currently under lease and acquire properties in connection with future dealership relocations. No assurances can be provided that we will have or be able to access capital at times or on terms in amounts deemed necessary to execute this strategy.

During the year ended December 31, 2019, we acquired the assets of nine franchises (five dealership locations) and one collision center in the Indianapolis, Indiana market and one franchise (one dealership location) in the Denver, Colorado market for a combined purchase price of $210.4 million. We funded these acquisitions with an aggregate of $153.9 million of cash and $55.3 million of floor plan borrowings for the purchase of the related new vehicle inventory. In the aggregate, these acquisitions included purchase price holdbacks of $1.2 million for potential indemnity claims made by us with respect to the acquired franchises. In addition to the acquisition amounts above, we released $0.8 million of purchase price holdbacks related to a prior year acquisition.

During the years ended December 31, 2018 and 2017, we acquired three franchises (three dealership locations) for an aggregate purchase price of $91.3 million and two franchises (two dealership locations) and one collision center for an aggregate purchase price of $80.1 million, respectively.

During the year ended December 31, 2019, we divested one franchise (one dealership location) and one collision center for proceeds of $39.1 million. There were no divestitures during the years ended December 31, 2018 and 2017. Additionally, proceeds from the sale of assets, unrelated to a dealership divestiture, were $15.0 million, $4.0 million, and $5.8 million for the years ended December 31, 2019, 2018, and 2017, respectively.

Financing Activities—

Net cash used in financing activities totaled $127.0 million and $137.2 million for the years ended December 31, 2019 and 2017, respectively. Net cash provided by financing activities totaled $143.1 million for the year ended December 31, 2018.

During the years ended December 31, 2019, 2018, and 2017, we had non-trade floor plan borrowings of $4.32 billion, $4.59 billion, and $3.85 billion, respectively. Included in our non-trade floor plan borrowings, were borrowings of $80.0 million, $300.0 million, and $35.0 million for the years ended December 31, 2019, 2018, and 2017, respectively, related to our used vehicle floor plan facility. In addition, during the years ended December 31, 2019, and 2018, we had non-trade floor plan borrowings of $55.3 million, and $22.7 million, respectively, related to acquisitions. The majority of our floor plan notes are payable to parties unaffiliated with the entities from which we purchase our new vehicle inventory, with the exception of floor plan notes payable relating to the financing of new Ford and Lincoln vehicles.

During the years ended December 31, 2019, 2018, and 2017, we made non-trade floor plan repayments of $4.51 billion, $4.39 billion, and $3.92 billion, respectively. Included in our non-trade floor plan repayments were repayments of $110.0 million, $270.0 million, and $35.0 million for the years ended December 31, 2019, 2018, and 2017, respectively, related to our used vehicle floor plan facility. In addition, during the year ended December 31, 2019, we had floor plan repayments associated with dealership divestitures of $14.1 million. There were no repayments related to divestitures during the years ended December 31, 2018 and 2017.

Repayments of borrowings totaled $48.4 million, $19.9 million, and $52.0 million, for the years ended December 31, 2019, 2018, and 2017, respectively.

During the years ended December 31, 2019, and 2018, we received proceeds from borrowings totaling $97.7 million and $50.7 million, respectively.

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

During the year ended December 31, 2019, we repurchased a total of 202,379 shares of our common stock under our Repurchase Program for a total of $15.3 million and 72,368 shares of our common stock for $5.2 million from employees in connection with a net share settlement feature of employee equity-based awards.

Off Balance Sheet Arrangements

We had no off balance sheet arrangements during any of the periods presented other than those disclosed in Note 19 "Leases (Prior to Adoption of ASC 842)" and Note 20 "Commitments and Contingencies" of the Notes to Consolidated Financial Statements thereto.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We are exposed to risk from changes in interest rates on a significant portion of our outstanding indebtedness. Based on $971.9 million of total variable interest rate debt, which includes our floor plan notes payable and certain mortgage liabilities, outstanding as of December 31, 2019, a 100 basis point change in interest rates would result in a change of $9.7 million in annual interest expense.

We periodically receive floor plan assistance from certain automobile manufacturers. Floor plan assistance reduced our cost of sales for the years ended December 31, 2019, 2018, and 2017, by $42.2 million, $39.2 million, and $36.4 million, respectively. We cannot provide assurance as to the future amount of floor plan assistance and these amounts may be negatively impacted due to future changes in interest rates.

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

In June 2015, we entered into an interest rate swap agreement with a notional principal amount of $100.0 million. This swap was designed to provide a hedge against changes in variable rate cash flows regarding fluctuations in the one month LIBOR rate, through maturity in February 2025. The notional value of this swap was $79.8 million and $85.1 million as of December 31, 2019 and 2018, respectively, and is reducing over its remaining term to $53.1 million at maturity.

In November 2013, we entered into an interest rate swap agreement with a notional principal amount of $75.0 million. This swap was designed to provide a hedge against changes in variable rate cash flows regarding fluctuations in the one month LIBOR rate, through maturity in September 2023. The notional values of this swap as of December 31, 2019 and 2018, were $52.7 million and $56.5 million, respectively, and the notional value will reduce over its remaining term to $38.7 million at maturity.

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

Item 8. Financial Statements and Supplementary Data

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Asbury Automotive Group, Inc. (the Company) as of December 31, 2019 and 2018, the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2019, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Company at December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 2, 2020 expressed an unqualified opinion thereon.

Adoption of New Accounting Standards

As discussed in Note 18 to the consolidated financial statements, the Company changed its method of accounting for leases in 2019 due to the adoption of Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842), and the related amendments.

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

Basis for Opinion

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

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

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Fair Value Estimate of Manufacturer Franchise Rights in Acquisitions and Impairment Assessments

Description of the Matter	During 2019, the Company completed its acquisition of ten franchises (six dealership locations) for a total purchase price of $210.4 million, $65.3 million of which related to manufacturer franchise rights, an indefinite-lived intangible asset, as disclosed in Note 3 of the consolidated financial statements. Each transaction was accounted for as a business combination. At December 31, 2019, the manufacturer franchise rights for these and prior acquisitions had an aggregate carrying value of approximately $121.7 million, as disclosed in Note 9 of the consolidated financial statements. Each manufacturer franchise right asset is assessed for impairment annually as of October 1st, or more often if events or circumstances indicated that impairment may have occurred. If the fair value of the intangible asset is less than its carrying amount, an impairment loss is recognized in an amount equal to the difference. In connection with its annual impairment test for the year ended December 31, 2019, the Company recorded an impairment of $7.1 million related to manufacturer franchise rights.
	Auditing the Company's estimate of fair value of the manufacturer franchise rights acquired during the year as well as the fair value estimates used in the annual impairment assessment is complex due to the significant management judgments and estimates required. The Company's model for estimating the fair value of these assets utilizes market participant assumptions related to the cash flows directly attributable to the franchise rights, including year-over-year and terminal growth rates, working capital requirements, weighted average cost of capital, future gross margins, and future selling, general, and administrative expenses all of which are forward-looking and affected by expectations about economic, industry and company-specific factors.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of the Company’s process over the manufacturer franchise rights fair value estimates used in conjunction with its acquisitions and its annual impairment assessment. For example, this included testing controls over management’s review of the model, significant assumptions, other inputs and the completeness and accuracy of the data used in the measurements.
	To test the fair value of the Company's manufacturer franchise rights at acquisition and as part of the annual impairment assessment, our audit procedures included, among others, evaluating the Company's use of the discounted cash flows method, testing of the assumptions and inputs to the valuation model used to develop the projected financial information, involving our valuation specialists to assist in the testing of the weighted average cost of capital utilized and testing the completeness and accuracy of the underlying data. We compared the assumptions to current industry, market and economic trends, to the Company's historical results and other market participant considerations. In addition, we assessed the accuracy of the Company’s historical projections by comparing them to actual operating results. We also performed a sensitivity analysis of certain assumptions such as year-over-year and terminal growth rates, future selling, general, and administrative expenses and weighted average cost of capital to evaluate the potential change in the fair value of the manufacturer franchise rights resulting from changes in underlying assumptions.

/s/ Ernst & Young LLP

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

Atlanta, Georgia
March 2, 2020

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on Internal Control over Financial Reporting

We have audited Asbury Automotive Group, Inc.'s internal control over financial reporting as of December 31, 2019, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Asbury Automotive Group, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on the COSO criteria.

As indicated in the accompanying Management's Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of ten franchises (six dealership locations) and one collision center acquired during 2019, which are included in the 2019 consolidated financial statements of the Company and constituted $222.9 million of consolidated assets as of December 31, 2019 and $260.7 million of consolidated revenues for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of the ten franchises (six dealership locations) and one collision center.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of Asbury Automotive Group, Inc. as of December 31, 2019 and 2018, the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2019, and the related notes and our report dated March 2, 2020 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ Ernst & Young LLP

Atlanta, Georgia
March 2, 2020

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

	As of December 31,	
	2019	**2018**
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 3.5	$ 8.3
Contracts-in-transit, net	194.7	198.3
Accounts receivable, net	136.2	130.3
Inventories, net	985.0	1,067.6
Assets held for sale	154.2	26.3
Other current assets	129.0	122.2
Total current assets	1,602.6	1,553.0
PROPERTY AND EQUIPMENT, net	909.7	886.1
OPERATING LEASE RIGHT-OF-USE ASSETS	65.6	—
GOODWILL	201.7	181.2
INTANGIBLE FRANCHISE RIGHTS	121.7	65.8
OTHER LONG-TERM ASSETS	10.0	9.3
Total assets	$ 2,911.3	$ 2,695.4
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Floor plan notes payable—trade, net	$ 130.3	$ 114.0
Floor plan notes payable—non-trade, net	657.7	852.1
Current maturities of long-term debt	32.4	38.8
Current maturities of operating leases	17.0	—
Accounts payable and accrued liabilities	308.7	298.4
Liabilities associated with assets held for sale	100.9	—
Total current liabilities	1,247.0	1,303.3
LONG-TERM DEBT	907.0	866.5
LONG-TERM LEASE LIABILITY	52.6	—
DEFERRED INCOME TAXES	26.0	21.7
OTHER LONG-TERM LIABILITIES	32.4	30.7
COMMITMENTS AND CONTINGENCIES (Note 20)		
SHAREHOLDERS' EQUITY:		
Preferred stock, $.01 par value, 10,000,000 shares authorized; none issued or outstanding	—	—
Common stock, $.01 par value, 90,000,000 shares authorized; 41,072,080 and 41,065,069 shares issued, including shares held in treasury, respectively	0.4	0.4
Additional paid-in capital	582.9	572.9
Retained earnings	1,094.5	922.7
Treasury stock, at cost; 21,791,707 and 21,719,339 shares, respectively	(1,028.6)	(1,023.4)
Accumulated other comprehensive loss	(2.9)	0.6
Total shareholders' equity	646.3	473.2
Total liabilities and shareholders' equity	$ 2,911.3	$ 2,695.4

See accompanying Notes to Consolidated Financial Statements

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

	For the Year Ended December 31,		
	2019	2018	2017
REVENUE:			
New vehicle	$ 3,863.3	$ 3,788.7	$ 3,561.1
Used vehicle	2,131.6	1,972.4	1,834.1
Parts and service	899.4	821.0	786.1
Finance and insurance, net	316.0	292.3	275.2
TOTAL REVENUE	7,210.3	6,874.4	6,456.5
COST OF SALES:			
New vehicle	3,703.8	3,623.5	3,392.1
Used vehicle	1,997.5	1,842.7	1,712.2
Parts and service	340.1	305.2	296.3
TOTAL COST OF SALES	6,041.4	5,771.4	5,400.6
GROSS PROFIT	1,168.9	1,103.0	1,055.9
OPERATING EXPENSES:			
Selling, general, and administrative	799.8	755.8	729.7
Depreciation and amortization	36.2	33.7	32.1
Franchise rights impairment	7.1	3.7	5.1
Other operating expenses (income), net	0.8	(1.1)	1.3
INCOME FROM OPERATIONS	325.0	310.9	287.7
OTHER EXPENSES (INCOME):			
Floor plan interest expense	37.9	32.5	22.7
Other interest expense, net	54.9	53.1	53.9
Swap interest expense	—	0.5	2.0
Gain on divestitures	(11.7)	—	—
Total other expenses, net	81.1	86.1	78.6
INCOME BEFORE INCOME TAXES	243.9	224.8	209.1
Income tax expense	59.5	56.8	70.0
NET INCOME	$ 184.4	$ 168.0	$ 139.1
EARNINGS PER COMMON SHARE:			
Basic—			
Net Income	$ 9.65	$ 8.36	$ 6.69
Diluted—			
Net Income	$ 9.55	$ 8.28	$ 6.62
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
Basic	19.1	20.1	20.8
Restricted stock	0.1	0.1	0.1
Performance share units	0.1	0.1	0.1
Diluted	19.3	20.3	21.0

See accompanying Notes to Consolidated Financial Statements

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

	For the Year Ended December 31,		
	2019	2018	2017
Net income	$ 184.4	$ 168.0	$ 139.1
Other comprehensive income (loss):			
Change in fair value of cash flow swaps	(4.4)	2.3	1.9
Income tax benefit (expense) associated with cash flow swaps	1.1	(0.8)	(0.7)
Comprehensive income	$ 181.1	$ 169.5	$ 140.3

See accompanying Notes to Consolidated Financial Statements

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

	Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount			Shares	Amount		
Balances, December 31, 2016	40,750,765	$ 0.4	$ 549.4	$ 611.5	19,497,596	$ (879.5)	$ (2.1)	$ 279.7
Comprehensive Income:								
Net income	—	—	—	139.1	—	—	—	139.1
Change in fair value of cash flow swaps, net of reclassification adjustment and $0.7 tax expense	—	—	—	—	—	—	1.2	1.2
Comprehensive income	—	—	—	139.1	—	—	1.2	140.3
Cumulative effect of change in accounting principle - ASU 2016-09	—	—	0.5	(0.3)	—	—	—	0.2
Share-based compensation	—	—	13.6	—	—	—	—	13.6
Issuance of common stock in connection with share-based payment arrangements	219,222	—	—	—	—	—	—	—
Repurchase of common stock associated with net share settlements of employee share-based awards	—	—	—	—	74,670	(4.8)	—	(4.8)
Purchase of treasury shares	—	—	—	—	584,696	(34.8)	—	(34.8)
Balances, December 31, 2017	40,969,987	$ 0.4	$ 563.5	$ 750.3	20,156,962	$ (919.1)	$ (0.9)	$ 394.2
Comprehensive Income:								
Net income	—	—	—	168.0	—	—	—	168.0
Change in fair value of cash flow swaps, net of reclassification adjustment and $0.8 tax expense	—	—	—	—	—	—	1.5	1.5
Comprehensive income	—	—	—	168.0	—	—	1.5	169.5
Cumulative effect of change in accounting principle - ASU 2014-09	—	—	—	9.2	—	—	—	9.2
Share-based compensation	—	—	10.5	—	—	—	—	10.5
Issuance of common stock in connection with share-based payment arrangements	185,049	—	—	—	—	—	—	—
Repurchase of common stock associated with net share settlements of employee share-based awards	—	—	—	—	71,434	(4.8)	—	(4.8)
Purchase of treasury shares	—	—	—	—	1,580,910	(105.4)	—	(105.4)
Retirement of previously repurchased common stock	(89,967)	$ —	$ (1.1)	$ (4.8)	(89,967)	$ 5.9	$ —	$ —
Balances, December 31, 2018	41,065,069	$ 0.4	$ 572.9	$ 922.7	21,719,339	$ (1,023.4)	$ 0.6	$ 473.2
Comprehensive Income:								
Net income	—	—	—	184.4	—	—	—	184.4
Change in fair value of cash flow swaps, net of reclassification adjustment and $1.1 tax benefit	—	—	—	—	—	—	(3.3)	(3.3)
Comprehensive income	—	—	—	184.4	—	—	(3.3)	181.1
Cumulative effect of change in accounting principle - ASU 2018-02	—	—	—	0.2	—	—	(0.2)	—
Share-based compensation	—	—	12.5			—	—	12.5
Issuance of common stock in connection with share-based payment arrangements	209,390	—	—	—			—	—
Repurchase of common stock associated with net share settlements of employee share-based awards	—	—	—	—	72,368	(5.2)	—	(5.2)
Purchase of treasury shares	—	—	—	—	202,379	(15.3)	—	(15.3)
Retirement of previously repurchased common stock	(202,379)	—	(2.5)	(12.8)	(202,379)	15.3	—	—
Balances, December 31, 2019	41,072,080	$ 0.4	$ 582.9	$ 1,094.5	21,791,707	$ (1,028.6)	$ (2.9)	$ 646.3

See accompanying Notes to Consolidated Financial Statements

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

	For the Year Ended December 31,		
	2019	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income	$ 184.4	$ 168.0	$ 139.1
Adjustments to reconcile net income to net cash provided by operating activities—			
Depreciation and amortization	36.2	33.7	32.1
Share-based compensation	12.5	10.5	13.6
Deferred income taxes	5.4	5.3	2.8
Franchise rights impairment	7.1	3.7	5.1
Loaner vehicle amortization	23.6	22.5	22.4
Gain on divestitures	(11.7)	—	—
Change in right-of-use asset	19.4	—	—
Other adjustments, net	4.8	3.1	4.3
Changes in operating assets and liabilities, net of acquisitions and divestitures—			
Contracts-in-transit	3.6	(5.0)	(10.7)
Accounts receivable	(6.0)	(1.5)	10.2
Inventories	212.1	(24.4)	251.5
Other current assets	(173.7)	(200.8)	(197.2)
Floor plan notes payable—trade, net	38.2	9.8	(4.1)
Accounts payable and accrued liabilities	10.7	(16.2)	(2.6)
Operating lease liabilities	(19.7)	—	—
Other long-term assets and liabilities, net	2.9	1.4	(0.2)
Net cash provided by operating activities	349.8	10.1	266.3
CASH FLOW FROM INVESTING ACTIVITIES:			
Capital expenditures—excluding real estate	(57.6)	(40.3)	(42.3)
Capital expenditures—real estate	(9.2)	(17.6)	(5.8)
Purchases of previously leased real estate	(4.9)	(4.4)	(5.4)
Acquisitions	(210.0)	(91.3)	(80.1)
Divestitures	39.1	—	—
Proceeds from the sale of assets	15.0	4.0	5.8
Net cash used in investing activities	(227.6)	(149.6)	(127.8)
CASH FLOW FROM FINANCING ACTIVITIES:			
Floor plan borrowings—non-trade	4,318.6	4,591.9	3,850.3
Floor plan borrowings—acquisitions	55.3	22.7	25.1
Floor plan repayments—non-trade	(4,513.3)	(4,390.4)	(3,921.0)
Floor plan repayments—divestitures	(14.1)	—	—
Proceeds from borrowings	97.7	50.7	—
Repayments of borrowings	(48.4)	(19.9)	(52.0)
Payment of debt issuance costs	(2.3)	(1.7)	—
Repurchases of common stock, including amounts associated with net share settlements of employee share-based awards	(20.5)	(110.2)	(39.6)
Net cash (used in) provided by financing activities	(127.0)	143.1	(137.2)
Net (decrease) increase in cash and cash equivalents	(4.8)	3.6	1.3
CASH AND CASH EQUIVALENTS, beginning of period	8.3	4.7	3.4
CASH AND CASH EQUIVALENTS, end of period	$ 3.5	$ 8.3	$ 4.7

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

ASBURY AUTOMOTIVE GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(December 31, 2019, 2018, and 2017)

1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

We are one of the largest automotive retailers in the United States. As of December 31, 2019, we owned and operated 107 new vehicle franchises (88 dealership locations), representing 31 brands of automobiles, and 25 collision centers, in 17 metropolitan markets, within ten states. Our stores offer an extensive range of automotive products and services, including new and used vehicles, parts and services, which includes repair and maintenance services, replacement parts and collision repair services, and finance and insurance products. For the year ended December 31, 2019, our new vehicle revenue brand mix consisted of 45% imports, 34% luxury, and 21% domestic brands.

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

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), and reflect the consolidated accounts of Asbury Automotive Group, Inc. and our wholly owned subsidiaries. All intercompany transactions have been eliminated in consolidation. If necessary, reclassifications of amounts previously reported have been made to the accompanying Consolidated Financial Statements in order to conform to current presentation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the periods presented. Actual results could differ materially from these estimates. Estimates and assumptions are reviewed quarterly, and the effects of any revisions are reflected in the consolidated financial statements in the period they are determined to be necessary. Significant estimates made in the accompanying Consolidated Financial Statements include, but are not limited to, those relating to inventory valuation reserves, reserves for chargebacks against revenue recognized from the sale of finance and insurance products, reserves for insurance programs, certain assumptions related to intangible and long-lived assets, and reserves for certain legal or similar proceedings relating to our business operations.

Cash and Cash Equivalents

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

Contracts-In-Transit

Contracts-in-transit represent receivables from third-party finance companies for the portion of new and used vehicle purchase price financed by customers through sources arranged by us.

Inventories

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

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

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

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over their estimated useful lives. Depreciation is included in Depreciation and amortization on the accompanying Consolidated Statements of Income. Leasehold improvements are capitalized and amortized over the lesser of the remaining lease term or the useful life of the related asset. The ranges of estimated useful lives are as follows (in years):

Buildings and improvements	10-40
Machinery and equipment	5-10
Furniture and fixtures	3-10
Company vehicles	3-5

Expenditures for major additions or improvements, which extend the useful lives of assets, are capitalized. Minor replacements, maintenance and repairs, which do not improve or extend the lives of such assets, are expensed as incurred. We capitalize interest on borrowings during the active construction period of capital projects. Capitalized interest is added to the cost of the assets and is depreciated over the estimated useful lives of the assets.

We review property and equipment for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. When we test our long-lived assets for impairment, we first compare the carrying amount of the underlying assets to their net recoverable value by reviewing the undiscounted cash flows expected from the use and eventual disposition of the underlying assets. If the carrying amount of the underlying assets is less than their net recoverable value, then we calculate an impairment equal to the excess of the carrying amount over the fair market value, and the impairment loss would be charged to operations in the period identified. We did not record an impairment of our property and equipment in 2019, 2018, and 2017.

Acquisitions

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

Goodwill and Other Intangible Assets

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

Our only significant identifiable intangible assets, other than goodwill, are our rights under franchise agreements with manufacturers, which are recorded at an individual franchise level. The fair value of our manufacturer franchise rights are determined at the acquisition date, by discounting the projected cash flows specific to each franchise. We have determined that manufacturer franchise rights have an indefinite life, as there are no economic, contractual or other factors that limit their useful lives, and they are expected to generate cash flows indefinitely due to the historically long lives of the manufacturers' brand names. Furthermore, to the extent that any agreements evidencing our manufacturer franchise rights would expire, we expect that we would be able to renew those agreements in the ordinary course of business.

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

Debt Issuance Costs

Debt issuance costs are presented as a contra-liability within Current maturities of long-term debt or Long-term debt on our Consolidated Balance Sheets, except for debt issuance costs associated with our line-of-credit arrangements, which are presented as an asset within Other current assets or Other long-term assets on our Consolidated Balance Sheets. Debt issuance costs are amortized to Floor plan interest expense and Other interest expense, net in the accompanying Consolidated Statements of Income through maturity using the effective interest method or the straight-line method for our line-of-credit arrangements.

Derivative Instruments and Hedging Activities

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

The unrealized gain or losses on our hedges is reported as a component of Accumulated Other Comprehensive Loss on the accompanying Consolidated Balance Sheets, and reclassified to Other interest expense, net in the accompanying Consolidated Statements of Income in the period during which the hedged transaction affects earnings.

Insurance

We are self-insured for employee medical claims and maintain stop-loss insurance for large-dollar individual claims. We have high deductible insurance programs for workers compensation, property and general liability claims. We maintain and review our claim and loss history to assist in assessing our expected future liability for these claims. We also use professional service providers, such as account administrators and actuaries, to help us accumulate and assess this information. Provisions for retained losses and deductibles are made by charges to expense based upon periodic evaluations of the estimated ultimate liabilities on reported and unreported claims.

Revenue Recognition

Please refer to Note 2 "Revenue Recognition" within the accompanying Consolidated Financial Statements.

Internal Profit

Revenues and expenses associated with internal work performed by our parts and service departments on new and used vehicle inventory are eliminated in consolidation. The gross profit earned by our parts and service departments for internal work performed is included as a reduction of Parts and service cost of sales on the accompanying Consolidated Statements of Income upon the sale of the vehicle. The costs incurred by our new and used vehicle departments for work performed by our parts and service departments is included in either New vehicle cost of sales or Used vehicle cost of sales on the accompanying Consolidated Statements of Income, depending on the classification of the vehicle serviced. We eliminate the internal profit on vehicles that remain in inventory.

Share-Based Compensation

We record share-based compensation expense under the fair value method on a straight-line basis over the vesting period, unless the awards are subject to performance conditions, in which case we recognize the expense over the requisite service period of each separate vesting tranche. In addition, we account for the forfeiture of share-based awards as they occur.

Share Repurchases

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

During the year ended December 31, 2019, the Company retired 202,379 shares of its common stock repurchased pursuant to the Repurchase Program ("Retired Shares") and previously held by the Company as Treasury Shares in the amount of $15.3 million.

Earnings per Common Share

Basic earnings per common share is computed by dividing net income by the weighted-average common shares outstanding during the period. Diluted earnings per common share is computed by dividing net income by the weighted-average common shares and common share equivalents outstanding during the period. For all periods presented, there were no adjustments to the numerator necessary to compute diluted earnings per share.

Advertising

We expense costs of advertising as incurred and production costs when the advertising initially takes place, net of certain advertising credits and other discounts received from certain automobile manufacturers. Advertising expense from continuing operations totaled $34.4 million, $30.6 million and $30.3 million for the years ended December 31, 2019, 2018 and 2017, which was net of earned advertising credits of $21.1 million, $21.0 million, and $18.0 million, respectively, and is included in Selling, general, and administrative expense in the accompanying Consolidated Statements of Income.

Income Taxes

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

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

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

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

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

Certain amounts have been classified as Assets held for sale as of December 31, 2019 and 2018 in the accompanying Consolidated Balance Sheets. Assets and liabilities classified as held for sale include assets and liabilities associated with pending dealership disposals, real estate we are actively marketing to sell, and any related mortgage notes payable or other liabilities, if applicable. Classification as held for sale begins on the date that we have met all of the criteria for classification as held for sale.

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

Statements of Cash Flows

Borrowings and repayments of floor plan notes payable to a lender unaffiliated with the manufacturer from which we purchase a particular new vehicle ("Non-Trade") and all floor plan notes payable relating to pre-owned vehicles (together

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

Loaner vehicles account for a significant portion of Other current assets. We acquire loaner vehicles either with available cash or through borrowings from either our manufacturer affiliated lenders or through our senior secured credit agreement with Bank of America, as administrative agent, and the other agents and lenders party thereto (as amended, the "2019 Senior Credit Facility"). Loaner vehicles are initially used by our service department for only a short period of time (typically 6 to 12 months) before we seek to sell them. Therefore, we classify the acquisition of loaner vehicles in Other current assets and the borrowings and repayments of loaner vehicle notes payable in Accounts payable and accrued liabilities in the accompanying Consolidated Statements of Cash Flows. Loaner vehicles are depreciated over the service period to their estimated value. At the end of the loaner service period, loaner vehicles are transferred from Other current assets to used vehicle inventory. These transfers are reflected as non-cash transfers between Other current Assets and Inventory in the accompanying Consolidated Statements of Cash Flows.

Business and Credit Concentration Risk

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

We have substantial debt service obligations. As of December 31, 2019, we had total debt of $943.3 million, which excluded both $28.1 million mortgage notes payable classified as Liabilities associated with assets held for sale and floor plan notes payable, the debt premium on the 6.0% Senior Subordinated Notes due 2024 ("6.0% Notes"), and debt issuance costs. In addition, we and our subsidiaries have the ability to obtain additional debt from time to time to finance acquisitions, real property purchases, capital expenditures, share repurchases or for other purposes, although such borrowings are subject to the restrictions contained in the third amended and restated senior secured credit agreement with Bank of America, N.A. ("Bank of America"), as administrative agent, and the other lenders party thereto (the "2019 Senior Credit Facility"), the indenture governing our 6.0% Senior Subordinated Notes due 2024 (the "Indenture"), and our other debt instruments. We will have substantial debt service obligations, consisting of required cash payments of principal and interest, for the foreseeable future.

We are subject to operating and financial restrictions and covenants in certain of our leases and in our debt instruments, including the 2019 Senior Credit Facility, the Indentures, and the credit agreements covering our mortgage obligations. These agreements contain restrictions on, among other things, our ability to incur additional indebtedness, to create liens or other encumbrances, and to make certain payments (including dividends and repurchases of our shares and investments). These agreements may also require us to maintain compliance with certain financial and other ratios. Our failure to comply with any of these covenants in the future would constitute a default under the relevant agreement, which would, depending on the relevant agreement, (i) entitle the creditors under such agreement to terminate our ability to borrow under the relevant agreement and accelerate our obligations to repay outstanding borrowings; (ii) require us to apply our available cash to repay these borrowings; (iii) entitle the creditors under such agreement to foreclose on the property securing the relevant indebtedness; and/or (iv) prevent us from making debt service payments on certain of our other indebtedness, any of which would have a material adverse effect on our business, financial condition or results of operations. In many cases, a default under one of our debt or mortgage, agreements could trigger cross-default provisions in one or more of our other debt or mortgages.

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

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

A significant portion of our new vehicle sales are derived from a limited number of automotive manufacturers. For the year ended December 31, 2019, manufacturers representing 5% or more of our revenues from new vehicle sales were as follows:

Manufacturer (Vehicle Brands):	**% of Total New Vehicle Revenues**
American Honda Motor Co., Inc. *(Honda and Acura)*	22%
Toyota Motor Sales, U.S.A., Inc. *(Toyota and Lexus)*	20%
Nissan North America, Inc. *(Nissan and Infiniti)*	11%
Ford Motor Company *(Ford and Lincoln)*	10%
Mercedes-Benz USA, LLC (*Mercedes-Benz, smart and Sprinter*)	7%
BMW of North America, LLC *(BMW and Mini)*	6%

No other manufacturers individually accounted for more than 5% of our total new vehicle revenue for the year ended December 31, 2019.

Segment Reporting

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

Recent Accounting Pronouncements

Effective January 1, 2019, the Company adopted the new lease accounting guidance in Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842) (“ASC 842”). For additional information, please refer to Note 18 "Leases" within the accompanying Notes to Consolidated Financial Statements for additional information.

Effective January 1, 2019, the Company adopted ASU No. 2018-02, "Income Statement - Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income ("ASU 2018-02")." ASU 2018-02 allows entities to elect to reclassify the income tax effects resulting from the Tax Cuts and Jobs Act on items within accumulated other comprehensive income to retained earnings. The Company elected to reclassify $0.2 million related to the change in deferred taxes associated with our cash flow hedges from accumulated other comprehensive income to retained earnings. This reclassification was recognized as a cumulative effect adjustment in the Consolidated Statements of Shareholders' Equity.

On January 1, 2019, the Company adopted ASU No. 2017-12, "Derivatives and Hedging" (Topic 815): Targeted Improvements to Accounting for Hedging Activities ("ASU 2017-12"). This update is intended to simplify hedge accounting by better aligning how an entity's risk management activities and hedging relationships are presented in its financial statements and simplifies the application of hedge accounting guidance in certain situations. This update expands and refines hedge accounting for both non-financial and financial risk components and aligns the recognition and presentation of the effects of the hedging instrument and the hedged item in the financial statements. For cash flow hedges existing at the adoption date, this update required adoption on a modified retrospective basis with a cumulative-effect adjustment to retained earnings as of the effective date and the amendments to presentation guidance and disclosure requirements are required to be adopted prospectively. The adoption of this update did not have a material impact on our Consolidated Financial Statements.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments- Credit Losses (Topic 326) Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"), which requires an entity to assess impairment of its financial instruments based on its estimate of expected credit losses versus the current incurred loss model. The provisions of ASU 2016-13 are effective for fiscal years beginning after December 15, 2019. Entities are required to apply these changes through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. We are in the process of finalizing our evaluation of the impact from the adoption of the provisions this ASU will have on our Consolidated Financial Statements; however, do not expect the impact from the adoption to be material.

2. REVENUE RECOGNITION

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

Disaggregation of Revenue

Revenue from contracts with customers consists of the following:

	For the year ended December 31,	
	2019	2018
Revenue:		
New vehicle	$ 3,863.3	$ 3,788.7
Used vehicle retail	1,941.3	1,783.3
Used vehicle wholesale	190.3	189.1
New and used vehicle	5,994.9	5,761.1
Sale of vehicle parts and accessories	148.8	139.2
Vehicle repair and maintenance services	750.6	681.8
Parts and services	899.4	821.0
Finance and insurance, net	316.0	292.3
Total revenue	$ 7,210.3	$ 6,874.4

New vehicle and used vehicle retail

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

Used vehicle wholesale

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

Sale of vehicle parts and accessories

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

Vehicle repair and maintenance services

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

Finance and Insurance, net

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

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

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

Contract Assets

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

	Vehicle Repair and Maintenance Services	Finance and Insurance, net	Total
	(In millions)		
Contract Assets (Current), January 1, 2019	$ 4.1	$ 10.6	$ 14.7
Transferred to receivables from contract assets recognized at the beginning of the period	(4.1)	(3.3)	(7.4)
Increases related to revenue recognized, inclusive of adjustments to constraint, during the period	4.4	3.3	7.7
Contract Assets (Current), March 31, 2019	4.4	10.6	15.0
Transferred to receivables from contract assets recognized at the beginning of the period	(4.4)	(3.2)	(7.6)
Increases related to revenue recognized, inclusive of adjustments to constraint, during the period	4.8	4.6	9.4
Contract Assets (Current), June 30, 2019	4.8	12.0	16.8
Transferred to receivables from contract assets recognized at the beginning of the period	(4.8)	(2.6)	(7.4)
Increases related to revenue recognized, inclusive of adjustments to constraint, during the period	4.9	2.1	7.0
Contract Assets (Current), September 30, 2019	4.9	11.5	16.4
Transferred to receivables from contract assets recognized at the beginning of the period	$ (4.9)	$ (3.9)	$ (8.8)
Increases related to revenue recognized, inclusive of adjustments to constraint, during the period	$ 4.8	$ 4.7	$ 9.5
Contract Assets (Current), December 31, 2019	$ 4.8	$ 12.3	$ 17.1

3. ACQUISITIONS AND DIVESTITURES

Results of acquired dealerships are included in our accompanying Consolidated Statements of Income commencing on the date of acquisition. Our acquisitions are accounted for such that the assets acquired and liabilities assumed are recognized at their acquisition date fair values, with any excess of the consideration transferred over the estimated fair values of the identifiable net assets acquired recorded as goodwill. Goodwill is an asset representing operational synergies and future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. The fair value of our manufacturer franchise rights are determined as of the acquisition date, by discounting the projected cash flows specific to each franchise. Included in this analysis are market participant assumptions related to the cash flows directly attributable to the franchise rights, including year-over-year and terminal growth rates, working capital requirements, weighted average cost of capital, future gross margins, and future selling, general, and administrative expenses.

During the year ended December 31, 2019, we acquired the assets of nine franchises (five dealership locations) and one collision center in the Indianapolis, Indiana market and one franchise (one dealership location) in the Denver, Colorado market for a combined purchase price of $210.4 million. We funded these acquisitions with an aggregate of $153.9 million of cash and $55.3 million of floor plan borrowings for the purchase of the related new vehicle inventory. In the aggregate, these acquisitions included purchase price holdbacks of $1.2 million for potential indemnity claims made by us with respect to the acquired franchises. In addition to the acquisition amounts above, we released $0.8 million of purchase price holdbacks related to a prior year acquisition.

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

During the year ended December 31, 2017, we acquired the assets of two franchises (two dealership locations) and one collision center in the Indianapolis, Indiana market for an aggregate purchase price of $80.1 million. We funded these acquisitions with $55.0 million of cash and $25.1 million of floor plan borrowings for the purchase of the related new vehicle inventory.

Below is the allocation of purchase price for the acquisitions for the years ended December 31, 2019 and 2018. Goodwill and manufacturer franchise rights associated with our acquisitions will be deductible for federal and state income tax purposes ratably over a 15-year period.

	For the Year Ended December 31,	
	2019	2018
	(In millions)	
Inventory	$ 70.9	$ 27.3
Real estate	43.1	23.5
Property and equipment	4.5	0.6
Goodwill	25.9	20.4
Manufacturer franchise rights	65.3	19.9
Loaner vehicles	1.5	1.7
Liabilities assumed	(0.8)	$ (0.2)
Total purchase price	$ 210.4	$ 93.2

On December 11, 2019, we announced the acquisition of substantially all of the assets of the businesses of the Park Place Dealership family of entities (collectively, "Park Place") pursuant to that certain Asset Purchase Agreement, dated as of December 11, 2019, among the Company, Park Place and the other parties thereto (the "Asset Purchase Agreement"), and related agreements and transactions (collectively, the "Acquisition"). See Note 23 "Subsequent Events" of the Notes to Consolidated Financial Statements for more information

During the year ended December 31, 2019, we sold one franchise (one dealership location) and one collision center in the Houston, Texas market. The Company divested $30.1 million of assets, which primarily consisted of inventory and property and equipment, resulting in a pre-tax gain of $11.7 million, which is presented in our accompanying Consolidated Statements of Income as Gain on divestitures. The divested business would not be considered a significant subsidiary as defined in Rule 1-02(w) of Regulation S-X.

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

4. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following:

	As of December 31,	
	2019	2018
	(In millions)	
Vehicle receivables	$ 44.8	$ 45.7
Manufacturer receivables	50.4	51.2
Other receivables	42.4	34.7
Total accounts receivable	137.6	131.6
Less—Allowance for doubtful accounts	(1.4)	(1.3)
Accounts receivable, net	$ 136.2	$ 130.3

5. INVENTORIES

Inventories consisted of the following:

	As of December 31,	
	2019	2018
	(In millions)	
New vehicles	$ 802.6	$ 867.2
Used vehicles	140.1	158.9
Parts and accessories	42.3	41.5
Total inventories	$ 985.0	$ 1,067.6

The lower of cost and net realizable value reserves reduced total inventory cost by $6.1 million as of December 31, 2019 and December 31, 2018. In addition to inventories shown above, we had $67.7 million of inventories classified as Assets held for sale on the accompanying Consolidated Balance Sheet as of December 31, 2019, associated with pending dealership disposals. As of December 31, 2019 and December 31, 2018, certain automobile manufacturer incentives reduced new vehicle inventory cost by $9.6 million and $10.1 million, respectively, and reduced new vehicle cost of sales from continuing operations for the years ended December 31, 2019, 2018, and 2017 by $45.7 million, $42.4 million, and $40.1 million, respectively.

6. ASSETS HELD FOR SALE

Assets and liabilities classified as held for sale include (i) assets and liabilities associated with pending dealership disposals,(ii) real estate not currently used in our operations that we are actively marketing to sell and (iii) the related mortgage notes payable, if applicable.

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

	As of December 31,	
	2019	2018
Assets:		
Inventory	$ 67.7	$ —
Loaners, net	3.0	—
Property and equipment, net	69.0	26.3
Operating lease right-of-use assets	6.9	—
Goodwill	5.3	—
Franchise rights	2.3	—
Total Assets held for sale	154.2	26.3
Liabilities:		
Floor plan notes payable—trade	21.9	—
Floor plan notes payable—non-trade	40.9	—
Loaners/ Notes payable	3.1	—
Current maturities of long-term debt	0.3	—
Current maturities of operating leases	4.2	—
Long-term debt	27.8	—
Operating lease liabilities	2.7	—
Total Liabilities associated with assets held for sale	100.9	—
Net assets held for sale	$ 53.3	$ 26.3

As of December 31, 2019, there were seven franchises (six dealership locations) and one collision center pending disposition, with assets and liabilities totaling $115.3 million and $92.6 million, respectively. In January 2020, the Company's Board of Directors authorized Management's request for approval to divest of one dealership location. The Company is currently in negotiations with a potential buyer for this dealership.

Real estate assets held for sale not currently used in our operations and other real estate assets, totaled $38.9 million and $26.3 million as of December 31, 2019 and December 31, 2018, respectively. As of December 31, 2019 there was $8.3 million of mortgage payable and as of December 31, 2018, no liabilities associated with these real estate assets held for sale.

Additionally, during the years ended December 31, 2019 and 2018, we sold two vacant properties with a net book value of $14.6 million and two vacant properties with total net book values of $4.0 million, respectively.

We did not record any impairment expense associated with real estate properties that we were actively marketing to sell during the years ended December 31, 2019 or 2018.

7. OTHER CURRENT ASSETS

Other current assets consisted of the following:

	As of December 31,	
	2019	2018
	(In millions)	
Loaner vehicles	$ 83.8	$ 87.0
Contract assets (see Note 2)	17.1	14.7
Deposits	11.0	0.6
Prepaid expenses	5.8	5.9
Prepaid taxes	4.7	9.1
Other	6.6	4.9
Other current assets	$ 129.0	$ 122.2

8. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following:

	As of December 31,	
	2019	2018
	(In millions)	
Land	$ 343.8	$ 330.4
Buildings and leasehold improvements	622.9	617.5
Machinery and equipment	99.8	94.8
Furniture and fixtures	63.9	62.2
Company vehicles	8.1	8.8
Construction in progress	42.4	30.1
Gross property and equipment	1,180.9	1,143.8
Less—Accumulated depreciation	(271.2)	(257.7)
Property and equipment, net (a)	$ 909.7	$ 886.1

(a) Amounts reflected for Property and equipment, net as of December 31, 2019 and 2018, excluded $69.0 million and $26.3 million, respectively classified as Assets held for sale. In addition, Property and equipment, net as of December 31, 2019 and 2018 included finance and capital leases of $14.6 million and $2.3 million, respectively.

During the years ended December 31, 2019, 2018, and 2017, we capitalized $0.6 million, $0.5 million, and $0.2 million, respectively, of interest in connection with various capital projects to upgrade or remodel our facilities. Depreciation expense was $36.2 million, $33.7 million, and $32.1 million for the years ended December 31, 2019, 2018, and 2017, respectively.

9. GOODWILL AND INTANGIBLE FRANCHISE RIGHTS

Our acquisitions have resulted in the recording of goodwill and intangible franchise rights. Goodwill is an asset representing operational synergies and future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Intangible franchise rights is an asset representing our rights under franchise agreements with vehicle manufacturers. The changes in goodwill and intangible franchise rights for the years ended December 31, 2019 and 2018 are as follows:

	Goodwill
	(In millions)
Balance as of December 31, 2017 (a)	$ 160.8
Acquisitions	20.4
Balance as of December 31, 2018 (a)	181.2
Acquisitions	25.9
Divestitures	(0.1)
Reclassified to assets held for sale	(5.3)
Balance as of December 31, 2019 (a)	$ 201.7

(a) Net of accumulated impairment losses of $537.7 million recorded prior to the year ended December 31, 2017.

	Intangible Franchise Rights
	(In millions)
Balance as of December 31, 2017	$ 49.6
Acquisitions	19.9
Impairments	(3.7)
Balance as of December 31, 2018	$ 65.8
Acquisitions	65.3
Impairments	(7.1)
Reclassified to assets held for sale	(2.3)
Balance as of December 31, 2019	$ 121.7

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

Goodwill impairment is recognized based on the difference between the carrying value of a reporting unit and its fair value. We elected to perform a qualitative assessment as of October 1, 2019 for all but one reporting unit for which we performed a quantitative assessment. We elected a qualitative assessment for our October 1, 2018 goodwill impairment testing and determined for both assessments as of October 1, 2019 and 2018, that it was more likely than not that the fair value exceeded the carrying value of our reporting units.

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

We elected to perform a quantitative assessment for our October 1, 2019 and 2018 franchise rights impairment testing. In connection with our testing, we identified the carrying values of certain of our intangible franchise rights exceeded fair value, and as a result, recognized $7.1 million and $3.7 million in pre-tax non-cash impairment charges during the years ended December 31, 2019 and 2018, respectively.

10. FLOOR PLAN NOTES PAYABLE—TRADE

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

	As of December 31,	
	2019	2018
	(In millions)	
Floor plan notes payable—trade (a)	$ 146.5	$ 125.3
Floor plan notes payable offset account	(16.2)	(11.3)
Total floor plan notes payable—trade, net	$ 130.3	$ 114.0

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(a) Amounts reflected for floor plan notes payable—trade as of December 31, 2019, excluded $21.9 million classified as Liabilities associated with assets held for sale.

We have a floor plan facility with the Ford Motor Credit Company ("Ford Credit") to purchase new Ford and Lincoln vehicle inventory. Our floor plan facility with Ford Credit was amended in December 2019 to extend the maturity date from December 5, 2019 to May 31, 2020. This floor plan facility does not have a stated borrowing limitation.

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

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

11. FLOOR PLAN NOTES PAYABLE—NON-TRADE

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

	As of December 31,	
	2019	2018
	(In millions)	
Floor plan notes payable—new non-trade	$ 773.6	$ 843.0
Floor plan notes payable—used non-trade	—	30.0
Floor plan notes payable offset account	(115.9)	(20.9)
Total floor plan notes payable—non-trade, net	$ 657.7	$ 852.1

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(a) Amounts reflected for floor plan notes payable—new non-trade as of December 31, 2019, excluded $40.9 million classified as Liabilities associated with assets held for sale.

On September 25, 2019, the Company and certain of its subsidiaries entered into a third amended and restated credit agreement with Bank of America, N.A. ("Bank of America"), as administrative agent, and the other lenders party thereto (the "2019 Senior Credit Facility"). The 2019 Senior Credit Facility amended and restated the Company's pre-existing second amended and restated credit agreement, dated as of July 25, 2016.

The 2019 Senior Credit Facility provides for the following, in each case subject to limitations on availability as set forth therein:

- a $250.0 million revolving credit facility (the "Revolving Credit Facility") including a $50.0 million sub-limit for letters of credit;
- a $1.04 billion new vehicle revolving floor plan facility (the "New Vehicle Floor Plan Facility"); and
- a $160.0 million used vehicle revolving floor plan facility (the "Used Vehicle Floor Plan Facility").

Proceeds from borrowings under the 2019 Senior Credit Facility will be used, among other things, (i) to finance the purchase of new and used vehicles by the Company and certain of its subsidiaries, (ii) for working capital needs of the Company and certain of its subsidiaries, and (iii) for other general corporate purposes of the Company and certain of its subsidiaries.

Subject to compliance with certain conditions, the 2019 Senior Credit Agreement provides that we have the ability, at our option and subject to the receipt of additional commitments from existing or new lenders, to increase the size of the facilities by up to $350.0 million in the aggregate without lender consent.

In addition, we have the ability to convert a portion of our availability under the Revolving Credit Facility to the New Vehicle Floor Plan Facility or the Used Vehicle Floor Plan Facility. The maximum amount we are allowed to convert is determined based on our aggregate revolving commitment under the Revolving Credit Facility, less $50.0 million. In addition, we are able to convert any amounts moved to the New Vehicle Floor Plan Facility or Used Vehicle Floor Plan Facility back to the Revolving Credit Facility. As of December 31, 2019, we converted $190.0 million of availability under our Revolving Credit Facility to our New Vehicle Floor Plan Facility. We converted this amount to take advantage of the lower commitment fee rates on our new vehicle floor plan facility when compared to our revolving credit facility.

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

Borrowings under the 2019 Senior Credit Facility bear interest, at our option, based on the London Interbank Offered Rate ("LIBOR") or the Base Rate, in each case plus an Applicable Rate. The Base Rate is the highest of (i) the Federal Funds Rate plus 0.50%, (ii) the Bank of America prime rate, and (iii) one month LIBOR plus 1.00%. Applicable Rate means with respect to the Revolving Credit Facility, a range from 1.00% to 2.00% for LIBOR loans and 0.15% to 1.00% for Base Rate loans, in each case based on the Company's consolidated total lease adjusted leverage ratio. Borrowings under the New Vehicle Floorplan Facility bear interest, at our option, based on LIBOR plus 1.10% or the Base Rate plus 0.10%. Borrowings under the Used Vehicle Floorplan Facility bear interest, at our option, based on LIBOR plus 1.40% or the Base Rate plus 0.40%.

In addition to the payment of interest on borrowings outstanding under the 2019 Senior Credit Facility, we are required to pay a quarterly commitment fee on total unused commitments thereunder. The fee for unused commitments under the Revolving Credit Facility is between 0.15% and 0.40% per year, based on the Company's total lease adjusted leverage ratio, and the fee for unused commitments under the New Vehicle Facility Floor Plan and the Used Vehicle Facility Floor Plan Facility is 0.15% per year.

The 2019 Senior Credit Facility matures, and all amounts outstanding thereunder will be due and payable, on September 25, 2024.

The representations and covenants contained in the 2019 Senior Credit Agreement are customary for financing transactions of this nature, including, among others, a requirement to comply with a minimum consolidated current ratio, minimum consolidated fixed charge coverage ratio and maximum consolidated total lease adjusted leverage ratio, in each case as set out in the 2019 Senior Credit Agreement. In addition, certain other covenants could restrict the Company's ability to incur additional debt, pay dividends or acquire or dispose of assets.

The 2019 Senior Credit Agreement also provides for events of default that are customary for financing transactions of this nature, including cross-defaults to other material indebtedness. In certain instances, an event of default under either the Revolving Credit Facility or the Used Vehicle Floorplan Facility could be, or result in, an event of default under the New Vehicle Floorplan Facility, and vice versa. Upon the occurrence of an event of default, the Company could be required to immediately repay all amounts outstanding under the applicable facility.

We have established a floor plan notes payable offset account with Ford Motor Credit Company that allows us to transfer cash to the account as an offset of our outstanding Floor Plan Notes Payable—Trade. Additionally, we have a similar floor plan offset account with Bank of America that allows us to offset our outstanding Floor Plan Notes Payable—Non-Trade. These

accounts allow us to transfer cash to reduce the amount of outstanding floor plan notes payable that would otherwise accrue interest, while retaining the ability to transfer amounts from the floor plan offset accounts into our operating cash accounts within one to two days. As of December 31, 2019 and December 31, 2018 we had $132.1 million and $32.2 million, respectively, in these floorplan offset accounts.

See the "Representations and Covenants" section below under our "Long-Term Debt" footnote for a description of the representations, covenants and events of default contained in the 2019 Senior Credit Facility.

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following:

	As of December 31,	
	2019	2018
	(In millions)	
Accounts payable	$ 81.7	$ 81.9
Loaner vehicles notes payable (a)	83.9	87.5
Accrued compensation	30.5	27.6
Accrued finance and insurance chargebacks	22.9	23.0
Accrued insurance	25.3	20.9
Taxes payable	30.5	23.7
Accrued advertising	5.1	3.9
Accrued interest	6.0	6.6
Other	22.8	23.3
Accounts payable and accrued liabilities	$ 308.7	$ 298.4

(a) Amounts reflected for Loaner vehicles notes payable as of December 31, 2019, excluded $3.1 million classified as Liabilities associated with assets held for sale.

13. LONG-TERM DEBT

Long-term debt consisted of the following:

	As of December 31,	
	2019	2018
	(In millions)	
6.0% Senior Subordinated Notes due 2024	$ 600.0	$ 600.0
Mortgage notes payable bearing interest at fixed rates (the weighted average interest rates were 5.3% and 5.2% for the years ended December 31, 2019 and 2018, respectively)	100.5	132.2
2018 BofA Real Estate Facility (a)	88.3	25.7
2018 Wells Fargo Master Loan Facility	25.0	25.0
2013 BofA Real Estate Facility	35.5	40.8
2015 Wells Fargo Master Loan Facility (b)	76.8	83.3
Finance lease liability	17.2	3.1
Total debt outstanding	943.3	910.1
Add—unamortized premium on 6.0% Senior Subordinated Notes due 2024	5.1	6.0
Less—debt issuance costs	(9.0)	(10.8)
Long-term debt, including current portion	939.4	905.3
Less—current portion, net of debt issuance costs	(32.4)	(38.8)
Long-term debt	$ 907.0	$ 866.5

(a) Amounts reflected for the 2018 BofA Real Estate Facility as of December 31, 2019, exclude $26.6 million classified as Liabilities associated with assets held for sale.
(b) Amounts reflected for the 2015 Wells Fargo Master Loan Facility as of December 31, 2019, exclude $1.5 million classified as Liabilities associated with assets held for sale.

The aggregate maturities of long-term debt as of December 31, 2019 are as follows (in millions):

2020	$ 35.7
2021	35.0
2022	33.2
2023	53.2
2024	648.6
Thereafter	165.7
Total maturities of long-term debt	$ 971.4

Includes amounts classified as Liabilities associated with assets held for sale.

6.0% Senior Subordinated Notes due 2024

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

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

We are a holding company with no independent assets or operations. For all relevant periods presented, our 6.0% Notes have been fully and unconditionally guaranteed, on a joint and several basis, by substantially all of our subsidiaries. Any subsidiaries that have not guaranteed such notes are "minor" (as defined in Rule 3-10(h) of Regulation S-X). As of December 31, 2019, there were no significant restrictions on the ability of our subsidiaries to distribute cash to us or our guarantor subsidiaries.

Mortgage Notes Payable

We have multiple mortgage agreements with finance companies affiliated with our vehicle manufacturers ("captive mortgages") and other lenders. As of December 31, 2019 and 2018, we had total mortgage notes payable outstanding of $100.5 million and $132.2 million, respectively, which are collateralized by the associated real estate.

2018 BofA Real Estate Facility

On November 13, 2018, we entered into a real estate term loan credit agreement (as amended, restated or supplemented from time to time, the “2018 BofA Real Estate Credit Agreement”) with Bank of America, as lender, providing for term loans in an aggregate amount not to exceed $128.1 million, subject to customary terms and conditions (the “2018 BofA Real Estate Facility”). Our right to make draws under the 2018 BofA Real Estate Facility terminated on November 13, 2019. Term loans under our 2018 BofA Real Estate Facility bear interest, at our option, based on LIBOR plus 1.90% or the Base Rate (as described below) plus 0.50%. The Base Rate is the highest of (i) the Federal Funds rate plus 0.50%, (ii) the Bank of America prime rate, and (iii) one month LIBOR plus 1.0%. We are required to make quarterly principal payments of 1.25% of the initial amount of each loan on a twenty year repayment schedule, with a balloon repayment of the outstanding principal amount of loans due on November 13, 2025. Borrowings under the 2018 BofA Real Estate Facility are guaranteed by each of our operating dealership subsidiaries whose real estate is financed under the 2018 BofA Real Estate Facility, and are collateralized by first priority liens, subject to certain permitted exceptions, on all of the real property financed thereunder.

As of December 31, 2019 and 2018, we had $88.3 million and $25.7 million, respectively, in term loans outstanding under the 2018 BofA Real Estate Facility.

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2018 Wells Fargo Master Loan Facility

On November 16, 2018, certain of our subsidiaries entered into a master loan agreement (the “2018 Wells Fargo Master Loan Agreement” and, together with the 2013 BofA Real Estate Credit Agreement, the 2015 Wells Fargo Master Loan Agreement and the 2018 BofA Real Estate Agreement, the “Existing Real Estate Credit Agreements”) with Wells Fargo Bank, National Association, as lender, which provides for term loans to certain of our subsidiaries that are borrowers under the Wells Fargo Master Loan Agreement in an aggregate amount not to exceed $100.0 million (the "Wells Fargo Master Loan Facility"), subject to customary terms and conditions (the “2018 Wells Fargo Master Loan Facility” and, together with the 2013 BofA Real Estate Facility, the 2015 Wells Fargo Master Loan Facility and the 2018 BofA Real Estate Facility, the “Existing Real Estate Facilities”). Our right to make draws under the 2018 Wells Fargo Master Loan Facility will terminate on June 30, 2020. Term loans under the 2018 Wells Fargo Master Loan Facility bear interest based on LIBOR plus an applicable margin based on a pricing grid ranging from 1.50% per annum to 1.85% per annum based on our consolidated total lease adjusted leverage ratio. We are required to make quarterly principal payments with respect to the initial amount of each loan in 108 equal monthly principal payments based on a hypothetical 19 year amortization schedule, with a balloon repayment of the outstanding principal amount of loans due on December 1, 2028. Borrowings under the 2018 Wells Fargo Master Loan Facility can be voluntarily prepaid in whole or in part any time without premium or penalty. Borrowings under the 2018 Wells Fargo Master Loan Facility are guaranteed by us pursuant to an unconditional guaranty, and all of the real property financed by any of our operating dealership subsidiaries under the 2018 Wells Fargo Master Loan Facility is collateralized by first priority liens, subject to certain permitted exceptions.

As of December 31, 2019 and 2018, we had $25.0 million outstanding borrowings under the 2018 Wells Fargo Master Loan Facility.

2013 BofA Real Estate Facility

On September 26, 2013, we entered into a real estate term loan credit agreement (the “2013 BofA Real Estate Credit Agreement”) with Bank of America, N.A. (“Bank of America”), as lender, providing for term loans in an aggregate amount not to exceed $75.0 million, subject to customary terms and conditions (the “2013 BofA Real Estate Facility”). Term loans under our 2013 BofA Real Estate Facility bear interest, at our option, based on LIBOR plus 1.50% or the Base Rate (as described below) plus 0.50%. The Base Rate is the highest of (i) the Federal Funds rate plus 0.50%, (ii) the Bank of America prime rate, and (iii) one month LIBOR plus 1.0%. Our right to make draws under the 2013 BofA Real Estate Facility terminated on December 26, 2013. We are required to make quarterly principal payments of 1.25% of the initial amount of each loan on a twenty year repayment schedule, with a balloon repayment of the outstanding principal amount of loans due on September 26, 2023. Borrowings under the 2013 BofA Real Estate Facility are guaranteed by each of our operating dealership subsidiaries whose real estate is financed under the 2013 BofA Real Estate Facility, and are collateralized by first priority liens, subject to certain permitted exceptions, on all of the real property financed thereunder.

As of December 31, 2019 and 2018, we had $35.5 million and $40.8 million, respectively, in term loans outstanding under the 2013 BofA Real Estate Facility.

2015 Wells Fargo Master Loan Facility

On February 3, 2015, certain of our subsidiaries entered into an amended and restated master loan agreement (as amended, restated or supplemented from time to time, the “2015 Wells Fargo Master Loan Agreement”) with Wells Fargo Bank, National Association (“Wells Fargo”), as lender, which provides form term loans to certain of our subsidiaries that are borrowers under the 2015 Wells Fargo Master Loan Agreement in an aggregate amount not to exceed $100.0 million (the “2015 Wells Fargo Master Loan Facility”). Our right to make draws under the 2015 Wells Fargo Master Loan Facility terminated on February 1, 2016. Term loans under the 2015 Wells Fargo Master Loan Facility bear interest based on LIBOR plus 1.85%. We are required to make quarterly principal payments with respect to the initial amount of each loan in 108 equal monthly principal payments based on a hypothetical 19 year amortization schedule, with a balloon repayment of the outstanding principal amount of loans due on February 1, 2025. Borrowings under the 2015 Wells Fargo Master Loan Facility can be voluntarily prepaid in whole or in part any time without premium or penalty. Borrowings under the 2015 Wells Fargo Master Loan Facility are guaranteed by us pursuant to an unconditional guaranty, and all of the real property financed by any of our operating dealership subsidiaries under the 2015 Wells Fargo Master Loan Facility is collateralized by first priority liens, subject to certain permitted exceptions.

As of December 31, 2019 and 2018, we had $76.8 million and $83.3 million, respectively, outstanding under the 2015 Wells Fargo Master Loan Facility.

Below is a summary of our outstanding mortgage notes payable, the carrying values of the related collateralized real estate, and years of maturity as of December 31, 2019 and 2018:

	As of December 31, 2019			As of December 31, 2018		
Mortgage Agreement	**Aggregate Principal Outstanding**	**Carrying Value of Collateralized Related Real Estate**	**Maturity Dates**	**Aggregate Principal Outstanding**	**Carrying Value of Collateralized Related Real Estate**	**Maturity Dates**
Captive mortgages	$ 80.8	$ 182.1	2020-2024	$ 111.6	$ 185.5	2019-2024
Other mortgage debt	19.7	43.9	2020-2022	20.6	43.3	2020-2022
2018 BofA Real Estate Facility (a)	88.3	123.6	2025	25.7	137.2	2025
2018 Wells Fargo Master Loan Facility	25.0	113.7	2028	25.0	114.3	2028
2013 BofA Real Estate Facility	35.5	74.6	2023	40.8	82.2	2023
2015 Wells Fargo Master Loan Facility (b)	76.8	120.6	2025	83.3	130.2	2025
Total mortgage debt	$ 326.1	$ 658.5		$ 307.0	$ 692.7	

(a) Amounts reflected for the 2018 BofA Real Estate Facility as of December 31, 2019, exclude $26.6 million classified as Liabilities associated with assets held for sale.
(b) Amounts reflected for the 2015 Wells Fargo Master Loan Facility as of December 31, 2019, exclude $1.5 million classified as Liabilities associated with assets held for sale.

Revolving Credit Facility

As discussed above under our "Floor Plan Notes Payable—Non-Trade" footnote, the 2019 Senior Credit Facility includes a $250.0 million Revolving Credit Facility. We may request Bank of America to issue letters of credit on our behalf thereunder up to $50.0 million. Availability under the Revolving Credit Facility is limited by borrowing base calculations. Availability is reduced on a dollar-for-dollar basis by the aggregate face amount of any outstanding letters of credit. As of December 31, 2019, we converted $190.0 million of borrowing capacity from our Revolving Credit Facility to our New Vehicle Revolving Floor Plan Facility, resulting in $60.0 million of borrowing capacity. In addition, we had $12.7 million in outstanding letters of credit, resulting in $47.3 million of borrowing availability as of December 31, 2019. Proceeds from borrowings from time to time under the revolving credit facility may be used for among other things, acquisitions, working capital and capital expenditures.

Borrowings under the 2019 Senior Credit Facility bear interest, at our option, based on LIBOR or the Base Rate, in each case plus an Applicable Rate. The Base Rate is the highest of (i) the Federal Funds Rate plus 0.50%, (ii) the Bank of America prime rate, and (iii) one month LIBOR plus 1.00%. Applicable Rate means with respect to the Revolving Credit Facility, (i) until the Company delivers a certificate with respect to its consolidated total lease adjusted leverage ratio as of September 30, 2019 to Bank of America, as administrative agent, 1.25% for LIBOR loans and 0.25% for Base Rate loans and (ii) thereafter a range from 1.00% to 2.00% for LIBOR loans and 0.15% to 1.00% for Base Rate loans, in each case based on the Company's consolidated total lease adjusted leverage ratio. Borrowings under the New Vehicle Floorplan Facility bear interest, at our option, based on LIBOR plus 1.10% or the Base Rate plus 0.10%. Borrowings under the Used Vehicle Floorplan Facility bear interest, at our option, based on LIBOR plus 1.40% or the Base Rate plus 0.40%.

Stock Repurchase and Dividend Restrictions

The 2019 Senior Credit Facility and the Indenture currently allow for restricted payments without limit so long as our consolidated total leverage ratio (as defined in the 2019 Senior Credit Facility and the Indenture) is not greater than 3.0 to 1.0 after giving effect to such proposed restricted payments. Restricted payments generally include items such as dividends and share repurchases, and solely with respect to the Indenture, unscheduled repayments of subordinated debt, or the making of certain investments. In the event that our consolidated total leverage ratio does (or would) exceed 3.0 to 1.0, the 2019 Senior Credit Facility and the Indenture would then also allow for restricted payments under the following mutually exclusive parameters, subject to certain exclusions:

- Share repurchases in an aggregate amount not to exceed $20.0 million in any fiscal year;
- General restricted payments allowance of $150.0 million; and

- Subject to our continued compliance with a minimum consolidated current ratio, a consolidated fixed charge coverage ratio and a maximum consolidated total lease adjusted leverage ratio, in each case as set out in the Indenture, restricted payments capacity additions (or subtractions if negative) equal to (i) 50% of our net income (as defined in the 2019 Senior Credit Facility and the Indenture beginning on October 1, 2014 and ending on the date of the most recently completed fiscal quarter (the "Measurement Period"), plus (ii) 100% of any cash proceeds we receive from the sale of equity interests during the Measurement Period, minus (iii) the dollar amount of share repurchases made and dividends paid on or after October 1, 2014, subject to certain exceptions.

Representations and Covenants

We are subject to a number of covenants in our various debt and lease agreements, including those described below. We were in compliance with all of our covenants throughout 2019. Failure to comply with any of our debt covenants would constitute a default under the relevant debt agreements, which would entitle the lenders under such agreements to terminate our ability to borrow under the relevant agreements and accelerate our obligations to repay outstanding borrowings, if any, unless compliance with the covenants is waived. In many cases, defaults under one of our agreements could trigger cross-default provisions in our other agreements. If we are unable to remain in compliance with our financial or other covenants, we would be required to seek waivers or modifications of our covenants from our lenders, or we would need to raise debt and/or equity financing or sell assets to generate proceeds sufficient to repay such debt. We cannot give any assurance that we would be able to successfully take any of these actions on terms, or at times, that may be necessary or desirable.

The representations and covenants contained in the agreement governing the 2019 Senior Credit Facility are customary for financing transactions of this nature including, among others, a requirement to comply with a minimum consolidated current ratio, minimum consolidated fixed charge coverage ratio and maximum consolidated total lease adjusted leverage ratio, in each case as set out in the agreement governing the 2019 Senior Credit Facility. In addition, certain other covenants could restrict the Company's ability to incur additional debt, pay dividends or acquire or dispose of assets.

The agreement governing the 2019 Senior Credit Facility also provides for events of default that are customary for financing transactions of this nature, including cross-defaults to other material indebtedness. In certain instances, an event of default under either the Revolving Credit Facility or the Used Vehicle Floor Plan Facility could be, or result in, an event of default under the New Vehicle Floor Plan Facility, and vice versa. Upon the occurrence of an event of default, the Company could be required to immediately repay all amounts outstanding under the applicable facility.

The representations and covenants contained in the agreement governing the 2019 Senior Credit Facility are customary for financing transactions of this nature including, among others, a requirement to comply with a minimum consolidated current ratio, minimum consolidated fixed charge coverage ratio and maximum consolidated total lease adjusted leverage ratio, in each case as set out in the agreement governing the 2019 Senior Credit Facility. In addition, certain other covenants could restrict the Company's ability to incur additional debt, pay dividends or acquire or dispose of assets.

The agreement governing the 2019 Senior Credit Facility also provides for events of default that are customary for financing transactions of this nature, including cross-defaults to other material indebtedness. In certain instances, an event of default under either the Revolving Credit Facility or the Used Vehicle Floor Plan Facility could be, or result in, an event of default under the New Vehicle Floor Plan Facility, and vice versa. Upon the occurrence of an event of default, the Company could be required to immediately repay all amounts outstanding under the applicable facility.

The representations and covenants contained in the 2018 BofA Real Estate Credit Agreement are customary for financing transactions of this nature, including, among others, a requirement to comply with a minimum consolidated current ratio, minimum consolidated fixed charge coverage ratio and maximum consolidated total lease adjusted leverage ratio, in each case as set out in the 2018 BofA Real Estate Credit Agreement. In addition, certain other covenants could restrict our ability to incur additional debt, pay dividends or acquire or dispose of assets. The 2018 BofA Real Estate Credit Agreement also provides for events of default that are customary for financing transactions of this nature, including cross-defaults to other material indebtedness. Upon the occurrence of an event of default, we could be required by the 2018 BofA Real Estate Credit Agreement to immediately repay all amounts outstanding thereunder.

The representations, warranties and covenants contained in the 2018 Wells Fargo Master Loan Agreement and the related documents are customary for financing transactions of this nature, including, among others, a requirement to comply with a minimum consolidated current ratio, minimum consolidated fixed charge coverage ratio and maximum consolidated total lease adjusted leverage ratio. In addition, certain other covenants could restrict our ability to incur additional debt, pay dividends or acquire or dispose of assets. The 2018 Wells Fargo Master Loan Agreement also provides for events of default that are customary for financing transactions of this nature, including cross-defaults to other material indebtedness. Upon the occurrence of an event of default, we could be required by the 2018 Wells Fargo Master Loan Facility to immediately repay all amounts outstanding thereunder.

The representations, warranties and covenants contained in the 2015 Wells Fargo Master Loan Agreement and the related documents are customary for financing transactions of this nature, including, among others, a requirement to comply with a minimum consolidated current ratio, minimum consolidated fixed charge coverage ratio and maximum consolidated total lease adjusted leverage ratio. In addition, certain other covenants could restrict our ability to incur additional debt, pay dividends or acquire or dispose of assets. The 2015 Wells Fargo Master Loan Agreement also provides for events of default that are customary for financing transactions of this nature, including cross-defaults to other material indebtedness. Upon the occurrence of an event of default, we could be required by the 2015 Wells Fargo Master Loan Facility to immediately repay all amounts outstanding thereunder.

The representations and covenants contained in the 2013 BofA Real Estate Credit Agreement are customary for financing transactions of this nature, including, among others, a requirement to comply with a minimum consolidated current ratio, minimum consolidated fixed charge coverage ratio and maximum consolidated total lease adjusted leverage ratio, in each case as set out in the 2013 BofA Real Estate Credit Agreement. In addition, certain other covenants could restrict our ability to incur additional debt, pay dividends or acquire or dispose of assets. The 2018 BofA Real Estate Credit Agreement also provides for events of default that are customary for financing transactions of this nature, including cross-defaults to other material
indebtedness. Upon the occurrence of an event of default, we could be required by the 2013 BofA Real Estate Credit Agreement to immediately repay all amounts outstanding thereunder.

14. FINANCIAL INSTRUMENTS AND FAIR VALUE

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

Level 1-Valuations based on quoted prices in active markets for identical assets or liabilities that we have the ability to access.

Level 2-Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. Assets and liabilities utilizing Level 2 inputs include interest rate swap instruments, exchange-traded debt securities that are not actively traded or do not have a high trading volume, mortgage notes payable, and certain real estate properties on a non-recurring basis.

Level 3-Valuations based on inputs that are unobservable and significant to the overall fair value measurement. Asset and liability measurements utilizing Level 3 inputs include those used in estimating the fair value of certain non-financial assets and non-financial liabilities in purchase acquisitions and those used in the assessment of impairment for goodwill and intangible franchise rights.

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

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

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

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

	As of December 31,	
	2019	2018
	(In millions)	
Carrying Value:		
6.0% Senior Subordinated Notes due 2024	$ 598.8	$ 606.0
Mortgage notes payable (a)	323.4	307.0
Total carrying value	$ 922.2	$ 913.0
Fair Value:		
6.0% Senior Subordinated Notes due 2024	$ 619.5	$ 570.0
Mortgage notes payable (a)	364.2	306.7
Total fair value	$ 983.7	$ 876.7

(a) Excludes amounts classified as Liabilities associated with assets held for sale.

Interest Rate Swap Agreements

In June 2015, we entered into an interest rate swap agreement with a notional principal amount of $100.0 million. This swap was designed to provide a hedge against changes in variable rate cash flows regarding fluctuations in the one month LIBOR, through maturity in February 2025. The notional values of this swap as of December 31, 2019 and 2018, were $79.8 million and $85.1 million, respectively, and the notional value will reduce over its remaining term to $53.1 million at maturity.

In November 2013, we entered into an interest rate swap agreement with a notional principal amount of $75.0 million. This swap was designed to provide a hedge against changes in variable rate cash flows regarding fluctuations in the one month LIBOR, through maturity in September 2023. The notional values of this swap as of December 31, 2019 and 2018, were $52.7 million and $56.5 million, respectively, and the notional value will reduce over its remaining term to $38.7 million at maturity.

The fair value of cash flow swaps is calculated as the present value of expected future cash flows, determined on the basis of forward interest rates and present value factors. Fair value estimates reflect a credit adjustment to the discount rate applied to all expected cash flows under the swaps. Other than this input, all other inputs used in the valuation for these swaps are designated to be Level 2 fair values. The fair value of our swaps for the years ended December 31, 2019 and 2018, reflect a liability of $3.8 million and an asset of $0.6 million, respectively.

The following table provides information regarding the fair value of our interest rate swap agreements and the impact on the Consolidated Balance Sheets:

	As of December 31,	
	2019	2018
	(In millions)	
Other current liabilities/(assets)	$ 0.9	$ (0.2)
Other long-term liabilities/(assets)	2.9	(0.4)
Total fair value	$ 3.8	$ (0.6)

Both of our interest rate swaps qualify for cash flow hedge accounting treatment. These interest rate swaps are marked to market at each reporting date and any unrealized gain or losses are included in accumulated other comprehensive income and reclassified to interest expense in the same period or periods during which the hedged transactions affect earnings. Information about the effects of our interest rate swap agreements on the accompanying Consolidated Statements of Income and Consolidated Statements of Comprehensive Income, are as follows (in millions):

For the Year Ended December 31,	Results Recognized in Accumulated Other Comprehensive Loss (Effective Portion)	Location of Results Reclassified from Accumulated Other Comprehensive Loss to Earnings	Results Reclassified from Accumulated Other Comprehensive Loss to Earnings
2019	$ (4.4)	Other interest expense, net	$ —
2018	$ 1.8	Swap interest expense	$ (0.5)
2017	$ (0.1)	Swap interest expense	$ (2.0)

On the basis of yield curve conditions as of December 31, 2019 and including assumptions about future changes in fair value, we expect the amount to be reclassified out of Accumulated other comprehensive loss into earnings within the next 12 months will be losses of $0.9 million.

15. INCOME TAXES

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

	For the Years Ended December 31,		
	2019	2018	2017
	(In millions)		
Current:			
Federal	$ 46.3	$ 43.8	$ 59.1
State	8.0	7.1	8.3
Total current income tax expense	54.3	50.9	67.4
Deferred:			
Federal	5.5	3.9	1.2
State	(0.3)	2.0	1.4
Total deferred income tax expense	5.2	5.9	2.6
Total income tax expense	$ 59.5	$ 56.8	$ 70.0

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

	For the Years Ended December 31,					
	2019	%	2018	%	2017	%
Income tax provision at the statutory rate	$ 51.2	21.0	$ 47.2	21.0	$ 73.2	35.0
State income tax expense, net of federal benefit	7.8	3.2	8.7	3.9	6.4	3.0
Non-deductible / non-tax items	0.6	0.2	0.4	0.2	(0.3)	(0.1)
Effect of enactment of tax reform	—	—	0.6	0.2	(7.9)	(3.8)
Adjustments and settlements	—	—	—	—	(0.6)	(0.3)
Other, net	(0.1)	—	(0.1)	—	(0.8)	(0.3)
Income tax expense	$ 59.5	24.4	$ 56.8	25.3	$ 70.0	33.5

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

	As of December 31,	
	2019	2018
	(In millions)	
Deferred income tax assets:		
F&I chargeback liabilities	$ 11.8	$ 11.0
Other accrued liabilities	2.1	3.2
Stock-based compensation	2.2	2.4
Operating lease right-of-use assets	18.7	—
Other, net	9.0	3.9
Total deferred income tax assets	43.8	20.5
Deferred income tax liabilities:		
Intangible asset amortization	(16.4)	(12.5)
Depreciation	(33.4)	(26.4)
Operating lease liabilities	(17.7)	—
Other, net	(2.3)	(3.3)
Total deferred income tax liabilities	(69.8)	(42.2)
Net deferred income tax liabilities	$ (26.0)	$ (21.7)

There were no valuation allowances recorded against the deferred tax assets as of December 31, 2019 or 2018.

As of December 31, 2019, we had income taxes payable of $1.3 million, which is included in Accounts payable and accrued liabilities.

As of December 31, 2018, we had pre-paid income taxes of $4.6 million which was included in Other current assets.

There was no unrecognized tax benefits as of December 31, 2019, 2018 or 2017.

The statutes of limitations related to our consolidated Federal income tax returns are closed for all tax years up to and including 2015. The expiration of the statutes of limitations related to the various state income tax returns that we and our subsidiaries file varies by state. The 2012 through 2018 tax years generally remain subject to examination by most state tax authorities. We believe that our tax positions comply with applicable tax law and that we have adequately provided for these matters.

Tax Reform

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

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

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

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

16. OTHER LONG-TERM LIABILITIES

Other long-term liabilities consisted of the following:

	As of December 31,	
	2019	**2018**
	(In millions)	
Accrued finance and insurance chargebacks	$ 22.9	$ 21.2
Deferred rent	—	4.5
Interest rate swap	2.9	—
Unclaimed property	2.9	3.3
Other	3.7	1.7
Other long-term liabilities	$ 32.4	$ 30.7

17. SUPPLEMENTAL CASH FLOW INFORMATION

During the years ended December 31, 2019, 2018, and 2017, we made interest payments, including amounts capitalized, totaling $91.2 million, $82.5 million, and $76.0 million, respectively. Included in these interest payments are $38.6 million, $31.2 million, and $22.3 million, of floor plan interest payments for the years ended December 31, 2019, 2018, and 2017, respectively.

During the years ended December 31, 2019, 2018, and 2017 we made income tax payments, net of refunds received, totaling $48.4 million, $40.4 million, and $102.7 million, respectively.

During the years ended December 31, 2019, 2018, and 2017, we transferred $141.0 million, $193.9 million, and $156.2 million, respectively, of loaner vehicles from Other current assets to Inventory on our Consolidated Balance Sheets.

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

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

	For the Years Ended December 31,		
	2019	**2018**	**2017**
Amortization of debt issuance costs	$ 2.5	$ 2.5	$ 3.2
Loss on disposal of fixed assets	2.6	0.9	2.1
Other individually immaterial items	(0.3)	(0.3)	(1.0)
Other adjustments, net	$ 4.8	$ 3.1	$ 4.3

18. LEASES

Effective January 1, 2019, the Company adopted the new lease accounting guidance in ASC 842. The new standard establishes a right-of-use ("ROU") model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms in excess of 12 months. Leases are classified as either finance or operating, with classification impacting the pattern of expense recognition in the income statement.

The Company elected the package of practical expedients permitted in ASC 842. Accordingly, the Company accounted for its existing operating leases as an operating lease under the new guidance, without reassessing (a) whether the contract contains a lease under ASC 842, (b) whether classification of the operating lease would be different in accordance with ASC 842, or (c) whether the unamortized initial direct costs before transition adjustments (as of December 31, 2018) would have met the definition of initial direct costs in ASC 842 at lease commencement. In addition, the Company opted for the transition relief method specified in Accounting Standards Update No. 2018-11, which allowed for the effective date of the new leases standard as the date of initial application on transition. As a result of this election the Company (a) did not adjust comparative period financial information for the effects of ASC 842; (b) made the new required lease disclosures for periods after the effective date; and (c) carried forward our ASC 840 disclosures - see Note 19 "Leases (Prior to Adoption of ASC 842)" for comparative periods. As a result of the adoption of ASC 842, the Company recorded a right-of-use asset of $86.9 million, which represents the lease liability reduced for deferred rent amounts of $4.4 million and a lease liability of $91.3 million, which represents the present value of remaining lease payments, discounted using the Company's incremental borrowing rates based on the remaining lease terms.

We lease real estate and equipment primarily under operating lease agreements. For leases with terms in excess of 12 months, we record a ROU asset and lease liability based on the present value of lease payments over the lease term. Escalation clauses, lease payments dependent on existing rates/indexes, renewal options, and purchase options are included within the determination of lease payments when appropriate. We have elected the practical expedient not to separate lease and non-lease components for all leases that qualify, except for information technology assets that are embedded within service agreements (such as software license arrangements).

When available, the implicit rate is utilized to discount lease payments to present value; however, substantially all of our leases do not provide a readily determinable implicit rate. Therefore, we estimate our incremental borrowing rate to discount the lease payments based on information available at lease commencement.

Balance Sheet Presentation

Leases	Classification		As of December 31, 2019
			(In millions)
Assets:			
Current			
Operating	Operating lease right-of-use assets	$	65.6
Operating	Assets held for sale		6.9
Non-Current			
Finance	Property and equipment, net		14.6
Total right-of-use assets		$	87.1
Liabilities:			
Current			
Operating	Current maturities of operating leases	$	17.0
Operating	Liabilities held for sale		4.2
Finance	Current maturities of long-term debt		0.6
Non-Current			
Operating	Operating lease liabilities		52.6
Operating	Liabilities held for sale		2.7
Finance	Long-term debt		16.6
Total lease liabilities		$	93.7

Lease Term and Discount Rate

	As of December 31, 2019
Weighted Average Lease Term - Operating Leases	5.7 years
Weighted Average Lease Term - Finance Lease	1.2 years
Weighted Average Discount Rate - Operating Leases	4.7%
Weighted Average Discount Rate - Finance Lease	4.1%

Lease Costs

The following table provides certain information related to the lease costs for finance and operating leases during the year ended December 31, 2019.

		For the Year Ended December 31, 2019
		(In millions)
Finance lease cost (Interest)	$	0.7
Operating lease cost		23.3
Short-term lease cost		2.7
Variable lease cost		1.0
	$	27.7

Supplemental Cash Flow Information

The following table presents supplemental cash flow information for leases during the year ended December 31, 2019.

	For the Year Ended December 31, 2019	
	(In millions)	
Supplemental Cash Flow:		
Cash paid for amounts included in the measurements of lease liabilities		
Operating cash flows from finance lease	$	0.7
Operating cash flows from operating leases	$	23.7
Financing cash flows from finance lease	$	0.4
Right-of-use assets obtained in exchange for new finance lease liabilities	$	17.7
Right-of-use assets obtained in exchange for new operating lease liabilities	$	14.4
Changes to finance lease right-of-use asset resulting from lease reassessment event	$	(3.1)

During the twelve months ended December 31, 2019, we reassessed and remeasured an existing real estate lease, which was previously accounted for as an operating lease and finance lease for the land and building elements, respectively, due to the presence of a purchase price option which we concluded we are now reasonably certain to exercise. As reflected within the table above, we reduced a portion of the new finance lease right-of-use asset based on the existing finance lease liability at the time of remeasurement.

The table below reconciles the undiscounted cash flows for each of the first five years and total of the remaining years to the finance lease liabilities and operating lease liabilities as of December 31, 2019.

	Finance		Operating	
	(In millions)			
2020	$	1.3	$	24.2
2021		16.8		21.1
2022		—		15.7
2023		—		7.6
2024		—		3.8
Thereafter		—		17.4
Total minimum lease payments	$	18.1	$	89.8
Less: Amount of lease payments representing interest		(0.9)		(13.3)
Present value of future minimum lease payments	$	17.2	$	76.5
Less: current obligations under leases		(0.6)		(21.2)
Long-term lease obligation	$	16.6	$	55.3

Certain of our lease agreements include financial covenants and incorporate by reference the financial covenants set forth in the 2019 Senior Credit Facility. A breach of any of these covenants could immediately give rise to certain landlord remedies under our various lease agreements, the most severe of which include the following: (i) termination of the applicable lease and/or other leases with the same or an affiliated landlord under a cross-default provision, (ii) eviction from the premises; and (iii) the landlord having a claim for various damages.

19. LEASES (PRIOR TO ADOPTION OF ASC 842)

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

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

During the year ended December 31, 2017, we entered into two transactions in which we purchased previously leased real estate for an aggregate purchase price of $9.5 million. These transactions included the termination of the related lease

obligations, resulting in $0.2 million of lease termination charges, which were included in Other operating (income) expenses, net in our Consolidated Statement of Income for the year ended December 31, 2017.

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

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

20. COMMITMENTS AND CONTINGENCIES

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

In some instances, manufacturers may have the right, and may direct us, to implement costly capital improvements to dealerships as a condition to entering into, renewing, or extending franchise agreements with them. Manufacturers also typically require that their franchises meet specific standards of appearance. These factors, either alone or in combination, could cause us to use our financial resources on capital projects that we might not have planned for or otherwise determined to undertake.

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

We believe we have adequately accrued for the potential impact of loss contingencies that are probable and reasonably estimable. Based on our review of the various types of claims currently known to us, there is no indication of material reasonably possible losses in excess of amounts accrued in the aggregate. We currently do not anticipate that any known claim will materially adversely affect our financial condition, liquidity, or results of operations. However, the outcome of any matter cannot be predicted with certainty, and an unfavorable resolution of one or more matters presently known or arising in the future could have a material adverse effect on our financial condition, liquidity, or results of operations.

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

Substantially all of our facilities are subject to federal, state and local provisions regarding the discharge of materials into the environment. Compliance with these provisions has not had, nor do we expect such compliance to have, any material effect

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

We had $12.7 million of letters of credit outstanding as of December 31, 2019, which are required by certain of our insurance providers. In addition, as of December 31, 2019, we maintained a $5.1 million surety bond line in the ordinary course of our business. Our letters of credit and surety bond line are considered to be off balance sheet arrangements.

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

21. SHARE-BASED COMPENSATION AND EMPLOYEE BENEFIT PLANS

On March 13, 2012, our Board of Directors, upon the recommendation of our Compensation and Human Resources Committee, approved the 2012 Equity Incentive Plan (the "2012 Plan"). On April 18, 2012, our shareholders approved the 2012 Plan, which replaced our previous equity incentive plan. The 2012 Plan expires on March 13, 2022 and provides for the grant of options, performance share units, restricted share units, and shares of restricted stock to our directors, officers, and employees in the total amount of 1.5 million shares. On April 17, 2019, the stockholders of the Company approved the Asbury Automotive Group, Inc. 2019 Equity and Incentive Compensation Plan (the "2019 Plan") and authorized a total of 1,590,000 shares of common stock for issuance under the 2019 Plan ("Plan Shares"). The Plan Shares include 641,363 shares of common stock which remained unissued under the 2012 Plan. No further grants of awards will be made under the 2012 Plan; however outstanding awards under the 2012 Plan will continue in effect in accordance with their terms and conditions. There were approximately 1.6 million shares available for grant in accordance with the 2019 Plan as of December 31, 2019.

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

We have recognized $12.5 million ($3.1 million tax benefit), $10.5 million ($2.6 million tax benefit), and $13.6 million ($4.5 million tax benefit) in share-based compensation expense for the years ended December 31, 2019, 2018, and 2017, respectively. As of December 31, 2019, there was $11.9 million of total unrecognized share-based compensation expense related to non-vested share-based awards granted under the 2012 Plan, and the weighted average period over which it is expected to be recognized is 2.13 years. Further, we expect to recognize $6.8 million of this expense in 2020, $3.3 million in 2021, and $1.8 million in 2022.

Performance Share Units

During the year ended December 31, 2019, the Compensation and Human Resources Committee of the Board of Directors approved the grant of up to 134,758 performance share units, which represents 150% of the target award. Performance share units provide an opportunity for the employee-recipient to receive a number of shares of our common stock based on our performance during a specified year period following the grant as measured against objective performance goals as determined by the Compensation and Human Resources Committee of our Board of Directors. The actual number of units earned may range from 0% to 150% of the target number of units depending upon achievement of the performance goals. Performance share units vest in three equal annual installments with one-third of the award vesting on each of the (i) later of the first anniversary of the grant date, or the date the Compensation and Human Resources Committee determines the actual award, (ii) second anniversary of the grant date and (iii) third anniversary of the grant date. Upon vesting, each performance share unit equals one share of common stock of the Company. Compensation cost for performance share units is based on the closing price of our common stock on the date of grant and the ultimate performance level achieved, and is recognized on a graded basis over the three-year vesting period.

The following table summarizes information about performance share units for 2019:

	Shares	Weighted Average Grant Date Fair Value
Non-vested at January 1, 2019	205,736	$ 61.28
Granted	134,758	69.67
Vested	(101,377)	58.87
Forfeited or unearned	(33,827)	66.49
Non-vested at December 31, 2019	205,290	$ 66.92

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

	For the Years Ended December 31,		
	2019	2018	2017
Weighted average grant-date fair value of performance share units granted	$ 69.67	$ 68.50	$ 65.65
Total fair value of performance share units vested (in millions)	$ 6.0	$ 6.4	$ 6.5

Restricted Stock Awards

During the year ended December 31, 2019, the Compensation and Human Resources Committee of the Board of Directors approved the grant of 122,167 shares of restricted stock. Restricted stock awards vest in three equal annual installments commencing on the first anniversary of the grant date. Compensation cost for restricted stock awards is based on the closing price of our common stock on the date of grant and is recognized on a straight-line basis over the three-year vesting period.

The following table summarizes information about restricted stock awards for 2019:

	Shares	Weighted Average Grant Date Fair Value
Non-vested at January 1, 2019	198,776	$ 63.65
Granted	122,167	69.18
Vested	(85,759)	59.76
Forfeited	(31,713)	67.14
Non-vested at December 31, 2019	203,471	$ 68.06

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

	For the Years Ended December 31,		
	2019	2018	2017
Weighted average grant-date fair value of restricted stock granted	$ 69.18	$ 71.18	$ 63.64
Total fair value of restricted stock awards vested (in millions)	$ 5.1	$ 5.5	$ 5.3

Employee Retirement Plan

We sponsor the Asbury Automotive Retirement Savings Plan (the "Retirement Savings Plan"), a 401(k) plan, for eligible employees. Employees electing to participate in the Retirement Savings Plan may contribute up to 75% of their annual eligible compensation. IRS rules limited total participant contributions during 2019 to $18,500, or $24,500 if age 50 or more. For non-highly compensated employees, after one year of employment we match 50% of employees' contributions up to 4% of their eligible compensation. Employer contributions vest on a graded basis over 4 years after the date of hire. Expenses from continuing operations related to employer matching contributions totaled $3.7 million, $3.2 million, and $3.0 million for the years ended December 31, 2019, 2018, and 2017, respectively.

22. CONDENSED QUARTERLY REVENUES AND EARNINGS (UNAUDITED):

	For the Three Months Ended			
	March 31,	June 30,	September 30,	December 31,
	(In millions, except per share data)			
2018:				
Revenues	$ 1,609.2	$ 1,723.6	$ 1,757.4	$ 1,784.2
Gross profit	$ 265.4	$ 277.8	$ 278.0	$ 281.8
Net income (2)(3)(4)	$ 40.1	$ 43.2	$ 44.3	$ 40.4
Net income per common share:				
Basic (1)(2)(3)(4)	$ 1.95	$ 2.13	$ 2.22	$ 2.09
Diluted (1)(2)(3)(4)	$ 1.93	$ 2.11	$ 2.18	$ 2.06
2019:				
Revenues	$ 1,670.8	$ 1,803.5	$ 1,842.0	$ 1,894.0
Gross profit	$ 279.2	$ 295.0	$ 293.1	$ 301.6
Net income (5)(6)(7)	$ 40.9	$ 54.9	$ 45.0	$ 43.6
Net income per common share:				
Basic (1)(5)(6)(7)	$ 2.13	$ 2.87	$ 2.36	$ 2.28
Diluted (1)(5)(6)(7)	$ 2.11	$ 2.84	$ 2.33	$ 2.26

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

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

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

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

(5) Results for the three months ended March 30, 2019 were decreased by $1.8 million as a result of fixed assets write-off, net of tax, or $0.09 per basic and diluted share.

(6) Results for the three months ended June 30, 2019 were increased by $9.0 million as a result of a gain on a divested dealership and real estate, net of tax, or $0.46 per basic and diluted share.

(7) Results for the three months ended December 31, 2019 were decreased by $5.3 million franchise rights impairment, net of tax, or $0.27 per basic and diluted share.

23. SUBSEQUENT EVENTS

Park Place Acquisition

On December 11, 2019, we entered into an Asset Purchase Agreement and a Real Estate Purchase Agreement with certain members of the Park Place Dealership family of entities, to acquire substantially all of the assets of, and certain real property related to the businesses described in the Asset Purchase Agreement for a purchase price of approximately $1.0 billion (excluding vehicle inventory), reflecting $785.0 million of goodwill, approximately $215.0 million for real estate and leaseholds and approximately $30 million for parts and fixed assets (the "Acquisition"). This Acquisition is expected to close during the first quarter of 2020.

Park Place, based in Dallas, Texas, is one of the country's largest luxury dealer groups, with an attractive portfolio of high volume, award-winning, luxury dealerships and high-quality real estate. Park Place consists of a collection of:

- ten luxury dealerships, including one dealership scheduled to open in the first quarter of 2020;
- an auto auction business for wholesaling used cars; and
- a subscription service platform that offers customers access to a range of luxury vehicles for a monthly fee.

New Senior Notes

On February 19, 2020, the Company completed its offering of senior unsecured notes, consisting of $525.0 million aggregate principal amount of 4.50% Senior Notes due 2028 (the “2028 Notes”) and $600.0 million aggregate principal amount of 4.75% Senior Notes due 2030 (the “2030 Notes” and, together with the 2028 Notes, the “Notes”). The 2028 Notes and 2030 Notes mature on March 1, 2028 and March 1, 2030, respectively. Interest is payable semiannually, on March 1 and September 1 of each year. The New Senior Notes were offered, together with additional borrowings and cash on hand, to (i) fund, if consummated, the acquisition of substantially all of the assets of Park Place, (ii) redeem all of our outstanding $600.0 million aggregate principal amount of the 6.0% Notes and (iii) pay fees and expenses in connection with the foregoing.

New BofA Real Estate Facility

In connection with the Acquisition, on February 7, 2020 we entered into the New BofA Real Estate Facility, which will provide for term loans in an aggregate amount not to exceed $280.6 million, and is expected to mature seven years from the initial funding of the facility. Borrowings under the New BofA Real Estate Facility are expected to be guaranteed by us and each of our operating dealership subsidiaries that own or lease the real estate being financed under the New BofA Real Estate Facility, and are expected to be collateralized by first priority liens, subject to certain permitted exceptions, on all of the real property financed thereunder. In connection with the Acquisition, we intend to borrow $216.6 million under the New BofA Real Estate Facility, and have the ability to make a single draw of an additional amount up to 80% of the appraised value of the property expected to be acquired at or after the consummation of the Acquisition.

Amendments to 2019 Senior Credit Facility

In connection with the Acquisition, we have obtained amendments, among other things, to (1) increase the aggregate commitments under the Revolving Credit Facility to $350.0 million, (2) increase the aggregate commitments under the New Vehicle Floorplan Facility to $1.35 billion and (3) increase the aggregate commitments under the Used Vehicle Floorplan Facility to $200.0 million. These amendments to increase the aggregate commitments will become effective concurrently with the consummation of the Acquisition. In connection with the consummation of the Acquisition, we intend to borrow approximately $387 million under the 2019 Senior Credit Facility with respect to existing Park Place vehicle inventory, consisting of approximately $237 million under the New Vehicle Floor Plan Facility and approximately $150 million under the Used Vehicle Floor Plan Facility.

Conditional Redemption Notice for Existing Notes

On February 3, 2020, we issued a conditional notice of redemption to the holders of our 6% Notes, notifying such holders that we intend to redeem all of the 6% Notes on March 4, 2020. The redemption of the 6% Notes is conditioned upon the consummation of the Acquisition. If redeemed, the 6% Notes will be redeemed at 103% of par, plus accrued and unpaid interest to, but excluding, the date of redemption. We will pay a redemption premium in connection with the redemption of the 6% Notes of $18.0 million.

Other

In January 2020, we closed on the acquisition of a dealership (comprising three franchises) in the Denver, Colorado market which increases the number of dealerships and franchises in that market to two and four, respectively.

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

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

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

Management's Report on Internal Control Over Financial Reporting

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

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

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree or compliance with the policies or procedures may deteriorate. Our management, including the principal executive officer and the principal financial officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2019. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework (2013 framework). Our assessment included a review of the documentation of controls, evaluation of the design effectiveness of controls and testing of the effectiveness of controls. Based on our assessment under the framework in Internal Control—Integrated Framework issued by COSO, our management concluded that our internal control over financial reporting was effective as of December 31, 2019. Our auditors, Ernst & Young LLP, an independent registered public accounting firm, have audited and reported on our consolidated financial statements and on the effectiveness of our internal controls over financial reporting. Their reports are contained herein.

During 2019, we acquired substantially all of the assets, including certain real estate, of 10 franchises (six dealership locations) and 1 collision center. As permitted by the Securities and Exchange Commission, the scope of our Section 404 evaluation for the fiscal year ended December 31, 2019, does not include an evaluation of the internal control over financial reporting of these acquired operations. The results for these acquisitions are included in our consolidated financial statements

from the date of acquisition and represented approximately $222.9 million of consolidated assets as of December 31, 2019, and approximately $260.7 million of consolidated revenues for the year then ended.

From the acquisition dates to December 31, 2019, the processes and systems of the acquired operations did not significantly impact the internal control over financial reporting of the Company and our other consolidated subsidiaries.

Changes in Internal Control Over Financial Reporting

The adoption of ASC 842, effective January 1, 2019, required the implementation of new accounting processes and a new information technology application to calculate right-of-use assets and lease liabilities which changed our internal controls over lease accounting and financial reporting. Otherwise, there were no changes in our internal control over financial reporting during the quarter ended December 31, 2019, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers, and Corporate Governance.

Reference is made to the information to be set forth in the "Proposal No. 1 Election of Directors," "Governance of the Company," "2019 Director Compensation Table-Code of Business Conduct and Ethics and Corporate Governance Guidelines," "Section 16(a) Beneficial Ownership Reporting Compliance," and "Executive Officers" sections of our Proxy Statement to be filed within 120 days after the end of our fiscal year, which information is incorporated herein by reference.

Item 11. Executive Compensation.

Reference is made to the information to be set forth in the "Compensation Discussion & Analysis," "Compensation and Human Resources Committee Report," "Compensation Committee Interlocks and Insider Participation," "Executive Compensation," "2019 Director Compensation Table," and "Governance of the Company" sections of our Proxy Statement to be filed within 120 days after the end of our fiscal year, which information is incorporated herein by reference.

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

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

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

Reference is made to the information to be set forth in the "Related Person Transactions" and "Governance of the Company" sections of our Proxy Statement to be filed within 120 days after the end of our fiscal year, which information is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services.

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

PART IV

Item 15. Exhibits, Financial Statement Schedules

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

(1) Financial Statements: See index to Consolidated Financial Statements.
(2) Financial Statement Schedules: None required.
(3) Exhibits required to be filed by Item 601 of Regulation S-K:

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

Exhibit Number	Description of Documents
2.1	Asset Purchase Agreement, dated December 11, 2019, by and among the identified sellers, the identified seller affiliate, the identified principal and Asbury Automotive Group, LLC
2.2	Real Estate Purchase Agreement, dated December 11, 2019, by and among the identified sellers and Asbury Automotive Group, LLC
3.1	Amended and Restated Certificate of Incorporation of Asbury Automotive Group, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the SEC on April 25, 2016)*
3.2	Bylaws of Asbury Automotive Group, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on April 21, 2014)*
4.1	Indenture, dated as of December 4, 2014, among Asbury Automotive Group, Inc., each of the Guarantors named therein and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on December 4, 2014)*
4.2	Form of 6.0% Senior Subordinated Note due 2024 (included as Exhibit A in Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on December 4, 2014)*
4.3	First Supplemental Indenture, dated as of July 29, 2015, by and among Asbury Automotive Group, Inc., Asbury Jax Ford, LLC and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015)*
4.4	Second Supplemental Indenture, dated as of October 28, 2015, among Asbury Automotive Group, Inc., each of the guarantors named therein and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on October 28, 2015)*
4.5	Third Supplemental Indenture, dated as of July 20, 2016, among Asbury Automotive Group, Inc., each of the guarantors named therein and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016)*
4.6	Fourth Supplemental Indenture, dated as of February 17, 2017, among Asbury Automotive Group, Inc., Asbury IN Chev, LLC, and U.S.Bank National Association, as Trustee (incorporated by reference to Exhibit 4.6 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016)*
4.7	Fifth Supplemental Indenture, dated as of February 5, 2018, among Asbury Automotive Group, Inc., Asbury IN Chev, LLC, and U.S.Bank National Association, as Trustee (incorporated by reference to Exhibit 4.7 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017)*
4.8	Sixth Supplemental Indenture, dated as of May 30, 2018, among Asbury Automotive Group, Inc., Asbury Atlanta CHEV, LLC, Asbury Georgia TOY, LLC, and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018)*
4.9	Seventh Supplemental Indenture, dated as of March 25, 2019, among Asbury Automotive Group, Inc., IN CBG, LLC, Asbury IN CDJ, LLC, Asbury Indy Chev, LLC, Asbury IN Ford, LLC, and U.S.Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019)*
4.10	Eighth Supplemental Indenture, dated as of August 14, 2019, among Asbury Automotive Group, Inc., Asbury IN TOY, LLC and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019)*

4.11	Indenture, dated as of February 19, 2020, among Asbury Automotive Group, Inc., each of the Guarantors named therein and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on February 20, 2020)*
4.12	Form of 4.50% Senior Note due 2028 (included as Exhibit A in Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on February 20, 2020)*
4.13	Indenture, dated as of February 19, 2020, among Asbury Automotive Group, Inc., each of the Guarantors named therein and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed with the SEC on February 20, 2020)*
4.14	Form of 4.75% Senior Note due 2030 (included as Exhibit A in Exhibit 4.2 to the Company's Current Report on Form 8-K filed with the SEC on February 20, 2020)*
10.1**	Amended and Restated 2002 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 14, 2012)*
10.2**	2012 Equity Incentive Plan (incorporated by reference to Appendix A to the Company's Definitive Proxy Statement on Schedule 14A filed with the SEC on March 16, 2012)*
10.3**	First Amendment to 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on January 27, 2017)*
10.4**	Amended and Restated Key Executive Incentive Compensation Plan (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on May 4, 2009)*
10.5**	Amendment No. 1 to Amended and Restated Key Executive Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018)*
10.6**	Form of Officer/Director Indemnification Agreement (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010)*
10.7**	Employment Agreement between Asbury Automotive Group, Inc. and David W. Hult, dated as of October 23, 2014 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on October 23, 2014)*
10.8**	First Amendment to Employment Agreement between Asbury Automotive Group, Inc. and David W. Hult, dated as of August 21, 2017 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on August 22, 2017)*
10.9**	Termination and Separation Agreement between Asbury Automotive Group, Inc. and Craig T. Monaghan, dated as of August 21, 2017 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on August 22, 2017)*
10.10**	Letter Agreement between Asbury Automotive Group, Inc. and Sean Goodman, dated as of May 3, 2017 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on May 5, 2017)*
10.11**	Severance Pay Agreement for key employees between Asbury Automotive Group, Inc. and Sean Goodman, dated as of July 7, 2017 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017)*
10.12**	Amended and Restated Severance Pay Agreement for Key Employee between Asbury Automotive Group, Inc. and George A. Villasana, dated as of February 21, 2017 (incorporated by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016)*
10.13**	Severance Pay Agreement for Key Employee between Asbury Automotive Group, Inc. and Jed M. Milstein, dated as of February 21, 2017 (incorporated by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016)*
10.14**	Severance Pay Agreement for Key Employee between Asbury Automotive Group, Inc. and William F. Stax, dated as of February 21, 2017 (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016)*
10.15**	Severance Pay Agreement for Key Employee between Asbury Automotive Group, Inc. and John Hartman dated January 4, 2018 (incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017)*

10.16**	Separation Agreement and General Release between Asbury Automotive Group, Inc. and John Hartman, dated January 2, 2020.
10.17**	Severance Pay Agreement for Key Employee between Asbury Automotive Group, Inc. and George C. Karolis dated July 18, 2005 (incorporated by reference to Exhibit 10.16 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017)*
10.18**	Form of Equity Award Agreement under the 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.19 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012)*
10.19**	2019 Equity Incentive Plan (incorporated by reference to Appendix A to the Company's Definitive Proxy Statement on Schedule 14A filed with the SEC on March 14, 2019)*
10.20**	Form of Equity Award Agreement under the 2019 Equity Incentive Plan (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019)*
10.21**	Asbury Automotive Group, Inc. Deferred Compensation Plan (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on October 23, 2017)*
10.22	Ford Sales and Service Agreement (incorporated by reference to Exhibit 10.13 to Amendment No. 2 to the Company's Registration Statement on Form S-1, File No. 333-65998, filed with the SEC on October 12, 2001)*
10.23	General Motors Dealer Sales and Service Agreement (incorporated by reference to Exhibit 10.14 to Amendment No. 2 to the Company's Registration Statement on Form S-1, File No. 333-65998, filed with the SEC on October 12, 2001)*
10.24	Honda Automobile Dealer Sales and Service Agreement (incorporated by reference to Exhibit 10.15 to Amendment No. 2 to the Company's Registration Statement on Form S-1, File No. 333-65998, filed with the SEC on October 12, 2001)*
10.25	Mercedes-Benz Passenger Car Dealer Agreement (incorporated by reference to Exhibit 10.16 to Amendment No. 2 to the Company's Registration Statement on Form S-1, File No. 333-65998, filed with the SEC on October 12, 2001)*
10.26	Nissan Dealer Sales and Service Agreement (incorporated by reference to Exhibit 10.17 to Amendment No. 2 to the Company's Registration Statement on Form S-1, File No. 333-65998, filed with the SEC on October 12, 2001)*
10.27	Toyota Dealer Agreement (incorporated by reference to Exhibit 10.18 to Amendment No. 2 to the Company's Registration Statement on Form S-1, File No. 333-65998, filed with the SEC on October 12, 2001)*
10.28	Credit Agreement, dated as of September 26, 2013, among Asbury Automotive Group, Inc., certain of subsidiaries of Asbury Automotive Group, Inc. and Bank of America, N.A. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on September 30, 2013)*
10.29	Third Amended and Restated Credit Agreement, dated as of September 25, 2019, among Asbury Automotive Group, Inc., as a Borrower, certain of its subsidiaries, as Vehicle Borrowers, Bank of America, N.A., as Administrative Agent, Revolving Swing Line Lender, New Vehicle Floorplan Swing Line Lender, Used Vehicle Floorplan Swingline Lender and an L/C Issuer, and the other Lenders party thereto, JPMorgan Chase Bank, N.A. and Wells Fargo Bank, N.A., as Co-Syndication Agents, Mercedes-Benz Financial Services USA LLC and Toyota Motor Credit Corporation, as Co-Documentation Agents, and BofA Securities, Inc. as Sole Lead Arranger and Sole Bookrunner (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on September 26, 2019)*
10.30	Third Amended and Restated Company Guaranty Agreement, dated as of September 25, 2019, between Asbury Automotive Group, Inc. and Bank of America, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on September 26, 2019)*
10.31	Third Amended and Restated Subsidiary Guaranty Agreement, dated as of September 25, 2019, among certain subsidiaries of Asbury Automotive Group, Inc. and Bank of America, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on September 26, 2019)*
10.32	Third Amended and Restated Security Agreement, dated as of September 25, 2019, among Asbury Automotive Group, Inc., certain of its subsidiaries and Bank of America, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed with the SEC on September 26, 2019)*

10.33	Third Amended and Restated Escrow and Security Agreement, dated as of September 25, 2019, among Asbury Automotive Group, Inc., certain of its subsidiaries and Bank of America, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed with the SEC on September 26, 2019)*
10.34	Third Amended and Restated Securities Pledge Agreement, dated as of September 25, 2019, among Asbury Automotive Group, Inc., certain of its subsidiaries and Bank of America, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed with the SEC on September 26, 2019)*
10.35	First Amendment to the Third Amended and Restated Credit Agreement, dated January 31, 2020, among Asbury Automotive Group, Inc., as a borrower, certain of its subsidiaries, as Vehicle Borrowers, Bank of America, N.A., as Administrative Agent, Revolving Swing Line Lender, New Vehicle Floorplan Swing Line Lender, Used Vehicle Floorplan Swingline Lender and an L/C Issuer, and the other lenders party thereto, JPMorgan Chase Bank, N.A. and Wells Fargo Bank, N.A., as Co-Syndication Agents, Mercedes-Benz Financial Services USA LLC and Toyota Motor Credit Corporation, as Co-Documentation Agents, and BofA Securities, Inc. as Sole Lead Arranger and Sole Bookrunner (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 3, 2020)*
10.36	Amended and Restated Master Loan Agreement, dated as of February 3, 2015, by and among certain subsidiaries of Asbury Automotive Group, Inc. and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 4, 2015)*
10.37	Second Amended and Restated Unconditional Guaranty, dated as of February 3, 2015, by and between Asbury Automotive Group, Inc. and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on February 4, 2015)*
10.38	Credit Agreement, dated as of November 13, 2018, among Asbury Automotive Group, Inc., certain subsidiaries of Asbury Automotive Group, Inc. and Bank of America, N.A. (incorporated by reference to Exhibit 10.33 to the Company's Annual Report on Form 10-K for the year ended December 31, 2018)*
10.39	Master Loan Agreement, dated as of November 16, 2018, by and among certain subsidiaries of Asbury Automotive Group, Inc. and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.33 to the Company's Annual Report on Form 10-K for the year ended December 31, 2018)*
10.40	Unconditional Guaranty, dated as of November 16, 2018, between Asbury Automotive Group, Inc. and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.33 to the Company's Annual Report on Form 10-K for the year ended December 31, 2018)*
10.41	First Amendment to Master Loan Agreement, dated as of December 31, 2019, by and among certain subsidiaries of Asbury Automotive Group, Inc. and Wells Fargo Bank, National Association
10.42	Credit Agreement, dated as of February 7, 2020, by and among certain subsidiaries of Asbury Automotive Group, Inc. and Bank of America, N.A. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 13, 2020)*
10.43	Amended and Restated Commitment Letter, dated as of December, 31, 2019, by and among Asbury Automotive Group, Inc., Bank of America, N.A., BofA Securities, Inc., JPMorgan Chase Bank, N.A., Wells Fargo Securities, LLC, Wells Fargo Bank, National Association, Santander Bank, N.A., SunTrust Robinson Humphrey, Inc., Trust Bank and U.S. Bank National Association
21	Subsidiaries of the Company
23.1	Consent of Ernst & Young LLP
31.1	Certificate of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a)of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
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101.INS	XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	The cover page from Asbury Automotive Group, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2019 has been formatted in Inline XBRL.
*	Incorporated by reference.
**	Management contract or compensatory plan or arrangement.

Item 16. Form 10-K Summary

None.

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SIGNATURES

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

Asbury Automotive Group, Inc.

Date:	March 2, 2020	By:	/s/ David W. Hult
		Name:	**David W. Hult**
		Title:	**Chief Executive Officer and President**

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

Signature	Title	Date
/s/ David W. Hult **(David W. Hult)**	Chief Executive Officer, President and Director	March 2, 2020
/s/ William F. Stax **(William F. Stax)**	Interim Principal Financial Officer, Vice President, Controller and Chief Accounting Officer	March 2, 2020
/s/ Thomas J. Reddin **(Thomas J. Reddin)**	Director Non-Executive Chairman of the Board	March 2, 2020
/s/ Joel Alsfine **(Joel Alsfine)**	Director	March 2, 2020
/s/ Thomas C. DeLoach, Jr. **(Thomas C. DeLoach, Jr.)**	Director	March 2, 2020
/s/ Juanita T. James **(Juanita T. James)**	Director	March 2, 2020
/s/ Eugene S. Katz **(Eugene S. Katz)**	Director	March 2, 2020
/s/ Philip F. Maritz **(Philip F. Maritz)**	Director	March 2, 2020
/s/ Maureen F. Morrison **(Maureen F. Morrison)**	Director	March 2, 2020
/s/ Bridget M. Ryan-Berman **(Bridget M. Ryan-Berman)**	Director	March 2, 2020

INDEX TO EXHIBITS

Exhibit Number	Description of Documents
2.1	Asset Purchase Agreement, dated December 11, 2019, by and among the identified sellers, the identified seller affiliate, the identified principal and Asbury Automotive Group, LLC
2.2	Real Estate Purchase Agreement, dated December 11, 2019, by and among the identified sellers and Asbury Automotive Group, LLC
3.1	Amended and Restated Certificate of Incorporation of Asbury Automotive Group, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the SEC on April 25, 2016)*
3.2	Bylaws of Asbury Automotive Group, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on April 21, 2014)*
4.1	Indenture, dated as of December 4, 2014, among Asbury Automotive Group, Inc., each of the Guarantors named therein and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on December 4, 2014)*
4.2	Form of 6.0% Senior Subordinated Note due 2024 (included as Exhibit A in Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on December 4, 2014)*
4.3	First Supplemental Indenture, dated as of July 29, 2015, by and among Asbury Automotive Group, Inc., Asbury Jax Ford, LLC and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015)*
4.4	Second Supplemental Indenture, dated as of October 28, 2015, among Asbury Automotive Group, Inc., each of the guarantors named therein and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on October 28, 2015)*
4.5	Third Supplemental Indenture, dated as of July 20, 2016, among Asbury Automotive Group, Inc., each of the guarantors named therein and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016)*
4.6	Fourth Supplemental Indenture, dated as of February 17, 2017, among Asbury Automotive Group, Inc., Asbury IN Chev, LLC, and U.S.Bank National Association, as Trustee (incorporated by reference to Exhibit 4.6 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016)*
4.7	Fifth Supplemental Indenture, dated as of February 5, 2018, among Asbury Automotive Group, Inc., Asbury IN Chev, LLC, and U.S.Bank National Association, as Trustee (incorporated by reference to Exhibit 4.7 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017)*
4.8	Sixth Supplemental Indenture, dated as of May 30, 2018, among Asbury Automotive Group, Inc., Asbury Atlanta CHEV, LLC, Asbury Georgia TOY, LLC, and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018)*
4.9	Seventh Supplemental Indenture, dated as of March 25, 2019, among Asbury Automotive Group, Inc., IN CBG, LLC, Asbury IN CDJ, LLC, Asbury Indy Chev, LLC, Asbury IN Ford, LLC, and U.S.Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019)*
4.10	Eighth Supplemental Indenture, dated as of August 14, 2019, among Asbury Automotive Group, Inc., Asbury IN TOY, LLC and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019)*
4.11	Indenture, dated as of February 19, 2020, among Asbury Automotive Group, Inc., each of the Guarantors named therein and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on February 20, 2020)*
4.12	Form of 4.50% Senior Note due 2028 (included as Exhibit A in Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on February 20, 2020)*
4.13	Indenture, dated as of February 19, 2020, among Asbury Automotive Group, Inc., each of the Guarantors named therein and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed with the SEC on February 20, 2020)*
4.14	Form of 4.75% Senior Note due 2030 (included as Exhibit A in Exhibit 4.2 to the Company's Current Report on Form 8-K filed with the SEC on February 20, 2020)*

10.1**	Amended and Restated 2002 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 14, 2012)*
10.2**	2012 Equity Incentive Plan (incorporated by reference to Appendix A to the Company's Definitive Proxy Statement on Schedule 14A filed with the SEC on March 16, 2012)*
10.3**	First Amendment to 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on January 27, 2017)*
10.4**	Amended and Restated Key Executive Incentive Compensation Plan (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on May 4, 2009)*
10.5**	Amendment No. 1 to Amended and Restated Key Executive Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018)*
10.6**	Form of Officer/Director Indemnification Agreement (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010)*
10.7**	Employment Agreement between Asbury Automotive Group, Inc. and David W. Hult, dated as of October 23, 2014 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on October 23, 2014)*
10.8**	First Amendment to Employment Agreement between Asbury Automotive Group, Inc. and David W. Hult, dated as of August 21, 2017 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on August 22, 2017)*
10.9**	Termination and Separation Agreement between Asbury Automotive Group, Inc. and Craig T. Monaghan, dated as of August 21, 2017 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on August 22, 2017)*
10.10**	Letter Agreement between Asbury Automotive Group, Inc. and Sean Goodman, dated as of May 3, 2017 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on May 5, 2017)*
10.11**	Severance Pay Agreement for key employees between Asbury Automotive Group, Inc. and Sean Goodman, dated as of July 7, 2017 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017)*
10.12**	Amended and Restated Severance Pay Agreement for Key Employee between Asbury Automotive Group, Inc. and George A. Villasana, dated as of February 21, 2017 (incorporated by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016)*
10.13**	Severance Pay Agreement for Key Employee between Asbury Automotive Group, Inc. and Jed M. Milstein, dated as of February 21, 2017 (incorporated by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016)*
10.14**	Severance Pay Agreement for Key Employee between Asbury Automotive Group, Inc. and William F. Stax, dated as of February 21, 2017 (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016)*
10.15**	Severance Pay Agreement for Key Employee between Asbury Automotive Group, Inc. and John Hartman dated January 4, 2018 (incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017)*
10.16**	Separation Agreement and General Release between Asbury Automotive Group, Inc. and John Hartman, dated January 2, 2020.
10.17**	Severance Pay Agreement for Key Employee between Asbury Automotive Group, Inc. and George C. Karolis dated July 18, 2005 (incorporated by reference to Exhibit 10.16 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017)*
10.18**	Form of Equity Award Agreement under the 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.19 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012)*
10.19**	2019 Equity Incentive Plan (incorporated by reference to Appendix A to the Company's Definitive Proxy Statement on Schedule 14A filed with the SEC on March 14, 2019)*
10.20**	Form of Equity Award Agreement under the 2019 Equity Incentive Plan (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019)*

10.21**	Asbury Automotive Group, Inc. Deferred Compensation Plan (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on October 23, 2017)*
10.22	Ford Sales and Service Agreement (incorporated by reference to Exhibit 10.13 to Amendment No. 2 to the Company's Registration Statement on Form S-1, File No. 333-65998, filed with the SEC on October 12, 2001)*
10.23	General Motors Dealer Sales and Service Agreement (incorporated by reference to Exhibit 10.14 to Amendment No. 2 to the Company's Registration Statement on Form S-1, File No. 333-65998, filed with the SEC on October 12, 2001)*
10.24	Honda Automobile Dealer Sales and Service Agreement (incorporated by reference to Exhibit 10.15 to Amendment No. 2 to the Company's Registration Statement on Form S-1, File No. 333-65998, filed with the SEC on October 12, 2001)*
10.25	Mercedes-Benz Passenger Car Dealer Agreement (incorporated by reference to Exhibit 10.16 to Amendment No. 2 to the Company's Registration Statement on Form S-1, File No. 333-65998, filed with the SEC on October 12, 2001)*
10.26	Nissan Dealer Sales and Service Agreement (incorporated by reference to Exhibit 10.17 to Amendment No. 2 to the Company's Registration Statement on Form S-1, File No. 333-65998, filed with the SEC on October 12, 2001)*
10.27	Toyota Dealer Agreement (incorporated by reference to Exhibit 10.18 to Amendment No. 2 to the Company's Registration Statement on Form S-1, File No. 333-65998, filed with the SEC on October 12, 2001)*
10.28	Credit Agreement, dated as of September 26, 2013, among Asbury Automotive Group, Inc., certain of subsidiaries of Asbury Automotive Group, Inc. and Bank of America, N.A. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on September 30, 2013)*
10.29	Third Amended and Restated Credit Agreement, dated as of September 25, 2019, among Asbury Automotive Group, Inc., as a Borrower, certain of its subsidiaries, as Vehicle Borrowers, Bank of America, N.A., as Administrative Agent, Revolving Swing Line Lender, New Vehicle Floorplan Swing Line Lender, Used Vehicle Floorplan Swingline Lender and an L/C Issuer, and the other Lenders party thereto, JPMorgan Chase Bank, N.A. and Wells Fargo Bank, N.A., as Co-Syndication Agents, Mercedes-Benz Financial Services USA LLC and Toyota Motor Credit Corporation, as Co-Documentation Agents, and BofA Securities, Inc. as Sole Lead Arranger and Sole Bookrunner (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on September 26, 2019)*
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10.35	First Amendment to the Third Amended and Restated Credit Agreement, dated January 31, 2020, among Asbury Automotive Group, Inc., as a borrower, certain of its subsidiaries, as Vehicle Borrowers, Bank of America, N.A., as Administrative Agent, Revolving Swing Line Lender, New Vehicle Floorplan Swing Line Lender, Used Vehicle Floorplan Swingline Lender and an L/C Issuer, and the other lenders party thereto, JPMorgan Chase Bank, N.A. and Wells Fargo Bank, N.A., as Co-Syndication Agents, Mercedes-Benz Financial Services USA LLC and Toyota Motor Credit Corporation, as Co-Documentation Agents, and BofA Securities, Inc. as Sole Lead Arranger and Sole Bookrunner (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 3, 2020)*
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*	Incorporated by reference.
**	Management contract or compensatory plan or arrangement.

Exhibit 2.1

CERTAIN IDENTIFIED INFORMATION HAS BEEN REDACTED FROM THIS EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. "[***]" INDICATES THAT INFORMATION HAS BEEN REDACTED.

ASSET PURCHASE AGREEMENT

AMONG

THE IDENTIFIED SELLERS,
THE IDENTIFIED SELLER AFFILIATE,
THE IDENTIFIED PRINCIPAL,

AND

ASBURY AUTOMOTIVE GROUP L.L.C.

DATED December 11, 2019

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “***Agreement***”), dated December 11, 2019 (the “***Effective Date***”), is entered into by and among the Sellers, Seller Affiliate, the Principal and Asbury Automotive Group L.L.C., a Delaware limited liability company (“***Asbury***”).

RECITALS

WHEREAS, each Seller owns and operates its Respective Business, which in combination and coupled with the other Sellers’ Respective Businesses make up the Business; and

WHEREAS, Sellers and Purchaser have determined it is in their respective best interests for Purchaser to purchase substantially all of the assets of Sellers used in or related to the Business (subject to certain exclusions and other matters set forth herein), and as a condition to Purchaser agreeing to acquire such assets Purchaser has asked the Principal and Seller Affiliate to join into this Agreement for the purposes set forth herein and the Principal and Seller Affiliate have so agreed.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

TERMS OF AGREEMENT

In consideration of the mutual representations, warranties, covenants and agreements contained herein, the parties further agree as follows:

ARTICLE I.
ASSET PURCHASE

1.1. **Asset Purchase.** The transactions described in this Section 1.1 are referred to herein as the “***Asset Purchase***”.

(a) At the Closing and on the terms and subject to the conditions set forth in this Agreement, each Seller shall sell, convey, transfer, assign and deliver to Purchaser and Purchaser shall purchase and take from each such Seller all of such Seller’s right, title and interest in and to all of such Seller’s assets, properties and rights of every kind and nature, whether real, personal or mixed, tangible or intangible (including goodwill), wherever located and whether now existing or acquired hereafter and prior to Closing, including all assets of any kind which relate to or, are used or held for use by such Seller in connection with its Respective Business or the Business in general, in each case other than the Excluded Assets (collectively, the “***Purchased Assets***”) and to assume certain of the obligations and Liabilities of each Seller more specifically described in this Agreement. Without limiting the generality of the foregoing, the Purchased Assets shall include all of the assets with respect to the Open Point (other than real property and, with respect to the Seller holding rights to the Open Point, the Excluded Assets with regard to such proposed dealership) and the following:

(i) New Vehicles. All of each Seller’s untitled and non-registered 2019 and 2020 model Manufacturer vehicles in inventory as of the Closing Date, including but not limited to all such vehicles in transit and those used as loaner or demonstrator vehicles (“***New Vehicles***”), subject to, in respect to any such vehicle, the following: (A) the odometer reading does not exceed five thousand (5,000) miles; and (B) if the vehicle has previously sustained body or other damage that is not of a magnitude that requires disclosure to any purchaser of such vehicle, such vehicle shall constitute a New Vehicle but, if the damage has not been repaired as of Closing, Purchaser shall receive a credit against the purchase price for such vehicle equal to the reasonably estimated cost to repair such damage;

(ii) Used Vehicles. All of each Seller's vehicles, that are in such Seller's inventory as of the Closing Date which are not New Vehicles (for clarity, those vehicles used as loaner and demonstrators, whether or not titled, that have an odometer reading in excess of 5,000 miles, and all PPCT Fleet Vehicles are herein collectively called, "***Used Vehicles***"), to the extent that the price therefor is agreed upon by Sellers' Representative and Purchaser as provided for in Section 1.4(a)(ii) below. As used herein, the term "***Retained Used Vehicles***" means any Used Vehicles as to which Sellers' Representative and Purchaser do not agree at or prior to Closing upon the price to be paid by Purchaser to the applicable Seller therefor;

(iii) Parts and Accessories. (A) All of each Seller's Manufacturer parts and accessories in inventory at Closing that are new, unused, unopened, undamaged, not Obsolete, listed in the current parts list and that are eligible for return to the Manufacturer ("***OEM Parts and Accessories***"), (B) reasonable quantities of non-OEM Parts and Accessories in inventory at Closing that are new, unused or not previously installed, undamaged and not Obsolete ("***Non-OEM Parts and Accessories***", and together with OEM Parts and Accessories, the "***Parts and Accessories***"), and (C) damaged, unused or obsolete parts or accessories ("***Nonconforming Parts and Accessories***"), in each case based upon a physical inventory of said Parts and Accessories conducted (as hereinafter described) by the Inventory Specialist;

(iv) Fixed Assets. All of the following owned by each Seller (collectively, the "***Fixed Assets***"): furniture, office equipment (including, without limitation, computer equipment located at the Respective Business), service equipment, service vehicles, signs and other items of personal property, machinery equipment (including special tools and shop equipment), any computer hardware, including, but not limited to, each Seller's rights and interests in all computer hardware used in the operation of the CDK dealership accounting/management system; provided, that, no leasehold improvements (nor any of the buildings, mechanical, electrical or plumbing equipment, or other components thereof that constitute fixtures or that are owned by the Real Estate Owner) with respect to the Leased Real Property or the Real Estate leased pursuant to the Post Closing Leases shall constitute part of the Fixed Assets; provided, that, for clarity, the exclusion from Fixed Assets set forth in this paragraph shall not affect or impair either (1) the provisions of the Real Estate PSA regarding DFW Ground Lease nor (2) affect or impair the provisions of the Real Estate PSA regarding reimbursement thereunder for the Capital Improvements Work (as therein defined).

(v) Catalogues, Manuals, Films, Etc. All parts catalogues, service manuals, films, videos, instructional materials, sales materials and brochures, employee records, sales, service, leasing and warranty records, vehicle literature, supplies and other assets used in the sales, repair or service of the vehicles as part of the Business;

(vi) Customer Deposits and Assumed Contracts. All of Seller's right, title and interest in all of the following: (1) customer deposits ("***Customer Deposits***"); and (2) the Real Estate Leases and contracts that are identified on **Schedule 1.1(a)(vi)** attached hereto and incorporated herein by reference and such other contracts entered into by a Seller after the Effective Date in a manner not in violation Section 7.1 (each an "***Assumed Contract***" and, collectively, the "***Assumed Contracts***");

(vii) Work in Progress. All of each Seller's right, title and interest in vehicle repair or maintenance services (whether customer, warranty or otherwise) not completed as of the Closing (for the avoidance of doubt, Seller shall retain all rights to the sums due for work completed as of the Closing Date and where the vehicle is ready for customer pick up) and for which open repair orders are less than sixty (60) days old ("***Work in Progress***");

(viii) Goodwill and Intangible Assets. All of each Seller's goodwill and intangible assets used in the operation of the Business, including, without limitation, all service files and parts records, customer "deal jackets", customer lists, prospective customer lists, and credit records, trade names, trademarks and service marks (including the name "Park Place") registration lists, computer files containing sales and service files, parts records and other information and documents related thereto, except with respect to the Other Owned Dealerships (collectively, "***Transferred Records***" and together with the intangible assets, goodwill and Seller's telephone numbers, "***Goodwill and Intangibles***");

(ix) Miscellaneous. All of each Seller's inventory of gas, nuts and bolts, oil and grease and other miscellaneous supplies inventory on hand at Closing, excluding any supplies not customarily sold by Purchaser or its affiliate dealerships, or any open containers, discontinued or unusable materials; all Intellectual Property Assets, and telephone numbers and facsimile numbers;

(x) all Permits applicable to the Purchased Assets or the Business, and all pending applications therefor, except in each case to the extent not transferable;

(xi) any and all prepaid expenses, credits, advance payments, claims, security, refunds, rights of recovery, rights of set off, rights of recoupment, charges, sums and fees, solely to the extent related to the Assumed Contracts, We Owes or Work in Process;

(xii) except as set forth in the VIT Agreements, any and all claims for refund or credit of Taxes which arise out of or are attributable to the Respective Businesses or ownership of the Purchased Assets for periods or portions thereof beginning on or after the Closing Date and which have as their origin any fact or event occurring after the Closing; and

(xiii) any and all of each Seller's rights under warranties, indemnities and all similar rights against third parties with respect to the Purchased Assets or the Business solely related to events which first occur after the Closing.

1.2. **Excluded Assets.** Notwithstanding anything to the contrary set forth in Section 1.1 hereof and for clarity, the Purchased Assets shall exclude the following assets of each Seller (collectively, the "***Excluded Assets***"): (a) the Asset Purchase Price and other rights of any of the Sellers (or any of their respective Affiliates) under this Agreement or any Transaction Document; (b) any vehicle not conveyed under Sections 1.1(a) hereof, including any Retained Used Vehicles; (c) any part, accessory, fixed asset, or other asset not conveyed under Section 1.1(a) hereof; (d) any contract to which Seller is a party that is not assigned under Section 1.1(a); (e) any voting securities of or other interests in any corporation, partnership, limited liability company, joint venture or other entity; (f) any cash and cash equivalents and investments, whether short-term or long-term, of any kind or nature; (g) claims for and rights to receive Tax refunds or credits for any period (or portion thereof) ending prior to the Closing Date that are or may become available to a Seller; (h) any minute books, stock records, tax records, and federal or state tax credits or refunds; (i) any records with respect to the costs incurred by a Seller or a Real Estate Owner to acquire the Real Estate or construct the improvements thereon, (j) all of Sellers' general ledgers, sub-ledgers, canceled checks, journals, vouchers, tax records and other accounting ledgers, and all records which are not Transferred Records ("***Retained Records***"); (k) leasehold improvements (and all warranties and guaranties with respect thereto), and all licenses and permits with respect to Real Estate leased pursuant to, and all other rights and interests (if any) of the landlord under, the Post Closing Leases; (l) excluding those related to Work in Progress or sums due from purchasers of New Vehicles where the sale has not, as of Closing, been consummated, all of the accounts receivable of Sellers; (m) all of the Seller Insurance Policies, and, except as specifically set forth in the Real Estate PSA with regard to certain proceeds of property damage insurance assigned thereunder at Closing or in Section 12.9, all rights and claims under the Seller Insurance Policies; (n) the assets used primarily in the operation of the Other Owned Dealerships and the rights and assets described in Section 7.11; (o) books and records related to the Other Owned Dealerships; (p) all stock and other ownership interests in each Seller and any of their respective Affiliates; (q) any and all prepaid expenses, credits, advance payments, security and deposits, solely to the extent related to the Excluded Assets; (r) claims, security, causes of action, refunds, rights of recovery, rights of set-off, rights of recoupment, charges, sums, and fees (including any such item relating to the payment of Taxes) of any kind or nature (whether or not known or unknown or contingent or non-contingent) that have as their origin an event, act, omission and occurrence prior to Closing; (s) all claims for indemnification under the Assumed Contracts and rights to receive payments thereunder that, in such case, arise out of or are attributable to the Business or ownership of the Purchased Assets and which have as their origin any fact or event occurring prior to Closing; (t) each Seller's corporate charter, qualifications to conduct business as a foreign corporation, arrangements with registered agents relating to foreign qualifications, Tax Returns, taxpayer and other identification numbers, seals, minute books, membership interest transfer books and blank membership interest certificates and other documents relating to the organization, maintenance and existence of each Seller as a limited partnership or limited liability company, as applicable; (u) all of Seller's Retained Confidential Information; and (v) all parts catalogues, service manuals, films, videos, instructional materials, sales materials and brochures, vehicle literature and supplies related to the Retained Used Vehicles The Purchased Assets shall also exclude all personal assets of any of the Sellers, any of their respective Affiliates, or the owners and family members of the owners of any of the Sellers or any of their respective Affiliates that are listed on **Schedule 1.2** attached hereto, as well as the other assets of any of the Sellers or any of their respective Affiliates (and certain claims of any of the Sellers or any of their respective Affiliates against third parties) described or listed on **Schedule 1.2** hereof.

1.3. **Liens and Encumbrances.** Each Seller shall transfer to Purchaser those Purchased Assets that such Seller owns free and clear of all Liens, except for the Assumed Liabilities and inchoate liens for Taxes not yet due and payable and landlord's liens (if any) under the Real Estate Leases.

1.4. **Purchase Price.**

(a) As consideration for the Purchased Assets, (x) Purchaser shall assume and agrees to pay, perform, discharge, and otherwise satisfy the Assumed Liabilities (subject to all rights of defense, offset, protest or contest with respect to such payment, performance, discharge or satisfaction), and (y) pay to the Sellers at Closing the purchase price (subject to the adjustments expressly provided for in this Agreement) which purchase price shall be the total of the following amounts (collectively, the "***Asset Purchase Price***"):

(i) New Vehicles. An amount equal to the aggregate dealer invoice price less customer deposits, floorplan credits, holdbacks, advertising, rebates and all other dealer credits or incentives received or to be received by each Seller for all of each Seller's New Vehicles, plus, at each Seller's net cost therefor, any additional equipment that has been installed (including cost of labor), less any deductible items that have been removed from said vehicles, and further adjusted by an amount equal to (A) in the case of any New Vehicle that is manufactured by Maserati, $1.00 per mile for each mile on any such vehicle in excess of five hundred (500) miles and (B) in the case of all other New Vehicles, $0.50 per mile for each mile on any such vehicles in excess of five hundred (500) miles; provided, that with regard to the Premier Collection Vehicles, the adjustment shall be an amount equal to $5.00 per mile for each mile on any such vehicle in excess of five hundred (500) miles. As used herein, the term "***Premier Collection Vehicles***" means those Bentley, Rolls-Royce, Karma and McLaren brand New Vehicles.

(ii) Used Vehicles. An amount equal to the value of Used Vehicles included in the Purchased Assets, as agreed upon by Sellers' Representative and Purchaser at or prior to Closing.

(iii) Parts Accessories. An amount equal to (1) with respect to all of the OEM Parts and Accessories, the aggregate current factory replacement cost, (2) with respect to all Non-OEM Parts and Accessories, the applicable Seller's actual cost paid therefor, and (3) with respect to the Nonconforming Parts and Accessories included in the Purchased Assets, the amount mutually agreed upon by Sellers' Representative and Purchaser (absent such agreement, the applicable Seller shall retain ownership thereof, the same shall constitute Excluded Assets and such Seller shall have a period of fifteen (15) days following Closing to remove the same from the Real Estate).

(iv) Fixed Assets. An amount equal to the net book value of the Fixed Assets included in the Purchased Assets as of the full calendar month ended just prior to the Closing Date (i.e., depreciated net book value based on the applicable Seller's historical accounting practices).

(v) Work in Progress. An amount equal to each Seller's actual cost for all labor, parts and outside services for any Work in Progress.

(vi) Oil, Grease and Miscellaneous Inventory. An amount equal to the each Seller's actual cost for such Seller's inventory of gas, nuts and bolts, oil and grease and other miscellaneous supplies inventory on hand as of the Closing and included in the Purchased Assets.

(vii) Goodwill and Intangibles. An amount equal to Seven Hundred Eighty-Five Million and No/100 Dollars ($785,000,000.00) for Sellers' Goodwill and Intangibles. Such amount is allocated among the Respective Businesses as set forth on **Schedule 1.4(a)(vii)**.

1.5. **Inventory.** Sellers' Representative and Purchaser shall engage the Inventory Specialist to prepare an inventory list (the "***Inventory***") of the Parts and Accessories. The Inventory (insofar as it relates to parts and accessories) shall be posted to the applicable Manufacturer's approved systems of inventory control and will show each item extended by its unit price. The Inventory shall be completed by the Closing. The Inventory shall identify each Part and Accessory and its purchase price.

1.6. **Retained Used Vehicles.** Sellers shall have a period of fifteen (15) days to remove from the Real Estate (or place where the same are located) all Retained Used Vehicles. Purchaser shall have no obligation to insure any of the Retained Used Vehicles and shall not be responsible for any damage, theft or loss thereto occurring after Closing, except to the extent caused by the gross negligence or willful misconduct of Purchaser's agents, contractors or employees. Notwithstanding the foregoing, any Retained Used Vehicle that otherwise is subject to the terms and conditions of Section 7.6 shall be handled and addressed under such Section 7.6.

1.7. **Post-Closing Adjustments.** Within ninety (90) calendar days following the Closing Date, Purchaser shall prepare and deliver to Sellers' Representative a statement (including work papers supporting such statement) reflecting any adjustments to the Asset Purchase Price due to any mathematical calculation used at Closing to determine the Asset Purchase Price having been inaccurate in any respect or having been based on estimates, or incomplete information, including, by way of example and not limitation, sales, repair and other transactions that occurred at or prior to Closing. Such statement shall be accompanied by supporting materials and information reflecting and substantiating such inaccurate calculation and the adjustment resulting therefrom. Sellers' Representative shall have a reasonable time (but in no case less than 30 days) to review such materials and to provide Purchaser their objections thereto. The parties shall in good faith attempt to resolve all differences between them with regard to the adjustments proposed by Purchaser to which Sellers' Representative objects and the party owing any amount shall reimburse the other party within thirty (30) days following such resolution. As a further example of the intended operation of the foregoing provisions, if following Closing, Purchaser performs the obligations of a Seller on We Owes pertaining to vehicles sold or serviced by a Seller prior to Closing and if Purchaser did not receive credit against the Asset Purchase Price for such We Owe work, such Seller shall reimburse Purchaser for the costs to perform such work. The provisions of this Section 1.7 shall expressly survive Closing.

1.8. **Withholding Tax.** Purchaser shall be entitled to deduct and withhold from the Asset Purchase Price all Taxes that Purchaser is required to deduct and withhold under any provision of Applicable Law; provided that Purchaser shall, prior to such deduction or withholding on any amounts payable to a Seller, provide written notice to such Seller of its intent to deduct or withhold and provide such Seller with a reasonable opportunity to provide such forms or other evidence as may reduce, eliminate or mitigate such deduction or withholding. All such withheld amounts that are paid over by Purchaser to the applicable Taxing Authority shall be treated as delivered to the applicable Seller hereunder.

ARTICLE II.
REPRESENTATIONS AND WARRANTIES OF PURCHASER

As a material inducement to Sellers, Principal and Seller Affiliate to enter into this Agreement and to consummate the transactions contemplated hereby, Purchaser makes the following representations and warranties to Sellers as of the Effective Date and as of the Closing Date (unless a specific date is set forth in such representation or warranty, in which case such representation or warranty must be true and correct as of such specific date):

2.1. **Status.** Purchaser is a duly organized, validly existing and in good standing under the laws of the state in which organized. Purchaser has all requisite power and authority to own or lease its properties and to carry on its business as presently conducted. There is no pending or threatened proceeding for the dissolution, liquidation, insolvency or rehabilitation of Purchaser.

2.2. **Power and Authority.** Purchaser (i) has all requisite power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is or will be a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby, and (ii) has taken all corporate action necessary to authorize its execution and delivery of this Agreement and the Transaction Documents to which it is or will be a party, the performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby.

2.3. **Enforceability.** This Agreement has been duly executed and delivered by Purchaser and constitutes, and, as of the Closing, each of the other Transaction Documents to which Purchaser will be a party will be duly executed and delivered by Purchaser, and will constitute, assuming the due authorization, execution and delivery of such Transaction Documents, as applicable, by the other Persons that are party thereto, the valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other laws relating to or affecting creditors' rights generally or by equitable principles (regardless of whether enforcement is sought at law or in equity).

2.4. **No Violation.** The execution and delivery of this Agreement and the other Transaction Documents by Purchaser, the performance by Purchaser of its obligations hereunder and the consummation of the transactions contemplated in this Agreement will not (i) contravene any provision of its certificate or articles of formation or any of its other organization instruments, (ii) violate or conflict with any law, statute, ordinance, rule, regulation, decree, writ, injunction, judgment, ruling or order of any Governmental Authority or of any arbitration award which is either applicable to, binding upon, or enforceable against Purchaser, (iii) conflict with, or result in a breach or violation of or default (with or without notice or laps of time or both) under, or give rise to a right of termination or cancellation of any material right or benefit under, any material Contract to which Purchaser is a party or by which Purchaser or any of its properties or assets are bound, except for any consents or approvals from a Manufacturer, (iv) require the consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority, any court or tribunal or any other Person that, if not obtained or filed would reasonably be expected to have a material adverse effect on or materially delay Purchaser's ability to consummate the transactions contemplated herein, except for (a) filings and

approvals under HSR, (b) any filings or consents required to be made or obtained solely by a Seller, (c) any consents required under an Assumed Contract, (d) any consents or approvals from the Manufacturers, and (e) any Permits required to operate the Business.

2.5. **No Basis for Disapproval.** Except as set forth on **Schedule 2.5**, Purchaser is not aware of any facts or circumstances which would reasonably be expected to be the basis for a Manufacturer not to approve Purchaser (or any permitted assignee of Purchaser) as an authorized dealer.

2.6. **Framework Agreement.** Except as set forth on **Schedule 2.6**, Purchaser, and each of Purchaser's subsidiaries and Affiliates, (i) is in compliance, in all material respects, with any existing framework agreement with the Manufacturers to which Purchaser or any of Purchaser's subsidiaries and affiliates, is a party, (ii) is able to negotiate for the purchase of the Business and still be in compliance with any such framework agreement, and (iii) and will not challenge (and will not ask Sellers to challenge) any rejection of the transaction based on a violation or alleged violation of any framework agreement.

2.7. **Restricted List.** Purchaser is not on any restricted list with the Manufacturers (e.g., CSI, sales, profits, etc.).

2.8. **Condition of Purchased Assets; Other Disclaimers**.

(a) PURCHASER ACKNOWLEDGES THAT, EXCEPT FOR THE SELLERS' EXPRESS REPRESENTATIONS, NEITHER THE SELLERS, ANY OF THEIR RESPECTIVE AFFILIATES, THE SELLER KNOWLEDGE PARTIES, NOR ANY OF THEIR RESPECTIVE DIRECTORS, MANAGERS, OFFICERS, EQUITY HOLDERS, EMPLOYEES, CONTROLLING PERSONS, AGENTS, ADVISORS OR REPRESENTATIVES (ALL SUCH PERSONS, THE "SELLER PARTIES") HAS MADE, AND THAT PURCHASER HAS NOT RELIED UPON, ANY STATEMENTS, REPRESENTATION OR WARRANTY (WHETHER MADE, OR ALLEGEDLY MADE BY ANY OF THE SELLER PARTIES) OF ANY KIND OR NATURE, EXPRESS, IMPLIED OR STATUTORY, WITH REGARD TO THE DEALERSHIPS, THE BUSINESS, THE PURCHASED ASSETS, THE ASSUMED LIABILITIES, THE EXCLUDED ASSETS, THE EXCLUDED LIABILITIES OR THE BUSINESS EMPLOYEES INCLUDING, WITHOUT LIMITATION, ANY FINANCIAL PROJECTIONS OR ANY ACTS OR OMISSIONS OF SELLER WITH RESPECT TO THE DEALERSHIP, THE PURCHASED ASSETS.

(b) EACH SELLER (OR OTHERS OF THE SELLER PARTIES) HAS MADE AVAILABLE TO OR PROVIDED TO (AND MAY HEREAFTER MAKE AVAILABLE TO OR PROVIDE TO) PURCHASER INFORMATION, DOCUMENTS, AND MATERIALS, INCLUDING IN ANY "DATA ROOMS" (INCLUDING INTERNET-BASED DATA ROOMS), AS WELL AS MANAGEMENT PRESENTATIONS AND OTHER INFORMATION AND DATA PROVIDED (COLLECTIVELY, THE "***DUE DILIGENCE INFORMATION*** "). THE SELLERS MAKE NO REPRESENTATION OR WARRANTY WITH RESPECT TO AND PURCHASER STIPULATES AND AGREES THAT IT HAS NOT, AND AS OF CLOSING WILL NOT HAVE, RELIED UPON ANY STATEMENTS OR ALLEGED REPRESENTATIONS OF ANY OF THE SELLER PARTIES WITH RESPECT TO, THE DUE DILIGENCE INFORMATION, EXCEPT IN EACH CASE TO THE EXTENT EXPRESSLY SET FORTH IN SELLERS' EXPRESS REPRESENTATIONS. FURTHER, PURCHASER ACKNOWLEDGES AND AGREES THAT (A) THE DUE DILIGENCE INFORMATION MAY INCLUDE PROJECTIONS, ESTIMATES AND OTHER FORECASTS, CERTAIN BUDGETS AND BUSINESS PLAN INFORMATION, INCLUDING THOSE ATTACHED AS EXHIBITS OR SCHEDULES TO THE TRANSACTION DOCUMENTS, (B) THERE ARE UNCERTAINTIES INHERENT IN ATTEMPTING TO MAKE SUCH PROJECTIONS, ESTIMATES AND OTHER FORECASTS AND PLANS AND IT IS FAMILIAR WITH SUCH UNCERTAINTIES, AND (C) IT IS TAKING FULL RESPONSIBILITY FOR MAKING ITS OWN EVALUATIONS OF THE ADEQUACY AND ACCURACY OF ALL PROJECTIONS, ESTIMATES AND OTHER FORECASTS, BUDGETS AND PLANS SO FURNISHED TO IT, AND ANY USE OF OR RELIANCE BY IT ON SUCH PROJECTIONS, ESTIMATES AND OTHER FORECASTS, BUDGETS AND PLANS SHALL BE AT ITS SOLE RISK AND WITHOUT THE RIGHT TO MAKE, AND PURCHASER HEREBY WAIVES THE RIGHT TO MAKE, ANY CLAIM AGAINST OF THE SELLER PARTIES WITH REGARD THERETO; PROVIDED, THAT, NOTHING IN THIS PARAGRAPH SHALL CONSTITUTE WAIVER OF ANY CLAIM FOR BREACHES OF SELLERS' EXPRESS REPRESENTATIONS.

2.9. **Proceedings.**

(a) There is no Action, proceeding or governmental investigation pending or, to the knowledge of Purchaser threatened, that (i) challenge the validity or enforceability of the obligations of Purchaser under this Agreement or the respective obligations of Purchaser under the other Transaction Documents to which it is or will be a party or (ii) seek to prevent, delay or otherwise would reasonably be expected to adversely affect the consummation by Purchaser of the transactions contemplated herein or therein.

(b) Except as would not, individually or in the aggregate, reasonably be expected to adversely affect the consummation by Purchaser of the transactions contemplated herein or therein, there is no order, judgment, injunction, award, decree, writ or other legally enforceable requirement handed down, adopted or imposed by, including any consent decree, settlement agreement or similar written agreement with, any Governmental Authority imposed upon Purchaser.

2.10. **Investment Representation.** Purchaser is an informed and sophisticated purchaser, and has engaged advisors experienced in the evaluation and purchase of the Purchased Assets and assumption of the Assumed Liabilities as contemplated hereunder.

2.11. **Financial Ability.** Purchaser will have at the Closing, the funds necessary to consummate the transactions contemplated by this Agreement and the Transaction Documents (including the payment to the Sellers of the Asset Purchase Price) and satisfy all other costs and expenses arising in connection herewith and therewith. For informational purposes only, Purchaser has heretofore furnished the Sellers with true and complete copies of the financial statements of Purchaser and the Debt Commitment Letter and any related fee letters (redacted as to economic terms and other commercially sensitive numbers and terms specific in any such fee letter (including any such terms and numbers related to "flex" terms or similar concepts), none of which redacted provisions would reasonably be expected to affect the availability, conditionality, enforceability, termination or aggregate principal amount of the Debt Financing at the Closing). Purchaser acknowledges and agrees that Purchaser's performance of its obligations under this Agreement is not in any way contingent or conditioned upon the availability of, or consummation of, financing to Purchaser including, without limitation, any failure of any condition in the Debt Commitment Letter, the termination of the Debt Commitment Letter, any failure of the financing described therein to close, or any default by any lender thereunder. Purchaser agrees not to amend or modify the Debt Commitment Letter in any manner that materially or adversely affects the obligations of Sellers under Section 7.5 hereof.

2.12. **No Commissions.** Purchaser has not incurred any obligation for any finder's or broker's or agent's fees or commissions or similar compensation in connection with the transactions contemplated herein.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES OF THE SELLERS, SELLER AFFILIATE AND PRINCIPAL

Sellers, jointly and severally, make the following representations and warranties to Purchaser as of the Effective Date and, subject to update and amendments thereof as a result of the delivery of any Representation Update Notice, as of the Closing (unless a specific date is set forth in such representation or warranty, in which case such representation or warranty must be true and correct as of such specific date), and further the Principal and the Seller Affiliate, severally and not jointly, make the representations and warranties in Sections 3.1, 3.2 and 3.3 that solely relate to himself or itself, as applicable as of the Effective Date, and subject to update and amendments thereof as a result of the delivery of any Representation Update Notice, as of the Closing (unless a specific date is set forth in such representation or warranty, in which case such representation or warranty must be true and correct as of such specific date):

3.1. **Status.** Each Seller and Seller Affiliate: (i) is duly organized, validly existing and in good standing under the laws of the State of Texas; (ii) is authorized to do business and is in good standing in the State of Texas and is in good standing in all other jurisdictions where the conduct of its business requires it to be so qualified, except where the failure to so qualify would not have a material and adverse effect on its Respective Business; and (iii) has the requisite power and authority to own or lease its assets and properties and to carry on its business as now being conducted. There is no pending or, to the Knowledge of Sellers, threatened proceeding for the dissolution, liquidation, insolvency or rehabilitation of a Seller or Seller Affiliate. Seller Affiliate is the owner and operator of Mercedes-Benz of Grapevine dealership.

3.2. **Power and Authority**.

(a) Principal is a natural person and has full capacity and authority to execute and deliver this Agreement and to perform such Principal's obligations hereunder.

(b) Seller Affiliate: (a) is an Affiliate of Sellers, and Seller Affiliate will benefit from the transactions contemplated by the Transaction Documents, (b) has all power and authority necessary to execute and deliver this Agreement and the other Transaction Documents to which it is or will be a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated herein and therein, and (c) has taken all action necessary to authorize the execution and delivery of this

Agreement and the other Transaction Documents to which it is or will be party, the performance of its obligations hereunder and thereunder, and the consummation of the transactions contemplated herein and therein.

(c) Each Seller: (i) has all power and authority necessary to execute and deliver this Agreement and the other Transaction Documents to which it is or will be a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated herein and therein, and (ii) has taken all action necessary to authorize the execution and delivery of this Agreement and the other Transaction Documents to which it is or will be party, the performance of its obligations hereunder and thereunder, and the consummation of the transactions contemplated herein and therein.

3.3. **Enforceability.** This Agreement has been duly executed and delivered by each Seller, the Principal and the Seller Affiliate and constitutes, and, as of the Closing, each of the other Transaction Documents to which such Seller, Seller Affiliate or the Principal will be a party will be duly executed and delivered to Purchaser, and will constitute, assuming the due authorization, execution and delivery of such Transaction Documents, as applicable, by the other Persons that are party thereto, the valid and binding obligations of such Seller, Seller Affiliate, or the Principal (as applicable), enforceable against such Seller, Seller Affiliate or the Principal (as applicable) in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other laws relating to or affecting creditors' rights generally or by equitable principles (regardless of whether enforcement is sought at law or in equity).

3.4. **No Violation.** Except as contemplated by this Agreement or the other Transaction Documents or except as set forth on **Schedule 3.4**, the execution and delivery of this Agreement and the other Transaction Documents by the Sellers, the performance by the Sellers of their respective obligations hereunder and thereunder and the consummation by the Sellers of the transactions contemplated in this Agreement will not (i) solely with respect to the Sellers, contravene any provision of its certificate or articles of formation or any of its other organizational instruments, (ii) violate or conflict with any law, statute, ordinance, rule, regulation, decree, writ, injunction, judgment, ruling or order of any Governmental Authority or of any arbitration award which is either applicable to, binding upon, or enforceable against a Seller, (iii) conflict with, or result in a breach or violation of or default (with or without notice or laps of time or both) under, or give rise to a right of termination or cancellation of any material right or benefit under, any Material Contract, except for any consents or approvals from a Manufacturer, (iv) require the consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority, any court or tribunal or any other Person, except for (1) filings and approvals under HSR, (2) any filings or consents required to be made or obtained solely by Purchaser, (3) any consents or approvals from a Manufacturer, or with respect to the assignment of the Assumed Contracts, and (4) consents, approval, authorizations, permits or filings related to any Permits or licenses required of Purchaser to operate the Dealerships or the Purchased Assets, or (v) result in the creation or imposition of any Lien on Seller, Seller Affiliate, the Principal, the Real Estate, the Purchased Assets or the Business, except in the case of the foregoing clauses (ii), (iii), and (iv), as would not be material and adverse to the Purchased Assets.

3.5. **Litigation.** Except as set forth on **Schedule 3.5**, no material Action pending or, to the Knowledge of Sellers, threatened, (i) against, by or affecting any Seller, the Purchased Assets or the Dealerships that would be binding upon Purchaser or any of the Purchased Assets or Dealerships after Closing or that, if adversely determined, is reasonably expected to materially and adversely affect the value or reputation of the Business, or (ii) which questions the validity or enforceability of this Agreement or the transactions contemplated herein. There are no outstanding orders, decrees or stipulations issued by any Governmental Authority in any proceeding to which any Seller is or was a party which have not been complied with in full or which continue to impose any obligations on such Seller and would be binding upon Purchaser or any of the Purchased Assets or the Dealerships after Closing or that is reasonably expected to materially and adversely affect the value or reputation of the Business.

3.6. **Financial Statements**. Each Seller has delivered to Purchaser unaudited financial statements, including balance sheets and income statements of such Seller, for the years ended December 31, 2017 and 2018 together with any auditor reports and notes thereto (if any), and the statements prepared for the Manufacturers for the period ending as of the end of each of calendar months of June, 2019 through and including October, 2019 (the "***Balance Sheet Date***") (collectively, the "***Financial Statements***"), in each case, a copy of which has been made available to Purchaser and is listed on **Schedule 3.6** hereto. The Financial Statements for each Seller were prepared in accordance with the historical practices of such Seller, consistently applied, and fairly present in all material respects the financial position of such Seller, individually, as of the dates described therein and the Balance Sheet Date and the results of operations at the respective dates and for the respective periods described above, individually, subject, however, to normal year-end adjustments and accruals and the absence of notes and other textual disclosures. The Financial Statements prepared for the Manufacturers were, to the Knowledge of Sellers, prepared in accordance with each of the Manufacturer's standards and guidelines. Except as reflected in the Financial Statements, the balance sheets included in the Financial Statements do not reflect any write up or revaluation increasing the book value of any assets.

3.7. **[Reserved]**.

3.8. **Environmental Matters.**

(a) Except as set forth in **Schedule 3.8(a)**, there are no writs, orders, judgments, injunctions, or governmental decrees issued with respect to violations of Environmental Laws with respect to the Real Estate or the Dealership.

(b) Except as set forth in **Schedule 3.8(b)**, there are no non-compliance orders, warning letters or notices of violation (collectively "***Notices***"), claims, suits, actions, judgments, penalties, fines, or administrative or judicial investigations of any nature or proceedings (collectively "***Proceedings***") pending or, to Sellers' Knowledge, threatened against or involving any Seller issued by any Governmental Authority with respect to any Environmental Laws which have not been resolved to the satisfaction of the issuing Governmental Authority.

(c) Except as set forth on **Schedule 3.8(c)**, to the Knowledge of the Sellers, each Seller has obtained and is in material compliance with all Environmental Licenses necessary for the conduct of the Business as currently conducted or the ownership, lease, operation or use of the Purchased Assets and all such Environmental Licenses are in full force and effect and shall be maintained in full force and effect by the Sellers through the Closing Date in accordance with Environmental Law.

(d) Except as set forth on **Schedule 3.8(d)** hereto, no Seller uses, nor at any time has used, any Underground Storage Tanks at the Real Estate and, to the Knowledge of the Sellers, there are no above ground storage tanks that are not in compliance with all Environmental Laws.

(e) **Schedule 3.8(e)** identifies all reports of environmental investigations or assessments undertaken during the prior three (3) years by the Sellers or their respective Affiliates, agents or representatives, relating to the Real Estate, each of which the Sellers have made available to Purchaser without any representations or warranty of their completeness or accuracy.

(f) For purposes of this Agreement (unless otherwise noted below), the following terms shall have the meanings ascribed to them below:

"***Environmental Laws***" means all applicable federal, state, or local statutes, laws, rules, regulations, codes, ordinances, or orders currently in existence, any of which govern or relate to pollution, Hazardous Substances, toxic substances, or hazardous waste at the Real Estate.

"Environmental Licenses" means all licenses, certificates, permits, approvals, decrees and registrations applicable to the specific Real Estate and required under Environmental Laws.

"***Hazardous Substances***" means oil and petroleum products, asbestos, polychlorinated biphenyls, urea formaldehyde and any other substances, materials or wastes listed, defined, designated or classified as a solid waste, pollutant or contaminant or as hazardous, toxic or radioactive or that are otherwise regulated under any Environmental Laws.

"***Release***" means any actual or threatened release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, migration, or leaching into the indoor or outdoor environment, including in, on, from, or about any improvements on Real Estate or into or onto or out of any Real Estate.

"***Underground Storage Tank***" shall have the meaning ascribed to such term in Section 6901 et seq., as amended, of the Resource Conservation and Recovery Act, or any applicable state or local statute, law, ordinance, code, rule, regulation, order, ruling or decree governing Underground Storage Tanks.

3.9. **Real Estate.**

(a) The real property described in the Post Closing Leases, the DFW Ground Lease, the Real Estate PSA, and the real estate leases comprising part of the Assumed Contracts (the real estate leases comprising part of the Assumed Contracts and that which is part of the DFW Ground Lease are herein collectively called the "***Real Estate Leases***") reflect or describe, collectively, all of the parcels of real property constituting the real property owned or otherwise used by the Sellers in the operation of the Dealerships (collectively, the "***Real Estate***").

(b) The Sellers are not party to any leases, subleases, licenses or similar agreements which are for the use or occupancy of real estate owned by a third party other than the Real Estate Leases. The Sellers have not leased, subleased, or, except pursuant to easements and other matters filed for record in the real property records,

otherwise granted to any Person, other than the Sellers' Affiliates, the right to use or occupy the Real Estate or any portion thereof.

(c) With respect to the Real Estate: (i) there are no pending or, to Seller's Knowledge, threatened condemnation proceedings, and (ii) except for the Assumed Contracts, the DFW Ground Lease and other agreements filed for record in the real property records, there are no Contracts relating to service, management or similar matters which affect any such parcel and that would be binding on Purchaser following Closing.

3.10. **Good Title to the Purchased Assets.** Except as set forth on **Schedule 3.10**, the Sellers, collectively, possess, or will possess as of the Closing Date, good and valid title to, or for the tangible personal property leased, a valid leasehold interest in, the Purchased Assets (which, for the avoidance of doubt, does not include the Real Estate being conveyed pursuant to the Real Estate PSA), free and clear of any Liens (other than inchoate Liens for Taxes not yet due and payable and landlord's liens (if any) under the Real Estate Leases).

3.11. **Condition of Assets.** Except as set forth on **Schedule 3.11**, the Purchased Assets, the Real Estate to be conveyed under the Real Estate PSA, and the real estate described in the Post Closing Leases constitute all of the assets, tangible and intangible, real or personal, of any nature whatsoever, necessary for the operation of the Business and the Dealerships in substantially the manner presently operated by the Sellers. Except as set forth on **Schedule 3.11**, to the Knowledge of the Sellers, the tangible assets included in the Purchased Assets, including, without limitation the Fixed Assets and inventories of the Sellers, are, in all material respects, in good working order and operating condition and adequate for the uses to which they are being put and none of such tangible assets is in need of maintenance or repairs, except for ordinary, routine maintenance and repairs that are not material in nature or cost and except for, as of Closing, damage from events of casualty.

3.12. **Inventories.** Those vehicles treated as New Vehicles under this Agreement have not been titled or registered. The odometer on each of the New Vehicles and Used Vehicles included in each Seller's inventory represent as of the Effective Date, and will represent as of the Closing Date, the actual mileage that such automobile has been driven unless otherwise disclosed on the odometer disclosure statement accompanying such automobile.

3.13. **Compliance with Laws.** The provisions of the following sentence of this paragraph shall not apply to Environmental Laws, it being agreed that Seller's representations and warranties regarding Environmental Laws and the presence or existence of Hazardous Substances and Underground Storage Tanks is solely limited to and governed by the provisions of Section 3.8 hereof. Each Seller is currently in compliance, in all material respects with Applicable Laws applicable to its Respective Business and its Dealership and the Purchased Assets it owns, and, in the past year, no Seller has received any written notice alleging any failure to comply with Applicable Laws that, if not cured as of Closing, would subject Purchaser to any material liability after Closing.

3.14. **Labor and Employment Matters.**

(a) Except for the Excluded Employees, **Schedule 3.14(a)** sets forth a list, as of the date hereof, of the employees of each Seller (the "***Business Employees***") and sets forth for each such individual the following: (i) name; (ii) title or position (including whether full-time or part-time); (iii) date of hire; and (iv) current annual compensation or type of pay plan.

(b) Each Seller is in compliance in all material respects with all Applicable Laws relating to the employment of labor, including but not limited to employment and employment practices, terms and conditions of employment, employee classification, overtime pay, classification of employees and independent contractors, non-discrimination, wages and hours, employee leave, record-keeping, payroll documents, equal opportunity, immigration, occupational health and safety, severance, termination or discharge, collective bargaining and the payment of employee welfare and retirement and other taxes, the full payment of all required social security contributions and taxes.

(c) No Seller is a party to or bound by any collective bargaining agreement or any other agreement with a labor union, and there has been no labor union prior to the Effective Date organizing any employees of a Seller into one or more collective bargaining units. There is not now, and there has not been prior to the Effective Date, any actual or, to the Knowledge of the Sellers, threatened labor dispute, strike or work stoppage which affects or which may affect the business of the Sellers or which may interfere with any Seller's continued operations. There has been no strike, walkout or work stoppage involving any of the employees of a Seller prior to the Effective Date. To the Sellers' Knowledge, except for the Excluded Employees, no Business Employee that is a general manager, sales manager, parts manager or service manager has any plans to terminate his or her respective employment with a Seller.

3.15. **Employee Benefit Plans.**

(a) **Schedule 3.15(a)** contains an accurate and complete list of all of the Employee Benefit Plans.

(b) Except as set forth on **Schedule 3.15(b)**, with respect to each Employee Benefit Plan, the Sellers have made available to the Purchaser true and complete copies of the following, to the extent applicable: (i) the plan document (including any amendments thereto), trust agreement and any other document governing such Employee Benefit Plan; (ii) the summary plan description; (iii) all Form 5500 annual reports (and attachments) for the past three (3) years; and (iv) all material correspondence with any Governmental Authority relating to any Employee Benefit Plan.

(c) All Employee Benefit Plans are, and have been, operated in material compliance with their provisions and with all applicable Laws including, but not limited to, ERISA, COBRA, Patient Protection and Affordable Care Act and the Code and the regulations and rulings thereunder.

(d) Except as set forth on **Schedule 3.15(d)**, no Sellers nor any ERISA Affiliate sponsors, maintains or contributes to, and has, in the past three (3) years, not sponsored, maintained or contributed to, or has any Liability with respect to: (i) a plan subject to Title IV of ERISA (including a multiemployer plan within the meaning Section 4001(a)(3) of ERISA); (ii) a "multiple employer plan" (within the meaning of Section 413 of the Code); or (iii) a "multiple employer welfare arrangement" (within the meaning of Section 3(40) of ERISA).

(e) Each Employee Benefit Plan intended to be qualified under Section 401(a) of the Code and exempt from Tax under Section 501(a) of the Code has been determined by the IRS as so qualified and exempt. Any such IRS determination remains in effect and has not been revoked, and nothing has occurred since the date of any such determination that is reasonably likely to affect adversely such qualification or exemption.

(f) The consummation of the transactions contemplated by this Agreement will not, either alone or in combination with any other event, result in Purchaser or any of its Affiliates (i) incurring any liability with respect to any liability with respect to any Employee Benefit Plan sponsored, maintained, or contributed to by Sellers or any ERISA Affiliates, or (ii) becoming liable for any Controlled Group Liabilities.

3.16. **Insurance.** Each Seller is covered by insurance insuring against risks of the nature that is reasonably consistent with its historical practices.

3.17. **Notices from Manufacturers.** To Sellers' Knowledge, except as set forth on **Schedule 3.17**, no Manufacturer has notified the Sellers in writing of any material deficiency with respect to brand imaging, sales efficiency, warranty work reimbursement, customer satisfaction, facility compliance, or any facility condition. Further, to the Sellers' Knowledge, except as set forth on **Schedule 3.17** no Manufacturer is considering adding any additional franchise to any Person in the county in which any given Dealership is located. No Manufacturer has designated a Dealership as having "delete point status".

3.18. **No Material Adverse Change.** Since the Balance Sheet Date, no Material Adverse Effect has occurred. Except as set forth on **Schedule 3.18**, since the Balance Sheet Date the Sellers have conducted the Business only in the ordinary course consistent with their respective past practices and, except in the ordinary course of business or except as set forth on **Schedule 3.18**, there has not been any: (a) except with respect to the Excluded Employees, payment (except in the ordinary course of business) or increase by the Sellers of any bonuses,
salaries or other compensation to any general manager, sales manager, parts manager or service manager of a Dealership, or entry into any employment, severance or similar contract with any such manager; (b) except as permitted by the terms and provisions of Section 7.1 hereof, entry into, modification, or termination of any Assumed Contract; (c) sale (other than sales of inventories in the ordinary course of business and except for dispositions of Fixed Assets that are obsolete and that have been replaced with assets of similar utility and functionality), lease or other disposition of any Purchased Asset; (d) except with respect to the Excluded Employees, re-assignment or transfer of any general manager, sales manager, parts manager or service manager from any Dealership to another dealership not being sold hereunder; (e) except with respect to the Excluded Assets, reallocating inventory outside of the ordinary course of business and consistent with Sellers' past practices (including transfers or transactions with Affiliates that were not made in accordance with Seller's past practices); (f) release or knowing waiver of any material claim or right of a Seller with regard to the Purchased Assets; (g) change in the accounting methods of a Seller; (h) other than as described in the Real Estate PSA, capital expenditure (or series of capital expenditures) by a Seller outside of the ordinary course of business or, excluding those made by reason of repair or necessary replacement, or to comply with Applicable Law, involving more than Two Million Dollars ($2,000,000.00) in the aggregate; or (i) adoption of or resolutions by a Seller authorizing or providing for a complete or partial plan of liquidation, dissolution, consolidation, recapitalization, reorganization, bankruptcy or general assignment for the benefit of creditors with respect to such Seller.

3.19. **Licenses and Permits.** The provisions of the following sentence of this paragraph shall not apply to permits that are the subject of the matters described in Section 3.8 hereof. To the Knowledge of the Sellers, the Sellers hold all permits, licenses and authorizations (the "***Permits***") that are necessary for the operation of the Business and the Dealerships and, except where the failure to do so is not reasonably likely to materially and adversely affect the Respective Business, is in compliance with all of the Permits.

3.20. **Affiliate Transactions.** Except as set forth on **Schedule 3.20**, the Sellers have not received written notice that any of their top 10 suppliers for 2019, in the aggregate, are terminating, nor, to the Sellers' Knowledge has any top 10 supplier for 2019 of the Sellers threatened to terminate, its business relationship with the Sellers for any reason. Except as disclosed in **Schedule 3.20** hereto: (i) no Seller has any direct or indirect ownership interest in any customer, supplier or competitor or in any Person from whom or to whom such Seller leases real (except for the Real Estate) or personal property, (ii) no partner, member, or shareholder, as the case may be, of a Seller, including, without limitation, the Principal, nor any officer, director, manager, member, partner or shareholder of any of such parties, nor any Immediate Family Member of any such Person, nor any entity in which any such Person owns any beneficial interest, is a party to any of the Assumed Contracts or has otherwise entered into a transaction with a Seller, conducted business with a Seller or has any interest in any property used by a Seller that constitutes a Purchased Asset.

3.21. **Intellectual Property**. **Schedule 3.21** is a true, complete and accurate list of all of the registered trademarks, service marks, trade names, copyrights and patents used in the conduct of the Business as of the Effective Date. To Sellers' Knowledge, each Seller has the right to use all trademarks, service marks, trade names, copyrights, know-how, patents, trade secrets, licenses (including licenses for the use of computer software programs), and other intellectual property used in the conduct of its respective businesses as of the Effective Date (the "***Intellectual Property***"). No Seller has received written notice from any Person alleging that such Seller's use of the Intellectual Property infringes or misappropriates any rights held or asserted by such Person and, to the Knowledge of Sellers, no Person is infringing on any Intellectual Property. Except as provided in the Assumed Contracts or in **Schedule 3.21**, no payments are required for the continued use of the Intellectual Property.

3.22. **Data Security Requirements.**

(a) The Sellers are in compliance in all material respects with all Data Protection Requirements to which the Business is subject with respect to the protection and security of Personal Data and confidential information of Sellers' vendors, while such Personal Data or confidential information was or is in the possession or under the control of Sellers or its authorized agents and vendors.

(b) The Sellers have taken commercially reasonable measures to protect the confidentiality and security of their own data and computer systems, including software, hardware and networks.

(c) No written notices have been received by, and no claim, charge or complaint has been made in writing against a Seller alleging a violation of any Data Protection Requirements, and no Action is pending or, to the Sellers' Knowledge, is threatened against a Seller relating to such Seller's collection, use or disclosure of Personal Data.

(d) There have not been any actual or, to Sellers' Knowledge, alleged incidents of data security breaches involving: (i) Personal Data while in the possession or under the control of a Seller or, to the Sellers' Knowledge, while in the possession or under the control of a Seller's authorized agents or vendors, or (ii) other confidential information of a counterparty to a Contract while that confidential information was in the possession or under the control of a Seller or, to the Sellers' Knowledge while in the possession or under the control of a Seller's authorized agents or vendors.

For purposes of this Agreement (unless otherwise noted below), the following terms shall have the meanings ascribed to them below:

"***Data Protection Requirements***" means all of the following: (i) all applicable laws relating to the privacy or security of Personal Data; (ii) Payment Card Industry Data Security Standard (PCI DSS) as applicable to Personal Data in the possession or under the control of a Seller; and (iii) obligations in Contracts with respect to the protection of the privacy and security of Personal Data.

"***Personal Data***" means any information in the control or possession of Seller or its authorized agents or vendors (including a Person's name, street address, telephone number, e-mail address, photograph, social security number, tax identification number, driver's license number, passport number, bank account information and other financial information, customer or account numbers, account access codes and passwords, Internet protocol address) which, whether alone or in combination with other information, identifies or is reasonably associated with an identified natural person, that is not otherwise publicly available information.

3.23. **Contracts.**

(a) Except as set forth in **Schedule 3.23(a)** and subject to Section 7.1, none of the Assumed Contracts is of the following types (collectively, the "***Material Contracts***"):

(i) other than the Real Estate Leases, is a lease or sublease of real property, or any Contract relating to the purchase or sale of any Real Property;

(ii) is a lease or sublease of personal property (including any equipment, furniture, fixtures or other items of personal property) that provides for future payments by a Seller of more than $10,000.00 per annum;

(iii) except for the agreements between, respectively, each Seller and the applicable Manufacturer, is a Contract granting any Person a right of first refusal, right of first offer or similar right with respect to any of the Purchased Assets;

(iv) is a Contract which contains an agreement by the Seller party thereto not to compete with the counterparty thereto;

(v) is a joint venture arrangement;

(vi) is a Contract requiring a Seller to deal exclusively with any Person;

(vii) is a Contract between Seller and any Affiliate of Seller; or

(viii) is a Contract that is not covered by the other clauses of this Section 3.23 that (A) is material to the operation of the Business or the absence of which would have a Material Adverse Effect on the Business, or (B) is not terminable on not more than ninety (90) days' notice and without payment of any penalty by, or other material consequence to, a Seller.

(b) Except as set forth on **Schedule 3.23(b)**, each Seller has made available to Purchaser a true, correct and complete copy of each Contract to which such Seller is a party and that is applicable and material to the day to day operation of the Purchased Assets and the Dealerships (excluding Contracts that solely relate to the Excluded Assets).

(c) Except as set forth in **Schedule 3.23(c)**, to the Knowledge of the Sellers, each Material Contract (i) is a legal, valid and binding obligation of the applicable Seller and the other parties thereto, (ii) is in full force and effect in accordance with its terms. Neither the Sellers nor, to the Knowledge of the Sellers, any other party to any Material Contract is in material breach of or material default under, or has provided or received any written notice alleging any breach of or default under, any Material Contract, (iii) does not require, with regard to the assignment thereof to Purchaser, consent or approval from the counterparty thereto, and (iv) no event has occurred (with or without notice, the lapse of time or both) would constitute a breach thereof by Seller or any counterparty thereto. Except as set forth in **Schedule 3.23(c)**, none of the counterparties to any Material Contract has notified a Seller in writing that it intends to terminate, cancel or not renew any such Contract.

3.24. **Taxes.** Except as set forth on **Schedule 3.24**:

(a) (i) Each Seller has timely filed all Tax Returns that were required to be filed with respect to the Purchased Assets and the applicable Dealership as of the Effective Date; (ii) all such Tax Returns were complete and correct in all material respects; (iii) all Taxes owed by each Seller (whether or not shown on any Tax Return) with respect to the Purchased Assets and the applicable Dealership have been timely paid; (iv) no Seller is currently the beneficiary of any extension of time within which to file any Tax Return with respect to the Purchased Assets or a Dealership; (v) no Seller has received any written notice of any action or audit now proposed or threatened or pending against, or with respect to such Seller in respect of any Taxes with respect to the Purchased Assets or a Dealership; and (vi) no claim has been made by a taxing authority in a jurisdiction where the Sellers do not file Tax Returns that a Seller is or may be subject to Taxes assessed by such jurisdiction.

(b) There are no Liens for Taxes on any of the Purchased Assets other than inchoate property Taxes. Each Seller has withheld or collected and timely paid all Taxes required to have been withheld or collected and paid by it, and all material Tax reporting requirements associated with such Taxes have been satisfied.

(c) There is no dispute or claim concerning any Liability for Taxes with respect to any Seller for which written notice has been provided, or which is asserted or threatened in writing, and no Seller has waived (or is subject to a waiver of) any statute of limitations in respect of Taxes or agreed to (or is subject to) any extension of time with respect to a Tax assessment or deficiency.

(d) Each Seller is a "United States person" within the meaning of Section 7701(a)(30) of the Code.

(e) No Seller is a party to or bound by any Tax indemnity agreement, Tax sharing agreement or similar Contract that would become binding upon Purchaser upon completion of the transactions contemplated by this Agreement.

3.25. **Product Warranties; Incentive Programs.** Except as set forth on **Schedule 3.25** or except with respect to implied warranties, no Seller has given to any Person any product or service guaranty or warranty, right of return or other indemnity relating to the products manufactured, sold, leased, licensed or delivered, or services performed, by a Seller. Except as set forth on **Schedule 3.25**, no Seller or Dealership has participated in, nor does a Seller or Dealership currently participate in or sponsor, any customer marketing plans, which are dealer obligor products or services, such as "tires for life," "batteries for life," "lifetime oil changes," "lifetime warranty", customer coupon, discount, rewards, or incentive programs, or similar programs. Notwithstanding the foregoing, to the extent a Seller or Dealership has participated in or sponsored or is currently participating in or sponsoring any such customer marketing plans, the Sellers have provided a true, complete and accurate list of all of the material terms, conditions and other provisions making up and constituting such customer marketing plans on **Schedule 3.25**, which contains all the material terms, conditions and other provisions that are provided to the customers who are eligible for any of such customer marketing plans, and no amendments, modifications or other changes have been made to such customer marketing plans since their inception.

3.26. **No Commissions.** Except with respect to that certain agreement between Seller and Presidio Merchant Partners LLC, Seller has not incurred any obligation for any finder's or broker's or agent's fees or commissions or similar compensation in connection with the transactions contemplated herein.

ARTICLE IV.
ASSIGNMENT OF CERTAIN EXECUTORY LIABILITIES

4.1. **Assumed and Excluded Liabilities.** Except as otherwise specifically provided in this Section 4.1, Purchaser is not assuming any Liability of any Seller or the Business of any kind or nature, absolute or contingent, known or unknown, and whether or not Purchaser is a successor to such Liability by operation of Applicable Law, including without limitation, liabilities and obligations of any Seller or the Business with respect to customer or employee obligations, workers' compensation, occupational injury or disease, pension and other benefits, product liability, warrant, or a violation of any federal, state or local law, regulation or ordinance (the "***Excluded Liabilities***"). At Closing, Purchaser shall assume and agree to discharge and perform when due only the following liabilities and obligations of Sellers, as the same shall exist at Closing (the "***Assumed Liabilities***"):

(a) all Liabilities under the Assumed Contracts (including, without limitation, the Real Estate Leases) arising on or after Closing, so long as such Liability, or its incurrence or existence, does not arise or relate to a breach or failure of, or a default under, any term, condition or provision of such Assumed Contract that occurred prior to the Closing;

(b) the remaining motor vehicle repair work with respect to the Work in Progress;

(c) Liabilities to discharge and satisfy the We Owes, but only to the extent of the dollar-for-dollar credit against the Asset Purchase Price applicable to the We Owes (which credit shall be provided by Sellers to Purchaser at Closing). The term "***We Owes***" as used in this Agreement refers to the obligations made by a Seller to a customer to deliver to the customer additional products or services not available or delivered at the time of the sale of the vehicle. Sellers shall deliver to Purchaser at Closing a schedule of all such obligations along with reasonable supporting documentation substantiating the We Owes and Sellers' projected actual cost to perform the same. Following Closing, Purchaser shall perform the obligations of the applicable Seller on We Owes pertaining to vehicles sold or serviced by such Seller prior to Closing. To the extent Purchaser has not received credit against the Asset Purchase Price for We Owe work, then if Purchaser performs the same and makes a claim therefor against Sellers within one (1) year following with Closing Date (which claim shall be in writing and supported by reasonable documentation evidencing the We Owes as to which such claim is made, and the actual costs incurred by Purchaser in performing the same), Sellers shall reimburse Purchaser within thirty (30) days after such written demand for the actual costs incurred by Purchaser in performing such We Owes; and

(d) A Seller's obligations and liabilities accruing with respect to periods on and after the Closing Date under the unperformed portions of the Customer Deposits with respect to the underlying Assumed Contracts. If a required consent to the assignment of an Assumed Contract is not obtained or if any attempted assignment would be ineffective or would affect the rights of Purchaser such that Purchaser would not receive all of the rights of Seller under such Assumed Contract, Seller shall cooperate with Purchaser to the extent reasonably necessary to obtain and provide for Purchaser all of the benefits under such Assumed Contract, including without limitation, the enforcement for the benefit of Purchaser, of any rights of Seller against a third party arising under such Assumed Contract or applicable law.

4.2. **Excluded Liabilities.** Excluded Liabilities shall include, but not be limited to, the following:

(a) any Liability or obligation under any Contract of a Seller that is not an Assumed Contract;

(b) any injury (physical or otherwise) to or death of any person or damage to or destruction of any property, whether based on negligence, invasion of privacy, breach of warranty, product liability, strict liability or any other theory, and including but not limited to any such injury, death, damage, or destruction relating to or caused by products sold by a Seller or services rendered by such Seller to a third party;

(c) any and all Liabilities of any Seller or equityholder of a Seller for or relating to any Taxes, including pre-Closing Date pro-rated Taxes described in Section 9.5, subject, however, to the terms of the VIT Agreements;

(d) any Liability of a Seller relating to any collective bargaining agreements or other contracts, agreements, or other obligations to which such Seller is a party or by which a Seller is bound; with respect to any act or omission prior to Closing, for the employment of any officer, individual, employee or group of employees; for the processing and payment of any worker's compensation claims with respect to any injury or condition incurred by any employee of a Seller prior to Closing; for the payment of any wages, bonuses, commissions, vacation pay, or severance pay prior to Closing; for the furnishing of any benefits, including but not limited to group insurance benefits, profit sharing benefits, pension or other employee benefits (including but not limited to any liability for unfunded or under-funded pension liability) accruing prior to Closing; or any obligations under COBRA; or any employment policy of a Seller relating to payment upon dismissal or termination of employment, including without limitation, with respect to any employee of a Seller not hired by Purchaser after Closing;

(e) any Liability of a Seller related to any products or services rendered by a Seller, whether such claim is based on breach of contract, breach of warranty, negligence, strict liability, products liability, or otherwise;

(f) any Liability of a Seller arising or accruing under any of the Assumed Contracts prior to Closing, whether by the terms thereof or as a result of the breach or failure of, or a default under, any term, condition or provision of such Assumed Contract by such Seller;

(g) except as contemplated by Section 12.6(d), accruals for material returns, customer claims, or rebates accruing prior to Closing;

(h) all Liabilities of a Seller arising or incurred in connection with the negotiation, preparation, investigation and performance of this Agreement, and the other Transaction Documents, including, without limitation, fees and expenses of counsel, accountants, consultants, advisers and others;

(i) all Liabilities relating to or arising from the Excluded Assets;

(j) all Liabilities relating to or arising from the pending Action against any Seller on the Closing Date;

(k) all Liabilities arising under, or with respect to, any Employee Benefit Plans, excluding the health care continuation requirements under Section 4980B of the Code and COBRA, or under Applicable Law;

(l) subject to the provisions of Section 13.3, all Liabilities of a Seller for any present or former employees (including all Liabilities associated with any severance for such employees who do not become employees of Purchaser), officers, directors, retirees, independent contractors (excluding, however, independent contractors under

Assumed Contracts) or consultants of a Seller, including any Liabilities associated with any claims for wages or other benefits, bonuses, accrued vacation, workers' compensation, severance, retention, termination or other payments, harassment, discrimination, or wrongful discharge;

(m) subject to the VIT Agreements, any Liabilities for indebtedness of any Seller that do not comprise part of the Assumed Liabilities;

(n) subject to the provisions of Section 13.3, any Liabilities to indemnify, reimburse or advance amounts to any present or former officer, director, employee or agent of a Seller (including with respect to any breach of fiduciary obligations by same); and

(o) subject to Section 12.6(h) and the other matters with regard to the physical condition of the Real Estate that are accepted or waived by Purchaser under the Real Estate PSA as part of the "as is" nature of the same thereunder, all Liabilities arising out of, in respect of, or in connection with the failure by a Seller to comply with any Applicable Law.

ARTICLE V.
EARNEST MONEY

5.1. **Escrow Fund.** Within five (5) business days following the Effective Date, Purchaser shall deliver to the Escrow Agent the sum of [***] Dollars ($[***]) (together with all interest earned thereon, the "***Earnest Money***"). The Earnest Money shall be deposited by the Escrow Agent in an interest bearing account with a national banking association approved by Sellers and Purchaser, pursuant to an escrow agreement mutually agreed to by Sellers' Representative and Purchaser. Failure by Purchaser to deliver the Earnest Money timely shall render this Agreement voidable by Sellers' Representative by written notice from Sellers' Representative to Purchaser.

5.2. **Application of Earnest Money.** The Earnest Money shall be held, applied and distributed by the Escrow Agent in accordance with this Agreement.

(a) If the Closing does not occur and such failure to close is the result of (1) any termination of this Agreement by Purchaser pursuant to Section 8.1(a), (2) a termination by Sellers or Purchaser pursuant to Section 8.1(c), so long as, in the case of a termination by Sellers pursuant to Section 8.1(c), Purchaser is not then in material breach of any of its obligations, representations or warranties hereunder, (3) a termination pursuant to Section 8.1(d), (4) a termination by Sellers or Purchaser pursuant to Section 8.1(e) (provided, that, such order is not the direct or indirect result of an action or omission taken by Purchaser which is a breach of this Agreement or other Transaction Document), or (5) a termination by Purchaser pursuant to Section 8.1(f) or 8.1(g), or by Sellers under Section 8.1(b) or Section 8.1(c) when Purchaser had the right to terminate pursuant to Section 8.1(f) or 8.1(g), the Earnest Money shall be delivered to Purchaser.

(b) If the Closing under this Agreement occurs, the Earnest Money shall be delivered to Sellers, as directed by the Sellers' Representative, as and applied as partial payment of the Asset Purchase Price.

(c) If the Closing does not occur and the termination of the Agreement occurs other than as described in Section 5.2(a), the Earnest Money shall be delivered to Sellers, as directed by the Sellers' Representative, as liquidated damages (the parties agreeing that the same is not a penalty, that actual damages will be suffered by Sellers but cannot be determined with precision and that the Earnest Money is a reasonable estimation of such damages).

The provisions of this Section 5.2 shall survive the termination of this Agreement (and, as such, constitute a Termination Survival Obligation).

ARTICLE VI.
CONFIDENTIALITY

6.1. **Confidentiality.**

(a) Purchaser agrees, and Purchaser agrees to cause its officers, directors, employees, representatives, attorneys and consultants, to hold in confidence and not to disclose to others for any reason whatsoever, any and all non-public information received by it or them in connection with this transaction, including but not limited to all terms, conditions and agreements related to this transaction and all concepts (including multiples and methodology) used in the negotiation of the Asset Purchase Price, except (i) as required by law; (ii) for disclosure to lenders, prospective lenders, partners, prospective partners, and the Manufacturers; and (iii) for disclosure to officers, directors, employees, attorneys, accountants and other representatives of Purchaser, its lenders, prospective lenders, partners, prospective partners and the Manufacturers as necessary in connection with the transactions contemplated hereby. In the event the transactions contemplated by the Transaction Documents are not consummated, Purchaser will return all non-public documents and other material obtained from Sellers or their representatives in connection with the transactions contemplated hereby or certify in writing to Sellers that all such information has been destroyed. The provisions of this Section 6.1(a) shall survive the termination of this Agreement (and, as such, constitute a Termination Survival Obligation) but shall not, however, survive Closing.

(b) For a period of five (5) years following the Closing, each Seller and Principal agrees, and agrees to cause the Key Excluded Employees (and to use commercially reasonable efforts to cause all of its Excluded Employees that are not Key Excluded Employees and all other of its employees that are hired by such Seller after Closing), to hold in confidence and not to disclose to others for any reason whatsoever all non-public, confidential or proprietary information, whether written or oral, related to the Business, the Purchased Assets or the Assumed Liabilities, except (i) to the extent related to the Excluded Assets or the Other Owned Dealerships and not part of the Purchased Assets, (ii) to prepare or complete any required Tax returns or financial statements, (iii) in connection with audits or other proceedings by or on behalf of a Governmental Authority, (iv) to comply with a Governmental Authority or Applicable Law or the rules of any recognized national stock exchange, (v) to provide services to Purchaser or its Affiliates, pursuant to this Agreement or any of the other agreements entered into pursuant hereto, or (vi) in connection with asserting any rights or remedies or performing any obligations under this Agreement or any other agreements entered into pursuant hereto.

ARTICLE VII.
CONDUCT OF BUSINESS PENDING THE CLOSING; OTHER COVENANTS

7.1. **Conduct of Business by Seller Pending the Closing.** Except as contemplated by this Agreement or except as set forth on **Schedule 7.1**, Sellers covenant and agree that, except as otherwise expressly required or permitted by the terms of this Agreement or except as expressly approved in writing by Purchaser, between the date of this Agreement and the Closing Date,
Sellers shall conduct the Business in the ordinary course, and consistent with past practice of the Business, and Sellers shall not change their operations or policies (including policies and procedures with regard to maintenance and repair of the Dealership facilities), except to the extent necessary to comply with Applicable Law or the requirements of the Manufacturers. Except as set forth on **Schedule 7.1**, Sellers shall, between the Effective Date and the Closing Date, use their reasonable efforts to preserve intact each Seller's business organization, to keep available the services of its current officers, employees and consultants, and to preserve its present relationships with customers, suppliers and other Persons with which it has business relations, subject to the terms and provisions of this Agreement. Further, except as set forth on **Schedule 7.1**, Sellers agree that between the Effective Date and the Closing Date, Sellers shall not, without the prior written consent of Purchaser (which may not be unreasonably withheld, conditioned or delayed): (a) take or knowingly permit any action or omit to take any action that Sellers know, when taken or omitted, is reasonably likely to cause any of the Sellers' Express Representations to become untrue; (b) enter into any Contract with any Person that would constitute an Assumed Contract by the operation of the provisions of this Section 7.1, other than Contracts entered into in compliance with this Section 7.1, and other than Contracts that relate to a We Owe, Work in Process or Customer Deposit that was entered into in the ordinary course of business, and consistent with past practices, and except as expressly provided for in this Section 7.1, not amend, modify or terminate any of the Assumed Contracts, without prior consent of Purchaser; (c) fail to maintain in full force and effect all insurance policies currently maintained by each Seller (other than renewals in the ordinary course); (d) fail to comply with all material provisions contained in the Assumed Contracts; (e) sell, assign, transfer or dispose of any of the Fixed Assets except in the ordinary course of business; (f) undertake any dealer trades with others or its Affiliates (directly or indirectly) that are not in accordance with past practices; (g) other than in the ordinary course of business and consistent with past practices and except as otherwise permitted by the provisions of this Section 7.1, enter into any new Contract, lease, encumbrance or other agreement or modify any existing Contract, lease encumbrance or other agreement that, in such case, affects the use or operation of the Real Estate, that would be binding upon Purchaser or run with title to the Real Estate and which cannot be terminated without charge, cost, penalty or premium on or before the Closing;
(h) conduct a "going out of business," "clearance sale," "liquidation sale" or similar sale; and (i) not take or omit to take any action that would reasonably be expected to interfere with Purchaser's employment of any general manager, sales manager, parts manager or service manager of a Dealership that is not an Excluded Employee. If a Seller requests Purchaser's consent in writing (including by e-mail) with respect to any of the actions described in Section 7.1 for which Purchaser's consent is required and Purchaser

does not provide the Sellers with a written consent or denial of consent with respect thereto within three (3) Business Days after such request is sent to Purchaser and Purchaser's failure to provide Seller with a written consent or denial within two (2) Business Days following a second request therefor (which second request shall be conspicuously marked **"SECOND REQUEST – FAILURE TO REPLY WITHIN 2 BUSINESS DAYS SHALL CONSTITUTE YOUR CONSENT TO THE PROPOSED ACTION"**), then Purchaser shall be deemed to have consented to such action (including, as applicable, the execution of a Contract or amendment to an existing Contract).

Any Contract (and, with respect to an amendment, the Contract amended thereby as so amended) that is consented to (or deemed consented to) by Purchaser shall become an Assumed Contract. With respect a Contract or an amendment to an existing Contract that Purchaser has timely refused to consent, any Seller (a) may nonetheless execute the same so long as such Contract (and, with respect to an amendment, the Contract amended thereby as so amended) may be canceled or terminated by Seller without cause (and without charge, cost, penalty or premium) upon not more than ninety (90) days written notice to the counterparty thereto, and in such case the same shall become an Assumed Contract or (b) may, if such Seller believes in good faith that the execution thereof is necessary to the conduct of Business, nonetheless be executed by such Seller so long as the same will not be binding upon Purchaser or the Purchased Assets after Closing (no such Contract executed under this clause (b) shall constitute an Assumed Contract). If Purchaser consents in writing (or is deemed to have consented) to any action of the Sellers pursuant to Section 7.1, then, notwithstanding anything to the contrary set forth herein, the taking of such action in accordance with such consent shall not be deemed to be a breach of any of the Sellers' Express Representations or any covenant of Seller hereunder. Similarly, any other action taken by any Seller in accordance with the provisions of this Section 7.1 shall not be deemed to be a breach of any of the Sellers' Express Representations or any covenant of Seller hereunder.

Notwithstanding the other provisions of this Section 7.1, from the Effective Date until the Closing, the Sellers may take commercially reasonable actions with respect to emergency situations; provided, that, the Sellers must provide Purchaser with written notice of such actions taken as soon as reasonably practicable.

7.2. **Notification.** Sellers shall give prompt notice to Purchaser of the occurrence or non-occurrence of any event of which Seller has Knowledge and which a Seller believes is reasonably likely to cause any of Sellers' Express Representation to be untrue or inaccurate or that Seller believes is reasonably likely to result in Seller's inability to comply in any material respect with any covenant, agreement of Seller herein (provided, however, that any such disclosure shall not in any way be deemed to amend, modify or in any way affect the Sellers' Express Representations except as set forth in a Representations Update Notice).

7.3. **No Solicitation.** During the period beginning on the Effective Date and ending on the earlier of the termination of this Agreement pursuant to Section 8.1 or the Closing Date, except with regard to complying with rights of first refusal provisions contained within agreements with Manufacturer in effect as of the Effective Date, Sellers and the Principal shall not, and shall cause their Affiliates and their respective directors, officers, managers, and members not to (and use commercially reasonable efforts to cause their respective agents, consultants, advisors and other representatives not to), directly or indirectly, (i) solicit, initiate, facilitate, encourage (including by way of furnishing non-public information) any proposals or offers from any Person that constitute, or would reasonably be expected to lead to, an Alternative Transaction Proposal, (ii) except to the extent necessary to comply with obligations under its agreements existing as of the Effective Date with any Manufacturer, engage in or otherwise participate in any discussions or negotiations regarding, furnish to any other Person (other than Purchaser or its Representatives) any information with respect to or for the purpose of encouraging or facilitating, or otherwise cooperate in any way, assist or participate in or facilitate any effort or attempt by any other Person to make, an Alternative Transaction Proposal, or (iii) except in connection with the exercise by a Manufacturer of any right of first refusal under its agreements with such Manufacturer existing as of the Effective Date, enter into any letter of intent, agreement in principle, merger agreement, acquisition agreement or other similar agreement with respect to an Alternative Transaction Proposal (each, a "***Company Acquisition Agreement***"). Upon execution of this Agreement, Sellers and the Principal shall, and shall cause their Affiliates and their respective directors, officers, managers, and members (and use commercially reasonable efforts to cause their respective agents, consultants, advisors and other representatives) to, (A) immediately cease and cause to be terminated all discussions or negotiations with any Person conducted prior to the Effective Date with respect to an Alternative Transaction Proposal or any inquiry or proposal that would reasonably be expected to result in or lead to an Alternative Transaction Proposal, (B) promptly request each Person, if any, that has executed a confidentiality agreement in respect of an Alternative Transaction Proposal to return or destroy all information heretofore furnished to such Person or its representatives by or on behalf of Sellers or the Principal and (C) promptly terminate all physical and electronic data access to any data room created by any Seller or any of its Affiliates previously granted to any such Person or its representatives.

7.4. **Restrictive Covenants.**

(a) As a material inducement to the Purchaser's consummation of the transactions contemplated in the Transaction Documents, and in order to assure that Purchaser will realize the benefits of such transactions, the Sellers and the Principal agree as follows:

(i) Principal and each Seller hereby covenants and agrees that it or he shall not (except as expressly permitted by the other provisions of this Section 7.4(a)) during the period commencing on the Closing Date and ending five (5) years after the Closing Date, directly or indirectly, for itself or himself or any Person (A) be a joint venturer, investor, partner, owner, officer, director, member, employee, consultant, agent, participant, profits interest holder, independent contractor of, or lender to, any Person whose business is (1) selling, leasing or servicing any new or used vehicles, the wholesale or retail supply of parts, manufactured by or under license with any manufacturer of vehicles, or (2) the operation of an auto auction or collision center, or (B) enter into any agreement, arrangement or other relationship with Persons involving any of such matters in subclause (A) above, in each case of (A) or (B) anywhere within a one hundred (100) mile radius of any location at which any of the Dealerships was operated as of the Closing Date, or at the location of the Open Point if such related dealership is not open as of the Closing Date;

(ii) Principal and each Seller hereby covenants and agrees that it or he shall not, during the period commencing on the Closing Date and ending two (2) years after the Closing Date, directly or indirectly (1) for the purpose of depriving the Business or any Dealership of business, knowingly induce any Person which was, as of the Closing Date, a previous customer of the Business or a Dealership, or as of the date in question is currently a customer of the Business or a Dealership to cease to patronize any of the Dealerships; or (2) request or advise any Person who was, as of Closing, a customer or vendor of the Business or a Dealership to withdraw, curtail or cancel any such customer's or vendor's business such Dealership; *provided, however*, the foregoing shall not apply to (A) providing services to such customers of the Dealership who respond to general advertising when such advertising was conducted without the benefit of any Transferred Records; *provided*, *further*, that in no event will a Seller or Principal be permitted to use an announcement or fact that the transactions hereunder have been consummated in or as advertising to intentionally influence or attempt to influence customers to cease patronizing a Dealership, provided, that, the fact an announcement occurs or the fact that the transaction contemplated hereunder have been consummated shall not in and of itself be deemed a violation of this Section 7.4, or (B) providing services to such customers of the Dealership who contact any business of Principal on their own initiative.

Notwithstanding the provisions in Sections 7.4 to the contrary, the beneficial ownership of less than two percent (2%) of the shares of stock of any corporation having a class of equity securities actively traded on a national securities exchange or over-the-counter market, with no other involvement for or on behalf of such corporation or its affiliates shall not be deemed to violate the prohibitions of this Section 7.4. Further, notwithstanding the provisions in Sections 7.4 to the contrary, none of the following shall be deemed to violate the prohibitions of Section 7.4(a) so long as Seller or the Principal is not in violation of Section 7.4(a)(ii) in connection with the conduct of any of the following: (i) owning, operating, managing and otherwise dealing with any of the dealerships or assets or investments listed on **Schedule 7.4.** (collectively, the "***Other Owned Dealerships***"), (ii) selling or otherwise disposing of any Excluded Assets (including, but not limited to, the Retained Used Vehicles and Nonconforming Parts and Accessories), (iii) the ownership of passive interests of no more than ten percent (10%) in any business in which Principal or Seller does not organize, solicit capital for, serve as an investment manager for, or otherwise have direct supervisory or administrative rights to manage the business of, (iv) owning, managing and otherwise investing in, financing, providing consulting services to, or otherwise participating in any business enterprise that provides support services (such as, by way of example, logistics and matching sellers and buyers of vehicles generally) to any business engaged in selling, leasing, or servicing new or used vehicles, the wholesale or retail supply of parts, or the operation of any auto auction or collision center nor (v) leasing to, or serving as a landlord to, any Person, including, without limitation, any Person whose business includes selling, leasing, or servicing new or used vehicles, the wholesale or retail supply of parts, or the operation of any auto auction or collision center, so long as the lessor or landlord does not have a compensation arrangement with the tenant based on the performance of the tenant.

(b) During the period commencing on the Closing Date and ending two (2) years after the Closing Date, (1) no Seller, Seller Affiliate or the Principal shall, directly or indirectly, solicit for employment or other engagement, or employ or otherwise engage, any Person who is or was, within twelve (12) months of the date of employment, employed by the Business or any Dealership or was employed by any Affiliate of Sellers and working for the Business or at any Dealership; provided, that, nothing in this Section 7.4(b) shall apply to any of the Excluded Employees, and (2) neither Purchaser, nor any Affiliate of Purchaser, shall, directly or indirectly, solicit for employment or other engagement, or employ or otherwise engage, any of the Excluded Employees or any Person who is or was, within twelve (12) months of employment by Purchaser or any Affiliate of Purchaser, employed by any owner of any of the Other Owned Dealerships. Notwithstanding the foregoing restrictions in this Section 7.4(b), nothing shall prohibit the use of general advertisement or job postings, so long as those are not specifically targeted towards an employee who otherwise could not be hired by the

advertising or posting party.

(c) Sellers, Seller Affiliate, Principal and Purchaser agree and acknowledge that the restrictions contained in this Section 7.4 are reasonable in scope and duration and are necessary to protect the other party after the Closing and shall expressly survive Closing. If any provision of this Section 7.4, as applied to any party or to any circumstance, is adjudged by a court to be invalid or unenforceable, the same will in no way affect any other circumstance or the validity or enforceability of the remainder of this Agreement. If any such provision, or any part thereof, is held to be unenforceable because of the duration of such provision or the area covered thereby, the parties agree that the court making such determination shall have the power to reduce the duration and/or area of such provision, and/or to delete specific words or phrases, and in its reduced form, such provision shall then be enforceable and shall be enforced. The parties agree and acknowledge that the breach of any provision of this Section 7.4, may cause irreparable damage to other party and upon breach of any provision of this Section 7.4, such other party shall be entitled to injunctive relief, specific performance or other equitable relief; provided, however, that the foregoing remedies shall in no way limit any other remedies which such other party may have (including, without limitation, the right to monetary damages).

7.5. **Financial Covenants and Cooperation.**

(a) As an accommodation to the Purchaser, each of the Sellers agrees to, and to cause each of their Affiliates to cooperate, in good faith, with respect to Purchaser's efforts to consummate the Debt Financing, including, but not limited to:

(i) participation in a reasonable number of meetings and due diligence sessions with the Debt Financing Sources; provided that neither the Principal nor any officers of the Sellers shall be required to participate in any road show presentations;

(ii) furnishing Purchaser and its Debt Financing Sources, within a reasonable period of time following the written request from Purchaser therefor, the Required Information that is Compliant;

(iii) providing information that is within any Seller's possession or that is reasonably available to any Seller to Purchaser and any of Seller's independent auditors in order to facilitate the cooperation by such Seller's independent auditors with the Debt Financing Sources consistent with such independent auditor's customary practice, including such independent auditor's participation in a reasonable number of drafting sessions, provision of customary "comfort letters" (including customary negative assurance comfort with respect to periods following the end of the latest fiscal year or fiscal quarter for which historical financial statements of the Business are included in any offering memorandum) and customary assistance with the due diligence activities of Purchaser and the Debt Financing Sources (including by participating in a reasonable number of telephonic accounting due diligence sessions), and such independent auditor's provision of customary consents to the inclusion of audit reports in any relevant offering memorandum, registration statements and related government filings;

(iv) to the extent within any Seller's possession or reasonably available to any Seller, provide customary and available information to Purchaser about the Business reasonably requested by Purchaser in connection with the preparation by Purchaser of (1) any customary Rule 144A "high yield" offering memorandum, (2) the syndication documents and materials, including bank information memoranda and (3) materials for rating agency presentations; provided that neither the Principal nor any officers of the Sellers shall be required to participate in any rating agency presentations; and

(v) executing and delivering customary authorization letters and management representation letters to the Sellers' auditors in connection with customary comfort letters (provided that such authorization and representation letters contain no representations and warranties other than as are customary in management representation letters provided by a Person to its auditors in connection with the preparation of audited financial statements) and CFO certificates in the form of Exhibit G attached hereto, with respect to periods following the end of the latest fiscal year or fiscal quarter for which historical financial statements are included in any offering memorandum (it being understood that such CFO certificates may certify only as to financial information at the individual Dealership level and shall not be required to certify as to any consolidation adjustments or aggregation of such financial information), to the extent reasonably requested by Purchaser;

provided, *however,* that in connection with this Section 7.5(a), (x) Sellers' cooperation shall be at Purchaser's written request with reasonable prior notice (which notice describes with reasonable specificity the action being requested), and (y) all reasonable and documented costs incurred by Sellers or any of their Affiliates in connection with such cooperation shall be reimbursed by Purchaser to Sellers upon the earlier of termination of this Agreement or Closing.

(b) Notwithstanding any of the foregoing to the contrary, none of the Sellers, the Principal or their Affiliates or any of their respective personnel, advisors or other representatives shall be required (i) to pay (or agree to pay) any commitment or other fee, provide any indemnities, incur any liability or enter into any agreement with respect to the Debt Financing or (ii) to take any action that (A) would cause (or reasonably be likely to cause) any condition set forth in Article X to not be satisfied or otherwise cause any breach of this Agreement, (B) would reasonably be expected to conflict with or violate such Person's organizational documents or any law, or result in the material
contravention of, a material violation or breach of, or default under, any material contract (other than any contract entered into for a purpose of avoiding such Person's obligations hereunder) or (C) unreasonably interfere with the operation of the Business. No governing body of any Seller or Real Estate Owner (nor any Affiliate of any of them) shall be required to adopt any resolutions approving the agreements, documents or instruments with respect to the Debt Financing. Except for the CFO certificates described in Section 7.5(a)(v), none of the Sellers, the Real Estate Owner nor any of their respective directors, officers, managers, general partners or employees shall be required to execute any documents relating to the Debt Financing, including without limitation, any credit or other agreements, pledge or security documents, certificates, affidavits, letters, legal opinions, or other documents in connection with the Debt Financing (other than any customary authorization and representation letters described above of the customary payoff letters and Lien releases described above). Purchaser shall indemnify, defend and hold harmless each of the Principal, the Sellers, their Affiliates and their respective officers, directors, managers, employees, accountants, consultants, legal counsel, agents or other representatives from and against any and all Losses suffered or incurred by any of them of any type to the extent resulting from the cooperation contemplated by, or from information described in, this Section 7.5, the arrangement of any Debt Financing and any information used in connection therewith, except to the extent that any of the foregoing arises from Fraud, gross negligence or willful misconduct, or the Willful Breach of this Agreement by the Principal, Seller Affiliate or the Sellers, as applicable. Each Seller hereby consents to the use of all of its logos in connection with the Debt Financing, provided that such logos are used solely in a manner that is not intended to, or reasonably likely to, harm or disparage the Sellers or the reputation or goodwill of the Sellers. Notwithstanding any other provision set forth herein or in any other agreement between the Sellers and Purchaser (or their respective Affiliates), the Sellers agree that Purchaser and its Affiliates may share customary projections with respect to the Business with the Debt Financing Sources identified in the Debt Commitment Letter, and that Purchaser, its Affiliates and such Debt Financing Sources may share such information with potential Debt Financing Sources in connection with any marketing efforts in connection with the Debt Financing. Notwithstanding any of the foregoing, except with respect to the provision of the Required Information that is Compliant pursuant to Section 7.5(a)(ii), Seller's breach of this Section 7.5 shall not constitute a material breach for purposes of Section 8.1(a) of this Agreement.

7.6. **Auction Access.** After the Closing, Purchaser shall offer the services of the auction business previously owned by the Sellers, if requested by a Seller, to assist in the sale of any requested Retained Used Vehicles, which services will be provided at the same charges and fees that a Seller incurred in auctioning a vehicle through the auction business prior to the Closing. Any Retained Used Vehicles that a Seller has requested Purchaser provide the auction services can remain on the Real Estate until the fifteenth (15th) day after the first auction after the Closing Date.

7.7. **Knowledge of Seller; Seller Knowledge Parties.** For purposes of this Agreement, the phrase "Seller has received no notice", "Seller has received no written notice" or similar phrase shall mean that neither Principal, Neil Grossman or Rick Stone (collectively, the "***Seller Knowledge Parties***") has received any written notice of the relevant matter, and the phrase "***to Sellers' Knowledge***" or any similar phrase means the current, actual knowledge of the Seller Knowledge Parties, but shall also include the knowledge that any such Seller Knowledge Party would reasonably be expected to have based on his performance of his normal scope of duties with the Sellers performed in accordance with his historical practices; provided, that, except as explicitly set forth in this sentence, such "to Sellers' Knowledge" or any similar phrase shall not include knowledge imputed to any Seller Knowledge Party. Except in the case of claims against Principal for breach of Principal's obligations under this Agreement or claims against Seller or Principal with respect to Fraud by a Seller Knowledge Party, Purchaser waives any right to sue or to seek any personal judgment or claim against Seller Knowledge Parties and such waiver shall expressly survive Closing and any termination of this Agreement (and shall inure to the benefit of and be enforceable by each of Seller Knowledge Parties and may not be amended or modified without the express written consent of each of the Seller Knowledge Parties, which consent may be granted or withheld in their respective sole and absolute discretion).

7.8. **Real Estate Lease – Covenant.** One or more of the Real Estate Leases may contain certain conditions to the right of the tenant thereunder to assign such Real Estate Lease, including conditions that the assignee have a prescribed tangible net worth, as described and defined therein. Purchaser acknowledges that it has reviewed the Real Estate

Leases, is familiar with such conditions and agrees that at Closing the assignee designated by Purchaser to accept the assignment of such Real Estate Leases shall have and provide evidence of the satisfaction of such condition. Further, in regard thereto, Purchaser agrees to cooperate reasonably and in good faith with Seller in regard to responding to information requests regarding Purchaser made by any of the landlords under the Real Estate Leases.

7.9. **Work in Progress.** Following Closing, Purchaser agrees to perform all of the Work in Progress in a good and workmanlike fashion.

7.10. **Office Transition.** Purchaser acknowledges that, notwithstanding any contrary provisions of this Agreement, the executive offices ("***Executive Offices***") of Principal located at 2021 McKinney Drive, Dallas, Texas are leased from a third party, and agrees that notwithstanding any contrary provision of this Agreement: (a) neither such lease, nor any of the furniture, furniture, furnishings, equipment or other property therein shall constitute part of the Purchased Assets but shall instead constitute part of the Excluded Assets, (b) the telephone exchanges and telephone numbers for the telephones and system used therein shall constitute an Excluded Asset, and (c) Purchaser shall, for a reasonable time from and after Closing, cooperate with Principal in the forward of emails intended for Principal, Rick Stone, other Excluded Employees and other occupants of the Executive Offices, as well as the segregation of computers used in the Executive Offices from servers that are acquired by Purchaser as part of the Excluded Assets. The provisions of this paragraph shall expressly survive Closing.

7.11. **Certain Matters Related to Guaranty of a Real Estate Lease.** Purchaser shall use its commercially reasonable efforts to obtain from the lessor under the following Real Estate Lease a release of Principal from its guaranty thereof with regard to liabilities accruing after Closing including, by way of example, offering a creditworthy entity and a substitute or replacement guarantor: Lease Agreement (as amended) between Kings Road Realty, Ltd., as lessee, and, as lessor, Amy Campbell Cole and Henry V. Campbell, III dated January 13, 2005. The provisions of this paragraph shall expressly survive Closing.

7.12. **Representation Update Notice**. Sellers shall have the right to update and amend from time to time prior to Closing any or all of the representations and warranties set forth in this Article III and the Disclosure Schedules in order to account for events or circumstances occurring after the Effective Date; provided, however, that the foregoing right to update and amend: (i) shall not be deemed to permit a Seller, Seller Affiliate or Principal to breach any covenant made by a Seller, Seller Affiliate or Principal herein (nor, except as set forth below, affect or waive any of Purchaser's rights set forth in the other provisions of this Agreement in regard to a Seller's, Seller Affiliate's or Principal's breach under this Agreement); and (ii) shall not affect Purchaser's right to terminate this Agreement pursuant to Section 8.1(a); provided, further, however, that if, without regard to any update or amendment pursuant to this Section 7.12 any of the Sellers' Express Representations are not true and correct in all material (as defined below) respects as of the Closing Date (as further defined below), Purchaser shall be permitted to terminate the Agreement pursuant to Section 8.1(a) regardless of whether the condition in Section 10.1(c) would otherwise be satisfied; provided, further, however, that if Closing does occur, then all matters disclosed pursuant to any such Representation Update Notice at or prior to Closing shall be waived and Purchaser shall not be entitled to make an indemnification claim with respect thereto pursuant to the terms of this Agreement or otherwise; provided, that any Losses that Purchaser suffers that are the result of any breach of Sellers' Express Representations will count towards the Deductible and the determination if such threshold has been met for other indemnification claims against Sellers hereunder. Such updates must be in writing delivered to Purchaser (each, a "***Representation Update Notice*** ") and must conspicuously state that the same is being delivered pursuant to this Section 7.12 and describe the change in reasonable detail; otherwise such update shall not be deemed to have been given. Upon the giving of a Representation Update Notice, the affected representation(s) therein described shall be deemed updated and amended by the information therein subject to the limitations and provisions described above. Solely for purposes of the second proviso of this Section 7.12, a Sellers' Express Representation shall be not correct in all material respects if the inaccuracy or breach of the Sellers' Express Representations is (A) quantifiable and would result in a Loss to Purchaser that is equal to or exceeds $2,000,000, individually or in the aggregate, (B) would otherwise have, or be reasonably likely to have, a Material Adverse Effect on the Business or the reputation of the Business, or (C) is reasonably likely to involve, or reasonably likely to result in, an injunction proceeding involving Purchaser related to the operation of the Business, as a whole.

7.13. **Terminated Assumed Contracts**. To the extent between the Effective Date and the Closing Date Purchaser desires that a Seller terminate an Assumed Contract (each a "***Terminated Assumed Contract*** "), Purchaser shall notify such Seller in writing thereof, and such Seller shall use reasonable efforts to cause such Terminated Assumed Contract to be terminated prior to the Closing; *provided, however*, that in each such case Purchaser shall be responsible for, and shall indemnify and hold harmless the Seller Indemnified Parties from and against, all Losses in connection with the termination of any Terminated Assumed Contract.

7.14. **List of Punched Vehicles**. At Closing, each Seller shall deliver to Purchaser a true, accurate and complete schedule that lists all New Vehicles that have been "punched" by such Seller, such schedule to be certified by an officer of Seller on its behalf (each, a "***Punched Vehicle Certificate***").

7.15. **Park Place**. Notwithstanding the sale to Purchaser of all of Sellers' respective rights and interests in the name "Park Place", with regard to the Other Owned Dealerships, the Affiliates of Sellers that own the Other Owned Dealerships may, for a period of up to one hundred eighty (180) days following Closing, continue to display signs at such Other Owned Dealerships that reflect the name "Park Place". Seller shall cause such Affiliates to remove (or cause such name to be removed or covered if such signs have not been removed) the name "Park Place" from such signs, or replace such signs, no later than the one hundred eightieth (180th) day following Closing. Furthermore, promptly following Closing, Sellers shall (and shall cause all Affiliates to) amend their respective certificates of formation in a manner that removes the name "Park Place" therefrom. The provisions of this paragraph shall expressly survive Closing.

ARTICLE VIII.
TERMINATION OF THIS AGREEMENT

8.1. **Termination Events.** This Agreement may be terminated at any time prior to the Closing as follows:

(a) by Purchaser if any Seller, Seller Affiliate or Principal is in material breach of any provision of this Agreement (other than a breach of Section 7.5) or any Real Estate Owner is in breach of the Real Estate PSA such that, in either case, the conditions set forth in Section 10.1 are not satisfied, and such breach is either (A) not capable of being cured prior to the Closing Date Deadline or (B) if curable, has not been cured or waived within the earlier of (1) fifteen (15) days after Sellers' receipt of written notice thereof from Purchaser and (2) five (5) business days prior to the Closing Date Deadline;

(b) by Sellers if Purchaser is in material breach of any provision of this Agreement or the Real Estate PSA such that, in either case, the conditions set forth in Section 10.2 are not satisfied and such breach is either (A) not capable of being cured prior to the Closing Date Deadline or (B) if curable, has not been cured or waived within the earlier of (1) fifteen (15) days after Purchaser's receipt of written notice thereof from Sellers and (2) five (5) business days prior to the Closing Date Deadline;

(c) by Purchaser or Sellers if the Closing has not occurred on or before April 15, 2020 ("***Closing Date Deadline***"); provided, further, that if (i) the Marketing Period shall have begun but not been completed by the Closing Date Deadline, then Purchaser may elect to extend the Closing Date Deadline to the last day of the Marketing Period, or (ii) if all conditions to closing have been satisfied other than the condition in Section 10.1(b), Purchaser may extend the Closing Date Deadline; *provided, however*, that in no case shall the Closing Date Deadline extend beyond April 30, 2020;

(d) by mutual, written consent of Purchaser and Sellers;

(e) by Purchaser or Sellers if there shall be in effect a final, nonappealable order of a Governmental Authority having competent jurisdiction prohibiting the consummation of the Closing;

(f) by Purchaser in the event of (i) a Willful Breach of Section 7.3 by the Principal or any Seller or (ii) a failure by Sellers to consummate the transactions contemplated hereby when required to do so after the applicable conditions to the Closing set forth in Article X have been satisfied or waived (except those conditions that by their nature are to be satisfied at the Closing, and which conditions would be capable of being satisfied at the time of such failure to consummate the transactions contemplated hereby);

(g) by Purchaser in the event of a Willful Breach by the Principal, Seller or Seller Affiliate of any of their respective covenants or obligations set forth in this Agreement to be performed prior to Closing (other than (i) those contained in Section 7.3 and (ii) the obligation to consummate the transactions contemplated hereby when required to do so); or

(h) by Purchaser, by giving notice to Sellers that it has elected (i) not to close the transactions contemplated herein, even though it is otherwise contractually committed to do so, and (ii) to provide Sellers with the Earnest Money under the terms and conditions set forth in Section 8.3;

provided, *however*, no party may terminate this Agreement pursuant to Section 8.1(a), 8.1(b) or 8.1(c) above if, in the case of Sellers, they, Seller Affiliate or the Principal are in material breach of any of their respective covenants or Sellers' Express Representations, or in the case of Purchaser, it is in material breach of any of its covenants,

representations or warranties hereunder.

8.2. **Effect of Termination; Procedures.** In the event of termination of this Agreement by Purchaser or Sellers, or both, pursuant to Section 8.1, written notice thereof shall be given to the other parties, and this Agreement shall terminate without further action by any other party. If this Agreement is validly terminated pursuant to Section 8.1, all obligations of the parties under this Agreement will terminate, except that the Termination Survival Obligations will survive, and that certain Non-Disclosure Agreement, dated October 1, 2019, between Asbury Automotive Group, Inc., Sellers and certain of its Affiliates will remain in full force and effect; *provided*, *however*, that, except for the limitations set forth in Section 8.3, nothing herein is intended or shall be construed to limit the liability of any party if such termination results from such party's Willful Breach. For purposes of this Agreement, "***Willful Breach***" by the Sellers or the Principal means an act or omission by any Seller or the Principal, with the actual knowledge of any Seller Knowledge Party that the taking of such act or failure to take such act would breach a covenant of the Sellers or their Affiliates set forth in the Transaction Documents to be performed prior to Closing in a manner that would reasonably be expected to result in the failure of a closing condition set forth in Section 10.1 or Section 10.2.

8.3. **Sellers' Remedies.**

(a) If this Agreement is terminated, Sellers shall be entitled to the Earnest Money to the extent provided in Section 5.2. If Sellers are entitled to the Earnest Money as so provided in Section 5.2, it is understood and agreed to by Sellers, Seller Affiliate and the Principal that (i) in no event shall Asbury, Purchaser or their respective Affiliates be required to pay or cause to be paid any other amounts to Sellers, Seller Affiliate or the Principal with respect to the failure to close or otherwise consummate the transactions contemplated in the Transaction Documents, and (ii) except for the express indemnification obligations of Purchaser set forth in Section 5.2 in the Real Estate PSA, Asbury, Purchaser and their respective Affiliates shall have no further liability with respect to the Transaction Documents or the transactions contemplated hereby or thereby to any Seller, Seller Affiliate or Principal or any other Person claiming by under or through any Seller, Seller Affiliate or Principal (whether at law, in equity, in contract, in tort or otherwise), and none of the Sellers, Seller Affiliate or the Principal nor any other Person claiming by under or through any Seller, Seller Affiliate or Principal shall have any claim or recourse against any Person in the Asbury Group or any other Person as a result of the breach of any representation, warranty, covenant or agreement contained herein or otherwise arising out of or in connection with the transactions contemplated by the Transaction Documents. For purposes hereof, "***Asbury Group***" shall mean Asbury, Purchaser, and each of their respective former, current or future holders of any equity, partnership or limited liability company interests, controlling persons, directors, officers, employees, agents, attorneys, Affiliates, members, managers, general or limited partners, stockholders or assigns.

(b) Notwithstanding anything in this Agreement to the contrary, in the event that Asbury or Purchaser fails to effect the Closing for any reason or no reason, terminates this Agreement pursuant to any provision of Article VIII, or any of them otherwise breaches this Agreement prior to the Closing (or any representation, warranty or covenant hereof) (whether willfully, intentionally, unintentionally or otherwise) or otherwise fails to perform hereunder prior to the Closing (whether willfully, intentionally, unintentionally or otherwise), then the Sellers' right to receive the Earnest Money pursuant to Section 5.2 shall be the sole and exclusive remedy (whether at law, in equity, in contract, in tort or otherwise) of the Sellers, Seller Affiliate, the Principal, and any former, current or future, direct or indirect, equityholder, director, officer, employee, agent, representative, Affiliate or assignee of any of them against any member of the Asbury Group, for any Losses suffered as a result of any breach of any representation, warranty, covenant or agreement (whether willfully, intentionally, unintentionally or otherwise) in this Agreement or failure to perform under this Agreement (whether willfully, intentionally, unintentionally or otherwise) or other failure of the transactions contemplated in the Transaction Documents (whether willfully, intentionally, unintentionally or otherwise). Notwithstanding anything in this Agreement to the contrary, Sellers, Seller Affiliate and Principal explicitly waive (i) any rights to a claim of, and they agree that they will not seek any relief based on, the alleged, bad faith of Purchaser or any member of the Asbury Group or the failure to act in good faith by any of them in refusing or failing to consummate the Closing hereunder, and (ii) any rights to, and agree that they will not seek, specific performance, an injunction or any other form of equitable relief to cause Purchaser to complete the Closing, including, in each case, for the avoidance of doubt, in the instance of a termination pursuant to Section 8.1(h).

(c) The parties each acknowledge that the agreements contained in this Section 8.3 are an integral part of the transactions contemplated by the Transaction Documents and that, without these agreements, Purchaser, Sellers, the Principal and the Seller Affiliate would not enter into this Agreement. Purchaser stipulates and agrees that any amounts payable pursuant to this Section 8.3 do not constitute a penalty but constitute payment of liquidated damages and that the Sellers', Seller Affiliate's and Principal's liquidated damages amount is reasonable in light of the substantial but indeterminate harm anticipated to be caused by Purchaser's breach or default under this Agreement, the difficulty of proof of loss and damages, the inconvenience and non-feasibility of otherwise obtaining an adequate remedy, and the value of the transactions to be consummated hereunder.

(d) The provisions of Section 8.3 are intended to be for the benefit of, and shall be enforceable by, each Seller, the Seller Affiliate, the Sellers Group, the Principal, Purchaser and the Asbury Group.

8.4. **Purchaser's Remedy.**

(a) If this Agreement is terminated, Purchaser shall be entitled to a return of the Earnest Money to the extent provided in Section 5.2; *provided*, that Purchaser shall have the right to seek specific performance of Sellers', Seller Affiliate's and Principal's obligations under this Agreement or other Transaction Documents as set forth in Section 8.5; *provided*, *further*, that, if Purchaser fails to notify Sellers, Seller Affiliate and Principal of its intent to initiate a suit for specific performance to cause the Closing to occur within sixty (60) days following Purchaser's awareness of a breach by any Seller, Seller Affiliate or Principal, then Purchaser shall be deemed to have waived the right to seek or obtain such specific performance, but shall have, subject to the limitations set forth in this Section 8.4, any other remedies available to address such breach (including, if the Closing occurs, its right to seek indemnification pursuant to Article XII); *provided*, *further*, that, in the event of a termination of this Agreement or other Transaction Documents, remedies other than specific performance shall only be available against Sellers, and neither the Principal nor the Seller Affiliate will have Liability to Purchaser, absent the existence of Fraud by the Principal or such Seller Affiliate. Notwithstanding anything in this Agreement to the contrary, except in the case of a Willful Breach or Fraud by a Seller, Seller Affiliate or Principal, in the event that Purchaser has the right to terminate and does terminate this Agreement, then the right to terminate this Agreement (and receive a refund of the Earnest Money) shall be the sole and exclusive remedy (whether at law, in equity, in contract, in tort or otherwise) of Purchaser, and any former, current or future, direct or indirect, equityholder, director, officer, employee, agent, representative, lender, Affiliate or assignee of any of them, against any member of the Sellers Group for any Losses suffered as a result of such breach. Without limiting the remedies available to Purchaser under Section 8.5, in the event of Fraud or a Willful Breach by Sellers, Seller Affiliate or the Principal that is the basis for a termination of this Agreement, if Purchaser terminates this Agreement, Purchaser shall be entitled to pursue the remedies described in Sections 8.4(b) through (d); *provided* that if Purchaser obtains specific performance to effect the Closing and the Closing actually occurs, Purchaser shall not be entitled to the Non-Solicit Termination Fee or the Other Covenants Termination Fee. For purposes hereof, "***Sellers Group***" shall mean the Sellers, the Seller Affiliate, the Principal and each of their respective former, current or future holders of any equity, partnership or limited liability company interests, controlling persons, directors, officers, employees, agents, attorneys, Affiliates, members, managers, general or limited partners, stockholders or assigns.

(b) Without limiting the generality of the other provisions of this Section 8.4, if this Agreement is terminated (i) by Purchaser pursuant to Section 8.1(f) or (ii) by Sellers pursuant to Section 8.1(b) or Section 8.1(c) at a time when Purchaser had the right to terminate this Agreement pursuant to Section 8.1(f), Sellers shall pay to Purchaser an amount in cash equal to $[***] (the "***Non-Solicit Termination Fee***"), by wire transfer (to an account designated by Purchaser) in immediately available funds, (A) in the case of clause (i) of this Section 8.4(b), within two (2) business days after such termination and (B) in the case of clause (ii) of this Section 8.4(b), within two (2) business days following Purchaser's demand therefor following termination of this Agreement by Sellers.

(c) Without limiting the generality of the other provisions of this Section 8.4, if this Agreement is terminated (i) by Purchaser pursuant to Section 8.1(g) or (ii) by Sellers pursuant to Section 8.1(b) or Section 8.1(c) at a time when Purchaser had the right to terminate this Agreement pursuant to Section 8.1(g), Sellers shall pay to Purchaser an amount in cash equal to $[***] (the "***Other Covenants Termination Fee***"), by wire transfer (to an account designated by Purchaser) in immediately available funds, (A) in the case of clause (i) of this Section 8.4(c), within two (2) business days after such termination and (B) in the case of clause (ii) of this Section 8.4(c), within two (2) business days following Purchaser's demand therefor following termination of this Agreement by Sellers; *provided*, *however*, that the Other Covenants Termination Fee shall not be payable if the basis for termination under Section 8.1(g) is (or would have been) solely the result of a Willful Breach of Section 7.5(a)(iv).

(d) If Sellers fail to pay in a timely manner any amount due pursuant to this Section 8.4, and, in order to obtain such payment, Purchaser commences an Action that results in a judgment against Sellers requiring them to pay the Non-Solicit Termination Fee or Other Covenants Termination Fee, Sellers shall pay to Purchaser interest on such amount from and including the date payment of such amount was due to but excluding the date of actual payment at the prime rate set forth in the *Wall Street Journal* in effect on the date such payment was required to be made, together with reasonable, documented, out of pocket legal fees and expenses incurred by Purchaser or its Affiliates in connection with such Action.

(e) Without prejudice to, or limitation of, Purchaser's rights with respect to claims of Fraud, the parties agree that payment of the Non-Solicit Termination Fee or the Other Covenants Termination Fee, as applicable, is compensation for the cost, resource and opportunity to be committed by Purchaser in connection with the transactions contemplated hereby, and from and after such termination and payment of the Non-Solicit Termination Fee or the Other Covenants Termination Fee, as applicable, the Principal,

the Seller Affiliate, the Sellers and the Sellers Group shall have no further liability of any kind for any reason to any Person in connection with this Agreement or the termination contemplated hereby (other than as provided under Section 8.4(d)).

(f) The parties each acknowledge that the agreements contained in this Section 8.4 are an integral part of the transactions contemplated by the Transaction Documents and that, without these agreements, Purchaser, Sellers, Seller Affiliate and Principal would not enter into this Agreement. Sellers stipulate and agree that any amounts payable pursuant to this Section 8.4(b) or (c), as applicable, do not constitute a penalty but constitute payment of liquidated damages and that such liquidated damages amount is reasonable in light of the substantial but indeterminate harm anticipated to be caused as a result of the termination of this Agreement under circumstances giving rise to Sellers' obligations to pay the sums due under, as applicable, Section 8.4(b) or (c), the difficulty of proof of loss and damages, the inconvenience and non-feasibility of otherwise obtaining an adequate remedy, and the value of the transactions to be consummated hereunder. Purchaser, Sellers, the Principal and Seller Affiliate acknowledge and agree that the Seller Knowledge Parties have reviewed with counsel the Sellers' Express Representations and covenants contained in this Agreement and each other Transaction Documents, and shall be deemed to understand the meanings of such Sellers' Express Representations and covenants.

(g) For the avoidance of doubt, the obligations of Sellers' to pay the Non-Solicit Termination Fee or the Other Covenants Termination Fee are mutually exclusive, and in no event shall Sellers ever be obligated to pay both.

(h) The provisions of Section 8.4 are intended to be for the benefit of, and shall be enforceable by, each Seller, the Seller Affiliate, the Principal, the Sellers Group, Purchaser and the Asbury Group.

8.5. **Specific Performance.** The parties agree that irreparable damage would occur and that the parties would not have any adequate remedy at law in the event that any provision of this Agreement or other Transaction Documents were not performed in accordance with its specific terms or were otherwise breached, and that money damages or other legal remedies would not be an adequate remedy for any such failure to perform or breach. Accordingly, except as provided in Section 8.3 and Section 8.4, the parties acknowledge and agree that in the event of any breach or threatened breach by Sellers, Seller Affiliate or Principal, on the one hand, or Purchaser, on the other hand, of any of their respective covenants or obligations set forth in this Agreement or other Transaction Documents, Purchaser, on the one hand, and Sellers, Seller Affiliate and/or Principal, on the other hand, shall be entitled to seek an injunction or injunctions to prevent or restrain breaches or threatened breaches of this Agreement or other Transaction Documents by the other (as applicable), and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants or obligations of the other (as applicable) under this Agreement or other Transaction Documents, without proof of actual damages or inadequacy of legal remedy and without bond or other security being required. Notwithstanding the foregoing, Sellers, Seller Affiliate and Principal explicitly waive any rights to, and agree they will not seek, specific performance, an injunction or any other form of equitable relief to cause Purchaser to complete the Closing.

8.6. **Survival.** The provisions of this Article VIII shall survive the termination of this Agreement (and, as such, constitute a Termination Survival Obligation).

ARTICLE IX.
SUPPLEMENTAL AGREEMENTS

9.1. **Limitation on Assignments.** The provisions of this Section 9.1 shall not apply to any Seller's Dealer Agreement with the applicable Manufacturer, a Seller's Loaner Agreement or any other agreement between a Seller and the applicable Manufacturer with regard to any Dealership. Subject to the preceding sentence hereof but notwithstanding any other contrary provision of this Agreement, the Closing shall not be conditioned upon requiring an assignment to Purchaser of any of the Assumed Contracts not identified in Section 10.1(k) if an attempted assignment of the same without the consent of the counterparty to the respective Seller thereto is not permitted or would constitute a breach thereof or a violation thereof (each, a "***Consent Required Contract***"). Sellers agree to cooperate with Purchaser in obtaining such consents; *provided*, *however*, in no event shall a Seller, the Seller Affiliate or the Principal or any of their respective Affiliates be required to pay any fees to the third party to obtain such consent. If by the date scheduled for Closing hereunder Purchaser has not received consents to the transfer of any Consent Required Contract the terms of the following provisions of this Section 9.1 shall govern the transfer of the benefits of each such contract. For a period of twelve (12) months after Closing, Sellers and Purchaser shall use commercially reasonable efforts to obtain any required consent to the assignment to, and assumption by, Purchaser of each Consent Required Contract that is not transferred to Purchaser at the Closing (each, a "***Nonassigned Contract***"). With respect to the Nonassigned Contracts that are not assignable by the terms thereof or in connection with which consents to the assignment thereof have not been obtained as of the date scheduled for Closing, such Nonassigned Contracts shall be held by Sellers in trust for Purchaser with respect to the Respective Business (but not any other properties or facilities that may be the subject thereof) and shall be performed by Purchaser in the name of such Seller, at Purchaser's sole cost, risk, and expense, and all benefits and obligations derived thereunder with respect to the Respective Business shall be for the account of Purchaser; provided, however, that where entitlement of Purchaser to such Nonassigned Contracts hereunder is not recognized by any third party, Sellers shall, at the request of Purchaser, enforce in a reasonable manner, at the cost of and for the account of Purchaser, any and all rights of Sellers against such third party. Purchaser shall indemnify, defend and hold such Seller from and against any and all claims, suits, demands, liabilities, costs or expenses suffered or incurred by such Seller arising out of, directly or indirectly, Purchaser's performance or failure to perform any obligation, duty or liability in connection with such Nonassigned Contracts arising from and after Closing with respect to the Respective Business. The post-Closing obligations of Sellers and Purchaser (including, without limitation, Purchaser's indemnification obligations set forth in this Section 9.1) set forth in this Section 9.1 shall survive Closing.

9.2. **New Telecommunications Lines.** Sellers shall afford to Purchaser and its employees and subcontractors, on reasonable prior notice, reasonable access before Closing to the Real Estate for the purpose of installing communications (including voice and data transmission) lines which in Purchaser's reasonable judgment are necessary to allow Purchaser, immediately after Closing, to connect those premises and the computer systems, networks and data bases in them to Purchaser's computer systems, network and wide area network; provided, however, that (i) such installation shall be subject to Sellers' prior written approval, such approval not to be unreasonably withheld, (ii) Purchaser shall not use the new communications lines before the Closing, other than for testing purposes, without Sellers' prior written consent, and (iii) Purchaser shall be solely responsible for all costs and expenses of such installation and shall indemnify, defend and hold the Sellers harmless therefrom; provided further, however, that if this Agreement is terminated for any reason, Purchaser shall promptly, but in no event later than thirty (30) days after such termination, remove the new communications lines at Purchaser's sole cost and expense. Purchaser's installation and, if applicable, removal of the new communications lines shall be done in a manner that does not unreasonably interfere with or interrupt the Sellers' operations.

9.3. **Retail Orders.** On the Closing Date, the Sellers shall turn over to Purchaser all unfulfilled retail orders and customer deposits attributable thereto, held by Seller as of the Closing Date, and Purchaser shall assume such retail orders and responsibility to the customer for making future delivery of any vehicle covered by the orders (each of such retail orders shall constitute part of the Assumed Contracts). Purchaser's obligations under this Section 9.3 shall expressly survive Closing.

9.4. **Allocation of Purchase Price.** The aggregate purchase price for income Tax purposes shall be allocated among the various assets in the manner determined or set forth in Section 1.4 ("***Purchase Price Allocation***") for the purposes of §1060 of the Internal Revenue Code of 1986, as amended (the "***Code***"). Attached hereto as **Exhibit A** is a pro forma Purchase Price Allocation among the various classes of assets established under Section 1060, and the Purchaser and each Seller agrees that each shall record the agreed upon asset Purchase Price Allocation on the 1060 Form consistent with **Exhibit A**. Purchaser and each Seller agrees that each of them will timely file Form 8594 with the Internal Revenue Service and that all Tax Returns or other Tax information any party hereto files or causes to be filed with any Governmental Authority, including, without limitation, the Internal Revenue Service, will be prepared in a manner that is consistent with the Purchase Price Allocation. Purchaser and each Seller further agrees that each of them will complete and submit to the other a copy of the Form 8594 they plan on filing with the Internal Revenue Service prior to actually filing same with the Internal Revenue Service.

9.5. **Prorations; Capital Improvements Work.**

(a) All personal property Taxes on the Purchased Assets which are not covered by the VIT for the current year shall be prorated to the Closing Date. All rent and all other charges under the Real Estate Leases shall be prorated to the Closing Date. At Closing, Purchaser shall pay rent under the Post Closing Leases for the month (pro rated, if applicable) in which Closing occurs. At Closing, each Seller and Purchaser shall execute and deliver an agreement addressing the responsibility for the payment of the "VIT" in substantially the form attached hereto as **Exhibit B** (collectively, the "***VIT Agreements***"). All utilities and similar operating expenses of the Business for the month of Closing will be prorated and adjusted between Purchaser and the applicable Seller as of the Closing Date based on a thirty (30) day month. Purchaser shall reimburse Sellers at Closing for all prepaid expenses, deposits and advance payments assigned to Purchaser at Closing as part of the Purchased Assets.

(b) Reference is here made to the provisions of the Real Estate PSA with regard to Capital Improvements Work. The parties agree that, to the extent of any conflict between the terms and provisions of this Agreement and the Real Estate PSA with respect to Capital Improvement Work, the terms and provisions of the Real Estate PSA shall control.

9.6. **Information Releases.** The parties agree that, except to the extent necessary to comply with the requirements of Applicable Law or any listing agreements with, or rules and regulations of, securities exchanges, no press release or similar public announcement or communication will ever, whether prior to or subsequent to the Closing, be made or caused to be made concerning the existence or subject matter of this Agreement unless approved in advance by the parties in writing; provided, that with respect to any press release or similar public announcement or communication for which advance approval is not required in accordance with the foregoing, to the extent practicable, reasonable notice and a copy of such release, announcement or communication will be provided to Purchaser or Sellers, as applicable, prior to issuing the same. Notwithstanding any provision to the contrary contained in this Agreement, the provisions of this Section 9.6 will survive the termination of this Agreement pursuant to Article VIII and the Closing.

9.7. **Business Records.** Purchaser shall retain all Transferred Records for a period not less than seven (7) years after the Closing Date. Sellers and Sellers' representatives may, prior to Closing make copies of, and after Closing have access to review and copy such information during Purchaser's regular business hours if such information is in Sellers' judgment reasonably necessary to wind up Sellers' business affairs, to pursue, investigate or defend any suit, claim, investigation or proceeding, to comply with any applicable law or for any other business purpose. Notwithstanding anything to the contrary above during such seven (7) year period, Purchaser may dispose of any Transferred Records which are offered in writing to, but not accepted by Sellers within a reasonable time following such written offer. Sellers shall remove all Retained Records from the Real Estate within one hundred twenty (120) days after the Closing Date.

9.8. **Transfer Tax.** Sellers shall pay at the Closing all sales and other transfer Taxes arising out of the transfer of the Purchased Assets hereunder.

9.9. **Manufacturer Notification and Approval Process.** Purchaser shall submit (after consultation with Sellers with regard to the timing for submittal of) the completed application to the Manufacturers as soon as reasonably practicable after the Effective Date in accordance with the terms and conditions of Section 2301.359 of the Texas Occupations Code and as otherwise required by the Manufacturers. Purchaser shall continuously use reasonable efforts to obtain the each Manufacturer's approval as contemplated by Section 10.1(a) herein.

9.10. **Post-Closing Cooperation.** Purchaser shall cooperate in good faith with Sellers following Closing with regard to forwarding to Sellers' Representative of mail and other correspondence received at the Business following Closing that is addressed to, or intended for delivery to, a Seller.

9.11. **HSR Filing.**

(a) Upon the terms and subject to the conditions of this Agreement, Purchaser and the Sellers shall, and the Principal shall cause the Sellers to, make such filings as may be required by the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("***HSR Act***"), with respect to the transactions contemplated by this Agreement as promptly as practicable, and in any event on or prior to January 6, 2020, which filing shall include a request for early termination of the applicable waiting period. Thereafter, the parties shall supply as promptly as practicable and advisable to the appropriate Governmental Authorities any additional information and documentary material that may be requested, necessary, proper or advisable pursuant to the HSR Act. All such filings to be made shall be made in substantial compliance with the requirements of the HSR Act. Purchaser and Sellers shall share equally responsibility for the payment of any and all filing fees due under the HSR Act with respect to all such filings.

(b) The parties hereto shall cooperate and assist one another in connection with all actions to be taken pursuant to this Section 9.11, including the preparation and making of the filings referred to therein and, if requested, amending or furnishing additional information thereunder. Each party shall use its commercially reasonable efforts to provide or cause to be provided promptly to the other party all necessary information and assistance as any Governmental Authority may from time to time require in connection with obtaining the expiration or termination of waiting periods in relation to these filings or in connection with any other review or investigation of the transactions contemplated by this Agreement by a Governmental Authority. The parties shall consult with each other prior to taking any material substantive position with respect to the filings under the HSR Act, in any written submission to, or, to the extent practicable, in any discussions with, any Governmental Authority. Each party shall permit the other party to review and discuss in advance, and shall consider in good faith the views of the other party in connection with, any analyses, presentations, memoranda, briefs, written arguments, opinions, written proposals or other materials to be submitted to the Governmental Authorities with respect to such filings. In addition, neither party shall agree to participate in any substantive meeting or discussion with any Governmental Authority in respect of any filing, review, investigation or other inquiry concerning this Agreement or the transactions contemplated hereby, or enter into any agreement with any Governmental Authority, including, without limitation, extending any antitrust waiting period, unless it consults with the other party in advance, and to the extent permitted by such Governmental Authority, gives the other party the opportunity to attend and participate thereat. Each party shall keep the other apprised of the material content and status of any material communications with, any Governmental Authority with respect to the transactions contemplated by this Agreement, including promptly notifying the other party of any material communication it receives from any Governmental Authority relating to any review or investigation of the transactions contemplated by this Agreement under the HSR Act. The parties shall, and shall cause their respective Affiliates to use their commercially reasonable efforts to, provide each other with copies of all material, substantive correspondence, filings or communications between them or any of their respective representatives, on the one hand, and any Governmental Authority or members of its staff, on the other hand, with respect to this Agreement and the transactions contemplated by this Agreement; provided, however, that materials may be redacted (i) to remove any references to valuation; (ii) as necessary to comply with contractual arrangements or Applicable Laws; and (iii) as necessary to address reasonable attorney-client, work product or other privilege or confidentiality concerns.

9.12. **Manufacturer Right of First Refusal.** The parties' obligations under this Agreement and all transactions contemplated herein are subject to each Manufacturer's right of first refusal, option to purchase, preemptive right or other similar right under the dealers sales and service agreement of the respective Seller and related to the Respective Business. If the approval of the Manufacturer with respect to Mercedes-Benz of Arlington is not received, or if the Manufacturer exercises a right of first refusal, option to purchase or preemptive right with respect to the applicable Respective Business, then the parties agree that the Purchased Assets with respect to such Respective Business shall be excluded from the transactions contemplated in the Transaction Documents (with such assets becoming Excluded Assets hereunder). Upon the occurrence of such event, the Asset Purchase Price shall be adjusted to reflect the exclusion of those assets of PPMB Arlington LLC that were to be sold by such Seller hereunder, including the reduction of the Asset Purchase Price to reflect exclusion of those assets and that portion of the Asset Purchase Price set forth in Section 1.4(a)(vii) shall also be reduced by Twenty Million and No/100 Dollars ($20,000,000.00).

9.13. **Gramm-Leach-Bliley Act Compliance.** Purchaser shall bear full responsibility for providing any notice required under the Gramm-Leach-Bliley Act ("***GLB Act***") with respect to the transactions contemplated by this Agreement and comply with the GLB Act with respect to any information sold as part of the Purchased Assets that is subject to the GLB Act.

9.14. **Insurance Matters.** From and after the Closing Date, the Purchased Assets shall cease to be insured by the insurance policies held by Sellers or their Affiliates, or by any of their self-insured programs (collectively, the "***Seller Insurance Policies***"). Except as expressly set forth in the Real Estate PSA with regard to certain proceeds of insurance in the case of a casualty or in Section 12.9, neither Purchaser nor its Affiliates shall have any access, right, title or interest to or in the Seller Insurance Policies (including to all claims and rights to make claims and all rights to proceeds) to cover the Dealership, the Real Estate or any Purchased Asset. Without limiting the foregoing, Sellers and their Affiliates may, to be effective as of the Closing, amend any insurance policies in the manner they deem appropriate to give effect to this Section 9.14. From and after the Closing, Purchaser shall be responsible for securing all insurance it considers appropriate for its ownership and operation of the Dealership and the Purchased Assets and assumption of the Assumed Liabilities. Purchaser further covenants and agrees not to seek to assert or to exercise any rights or claims of Sellers under or in respect of any past or current Seller Insurance Policies.

9.15. **Continuing Use Agreement.** Except as set forth in this Section 9.15, no Seller shall relinquish its motor vehicle dealer licenses and/or dealer numbers with any Governmental Authority at, on or after the Closing Date. The Sellers acknowledge and agree that at the end of the interim period provided in the Continuing Use Agreement, Purchaser shall file, on behalf of the applicable Seller, the customary documentation necessary to relinquish the respective Dealership's motor vehicle dealer licenses and dealer numbers with the appropriate Governmental Authority in the State of Texas and the Sellers shall provide commercially reasonable efforts to cooperate with Purchaser with respect to such filing.

9.16. **Property Condition Assessments; Environmental Matters.**

(a) Property Condition Assessments. Sellers acknowledge that Purchaser has conducted a property condition assessment with respect to the Real Estate, and the results of those assessments have been shared with Sellers. Sellers covenant and agree that they will use commercially reasonable efforts to address the items set forth in the assessment report prior to Closing.

(b) Environmental Matters. As a result of Purchaser's environmental due diligence, it has been discovered that the Affected Properties might benefit from a municipal settings designation ("***MSD***") or already have a City MSD but no such designation at the State of Texas level as of yet. Sellers covenant and agree to cooperate with Purchaser in the pursuit of an MSD for any of the Affected Properties, or the obtaining of a State MSD for those Affected Properties that already have a City MSD.

Such cooperation will include making filings or providing information that is needed in connection with the obtaining of the MSD; provided, however, that such cooperation will be at Purchaser's cost. This covenant will survive the Closing.

9.17. **Luxury Showcase.** After the Closing, Principal and Sellers shall cause their Affiliates to offer to Purchaser the ability to participate in that certain showcase known as the Luxury and Supercar Showcase, with such participation being on the same terms and conditions as the Respective Businesses participated historically in such event. Further, so long as Purchaser is being provided the opportunity to participate as provided herein, the Seller owning the trademarks set forth on **Schedule 1.2, item 8**, shall be permitted to use those trademarks in connection with the Luxury and Supercar Showcase, and in no event will such Seller transfer, assign or otherwise convey those trademarks to another person. This Section 9.17 shall survive Closing.

ARTICLE X.
CONDITIONS TO CLOSING

10.1. **Conditions Precedent to Obligations of Purchaser.** The obligations of Purchaser to consummate the transactions contemplated by the Transaction Documents at the Closing are subject to the satisfaction, or the written waiver by Purchaser, of each of the following conditions as of the Closing Date (defined below):

(a) Purchaser shall have obtained the approval, in a form and of a content reasonably satisfactory to Purchaser, of each Manufacturer to enter into a new sales and service agreement between Purchaser and each Manufacturer for each Respective Business and Dealership, except as provided below in this paragraph with regard to Mercedes-Benz of Arlington. For purposes of determining whether this condition has been satisfied, Purchaser acknowledges that such approval may impose obligations on Purchaser or otherwise be conditional in nature, if the obligations and conditions imposed are reasonably consistent with Manufacturer's standard practices. To avoid any doubt, (i) the condition in this Section 10.1(a) is not deemed satisfied if a Manufacturer's approval imposes any material terms or conditions on the applicable Dealership that are inconsistent with such Manufacturer's requirements under any Contract between Purchaser and such Manufacturer or relate to a Seller's non-compliance with Manufacturer requirements, including, without limitation, any material terms and conditions relating to non-market working capital increase, material capital expenditures or facility improvements with regarding to Dealership facilities; (ii) no approval with respect to the Respective Business of Mercedes-Benz of Arlington shall be required if
Mercedes-Benz USA, LLC has exercised the rights with respect to the Respective Business of Mercedes-Benz of Arlington, and (iii) with respect to the TMS/USA's (as defined in Section 15.4) approval, the Sellers acknowledge the Purchaser's disclosure of, and the Sellers' receipt of, such TMS/USA related matters set forth on **Exhibit C** attached hereto.

(b) Purchaser shall have received approval (subject to standard closing and Manufacturer approval conditions) by the Texas Department of Transportation and all other applicable Governmental Authorities necessary for Purchaser to own and operate the Business, including licenses to conduct business as a dealer of motor vehicles.

(c) (i) Except for the Statute of Limitations Representations, all of the Sellers' Express Representations (without regard to update thereof pursuant to Representation Update Notices) shall be true and correct as of the Closing as if made at and as of the Closing (without giving effect to materiality, Material Adverse Effect or similar phrases in the representations and warranties), except where the failure of such representations and warranties to be so true and correct, individually or in the aggregate, has not had and would not reasonably be expected to have, a Material Adverse Effect, (ii) the Statute of Limitations Representations (without regard to update thereof pursuant to Representation Update Notices) shall be true and correct as of the Closing as though made at and as of the Closing, except for any *de minimis* inaccuracies, and (iii) Sellers, Seller Affiliate and Principal shall have performed in all material respects all of their obligations, covenants and agreements hereunder to be performed by them prior to or at Closing.

(d) Purchaser shall have received the documents, certificates and resolutions described in Section 11.2, in the form herein provided or, if not so provided, in form and substance reasonably satisfactory to Purchaser.

(e) Each applicable Real Estate Owner shall have executed and delivered the Post Closing Leases and delivers, if required, the SNDAs concurrent with the closing hereunder.

(f) The closing under the Real Estate PSA shall have occurred, or shall be occurring concurrent with the closing hereunder.

(g) All applicable time periods under the HSR Act shall have expired or terminated and no Action or proceeding relating to the HSR Act shall have been instituted and remain pending before, and no temporary restraining order, preliminary or permanent injunction or other judgment, order or decree shall have been issued and remain in effect by, any Governmental Authority to restrain, enjoin, prohibit, prevent or otherwise challenge the transactions contemplated by this Agreement, no law shall have been enacted, issued, enforced, entered or promulgated and remain in effect that prohibits or makes illegal the consummation of such transactions and no Governmental Authority have notified any party hereto that consummation of such transactions would or might violate such law.

(h) Purchaser shall have received, with regard to each Real Estate Lease, (i) an estoppel certificate from the landlord thereunder in form and substance reasonably satisfactory to Purchaser whereby the landlord certifies to Purchaser that a true and correct copy of the Real Estate Lease is affixed thereto, that there is no event of default thereunder, and (ii) if none then exists with respect to such Real Estate Lease, other than with respect to the lease set forth in Section 11.2(u), a subordination, non-disturbance and attornment agreement from the holder of each lien affecting the land described in such Real Estate Lease, in form and substance reasonably acceptable to Purchaser.

(i) Since the Effective Date and through the Closing Date, there shall not have occurred any Material Adverse Effect that has not been remedied.

(j) Purchaser shall have received from the Office of the Comptroller for the State of Texas a Certificate of No Tax Due, obtained by Sellers, for each of the Respective Businesses, evidencing compliances with sales and use tax obligations, which certificates will be as of a date no more than fifteen (15) days prior to the Closing Date.

(k) Sellers shall have obtained, and Purchaser shall have received copies of, those third party consents identified on **Schedule 10.1(k)**.

(l) Purchaser shall have received from each Seller a certificate, duly completed and executed pursuant to Treasury Regulations Section 1.1445-2(b)(2), certifying that such Seller is not a "foreign person" within the meaning of Section 1445 of the Code.

(m) There shall be no Action pending or threatened before, or judgment, order, decree or award by, a Governmental Authority that would reasonably be expected to have a material adverse effect on the parties' ability to consummate the transactions contemplated by the Transaction Documents.

10.2. **Conditions Precedent to Obligations of Sellers.** The obligations of Sellers to consummate the transactions contemplated by the Transaction Documents at the Closing are subject to the satisfaction, or the written waiver by Sellers of each of the following conditions:

(a) The Manufacturers shall have waived all of their respective rights of first refusal and options to purchase the Dealerships (other than the rights of Mercedes-Benz USA, LLC with respect to the Respective Business of Mercedes-Benz of Arlington).

(b) (i) Except for the Purchaser Fundamental Representations, all of the representations and warranties of Purchaser as set forth in Article II shall be true and correct as of the Closing as if made at and as of the Closing (without giving effect to materiality, material adverse effect or similar phrases in the representations and warranties), except where the failure of such representations and warranties to be so true and correct, individually or in the aggregate, has not had and would not reasonably be expected to have, a material adverse effect on Purchaser's ability to consummate the transactions contemplated by this Agreement or the other Transactions Documents on or prior to the Closing Date Deadline or otherwise to perform its obligations under the Transaction Documents, (ii) the Purchaser Fundamental Representations shall be true and correct as of the Closing as though made at and as of the Closing, except for any *de minimis* inaccuracies, and (iii) Purchaser shall have performed in all material respects all of its obligations, covenants and agreements hereunder to be performed by it prior to or at Closing.

(c) Sellers shall have received the documents, certificates and resolutions described in Section 11.3, in the form herein provided or, if not so provided, in form and substance reasonably satisfactory to Sellers.

(d) Purchaser shall have executed and delivered each Post Closing Lease to the applicable Real Estate Owner concurrent with the closing hereunder.

(e) The closing under the Real Estate PSA shall have occurred, or shall be occurring concurrent with the closing hereunder.

(f) All applicable time periods under the HSR Act shall have expired or terminated and no Action or proceeding relating to the HSR Act shall have been instituted and remain pending before, and no temporary restraining order, preliminary or permanent injunction or other judgment, order or decree shall have been issued and remain in effect by, any Governmental Authority to restrain, enjoin, prohibit, prevent or otherwise challenge the transactions contemplated by this Agreement, no law shall have been enacted, issued, enforced, entered or promulgated and remain in effect that prohibits or makes illegal the consummation of such transactions and no Governmental Authority have notified any party hereto that consummation of such transactions would or might violate such law.

(g) There shall be no Action pending or threatened before, or judgment, order, decree or award by, a Governmental Authority that would reasonably be expected to have a material adverse effect on the parties' ability to consummate the transactions contemplated by the Transaction Documents.

ARTICLE XI.
CLOSING

11.1. **Date of Closing.** Unless otherwise agreed to in writing by the parties, closing of the transactions contemplated by this Agreement (the "***Closing***") shall take place within fifteen (15) days following the satisfaction of all of the conditions described in Article X ("***Closing Date***"); provided, however, that if the Marketing Period has not begun or ended at the time of the satisfaction or waiver of the conditions set forth in Article X (other than those conditions that are to be satisfied at the Closing), the Closing shall occur on the earlier to occur of (a) a date during the Marketing Period specified by Purchaser on no less than five (5) business days' notice to the Sellers, and (b) the tenth (10th) business day after the end of the Marketing Period (subject in each case to the satisfaction or waiver (by the party entitled to grant such waiver) of all the conditions set forth in this Article X for the Closing as of the date determined pursuant to this proviso. The Closing shall be effective as of 12:00 a.m. Central time on the Closing Date.

11.2. **Seller's Actions at Closing.** At Closing, Sellers shall deliver to Purchaser at Sellers' sole cost and expense, the following:

(a) Such bills of sale duly executed by the respective Seller and other transfer instruments effectively vesting Purchaser with good and marketable title to the Purchased Assets, in such form and of such content that is satisfactory to Purchaser in the exercise of its reasonable discretion.

(b) Fully and properly executed transfers of MSOs for all New Vehicles transferred to Purchaser.

(c) A certificate executed by an authorized officer of each Seller's general partner certifying to the matters in Section 10.1(c), as updated by the Representation Update Notices.

(d) A certificate of existence for each Seller from the State of Texas.

(e) A copy of resolutions duly adopted by each Seller's general partner authorizing and approving such Seller's performance of the transactions contemplated herein and the execution and delivery of all documents in connection with such transactions, certified by the secretary of such Seller's general partner, as true and complete and in full force in effect and not modified as of the Closing, together with all consents from limited partners of each Seller consenting to the transaction.

(f) Possession of the Purchased Assets.

(g) VIT Agreements, duly executed by Sellers.

(h) A cross-receipt, duly executed by Sellers, acknowledging receipt of the Asset Purchase Price and containing a closing settlement statement reflecting the calculations utilized by the parties to arrive at the dollar amounts reflected in the cross-receipt.

(i) Assignment and assumption agreement for the Assumed Contracts and the Assumed Liabilities in the form and of a content mutually agreed upon by the parties ("***Assignment and Assumption Agreement***") duly executed by Sellers.

(j) A completed Texas Comptroller Form 01-917, Statement of Occasional Sale.

(k) An escrow agreement in the form and of a content mutually agreed upon by the parties ("***Escrow Agreement***"), duly executed by Sellers.

(l) Leases, duly executed by each applicable Affiliate of a Seller (the "***Post Closing Leases***") in the form of **Exhibit D** and **Exhibit D-1**, respectively, attached hereto, and to cause the SNDA to be executed by the applicable Lienholder (if any).

(m) Furnish, or make available, all available keys or key fobs to any door or lock on the Real Estate and all vehicles being purchased hereunder.

(n) Such other documents and instruments reasonably requested by Purchaser, duly executed by the party from whom such is requested.

(o) A payoff, termination and discharge letter, in form and substance reasonably satisfactory to the Purchaser, from each holder of each Seller's debt (or Affiliate's debt where such debt creates a Lien on Purchased Assets) as of immediately prior to the Closing, and such other payoff letters, Lien releases, mortgage satisfactions and/or UCC-3 termination statements (or commitments by the lenders to deliver the same), in form and substance reasonably satisfactory to Purchaser, as the Purchaser may reasonably request to evidence the release and discharge (or commitment to release and discharge) of all Liens (other than inchoate liens for Taxes not yet due and payable and landlord's liens (if any) under the Real Estate Leases), if any, on the Purchased Assets.

(p) To the extent permissible under Applicable Laws and requested by Purchaser, deliver to Purchaser a continuing use agreement (the "***Continuing Use Agreement***"), in form and substance reasonably satisfactory to the parties, under which each Seller will permit Purchaser, or its Affiliate, to continue to use the applicable Dealership's dealer license and dealer number following the Closing date for the interim period stated in the Continuing Use Agreement.

(q) Cause Kings Road Realty, Ltd. to assign to Purchaser that certain Lease Agreement, dated January 13, 2005, by and between Amy W. Campbell, II and Henry V. Campbell, III and LGTF Auto Investors, Inc., as assigned to Kings Road Realty, Ltd. pursuant to that certain Lessor's Consent to Assignment of Lease Agreement and Amendment to Lease Agreement, dated November 1, 2007, by and between Amy Campbell Cole F/K/A Amy W. Campbell, II and Henry V. Campbell, III and Kings Road Realty, Ltd., and evidence of termination of any subleases with respect thereto.

(r) A transition services agreement in the form and of a content mutually agreed upon by the parties ("***Transition Services Agreement***"), in form and substance reasonably satisfactory to the parties, duly executed by Sellers.

(s) The Punched Vehicle Certificates.

(t) A non-competition and non-solicitation agreement ("***Non-Compete Agreement***") executed by Neil Grossman, in a form reasonably acceptable to the parties and incorporating the substance of Section 7.4 (but with changes, *mutatis mutandis*, to conform the same to be applicable to Neil Grossman).

(u) Cause PPJ Land LLC to assign to Purchaser that certain Commercial Lease Agreement, dated August 22, 2017, by and between DFW Global Logistics Centre 3 – Metro 2, LLC and PPJ Land LLC, as amended by that certain First Amendment to Commercial Lease Agreement, dated April 16, 2018, by and between DFW Global Logistics Centre 3 – Metro 2, LLC and PPJ Land LLC, and evidence of termination of any subleases with respect thereto.

11.3. **Purchaser's Actions at Closing.** At Closing, Purchaser shall deliver the following:

(a) The Asset Purchase Price (as adjusted as provided herein) *less* (i) the Indemnity Escrow Amount *less* (ii) the Earnest Money, by wire transfer of immediately available funds to an account designated by Sellers, and a release of all claims to the Earnest Money, which shall be released to the Sellers.

(b) The Indemnity Escrow Amount, by wire transfer of immediately available funds to an account designated by the Escrow Agent.

(c) A certificate executed by an authorized officer of Purchaser certifying that, as of the Closing Date, all of the representations and warranties of Purchaser are true and correct in all material respects as of the Closing Date and that each and every covenant and agreement to be performed by Purchaser prior to or as of the Closing Date pursuant to this Agreement has been performed in all material respects.

(d) A copy of resolutions duly adopted by Purchaser authorizing and approving Purchaser's performance of the transactions contemplated herein and the execution and delivery of all documents in connection with such transactions, certified by the secretary of Purchaser, as true and complete and in and full force and effect and not modified as of the Closing Date.

(e) The cross receipt described in Section 11.2(h), duly executed by Purchaser.

(f) Assignment and Assumption Agreement duly executed by Purchaser.

(g) VIT Agreements, duly executed by Purchaser.

(h) A completed Texas Comptroller Form 01-339, Texas Sales and Use Tax Resale Certificate, with respect to Purchaser's purchase for resale of non-motor vehicle inventory items, including but not limited to Parts and Accessories.

(i) A completed Texas Comptroller Form 14-313, Texas Motor Vehicle Sales Tax Resale Certificate, with respect to Purchaser's purchase for resale of all motor vehicles.

(j) The Escrow Agreement, duly executed by Purchaser.

(k) The Post Closing Leases and the SNDA, each duly executed by Purchaser. Purchaser shall also deliver to the landlord evidence of insurance required to be provided and maintained by Purchaser under the Post Closing Leases.

(l) Continuing Use Agreement, duly executed by Purchaser.

(m) The Transition Services Agreement, duly executed by Purchaser.

(n) The Non-Compete Agreement, duly executed by Purchaser.

ARTICLE XII.
INDEMNIFICATION; LIMITATIONS ON LIABILITY

12.1. **Purchaser's Obligation to Indemnify.** From and after the Closing, subject to the limitations set forth in this Article XII, Purchaser shall indemnify, defend and hold the Seller Indemnified Parties harmless from and against any and all Losses, whether or not involving a Third Party Claim, incurred or suffered by the Seller Indemnified Parties arising out of, relating to or resulting from: (i) any breach of a representation or warranty contained in this Agreement or in any other Transaction Document made by Purchaser; (ii) any breach of any covenant or agreement on the part of Purchaser under this Agreement or any Transaction Document; (iii) the Assumed Liabilities; (iv) the ownership and operation of the Purchased Assets from and after the Closing Date unless such Losses are those for which Sellers are obligated to indemnify Purchaser under Section 12.2 or are Losses related to obligations under the Post-Closing Leases, Transition Services Agreement or Continuing Use Agreement (the liabilities of the parties under the Post-Closing Leases, Transition Services Agreement or Continuing Use Agreement are governed by the terms of those instruments, respectively); (v) the termination of any Terminated Assumed Contract; and (vi) any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs, and expenses, including without limitation, reasonable legal fees and expenses resulting from any of the foregoing or incurred in investigating or attempting to oppose the imposition thereof. The indemnification obligations of Purchaser set forth in this paragraph shall expressly survive Closing.

12.2. **Sellers' and Seller Affiliate's Obligation to Indemnify.** From and after the Closing, subject to the limitations set forth in this Article XII, Sellers and Seller Affiliate, jointly and severally, shall indemnify, defend and hold the Purchaser Indemnified Parties harmless from and against any and all Losses, whether or not involving a Third Party Claim, incurred or suffered by the Purchaser Indemnified Parties arising out of, relating to, or resulting from: (i) any breach of a Sellers' Express Representation, (ii) any breach of any covenant or agreement on the part of a Seller, Seller Affiliate or Principal under this Agreement or any Transaction Document; (iii) the ownership or operation of the Excluded Assets, (iv) the Excluded Liabilities and (v) any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs, and expenses, including without limitation, reasonable legal fees and expenses incident to any of the foregoing or incurred in investigating or attempting to oppose the imposition thereof. If a Sale Event with respect to Seller Affiliate occurs prior to the fourth (4th) anniversary of the Closing Date, then the Principal shall be substituted for, and replace, Seller Affiliate for purposes of the indemnification obligations owed to the Purchaser Indemnified Parties under this Article XII, and shall be bound to such obligations hereunder as if he were an original party to the same. The indemnification obligations of Sellers and Seller Affiliate (or successor) set forth in this paragraph shall expressly survive Closing, subject to the limitations set forth in this Article XII.

12.3. **Procedure for Third Party Claims.** The party claiming indemnification ("***Indemnified Party***") shall give the other party ("***Indemnifying Party***") notice in accordance with the terms of this Section 12.3; provided, that, so long as the notice is given within the applicable survival period set forth in Section 12.4, the failure to do so shall not relieve the Indemnifying Party of its obligations or liability hereunder except to the extent that the indemnitor is materially prejudiced thereby. The obligations and liabilities of the Indemnifying Party pursuant to this Agreement resulting from any claim or other assertion of liabilities by third parties (individually or collectively, "***Third Party Claim***"), shall be subject to the following terms and conditions:

(a) the Indemnified Party must give the Indemnifying Party, notice of any such Third Party Claim ten (10) business days after the Indemnified Party receives notice thereof, and such notice shall describe the Third Party Claim in reasonable detail, and will indicate the amount (estimated, if necessary) of the Loss that has been or may be suffered.; provided, that the failure to give such notice within ten (10) business days shall not give rise to any defense to any indemnification obligations hereunder except to the extent that the Indemnifying Party is materially prejudiced thereby;

(b) except as provided below in this subparagraph, the Indemnifying Party shall be entitled to assume and control such defense with counsel chosen by the Indemnifying Party (including settling or compromising the Third Party Claim); provided, that, (i) counsel shall be reasonably satisfactory to the Indemnified Party, and (ii) the Indemnifying Party shall not be entitled to assume and control such Third Party Claim without the written consent of the Indemnified Party if (A) the claim for indemnification relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation, (B) the claim seeks an injunction or equitable relief against the Indemnified Party, (C) the Indemnified Party has been advised in writing by counsel that a reasonable likelihood exists of a conflict of interest between the Indemnifying Party and the Indemnified Party, or (D) the Indemnifying Party has failed, or is failing, to vigorously defend such Third Party Claim.

(c) the Indemnified Party shall be entitled to participate therein after such assumption, the costs of such participation following such assumption to be at its own expense. The Indemnifying Party will obtain the prior written consent of the Indemnified Party before entering into any settlement, compromise, admission or acknowledgement of the validity of such Third Party Claim if the settlement requires an admission of guilt or wrongdoing on the part of the Indemnified Party, subjects the Indemnified Party to criminal liability or does not unconditionally release the Indemnified Party from all liabilities and obligations with respect to such Third Party Claim or the settlement imposes injunctive or other equitable relief against, or any continuing obligation or payment requirement on, the Indemnified Party;

(d) if the Indemnifying Party shall elect not to undertake such defense, shall not have the right to undertake such defense, or within 30 days after notice of any such Third Party Claim from the Indemnified Party shall fail to elect to defend, the Indemnified Party (upon further written notice to the Indemnifying Party) shall have the right to undertake the defense of such Third Party Claim, by counsel or other representatives of its own choosing, which has been approved by the Indemnified Party, and (1) if the Indemnifying Party shall elect not to undertake such defense or fail to defend, then the Indemnified Party shall have the right to compromise or settle such Third Party Claim on behalf of and for the account and risk of the Indemnifying Party or (2) if the Indemnifying Party shall not have the right to undertake such defense, then with the approval and consent of the terms thereof by the Indemnifying Party (which approval and consent shall not be unreasonably withheld) the Indemnified Party shall have the right to settle or compromise such Third Party Claim on behalf of and for the account and risk of the Indemnifying Party. The Indemnifying Party shall be entitled to participate in the defense of such action, proceeding or claim, the cost of such participation to be at its own expense; and

(e) both the Indemnifying Party and the Indemnified Party shall cooperate fully with one another in connection with the defense, compromise or settlement of any such action, proceeding or claim, including, without limitation, by making available to the other all pertinent information and witnesses within its control; provided, such obligation to cooperate fully will not give rise to an obligation to consent to any settlement, compromise, admission or acknowledgement of the validity of a Third Party Claim if the extent such settlement, compromise, admission or acknowledgement is not consistent with the other provisions of this Section 12.3.

12.4. **Procedures for Indemnification -- Other Claims.** In the case of a Claim not based upon a Third Party Claim (a "***Direct Claim***"), the Indemnifying Party shall have forty-five (45) days from its receipt of the notice of such Direct Claim to either (i) admit its obligation to provide indemnification or (ii) dispute the Claim for indemnification. In the event that the Indemnifying Party disputes a Direct Claim, the parties, including appropriate management representatives, shall promptly seek to negotiate a resolution in good faith. If the parties are unable to resolve the dispute within sixty (60) days after the Indemnifying Party first receives the notice of a Direct Claim, then the Indemnified Party may seek any remedy available to it under this Agreement. The Indemnifying Party will have the right to eliminate or mitigate its indemnification obligation under this Agreement by affecting a cure of any breach of this Agreement not related to any Third Party Claim (including any document, certificate, instrument or agreement to be

executed and/or delivered under this Agreement), if susceptible of cure, within thirty (30) days after any such notice. The Indemnifying Party will promptly pay any Direct Claim upon resolution by an agreement with the Indemnified Party or upon a final, non-appealable order of a court of competent jurisdiction.

12.5. **Survival-Limitations.**

(a) All of the representations and warranties contained in this Agreement and the Transaction Documents shall survive the Closing and continue in full force and effect for a period of eighteen (18) months (the "***18 Month Period***"); *provided*, *however*, that the Statute of Limitations Representations and Purchaser Fundamental Representations shall survive for a period of thirty (30) days after the expiration of the applicable statute of limitations (giving effect to any tolling, waiver, mitigation or extension thereof).

(b) All Pre-Closing Covenants shall survive for one (1) year after the Closing Date. All other covenants of the parties (whether or not stated herein to expressly survive Closing) shall survive the Closing for the period provided in accordance with their express terms, or in the absence of such express terms, until the earlier of such performance is fully performed or such obligations are fully satisfied or the expiration of the applicable statute of limitations with respect thereto.

(c) No party shall have any liability for indemnification claims made under this Article XII with respect to any such representation, warranty, covenant or agreement unless a written notice of claim (describing in reasonable detail the claim, including an estimate of Losses attributable to such claim if such are readily ascertainable as of the time of the notice) is provided prior to the expiration of any applicable survival period for such representation, warranty, covenant or agreement provided in this Section 12.5. Notwithstanding anything to the contrary above, if an Indemnified Party delivers written notice to a relevant Indemnifying Party for a Claim for indemnification or recovery within the applicable survival period, such Claim shall survive until satisfied, otherwise finally resolved or judicially resolved. For the avoidance of doubt, nothing in this Article XII shall restrict any party from asserting a claim for Fraud.

12.6. **Limitations on Liability.**

(a) Sellers and Seller Affiliate shall have no obligation to the Purchaser Indemnified Parties pursuant to Section 12.2(i), except for breaches of Statute of Limitations Representations, until Purchaser shall have suffered Losses in an aggregate amount in excess of $2,000,000 ("***Deductible***"), after which point Sellers and Seller Affiliate will be obligated to indemnify Purchaser from and against any Losses arising therefrom in excess of (and not including) the Deductible (subject to the limitations set forth in this Section 12.6); *provided*, *however*, that for avoidance of doubt, the parties acknowledge and agree that the Deductible does not apply with respect to any (i) indemnification claims arising out of, relating to, or resulting from any breach of a Statute of Limitations Representation, (ii) any indemnification claims under Section 12.2(ii), (iii), (iv), or (v), or (iii) claims for Fraud.

(b) The aggregate liability of Sellers and Seller Affiliate pursuant to Section 12.2(i) shall not exceed $[***] in the aggregate ("***Cap***"); *provided*, *however*, that for avoidance of doubt, the parties acknowledge and agree that the Cap does not apply with respect to any indemnification claims arising out of, relating to, or resulting from (i) indemnification claims arising out of, relating to, or resulting from any breach of a Statute of Limitations Representation, (ii) Section 12.2(ii), (iii), (iv), or (v), or (iii) claims for Fraud.

(c) Sellers, and Seller Affiliate will have no obligation to indemnify and hold harmless the Purchaser Indemnified Parties pursuant Section 12.2(i) in connection with any single item or group of related items that results in Losses incurred by the Purchaser Indemnified Parties that are subject to indemnification pursuant to Section 12.2(i) in the aggregate less than $15,000 ("***De Minimis Losses***"), and De Minimis Losses shall not apply to the Deductible; *provided*, *however*, that for avoidance of doubt, the parties acknowledge and agree that the De Minimis Losses limitation does not apply with respect to any indemnification claims arising out of, relating to, or resulting from (i) indemnification claims arising out of, relating to, or resulting from any breach of a Statute of Limitations Representation, (ii) any other indemnification obligations in Section 12.2, or (iii) claims for Fraud.

(d) Sellers and Seller Affiliate shall have no obligation to indemnify and hold harmless the Purchaser Indemnified Parties pursuant to Section 12.2 with respect to any single Customer Dispute or group of related Customer Disputes arising from the same or similar act or omission of a Seller that results in Losses incurred by the Purchaser Indemnified Parties that are in the aggregate less than $15,000, and such Losses shall not apply to the Deductible; *provided*, *however*, that for avoidance of doubt, the parties acknowledge and agree that the limitation with respect to Customer Disputes does not apply with respect to any indemnification claims for Fraud.

(e) Seller Affiliate will have no obligation to indemnify and hold harmless the Purchaser Indemnified Parties pursuant to Section 12.2 after the fourth (4th) anniversary of the Closing Date; provided, however that notwithstanding anything to the contrary above, if an Indemnified Party delivers written notice to Seller Affiliate or Seller for a Claim for indemnification or recovery prior to the fourth (4th) anniversary of the Closing Date, such Claim shall survive, and Seller Affiliate shall continue to have obligations under Section 12.2 with respect to such Claim, until otherwise satisfied, finally resolved or judicially resolved.

(f) Nothing in this Section 12.6 shall, however, restrain or prohibit Purchaser from seeking injunctive relief with regard to any breach, or threatened breach, under Section 7.3 or 7.4 hereof.

(g) For purposes of this Article XII, the existence of any inaccuracy or breach of the representations and warranties contained in this Agreement or the Real Estate PSA and the amount of any Losses arising from any such inaccuracy or breach shall be determined without reference to the terms "material," "materially," "Material Adverse Effect," "material adverse change" or other similar qualifications as to materiality contained directly in any such representation or warranty, except for purposes of determining Fraud and except for the representations and warranties set forth Section 3.23 and the first sentence in Section 3.18 and except as such reference to "material" is included in any defined term, including but not limited to, "Material Contract" and "Material Adverse Effect".

(h) Except to the extent directly attributable to a breach of any representations and warranties in Section 3.8, Sellers and Seller Affiliate shall have no obligation to the Purchaser Indemnified Parties pursuant to Section 12.2 or otherwise with respect to, and Purchaser waives all Claims arising out of or with respect to (i) the failure of any of the Sellers or their Affiliates or Representatives to comply with any Environmental Laws, (ii) the presence prior to the Closing Date of any Hazardous Substances on, in, under, about, at, or in any way affecting any Real Estate, or (iii) the Release of any Hazardous Substances at any Real Estate prior to the Closing.

(i) The maximum aggregate Liability of the Sellers, Seller Affiliate and Principal under this Article XII, collectively, shall not exceed the aggregate of the Asset Purchase Price and the purchase price under the Real Estate PSA.

(j) The provisions of this Section 12.6 shall expressly survive Closing.

12.7. **Escrow.**

(a) At the Closing, the Indemnity Escrow Amount shall be placed in an escrow account ("***Indemnity Escrow Account*** ") (a) to be held by the Escrow Agent in accordance with the terms of this Agreement and the terms of the Escrow Agreement, and (b) shall be held and disbursed solely for the purposes and in accordance with the terms of this Agreement and the Escrow Agreement. The Indemnity Escrow Amount, excluding all income and gains generated in respect thereof and less any distributions made therefrom, all in accordance with the terms and conditions set forth in this Agreement and the Escrow Agreement, shall be referred to herein collectively as the "***Escrow Funds*** ". Other than the Indemnity Escrow Amount deposited by Purchaser with the Escrow Agent at Closing, neither Sellers nor Seller Affiliate shall have any obligation to pay any amounts into, or increase, the Escrow Funds. If Purchaser becomes entitled to a payment under Article XII and any Escrow Funds remain in the Indemnity Escrow Account, Purchaser and Sellers' Representative shall deliver executed, written instructions to the Escrow Agent to release an amount from the Escrow Funds to Purchaser equal to the lesser of the payment amount and the total Escrow Funds.

(b) On the first business day after the first anniversary of the Closing Date, Sellers' Representative and Purchaser shall deliver joint written instructions to the Escrow Agent to direct the Escrow Agent to release and distribute to Sellers, as directed by Sellers' Representative, an amount equal to the aggregate of (if a positive number): (i) one-half the Indemnity Escrow Amount, *less*, (ii) the aggregate amount of funds previously distributed from the Escrow Funds for an indemnification claim under this Article XII, *less*, (iii) the aggregate amount of Claims for indemnification by Purchaser under Article XII that are pending and unresolved at such time and for which notice has been provided in accordance with Article XII, subject to the limitations set forth in Article XII. On the first business day after the expiration of the 18 Month Period, Sellers and Purchaser shall deliver joint written instructions to the Escrow Agent to direct the Escrow Agent to release and distribute to Sellers, as directed by Sellers' Representative, an amount equal to the Escrow Funds remaining in the Indemnity Escrow Account *less* the aggregate amount of Claims for indemnification by Purchaser under Article XII that are pending and unresolved at such time and for which notice has been provided in accordance with Article XII, subject to the limitations set forth in Article XII. Thereafter, if at any time the amount of the Escrow Funds exceed the amount of any pending Claims, such excess funds shall be released from the Indemnity Escrow Account to Sellers, and the Purchaser and Sellers shall promptly and jointly instruct the Escrow Agent in writing to do the same. Purchaser, on one hand, and Sellers, on the other hand, will share equally the payment of any fees and expenses payable to the Escrow Agent pursuant to the Escrow Agreement.

(c) Except in the event of Fraud, any obligations of Seller pursuant to Article XII shall be satisfied first from the Escrow Funds.

12.8. **Exclusive Remedies.**

(a) OTHER THAN FOR INSTANCES OF FRAUD BY A PARTY IN CONNECTION WITH THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS, THE PARTIES HEREBY AGREE THAT FROM AND AFTER THE CLOSING NO PARTY WILL HAVE ANY LIABILITY, AND NO PARTY WILL (AND EACH PARTY WILL CAUSE ITS RESPECTIVE AFFILIATES NOT TO) MAKE ANY CLAIM, FOR ANY LOSS OR ANY OTHER MATTER, UNDER, RELATING TO OR ARISING OUT OF THIS AGREEMENT (INCLUDING A BREACH OF A REPRESENTATION, WARRANTY, COVENANT OR AGREEMENT), THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, THE TRANSACTION DOCUMENTS, THE DEALERSHIP, THE PURCHASED ASSETS OR THE ASSUMED LIABILITIES, WHETHER BASED ON CONTRACT, TORT, STRICT LIABILITY, OTHER LAWS OR OTHERWISE, EXCEPT FOR A CLAIM FOR INDEMNIFICATION PURSUANT TO ARTICLE XII, AND THIS ARTICLE XII SETS FORTH THE SOLE AND EXCLUSIVE REMEDIES AVAILABLE TO THE PARTIES AND ANY OTHER PERSON ENTITLED TO INDEMNIFICATION HEREUNDER RELATING TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, THE TRANSACTION DOCUMENTS, THE DEALERSHIP, THE PURCHASED ASSETS AND THE ASSUMED LIABILITIES, EXCEPT FOR REMEDIES AVAILABLE TO SUCH PARTY WITH RESPECT TO THE POST-CLOSING LEASES, THE TRANSITION SERVICES AGREEMENT, THE CONTINUING USE AGREEMENT OR WITH RESPECT TO SECTION 6.1, SECTION 7.4, SECTION 9.17 OR SECTION 15.20.

(b) IN FURTHERANCE OF THE FOREGOING, EACH PARTY HEREBY EXPRESSLY AGREES THAT FROM AND AFTER CLOSING, SUCH PARTY SHALL NOT (AND SHALL CAUSE ITS AFFILIATES, NOT TO) SEEK AND HEREBY EXPRESSLY AND IRREVOCABLY WAIVES ANY RIGHTS, CLAIMS, CAUSES OF ACTION TO OR FOR INDEMNIFICATION, CONTRIBUTION, COST RECOVERY REPAYMENT OR OTHER REMEDY (WHETHER ARISING UNDER STATUTORY OR COMMON LAW) OR RECOURSE DIRECTLY OR INDIRECTLY (THROUGH ANY DIRECTOR, MANAGER, OFFICER, EMPLOYEE, CONSULTANT, AGENT OR REPRESENTATIVE OF ANY SUCH PARTY, THEIR RESPECTIVE AFFILIATES OR OTHERWISE) FROM THE OTHER PARTY OR ITS AFFILIATES WITH RESPECT TO (I) ANY MATTER RELATING TO THE DEALERSHIP, THE PURCHASED ASSETS OR THE ASSUMED LIABILITIES (INCLUDING, BUT NOT LIMITED TO, ANY LIABILITIES PURSUANT TO ENVIRONMENTAL LAWS, INCLUDING, BUT NOT LIMITED TO, STRICT LIABILITY LAWS OR ANY MATTERS RELATING TO THE MERCHANTABILITY, VALUE OR USE OF ANY SUCH PROPERTIES OR ASSETS) OR THE SUBJECT MATTER OF THIS AGREEMENT OR THE TRANSACTION DOCUMENTS (WHETHER ON THE BASIS OF A CLAIM SOUNDING IN TORT, CONTRACT, STATUTE OR OTHERWISE) OUTSIDE OF THE PROVISIONS THIS ARTICLE XII, THE POST-CLOSING LEASES, THE TRANSITION SERVICES AGREEMENT, THE CONTINUING USE AGREEMENT, SECTION 6.1, SECTION 7.4, SECTION 9.17 OR SECTION 15.20 OR (II) ANY ACTIONS OR OMISSIONS BY ANY OFFICER, MANAGER, DIRECTOR OR
EMPLOYEE OF ANY SUCH PARTY OR ANY OF THEIR RESPECTIVE AFFILIATES, IN SUCH PERSON'S CAPACITY AS SUCH, EXCEPT CLAIMS PURSUANT TO THE INDEMNIFICATION PROVISIONS SET FORTH IN THIS ARTICLE XII, AND CLAIMS WITH RESPECT TO THE POST-CLOSING LEASES, THE TRANSITION SERVICES AGREEMENT, THE CONTINUING USE AGREEMENT, OR WITH RESPECT TO SECTION 6.1, SECTION 7.4, SECTION 9.17 OR SECTION 15.20.

(c) NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NO PARTY NOR ANY OF ITS AFFILIATES WILL BE LIABLE FOR THE FOLLOWING ("***NON-REIMBURSABLE DAMAGES*** "): (i) PUNITIVE OR EXEMPLARY DAMAGES, WHETHER BASED ON CONTRACT, TORT, STRICT LIABILITY, OTHER LAW OR OTHERWISE AND WHETHER OR NOT ARISING FROM THE OTHER PARTY'S OR ANY OF ITS AFFILIATES' SOLE, JOINT OR CONCURRENT NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT, OR (ii) SPECIAL, INCIDENTAL, CONSEQUENTIAL OR INDIRECT DAMAGES THAT ARE NOT A REASONABLY FORESEEABLE RESULT OF THE INACCURACY OR BREACH IN QUESTION OR ARE THE RESULT OF THE SPECIAL CIRCUMSTANCES OF THE NON-BREACHING PARTY OF WHICH THE INDEMNIFYING PARTY DOES NOT HAVE KNOWLEDGE; *PROVIDED, HOWEVER*, NOTHING IN THIS SECTION 12.8(c) SHALL PREVENT A PARTY FROM RECOVERING (AND NON-REIMBURSABLE DAMAGES SHALL NOT INCLUDE) ANY SUCH DAMAGES THAT HAVE BEEN AWARDED TO A THIRD PARTY (WHO IS NOT AN AFFILIATE OF A PARTY) IN CONNECTION WITH A MATTER FOR WHICH SUCH PARTY IS OTHERWISE ENTITLED TO INDEMNIFICATION UNDER THIS ARTICLE XII.

12.9. **Determination of Amount of Damages; Mitigation.** The amount of any Losses for which indemnification is provided under this Article XII will be limited to the Losses suffered by the Indemnified Party computed net of (a) any insurance or other proceeds actually received by the Indemnified Party in connection with such Losses, less the cost of receiving such benefits, including deductible, co-pay, out of pocket expenses and any premium increase, (b) any indemnity, contribution or other similar payment the Indemnified Party is entitled to receive from any Person with respect to such Loss, and (c) any other payment or monetary recoupment received, realized or retained by the Indemnified Party as a result of the events giving rise to the Claim. Any Indemnified Party that becomes aware of Losses for which it intends to seek indemnification hereunder will use commercially reasonable efforts to pursue claims and collect any amounts to which it may be entitled under insurance policies or from third parties (pursuant to indemnification agreements or otherwise) and will use commercially reasonable efforts to mitigate such Losses. If any third party recovery or insurance recovery is realized after having previously received indemnity Claim proceeds hereunder, such Indemnified Party will promptly tender to the respective Indemnifying Party an amount equal to such third party recovery or insurance recovery up to the amount of the indemnity payment paid with respect thereto.

12.10. **Knowledge.** The rights of the Purchaser Indemnified Parties to indemnification or any other remedy under this Agreement shall not be impacted or limited by any knowledge that any member of the Asbury Group, or its advisors or representatives may have acquired, or could have acquired, whether before or after the Closing Date, nor by any investigation or diligence by any Person; provided, however that matters set forth in any Representation Update Notice shall be handled consistent with Section 7.12 on and after Closing. The Sellers and Seller Affiliate hereby acknowledge and agree that, regardless of any investigation made (or not made) by or on behalf of Purchaser, and regardless of the results of any such investigation, the Purchaser has entered into this transaction in express reliance upon the Sellers' Express Representations.

12.11. **Survival.** The provisions of this Article XII shall expressly survive the termination of this Agreement and Closing.

12.12. **Tax Treatment of Indemnification Payments.** All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Asset Purchase Price for Tax purposes, unless otherwise required by Applicable Law.

ARTICLE XIII.
PROVISIONS RESPECTING EMPLOYEES

13.1. **Dealership Employees.** Immediately prior to the Closing, Sellers shall terminate the Business Employees (other than the Excluded Employees) and their participation in all of the Employee Benefit Plans, effective as of the Closing. Additionally, immediately prior to the Closing, Sellers shall settle all open accounts with such employees, including amounts due as payroll or bonus compensation for all work performed prior to the Closing Date, amounts payable on account of vacation time accrued prior to the Closing Date and similar employee benefits (if any).

13.2. **COBRA Indemnification and Information.** Sellers shall retain and be responsible for compliance with COBRA and the Code with respect to any employees of Sellers prior to Closing. Purchaser shall pay and be responsible for providing such continuing coverage as is required pursuant to COBRA with respect to employees hired by Purchaser or any qualified beneficiary of such employee who incur a "qualifying event" (as such term is defined in COBRA) following the Closing Date. Purchaser shall indemnify, defend and hold harmless Seller from and against any Losses, damages, liabilities, taxes, and sanctions that arise under COBRA arising by reason of or relating to any failure to comply with COBRA with respect employees hired by Purchaser or any qualified beneficiary of such employee who incur a "qualifying event" following the Closing Date.

13.3. **Plant Closing Notice.** Purchaser agrees that it will, at Closing, offer employment to such a number of the employees employed by Sellers (or their Affiliates) at the Dealerships immediately prior to the Closing Date ("***Seller's Employees***") for a sufficient period of time after Closing with their same level of pay, benefits, and seniority as is required such that no notice is required under the Federal Worker Adjustment and Retraining Notification Act of 1988 ("***WARN***"); *provided*, that, no such offer shall be made to any Excluded Employees and Sellers covenant and agree to not cause there to be an "employment loss" of those Excluded Employees in the ninety (90) days prior to the Closing or the ninety (90) days after the Closing. Purchaser shall bear any liability or obligation which may accrue against Sellers or any of their Affiliates to Sellers' Employees, any unit of local government or otherwise under WARN or any similar
applicable law as the result of Purchaser's failure to comply with the covenants contained in the immediately preceding sentence, and Purchaser shall indemnify and hold Seller harmless from and against any and all Losses associated with or related to Purchaser's failure to comply with the covenants contained in the immediately preceding sentence. The indemnity obligations of Purchaser set forth in this Section 13.3 shall expressly survive Closing.

13.4. **Excluded Employees**. Each of Sellers and Purchaser agree that, if within thirty (30) days after the Effective Date, an Excluded Employee elects to not continue employment with a Seller or an Affiliate of a Seller, such Person shall no longer be an Excluded Employee and such Seller or Affiliate of a Seller may make an offer of employment to a Business Employee with a similar job description as such Excluded Employee. If such Business Employee accepts, during the thirty (30) day period after the Effective Date, the offer of employment with a Seller or an Affiliate of a Seller, such Business Employee shall become an Excluded Employee and, notwithstanding anything to the contrary contained in this Agreement, such change shall not be deemed to be a breach of Sellers' Express Representations or its covenants contained herein, including the obligation set forth in Section 7.1.

ARTICLE XIV.
CERTAIN DEFINITIONS

14.1. **Certain Defined Terms.** As used herein, the following terms shall have the following meanings:

"***Action***" means any claim, demand, action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, investigative or informal) commenced, brought, conducted or heard by or before any Governmental Authority.

"***Affected Properties***" means that certain Real Estate located at (i) 3316 Atwell Road, Dallas, Texas, (ii) 3333 Atwell Road, Dallas, Texas, (iii) 6113 Lemmon Avenue, Dallas, Texas, (iv) 6120 Peeler Street, Dallas, Texas, (v) 2425 Northwest Highway, Dallas, Texas, (vi) 6214 Cedar Springs Road, Dallas, Texas, (vii) 6262 Cedar Springs Road, Dallas, Texas, and (viii) 3535 Irwin Road & 5704 Lemmon Avenue, Dallas, Texas.

"***Affiliate***" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person or, with respect to any natural Person, any person having a relationship with such Person by blood, marriage or adoption nor more remote than first cousin.

"***Alternative Transaction Proposal***" means any proposal or offer for or with respect to (a) the acquisition or purchase, in any manner, of any Respective Business, (b) the acquisition or purchase, in any manner, of a material portion of the assets of any Seller; provided, that, for purposes of this clause and to avoid uncertainty, no sales of assets by any Seller made in the ordinary course of business in a manner reasonably consistent with its historical practices shall be deemed to constitute an Alternative Transaction Proposal, (c) any merger, consolidation or other business combination with a Seller, or (d) a recapitalization, reorganization or any other extraordinary business transaction involving or otherwise relating to a Seller.

"***Applicable Laws***" means, with respect to any Person, any law (statutory, common or otherwise), rule, regulation, ordinance, order, injunction, judgment, award, decree, permit or determination of (or agreement with) any Governmental Authority, in each case binding on that Person or any of its assets or properties.

"***Business***" means the franchise new and used automobile dealerships, vehicle maintenance and repair services, replacement part and accessory sales, extended warranty sales, vehicle financing, automobile dealer management and services, two (2) collision centers and the auto auction, as conducted through and by the Respective Businesses prior to the Closing Date.

"***business days***" means any day other than a Saturday, Sunday or a holiday recognized by national banking associations in the state of Texas.

"***Claim***" means any and all claims, causes of action, demands, lawsuits, Proceedings, governmental investigations, governmental requests for information or governmental audits and administrative orders.

"***COBRA***" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as codified in Section 4980B of the Code.

"***Compliant***" means, with respect to the Required Information and any marketing material, that:

(a) such Required Information does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make such Required Information not misleading in light of the circumstances in which made;

(b) the Business's auditors have not withdrawn any audit opinion with respect to any financial statements contained in the Required Information;

(c) the financial statements included in such Required Information would not be required to be updated under Rule 3-12 of Regulation S-X in order to permit a registration statement on Form S-1 relating to a sale of the Business's non-convertible debt securities to be declared effective by the SEC on any date falling within the Marketing Period; and

(d) the financial statements included in such Required Information are and remain throughout the Marketing Period, sufficient to permit the Debt Financing Sources (including underwriters, placement agents or initial purchasers) to receive customary comfort letters with respect to financial information contained in the Required Information (including customary negative assurance comfort with respect to periods following the end of the latest fiscal year or fiscal quarter for which historical financial statements are included in any offering memorandum) on any date during the Marketing Period.

"***Contract***" means any agreement, contract, lease, note, mortgage, indenture, loan agreement, franchise agreement, covenant, employment agreement, instrument or purchase and sales order, whether written or oral.

"***Controlled Group Liabilities***" means any and all Liabilities of Seller or any of its ERISA Affiliates (i) under Title IV of ERISA, (ii) under Section 206(g), 302 or 303 of ERISA, (iii) under Section 412, 430, 431, 436 or 4971 of the Code, (iv) as a result of the failure to comply with the continuation of coverage requirements of Section 601 et seq. of ERISA and Section 4980B of the Code; and (v) arising from any Employee Benefit Plan which provides for extended coverage beyond the period required under Section 601 et seq. of ERISA and Section 4980B of the Code.

"***Customer Dispute***" means customary disputes, which are not part of a lawsuit or a mediation or arbitration proceeding, with customers regarding alleged failure with regard to sales and services of new and used vehicles including, by way of example and not limitation, negligent performance of repairs, damage to vehicles while in the custody of Sellers, and non-compliant deliveries of goods and services.

"***Dealerships***" means, collectively, the dealership operations and business of each Respective Business, and separately, each such operations and business of the Respective Business is a "***Dealership***".

"***Debt Commitment Letter***" shall mean the commitment letter among Purchaser, Bank of America, N.A. and BofA Securities, Inc., dated as of the date hereof, as amended, supplemented or replaced in compliance with this Agreement, pursuant to which the financial institutions party thereto have agreed, on the terms and subject only to the conditions set forth in Section 6 thereof, to provide or cause to be provided the Debt Financing in cash in the aggregate amount set forth therein for the purposes of financing a portion of the transactions contemplated by this Agreement.

"***Debt Financing***" shall mean the debt financing incurred or intended to be incurred pursuant to the Debt Commitment Letter.

"***Debt Financing Sources***" shall mean (a) the agents, arrangers, lenders and other entities that have committed to provide or arrange all or any part of the Debt Financing in connection with the transactions contemplated by this Agreement, including the parties to the Debt Commitment Letter (including any amendments or joinder agreements entered pursuant thereto or relating thereto and, in each case, in compliance with this Agreement) and (b) their and their respective Affiliates' current, former or future officers, directors, employees, partners, trustees, shareholders, equity holders, managers, members, limited partners, controlling persons, agents, advisors, attorneys and representatives and respective successors and assigns of the foregoing Persons described in clause (a).

"***DFW Ground Lease***" shall have the meaning ascribed to it in the Real Estate PSA.

"***Employee Benefit Plan***" means (i) any employee benefit plan (within the meaning of Section 3(3) of ERISA) maintained by Seller or its ERISA Affiliates in which any Business Employee participates or is eligible to participate, and (ii) any material incentive compensation, stock bonus, stock option, restricted stock, cash bonus, employee stock ownership, severance pay, golden parachute, cafeteria, flexible compensation, life insurance, or vacation plans or arrangements of any kind and any other material employee benefit plans, programs or arrangements maintained by Seller or its ERISA Affiliates in which any Business Employee participates or is eligible to participate.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended.

"***ERISA Affiliate***" means each trade or business (whether or not incorporated) that together with a Person is deemed to be a "single employer" within the meaning of Section 4001 of ERISA or Section 414 of the Code.

"***Escrow Agent***" means Wells Fargo Bank, National Association.

"***Excluded Employees***" means the persons listed on **Exhibit E** attached hereto.

"***Fraud***" means (i) a false representation of a material fact, (ii) made with knowledge or belief of its falsity, (iii) with the intent of inducing the other Person to act, or refrain from acting, and (iv) upon which the other Person acted or did not act in reliance on the representation, with resulting Losses, and which shall expressly exclude constructive fraud.

"***GAAP***" means generally accepted accounting principles of the United States, consistently applied.

"***Governmental Authority***" means any nation or government, any state, regional, local or other political subdivision thereof, and any entity or official exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"***Immediate Family Member***" of a natural person means at any time: (i) any child, grandchild or sibling (by blood or legal adoption) or spouse of such person at that time and (ii) any spouse of any such child, grandchild or sibling.

"***Indemnity Escrow Amount***" means One Hundred Million and NO/100 Dollars ($100,000,000.00).

"***Intellectual Property Assets***" means all licensed or owned intellectual property, industrial property or other proprietary rights of any nature in any jurisdiction, including all (a) rights in patents; (b) copyrights; (c) rights in trade secrets, know-how and similar confidential or proprietary information, (d) rights in trademarks, domain names and social media accounts, and all registrations, applications and renewals thereof, and all goodwill associated with any of the foregoing, (e) rights of publicity, (f) industrial design rights and all registrations, applications and renewals thereof, (g) data and database rights and all registrations, applications and renewals thereof and (h) all other rights in software, in each case, including any such rights granted under license agreements.

"***Inventory Specialist***" means DSI Dealer Solutions Inc.

"***Key Excluded Employee***" means Rick Stone and Neil Grossman.

"***Knowledge of Purchaser***" or any similar phrase means the current, actual knowledge, without investigation, of David Hult and Jonathan Burnham.

"***Leased Real Property***" means the real property leased by any Seller pursuant to a Real Estate Lease.

"***Liability***" means any liability, debt, obligation, deficiency, interest, Tax, penalty, fine, claim, demand, judgment, cause of action or other loss (including, without limitation, loss of benefit or relief), cost or expense of any kind or nature whatsoever, whether asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, and whether due or become due and regardless of when asserted.

"***Lien***" means any mortgage, pledge, security interest, encumbrance, lien or charge with regard to indebtedness of any Seller of any kind (including, without limitation, any conditional sale or other title retention agreement or any lease in the nature thereof, and the filing of or agreement to give any financing statement under the Uniform Commercial Code or comparable law or any jurisdiction in connection with such mortgage, pledge, security interest, encumbrance, lien or charge).

"***Lienholder***" means the holder, as of Closing hereunder, of any deed of trust lien or mortgage against any of the real property described in the applicable Post Closing Lease.

"***Loss***" means any and all Claims, judgments, losses, Liabilities, amounts paid in settlement, damages, fines, penalties, deficiencies and expenses (including reasonable fees of attorneys). For purposes of Section 7.12 and Article XII, "***Loss***" will not include any Non-Reimbursable Damages.

"***Manufacturers***" means collectively, Bentley Motors Limited (or applicable Affiliate), Jaguar Land Rover North America, LLC (or applicable Affiliate), Karma Automotive, Toyota Motor Sales, U.S.A., Inc. (Lexus Division), Maserati North America, Inc. (or applicable Affiliate), McLaren Automotive, Inc. (or applicable Affiliate), Mercedes-Benz USA, LLC (or applicable Affiliate), Porsche Cars North America, Inc. (or applicable Affiliate), Rolls-Royce Motor Cars Limited (or applicable Affiliate), Volvo Car Corporation (or applicable Affiliate), and Koenigsegg AB (or applicable Affiliate) and separately each is a "***Manufacturer***".

"***Marketing Period***" means the first period of twenty (20) consecutive Business Days (as defined in the Debt Commitment Letter) throughout and at the end of which:

(a) Purchaser and its Debt Financing Sources shall have had the Required Information that is Compliant; and

(b) the conditions set forth in Section 10.1 and Section 10.2 shall be satisfied or waived (other than (i) conditions that by their nature will not be satisfied until the Closing Date and (ii) the conditions set forth in Section 10.1(g) and Section 10.2(f)); *provided* that nothing shall have occurred and no condition shall exist that would cause any of such conditions to fail to be satisfied assuming the Closing were to be scheduled for any time during such twenty (20) consecutive Business Day period;

provided, *further*, that (i) the Marketing Period shall end on any earlier date that is the date on which the Debt Financing is consummated and (ii) any such twenty (20) consecutive Business Day Period shall not commence prior to January 6, 2020.

"***Material Adverse Effect***" shall mean a change (or effect) in the condition (financial or otherwise), properties, assets, liabilities, obligations, operations, or business, which change (or effect), individually or in the aggregate, is materially adverse to such condition, properties, assets, liabilities, rights, obligations, operations, or business; *provided, however,* that in no event will any change or effect that arises out of or relates to any of the following be deemed to constitute, or be taken into account in determining whether there has been, a Material Adverse Effect: (i) changes or conditions affecting the automotive dealership industry (including changes in general market prices and regulatory changes affecting such industry generally) generally, (ii) changes in general economic, capital markets, regulatory or political conditions in the United States or elsewhere (including interest rate fluctuations), including changes in tariffs, (iii) changes in law, GAAP or regulatory accounting requirements or interpretations thereof, (iv) this Agreement, the Transaction Documents or any actions taken in compliance with this Agreement or the Transaction Documents, the transactions contemplated hereby or thereby, or the pendency or announcement thereof (including any loss of, or adverse change in, the relationship of any Seller or any of its respective Affiliates with their respective customers, partners, employees, financing sources or suppliers caused by the pendency or announcement of the transactions contemplated by this Agreement), (v) any act or omission to act by any Seller or its respective Affiliates in compliance with this Agreement, the Transaction Documents or necessary to consummate the transactions contemplated hereby or thereby, or taken (or omitted to be taken) at the request of Purchaser or its Affiliates, (vi) any failure of any Seller or any of its respective Affiliates to meet any budgets, projections, forecasts or predictions of financial performance or estimates of revenue, earnings, cash flow or cash position, for any period (it being understood and agreed that changes in condition, if any, giving rise to such failure that are not otherwise excluded from the definition of a Material Adverse Effect may be taken into account in determining whether a Material Adverse Effect has occurred), (vii) matters that arise from any actions or omissions of Purchaser and its Affiliates that are not in

compliance with this Agreement or the other Transaction Documents, or (viii) any resignation of employment by any Business Employee; *provided, further, however,* that, any of the matters set forth in clauses (i), (ii), and (iii) shall be taken into account in determining whether there has been a Material Adverse Effect to the extent that such matter or matters have a disproportionate adverse effect on the Respective Businesses as compared to other businesses operating in the automotive dealership industry in general.

"***Obsolete***" with respect to parts and accessories inventory, means a part or accessory for which there has not be a sale in the last twelve (12) months.

"***Open Point***" means that Jaguar/Land Rover dealership, and the rights to own and operate the same, held by JRA Dealership LP, anticipated to be opened in 2020 in Austin, Texas.

"***Permits***" means any and all permits, licenses, approvals, certificates and other authorizations of and from all Governmental Authorities.

"***Person***" means an individual, partnership, corporation, limited liability company, business trust, joint stock company, estate, trust, unincorporated association, joint venture, Governmental Authority or other entity, of whatever nature.

"***PPCT Fleet Vehicles***" means the titled or registered vehicles owned by PPCT LP, a Texas limited partnership

"***Pre-Closing Covenants***" means the covenants set forth in Sections 6.1(a), 7.1, 7.2, 7.3, 7.5 and 9.2.

"***Principal***" means Kenneth L. Schnitzer.

"***Purchaser***" means Asbury or its permitted assignee under Section 15.10.

"***Purchaser Fundamental Representations***" means those representations and warranties set forth in Section 2.1, Section 2.2, Section 2.3, Section 2.4(i), Section 2.8, Section 2.10, Section 2.11 and Section 2.12.

"***Purchaser Indemnified Parties***" means Asbury, Purchaser, their Affiliates, and each of their respective officers, directors, managers, shareholders, members, employees, agents, and each of their successor and assigns.

"***Real Estate Owner***" is a collective reference to the Sellers identified as such in the Real Estate PSA.

"***Real Estate PSA***" means the Real Estate Purchase Agreement dated as of the Effective Date an executed by and between Purchaser, as buyer, and the Real Estate Owner, as seller, as may be hereafter amended or modified.

"***Representatives***" means a Person's directors, managers, general partner, officers, trustees, fiduciaries, employees, attorneys, consultants, financial advisers, agents or accountants.

"***Required Information***" means (a) the financial statements of the Business as of and for the periods described in Sections 6 and 9 of Exhibit C to the Debt Commitment Letter as in effect on the Effective Date prepared in accordance with GAAP under the standards of the American Institute of Certified Public Accountants applicable to audited financial statements or unaudited financial statements, as appropriate, and in customary form for offering memoranda used in "144A high yield note offerings," and (b) such other customary financial information of the Business requested by Purchaser and reasonably available to Sellers and necessary to prepare the pro forma financial information for historical periods required by Section 5 of Exhibit C to the Debt Commitment Letter as in effect on the Effective Date in customary form for offering memoranda used in "144A high yield" note offerings (it being understood that Sellers shall not be required to provide pro forma financial statements or any information regarding any post-Closing or pro forma cost savings, synergies, capitalization, ownership or other post-Closing pro forma adjustments (without waiver of the obligations of Sellers under Section 7.5); provided, that in no event shall the Required Information require Seller or its Affiliates to deliver (i) projections, (ii) separate consolidating financial statements in respect of the Business, (iii) financial information required by Rule 3-09, Rule 3-10 and Rule 3-16 of Regulation S-X, other than, in each case of clauses (ii) and (iii), to the extent applicable, a customary summary of such information customarily included in an offering memorandum for the private placement of unsecured debt securities in a "144A high yield note offering," (iv) Compensation Discussion and Analysis or other information required by Item 402 of Regulation S-K or the executive compensation and related person disclosure rules required by SEC Release Nos. 33-8732A, 34-54302A or IC-27444A and (v) information required by Item 302 of Regulation S-K.

"***Respective Business***" means with respect to each Seller, the business and operations identified opposite such Seller's name below:

Seller	Operations and Business
Park Place RB, Ltd.	Premier Collection (Bentley Dallas, Rolls-Royce Motorcars Dallas, McLaren Dallas, Park Place Maserati, Karma Dallas and Koenigsegg Dallas)
PPMB Arlington LLC	Park Place Motorcars Arlington
PPMB Arlington LLC	Sprinter
Park Place Motorcars, Ltd.	Park Place Motorcars Dallas
Park Place Motorcars, Ltd.	Bodywerks Dallas
Park Place Motorcars Fort Worth, Ltd.	Park Place Motorcars Fort Worth
Park Place Motorcars Fort Worth, Ltd.	Bodywerks Fort Worth
Park Place Motorcars Fort Worth, Ltd.	Sprinter
Park Place LX of Texas, Ltd.	Park Place Lexus Plano
Park Place LX of Texas, Ltd.	Park Place Lexus Grapevine
PPP LP	Park Place Porsche Dallas
PPJ LLC	Jaguar Land Rover DFW
JRA Dealership LP	Jaguar Land Rover North Austin
PPDV, Ltd.	Park Place Volvo
PPM Auction LP	PPM Auction Plano

PPCT LP	Park Place Select
Park Place Motorcars of Texas LLC	Ownership of the Intellectual Property Assets associated with the Trademarks and the licensing of the use of such Intellectual Property Assets to the Respective Businesses

"***Sale Event***" means, with respect to Seller Affiliate, the occurrence of one or more of the following: (a) one Person (or more than one Person acting as a group), other than Principal, acquires beneficial ownership of the equity interest of Seller Affiliate such that Principal owns less than 50% of the total fair market value or total voting power of the equity interest of Seller Affiliate, or (b) one Person (or more than one Person acting as a group) acquires (or has acquired during the twelve-month period ending on the date of the most recent acquisition) assets from Seller Affiliate that have a total gross fair market value equal to or more than 25% of the total gross fair market value of all of the assets of Seller Affiliate immediately before such acquisition(s).

"Seller Affiliate" means Park Place Motorcars Mid Cities, Ltd., a Texas limited partnership.

"***Seller Indemnified Parties***" means Sellers, Seller Affiliate, Principal and their respective Affiliates, and each of their respective former, current or future holders of any equity, partnership or limited liability company interests, controlling persons, directors, officers, employees, agents, attorneys, members, managers, general or limited partners, stockholders or assigns.

"***Seller Related Parties***" means Sellers, Principal and each of their respective affiliates and their and their affiliates' respective stockholders, partners, members, officers, directors, employees, controlling persons, agents and representatives.

"***Sellers***" means collectively, JRA Dealership LP, a Texas limited partnership, Park Place Motorcars Fort Worth, Ltd., a Texas limited partnership, Park Place Motorcars, Ltd., a Texas limited partnership, Park Place RB, Ltd., a Texas limited partnership, PPDV Ltd., a Texas limited partnership, PPJ LLC, a Texas limited liability company, PPM Auction LP, a Texas limited partnership, PPMB Arlington LLC, a Texas limited liability company, PPP LP, a Texas limited partnership, PPCT LP, a Texas limited partnership, and Park Place LX of Texas, Ltd., a Texas limited partnership, Park Place Motorcars of Texas LLC and separately each is a "***Seller***".

"***Sellers' Express Representations***" means those representations, warranties and covenants set forth in Article III of this Agreement, and those express representations, warranties and statements of any Seller, Seller Affiliate, Principal, or any Affiliate of them set forth in the other Transaction Documents.

"Sellers' Retained Confidential Information" means, with respect to each of the Sellers, all of the following: Seller's budgets and projections; strategic plans for the Business; internal analyses of the Business or with respect to the purchase and sale described herein; information regarding the marketing of the Business; attorney and accountant work product; and attorney-client privileged documents; internal correspondence of Seller, any direct or indirect owner of any beneficial interest in Seller, or any of their respective affiliates and correspondence between or among such parties.

"***SNDA***" means a subordination, non-disturbance and attornment agreement in the customary form provided by the Lienholder.

"***Statute of Limitations Representations***" means those of the Sellers' Express Representations that are set forth in Sections 3.1, 3.2, 3.3, 3.4(i), 3.10, 3.23(a)(viii)(B), 3.24, and 3.26.

"***Tax Returns***" means any return, declaration, report, claim for refund, or information return or statement or other document relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof, filed or required to be filed with a Governmental Authority with respect to or in connection with the calculation, determination, assessment, or calculation of any Taxes.

"***Taxes***" means any (a) federal, state, local, or non-U.S. taxes or other similar assessments, including income, profits, gross receipts, net proceeds, alternative or add-on minimum, ad valorem, value added, sales, use, real property, personal property (tangible and intangible), environmental, stamp, leasing, lease, user, excise, duty, franchise, transfer, registration, withholding, social security (or similar), unemployment, disability, payroll, employment, occupational, premium, severance, actual or estimated, or other similar charge
imposed by any Taxing Authority, including any interest, penalty, or addition thereto, (b) Liability of any Person for the payment of any amounts of the type described in clause (a) above arising as a result of being (or ceasing to be) a member of any consolidated, affiliated, combined or unitary group (or being included (or required to be included) in any Tax Return relating thereto), and (c) Liability of any Person for the payment of any amounts of the type described in clause (a) above as a result of any express or implied obligation to indemnify or otherwise assume or succeed to the Liability of any other Person, whether imposed by Applicable Law, Contract, or otherwise.

"***Taxing Authority***" means, with respect to any Tax, the Governmental Authority imposes, administers, regulates, or collects such Tax.

"***Termination Survival Obligations***" means those obligations of the parties set forth herein that are expressly stated to survive the termination of this Agreement.

"Trademarks" means those trademarks and all registrations, applications and renewals thereof, and all goodwill associated therewith, owned by Park Place Motorcars of Texas LLC, including, without limitation, those registered trademarks set forth on **Schedule 3.21**.

"***Transaction Documents***" means this Agreement and the agreements, documents and instruments that are to be executed and delivered pursuant to the terms and provisions hereof, including without limitation the Real Estate PSA and all agreements, documents and instruments that are to be executed and delivered pursuant thereto.

ARTICLE XV.
GENERAL PROVISIONS

15.1. **Notices.** Any notice, demand, or communication required, permitted, or desired to be given hereunder shall be in writing (in certain instances in this Agreement the word "notice" is used and in others the words "written notice" or words to like effect are used; no inference is to be drawn therefrom as all notices under this Agreement must be in writing) and shall be deemed duly given and received (i) when delivered in person (with receipt therefore), (ii) on the next business day after deposit with a recognized overnight delivery service, (iii) on the second day after being sent by certified or registered mail, return receipt requested, postage paid, or (iv) except in the case of any notice alleging a default, when sent via email (provided that if sent after 5:00 p.m. Central time or any day that is not a business day, such notice shall not be considered delivered until the next following business day) and followed by one of the foregoing methods, to the following addresses:

If to Seller:	Park Place Dealerships, LLC 2021 McKinney, Suite 420 Dallas, Texas 75201 Attention: Kenneth L. Schnitzer and Rick Stone
with a copy to:	Locke Lord LLP 600 Travis Street, Suite 2800 Houston, Texas 77002 Attention: Stephen C. Jacobs, Kevin Peter and Elizabeth Genter

If to Purchaser:	c/o Asbury Automotive Group, Inc. 2905 Premiere Parkway, Suite 300 Duluth, Georgia 30097 Attention: Senior Vice President and General Counsel
with a copy to:	Hill Ward Henderson 101 E. Kennedy Blvd., Suite 3700 Tampa, Florida 33602 Attention: R. James Robbins, Jr.
and with a copy to:	Jones Day 1420 Peachtree Street, N.E., Suite 800 Atlanta, Georgia 30309 Attention: Joel May

or to such other address, and to the attention of such other person or officer, as either party may designate, at the addresses that the party may designate by like written notice.

15.2. **Schedules.** The Schedules to this Agreement are arranged in sections corresponding to those contained in this Agreement merely for convenience, and the disclosure of an item in one section or subsection of the Schedules as an exception to any particular covenant, representation or warranty shall be deemed adequately disclosed as an exception with respect to all other covenants, representations or warranties, notwithstanding the presence or absence of an appropriate section or subsection of the Schedules with respect to such other covenants, representations or warranties or an appropriate cross-reference thereto, in each case to the extent relevancy of such disclosure to such other covenants, representations or warranties is reasonably apparent. Additionally, for each section of the Schedules, the mere inclusion of an item in such section of the Schedules as an exception to a representation or warranty shall not be deemed an admission or acknowledgment, in and of itself and solely by virtue of the inclusion of such information in such section of the Schedules, that such information is required to be listed in such section of the Schedules or that such item (or any non-disclosed item or information of comparable or greater significance) represents a material exception or fact, event or circumstance, that such item has had, or is expected to result in, a Material Adverse Effect that such item actually constitutes noncompliance with, or a violation of, any law, Permit or other topic to which such disclosure is applicable or that such item is outside the ordinary course of business. The specification of any dollar amount in the representations and warranties contained in this Agreement or the inclusion of any specific item in the Schedules is not intended to imply that such amounts (or higher or lower amounts) are or are not material, and no party shall use the fact of the setting of such amounts or the fact of the inclusion of any such item in the Schedules in any dispute or controversy between the parties as to whether any obligation, item, or matter not described herein or included in a section of the Schedules is or is not material for purposes of this Agreement. Capitalized terms used in the Schedules, unless otherwise defined therein, shall have the meanings assigned to them in this Agreement. Any reference to a Contract on **Schedule 3.23** in the Disclosure Schedules will be deemed a full disclosure of all of the terms and provisions of such Contract for purposes of such **Schedule 3.23**.

15.3. **Governing Law; Venue; Waiver of Right to Trial by Jury.** This Agreement will be governed by, construed and enforced in accordance with the laws of the state of Texas, without regard to conflicts of laws principles. The courts located in Dallas County, Texas shall be the exclusive place of venue with respect to any legal proceedings between the parties arising out of or related to this Agreement. **TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HERETO WAIVES THE RIGHT TO TRIAL BY JURY WITH REGARD TO ANY DISPUTE ARISING UNDER OR FROM THIS CONTRACT, THE DEBT FINANCING OR ANY OF THE OTHER TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING ANY DISPUTE RELATING TO THE DEBT FINANCING SOURCES. EACH PARTY REPRESENTS TO THE OTHER THAT SUCH WAIVER IS MADE KNOWINGLY, VOLUNTARILY AND AFTER CONSULTATION WITH COUNSEL OF ITS CHOOSING.** The provisions of this Section 15.3 shall expressly survive the termination of this Agreement (and, as such, constitute a Termination Survival Obligation) and Closing. Notwithstanding the foregoing, each of the parties hereto (i) submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York County, and any appellate court from any thereof, in any action or proceeding in which the Debt Financing Sources are a party and that arise out of or relate to the Debt Financing Sources, the Debt Commitment Letter, the Debt Financing and/or any fee letters or engagement letters related thereto, or for recognition or enforcement of any judgment, and agrees that all claims in respect of any such action or proceeding shall only be heard and determined in such New York State court or, to the extent permitted by Applicable Law, in such Federal court, (b) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to the Debt Financing and/or any fee letters or engagement letters related thereto in any such New York State or in any such Federal court, (c) waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court, (d) agrees that a final judgment in any such suit, 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 Applicable Law and (e) agrees that service of process, summons, notice or document by registered mail addressed to it at its address provided in Section 15.1 shall be effective service of process against it for any such action brought in any such court.

15.4. **Alternative Dispute Resolution.** Notwithstanding anything to the contrary in this Agreement, but subject to Section 15.3 solely as it relates to the Debt Financing, the Debt Financing Sources and the Debt Commitment Letter, the parties hereby covenant and agree that if any dispute involves Toyota Motor Sales U.S.A., Inc. ("***TMS/USA***") and arises from or related in any way to the transactions contemplated herein, or the TMS/USA's right to approve or reject the same or its right of first refusal with respect thereto, such dispute shall be resolved as set forth in this Section 15.4 and **Exhibit F** attached hereto; *provided, however*, that to the extent any Contract between a Seller and TMS/USA contains provisions which conflict with those set forth in this Section 15.4 or on **Exhibit F**, no Seller nor the Principal nor the Seller Affiliate shall be required to comply with such conflicting provisions set forth in this Section 15.4 or on **Exhibit F**. Any such dispute shall be resolved pursuant to the Federal Arbitration Act, 9. U.S.C. §1 et seq., which the parties acknowledge as wholly preemptive of any state law which purports in any way to prohibit, restrict or limit the enforceability of this Section 15.4 or which requires the commencement or pursuit of judicial or administrative proceedings, the parties agree to submit such dispute to the dispute resolution mechanism (which includes binding arbitration) set forth in **Exhibit F** attached hereto. Such procedure shall be the sole and exclusive procedure and forum for the resolution of any such dispute.

15.5. **Costs and Expenses.** Except as otherwise set forth herein, each party to the Agreement agrees to bear its own cost and expenses incurred pursuant to the Agreement and the transactions contemplated herein, including, but not limited to, legal fees, broker's fees, finder's fees and accounting fees. The provisions of this Section 15.5 shall expressly survive the termination of this Agreement (and, as such, constitute a Termination Survival Obligation) and Closing.

15.6. **Attorney's Fees for Prevailing Party.** If this Agreement or any term or provision hereof becomes the subject of litigation, the prevailing party in such litigation will be entitled to recover from the non-prevailing party court costs and reasonable attorney's fees. For purposes hereof, the "prevailing party" shall be determined by the court and means the "net winner" of a dispute, taking into account the claims pursued, the claims on which the pursuing party was successful, the amount of money sought, the amount of money awarded, and offsets or counterclaims pursued (successfully or unsuccessfully) by the other party. The provisions of this Section 15.6 shall expressly survive the termination of this Agreement (and, as such, constitute a Termination Survival Obligation) and Closing.

15.7. **Entire Agreement.** This Agreement (together with the schedules and exhibits attached hereto) and the other Transaction Documents, constitute the entire agreement among the parties and supersede any other agreements, whether written or oral, that may have been made or entered into by the parties or any of their respective Affiliates relating to the transactions contemplated hereby and thereby.

15.8. **Severability.** Any provision of this Agreement which is prohibited or unenforceable, in whole or in part, in any jurisdiction shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

15.9. **Amendment.** This Agreement may not be amended by any oral agreement or understanding but only by an amendment in writing executed by the parties hereto. Notwithstanding the foregoing, none of Section 15.3, Section 15.8, this Section 15.9, Section 15.10, Section 15.16(b) and Section 15.17 (and any provision of this Agreement to the extent an amendment, modification, waiver, supplement or termination of such provision would modify the substance of any of such Sections) may be amended, modified, waived, supplemented, terminated or otherwise modified in any manner that is adverse to the Debt Financing Sources without the written consent of the Debt Financing Sources.

15.10. **Binding Effect.** The terms, conditions and covenants of this Agreement shall apply to, inure to the benefit of and be binding upon each of the parties hereto and their respective successors and permitted assigns, subject to the limitations on assignment set forth in this Section 15.10. This Agreement may not be assigned by Sellers, Seller

Affiliate or Principal without the prior written consent of Purchaser. Except for an assignment to an Affiliate, Purchaser may not, without the prior written consent of Sellers, assign, in whole or part, this Agreement; provided, that no assignment to an Affiliate may be made without the approval of the Manufacturers and without providing evidence satisfactory to Sellers that such Affiliate satisfies the covenants of Purchaser set forth in Section 7.8 hereof. Purchaser may also collectively assign its rights (but not its obligations) under this Agreement to any Debt Financing Source as security for any lien on Purchaser by the Debt Financing Source. No such assignment shall release or relieve Asbury from any of Purchaser's obligations or liabilities hereunder, whether arising prior to or after the date of such assignment.

15.11. **Further Instruments.** Subject to Sellers reasonable approval thereof, Sellers shall make, execute and deliver, such other and further instruments as Purchaser may reasonably deem necessary to evidence the conveyance of the Purchased Assets.

15.12. **Construction.** The parties have jointly participated in the negotiation and drafting of this Agreement. In the event of an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumptions or burdens of proof shall arise favoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

15.13. **Headings.** The section headings contained in this Agreement are for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

15.14. **Time.** Time is of the essence in this Agreement. If the day for performance of any obligation hereunder, or the last day of a particular time period provided for herein, falls on a day that is not a business day, such day for performance, and the expiration of such time period, as the case may be, shall be the next day which is a business day.

15.15. **Rules of Construction.** In construing this Agreement, the following principles will be followed, in each case unless expressly provided otherwise in a particular instance: (a) the singular includes the plural and vice versa; (b) reference to a Person includes such Person's successors and assigns but, in the case of a party, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity; (c) reference to any gender includes each other gender; (d) references to any Exhibit, Schedule, Section, Article, Annex, subsection and other subdivision refer to the corresponding Exhibits, Schedules, Sections, Articles, Annexes, subsections and other subdivisions of this Agreement, unless expressly provided otherwise; (e) references in any Section, Article or definition to any clause means such clause of such Section, Article or definition; (f) "hereunder", "hereof", "hereto" and words of similar import are references to this Agreement as a whole and not to any particular provision of this Agreement; (g) the word "or" is not exclusive, and the word "including" (in its various forms) means "including without limitation"; (h) each accounting term not otherwise defined in this Agreement has the meaning commonly applied to it in accordance with GAAP; (i) references to "days" are to calendar days, unless the term "business days" is used; (j) all references to money refer to the lawful currency of the United States; (k) references to the "other party" from the perspective of Purchaser, refer Seller, and from the perspective of Seller, refer to Purchaser; (l) any reference to any federal, state, local or foreign law shall be deemed also to refer to all rules and regulations promulgated thereunder; and (m) any of the capital improvement projects described on **Schedule 15.15** shall be deemed to be in the "ordinary course of business" of any or all of the Sellers.

15.16. **Non-Recourse.**

(a) This Agreement may only be enforced against, and any Claim or Action based upon, arising out of, or related to this Agreement, or the negotiation, execution or performance of this Agreement, may only be brought against the entities or persons that are expressly named as parties hereto and then only with respect to the specific obligations set forth herein with respect to such party. No past, present or future director, officer, manager, employee, incorporator, member, partner, stockholder, agent, attorney, representative or affiliate of any party or any of their respective Affiliates (unless such Affiliate is expressly a party to this Agreement) shall have any liability (whether in contract or in tort) for any obligations or liabilities of such party arising under, in connection with or related to this Agreement or for any claim based on, in respect of, or by reason of, the transactions contemplated hereby; *provided, however*, that nothing in this Section 15.16 shall limit any liability of the parties to this Agreement for breaches of the terms and conditions of this Agreement.

(b) Notwithstanding anything to the contrary contained herein, no Debt Financing Source shall have any liability to the Seller Related Parties (other than the Purchaser), whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any applicable law, in contract, tort or otherwise, for any obligations or liabilities of the Seller Related Parties hereto or for any claim based on, in respect of, or by reason of, the transactions contemplated hereby (including any dispute arising out of, or relating in any way to, the Debt Financing, the Debt Commitment Letter or the performance thereof) and neither the Principal, Seller Affiliate, the Sellers, Purchaser or any Affiliate of any of the foregoing shall be entitled to seek specific performance of any rights of Purchaser or any Affiliate thereof to cause the Debt Financing to be funded; provided that, notwithstanding the foregoing, nothing in this Section 15.16(b) shall in any way limit or modify the rights and obligations of Purchaser under this Agreement or under the Debt Commitment Letter or any Debt Financing Source's obligations to Purchaser under the Debt Commitment Letter. No Debt Financing Source shall be subject to any special, consequential, punitive or indirect damages or damages of a tortious nature.

15.17. **No Third Party Beneficiaries.** Except as expressly set forth in this Agreement, this Agreement is solely for the benefit of the parties hereto and their successors and assigns permitted under this Agreement, and no provisions of this Agreement shall be deemed to confer upon any other Persons any remedy, Claim, Liability, reimbursement, cause of action or other right except as expressly provided herein; provided that the Debt Financing Sources shall be express third party beneficiaries of and shall be entitled to rely upon Section 15.3, Section 15.8, Section 15.9, Section 15.10, Section 15.16(b) and this Section 15.17.

15.18. **Multiple Counterparts.** This Agreement may be executed in a number of identical counterparts which, taken together, shall constitute collectively one (1) agreement, but in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

15.19. **Attorney-Client and Other Matters Regarding Communications.** The provisions of this Section 15.19 shall control over any and all conflicting provisions of this Agreement and the Transaction Documents and shall survive Closing. All communications between or among the Seller, any Seller Affiliate, Principal, the Seller Knowledge Parties and any Excluded Employees shall, notwithstanding any contrary provisions hereof remain the sole and exclusive property of Seller (the "***Communications***"), and together with all Personal Files and Records and Privileged Communications, may be removed by Seller from all computer systems (including servers that constitute part of the Purchased Assets) at any time prior to Closing. As used herein, the term "***Personal Files and Records***" means all of the files and records of Principal regarding his personal assets and affairs (and those of any of the members of his parents, other members of his family, his sibling or the members of his sibling's family) existing within any database or other computer system that constitutes part of the Purchased Assets, and includes all correspondence between Principal and any other Person (other than Purchaser) with regard to the marketing or sale of the Purchased Assets. All communications between or among any of Seller, any Seller Affiliate, Principal or any Excluded Employees, on the one hand, and any attorney for any of them with regard to any matters, including (without limitation) the negotiation, preparation, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby (the ("***Privileged Communications***") shall be deemed to be attorney-client privileged and the expectation of client confidence relating thereto shall not pass to or be claimed by Purchaser, the Dealerships or the Business. The Communications, Personal Files and Records and Privileged Communication all collectively herein called the "***Excluded Communications and Materials***"). Purchaser agrees not to disseminate or use, in any manner or to any extent, and waives all rights to access, use or disseminate in any manner (including, without limitation, in any manner that is adverse to, or that may cause injury or harm to or that disparages, any of the Sellers, Seller Knowledge Parties, Principal (or of any of the members of his parents, other members of his family, his sibling or the members of his sibling's family) including, without limitation, any Claims or legal proceedings with respect to or arising out of) this Agreement or any of the Transaction Documents.

15.20. **Sellers' Representative.** Each Seller and Seller Affiliate shall, for itself, himself or herself and its, his or her heirs, Representatives, successors and assigns, by this Agreement irrevocably constitutes and appoints Kenneth Schnitzer "***Sellers' Representative***" and its successors, acting as hereinafter provided, as its, his or her Representative, attorney-in-fact and agent, with full power of substitution and re-substitution to act in its, his or her name, place and stead in connection with the authority granted to such Sellers' Representative pursuant to this Section 15.20, and acknowledges that such appointment is coupled with an interest and shall survive the death, incompetency, bankruptcy or liquidation of such Seller or the Seller Affiliate. By executing this Agreement under the heading "Sellers' Representative", Kenneth Schnitzer hereby (i) accepts its appointment and authorization to act as Sellers' Representative and agent, proxy and attorney-in-fact on behalf of the Sellers and Seller Affiliate in accordance with the terms of this Agreement, and (ii) agrees to perform its obligations under, and otherwise comply with, this Section 15.20.

[SIGNATURE PAGE FOLLOWING.]

IN WITNESS WHEREOF, the parties have executed this Agreement in multiple original on the date first written above.

SELLERS:

Park Place RB, Ltd., a Texas limited partnership

By: Park Place Dealerships LLC, General Partner

By: /s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer, Chairman

PPMB Arlington LLC, a Texas limited liability company

By: DKK Holding Co., Ltd, Managing Member

By: KDGP LLC, its general partner

By: /s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer, Chairman

Park Place Motorcars, Ltd., a Texas limited partnership

By: Park Place Motorcars of Texas LLC, General Partner

By: /s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer, Chairman

Park Place Motorcars Fort Worth, Ltd., a Texas limited partnership

By: Park Place Dealerships LLC, General Partner

By: /s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer, Chairman

Park Place LX of Texas, Ltd., a Texas limited partnership

By: Park Place LX LLC, General Partner

By: DKS LLC, Member

By: /s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer, President

PPP LP, a Texas limited partnership

By: Park Place Motorcars of Texas LLC, General Partner

By: /s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer, Chairman

PPJ LLC, a Texas limited liability company

By: DKK Holding Co., Ltd., Managing Member

By: KDGP LLC, its general Partner

By: /s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer, Chairman

JRA Dealership LP, a Texas limited partnership

By: Park Place Dealerships LLC, General Partner

By: /s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer, Chairman

PPDV, Ltd., a Texas limited partnership

By: Park Place Dealerships LLC, General Partner

By: /s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer, Chairman

PPM Auction LP, a Texas limited partnership

By: Park Place Dealerships LLC, General Partner

By: /s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer, Chairman

PPCT LP, a Texas limited partnership

By: Park Place Dealerships LLC, General Partner

By: /s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer, Chairman

Park Place Motorcars of Texas LLC, a Texas limited liability company

By: /s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer, Chairman

SELLER AFFILIATE:

PRINCIPAL:

Park Place Motorcars Mid Cities, Ltd., a Texas limited partnership

By: Park Place Dealerships LLC, General Partner

By: /s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer, Chairman

/s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer

ASBURY:

Asbury Automotive Group L.L.C., a Delaware limited liability company

By: /s/ David Hult

Name: David Hult
Title: President & Chief Executive Officer

SELLERS' REPRESENTATIVE:

/s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer

Exhibits and Schedules*

Exhibit A -	Allocation of Purchase Price
Exhibit B -	VIT Agreements
Exhibit C-	Manufacturer Related Disclosures
Exhibit D -	Post-Closing Leases
Exhibit D-1 -	Parking Lot Leases
Exhibit E -	Excluded Employees
Exhibit F -	Manufacturer Dispute Resolution Procedures
Exhibit G -	CFO Certificate Form
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Schedule 1.2	Sellers' Retained Property
Schedule 1.4(a)(vii)	Allocation for Goodwill and Intangibles
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Schedule 3.25	Product Warranties; Incentive Programs
Schedule 7.1	Conduct of Business by Seller
Schedule 7.4	Other Dealerships

Schedule 10.1(k)	Purchaser Consents
Schedule 15.15	Rules of Construction

[*Certain exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K, and Asbury Automotive Group, Inc. hereby agrees to provide an unredacted copy of any omitted exhibit or schedule to the Securities and Exchange Commission upon request.]

EXHIBIT D

POST CLOSING LEASES

Plano Lease and Grapevine Lease

Following this page is a form of lease that will be used, respectively, for the property located at 901 East SH 114, Grapevine, Texas (the "Grapevine Lease") and the property located at 6875 Plano Parkway, Plano, Texas (the "Plano Lease") with the initial rent, in each case as indicated therein.

LEASE

BY AND BETWEEN

[***insert name of Park Place entity***]

AS LANDLORD

AND

AS TENANT

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LEASE

THIS LEASE (hereinafter sometimes referred to as this "***Lease***" or this "***Agreement***"), as of the _____ day of __________, 20___ (the "***Effective Date***"), by and between [insert name of Park Place entity], a ____________________, having its principal place of business at 2021 McKinney, Suite 450, Dallas, Texas 75201, Attention: President (hereinafter referred to as "***Landlord***"), and [insert name of Asbury entity], a _____________________, whose address is ____________________, Attention: ______________ (hereinafter referred to as "***Tenant***").

WITNESSETH THAT:

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, of $10.00 in hand paid by Tenant to Landlord, and of other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged by both Landlord and Tenant, Landlord and Tenant hereby agree as follows:

Article I
INCORPORATION OF PREAMBLES – CERTAIN DEFINITIONS

The foregoing preambles are hereby incorporated into this Lease as a part hereof by this reference thereto.

Article II
LEASE OF PREMISES

Landlord, for and in consideration of the rent to be paid and of the covenants and agreements herein contained to be kept and performed by Tenant, does hereby exclusively lease and demise to Tenant, and Tenant does hereby exclusively lease from Landlord, the real property being located in the _______________, ___________County (the "***County***"), Texas described in **Exhibit A** (the "***Land***") including all improvements now or hereafter located thereon (together with all buildings, fixtures and accessory improvements now or hereafter thereon, including all roadway, loading docks, driveways, parking areas, landscaped areas and signage now or hereafter located thereon are collectively hereinafter referred to as the "***Improvements***;" the Improvements include each of the buildings located on the Premises from time to time, as constructed or modified in accordance with this Lease, and such buildings are herein collectively called the "***Buildings***;" reference to the term "***Building***" is a reference to any one of the Buildings) together with all easements, rights, privileges and amenities otherwise appurtenant to such real property (the Land and Improvements are herein collectively called the "***Premises***").

Article III
TERM AND EXTENSIONS; CONDITION OF PREMISES

3.1 Initial Term. The initial term (the "***Initial Term***") of this Lease shall commence on the Effective Date and shall extend to and expire on the last day of the two hundred fortieth (240th) calendar month following the calendar month in which the Effective Date occurs, unless extended in accordance with Section 3.2 or sooner terminated in accordance herewith; provided, however, if the Effective Date is the first day of a calendar month, then the Initial Term shall extend to and expire on the day immediately preceding the twentieth (20th) anniversary of the Effective Date.

3.2 Renewal Options. Subject to the terms and conditions of this Section 3.2, Landlord agrees that as long as (a) this Lease is then in full force and effect at the expiration of, in the case of (i) the first (1st) Renewal Option, the Initial Term, (ii) in the case of the second (2nd) Renewal Option, the first (1st) Renewal Term, and (iii) in the case of the third (3rd) Renewal Option, the second (2nd) Renewal Term and (b) no Significant Event of Default exists at either the date of delivery of a Tenant's Renewal Notice or the commencement of the Renewal Term for which a Tenant's Renewal Notice (as defined below) has been provided, Tenant shall have up to three (3) successive options (each a "***Renewal Option***") to renew the Term of this Lease. As used herein, "***Significant Event of Default***" means (i) an Event of Default for failure to pay any Monetary Obligations and (ii) any other Event of Default where Landlord has elected to terminate this Lease or to terminate Tenant's right of possession. The term "***Renewal Term***" shall mean the extension of this Lease for (a) with respect to the first (1st) Renewal Option, a period of ten (10) Lease Years, (b) with respect to the second (2nd) Renewal Option, a period of five (5) Lease Years, and (c) with respect to the third (3rd) Renewal Option, a period of five (5) Lease Years. Tenant shall exercise each Renewal Option by delivering written notice ("***Tenant's Renewal Notice***") of such election to Landlord. Tenant's Renewal Notice must be provided no earlier than eighteen (18) nor later than twelve (12) months prior to the expiration of (i) the Initial Term, with respect to the first (1st) Renewal Option, (ii) the first (1st) Renewal Term, with respect to the second (2nd) Renewal Option, and (iii) the second (2nd) Renewal Term, with respect to the third (3rd) Renewal Option. Each renewal of the Term of this Lease shall be upon the same terms and conditions of this Lease as it may have been amended, except that:

(a) Tenant shall have no option to renew the Term of this Lease beyond the expiration of the third (3rd) Renewal Term,

(b) the Premises will be provided in their then-existing "as is" condition, and

(c) Base Rent shall be as set forth in Section 4.1 below.

The word "***Term***" as used herein shall mean the Initial Term, but upon the exercise of a Renewal Option shall also include the Renewal Term for which such Renewal Option was exercised.

3.3 Lease Year. The term "***Lease Year***" means (a) the period commencing on the Effective Date and terminating on the last day of the twelfth (12th) full calendar month following the calendar month in which the Effective Date occurs (unless the Effective Date is the first day of a calendar month, in which case the first Lease Year shall commence on the Effective Date and terminate on the day immediately preceding the first anniversary of the Effective Date), and (b) thereafter, each successive one year period with the commencement date of each such period being an annual anniversary date of the day following the end of the first Lease Year, except that the last Lease Year during the Term shall terminate on the date that this Lease expires or is earlier terminated.

3.4 Condition of Premises. **LANDLORD LEASES TO TENANT AND TENANT TAKES AND WILL TAKE THE PREMISES "AS IS," "WHERE IS" AND "WITH ALL FAULTS". TENANT ACKNOWLEDGES THAT LANDLORD (WHETHER ACTING AS LANDLORD HEREUNDER OR IN ANY OTHER CAPACITY) AND THE LANDLORD'S OFFICERS, EMPLOYEES, MEMBERS AND MANAGERS (COLLECTIVELY THE "INDEMNITEES") HAVE NOT MADE AND WILL NOT MAKE, NOR SHALL LANDLORD OR ANY OF THE INDEMNITEES BE DEEMED TO HAVE MADE, ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT TO ANY PART OF THE PREMISES, INCLUDING ANY WARRANTY OR REPRESENTATION AS TO: (A) ITS FITNESS, DESIGN OR CONDITION FOR ANY PARTICULAR USE OR PURPOSE; (B) THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN; (C) THE EXISTENCE OF ANY DEFECT, LATENT OR PATENT; (D) LANDLORD'S TITLE THERETO; (E) VALUE; (F) COMPLIANCE WITH SPECIFICATIONS; (G) LOCATION; (H) USE; (I) CONDITION; (J) MERCHANTABILITY; (K) QUALITY; (L) DESCRIPTION; (M) DURABILITY; (N) OPERATION, INCOME, EXPENSES, ENTITLEMENTS OR ZONING; (O) THE EXISTENCE OF ANY HAZARDOUS SUBSTANCE, ENVIRONMENTAL VIOLATION, RELEASE, HAZARDOUS CONDITION OR HAZARDOUS ACTIVITY; OR (P) COMPLIANCE OF THE PREMISES WITH ANY LAW OR LEGAL REQUIREMENT; AND ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY TENANT. TENANT ACKNOWLEDGES THAT THE PREMISES IS OF ITS SELECTION AND TO ITS SPECIFICATIONS AND THAT THE PREMISES HAS BEEN INSPECTED BY TENANT AND IS SATISFACTORY TO IT. IN THE EVENT OF ANY DEFECT OR DEFICIENCY IN ANY OF THE PREMISES OF ANY NATURE, WHETHER LATENT OR PATENT, LANDLORD AND ALL INDEMNITEES SHALL NOT HAVE ANY RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO OR FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING STRICT LIABILITY IN TORT). THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN NEGOTIATED, CONSTITUTE A MATERIAL INDUCEMENT FOR LANDLORD TO ENTER INTO THIS LEASE AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES BY LANDLORD OR ANY INDEMNITEE, EXPRESS OR IMPLIED, WITH RESPECT TO ANY OF THE PREMISES, ARISING PURSUANT TO THE UNIFORM COMMERCIAL CODE OR ANY OTHER LAW NOW OR HEREAFTER IN EFFECT OR ARISING OTHERWISE.**

Article IV
RENT

4.1 Base Rent.

(a) For Initial Term, Tenant shall pay to Landlord, without (except as expressly provided for in this Lease) abatement, offset or deduction, as base rent ("***Base Rent***"), commencing on the Effective Date and as monthly rent hereunder during (i) the first Lease Year, the sum of **[for Lexus Grapevine, $212, 916.67] [for Lexus Plano, $379,166.67],** and (ii) on each Adjustment Date thereafter during the Initial Term and (subject, in the case of the Adjustment Date that is the first day of the second (2nd) Renewal Term, to the provisions below in Section 4.1(f)) each Renewal Term, the Base Rent shall be the increased by an amount equal to the lesser of (1) three percent (3%) and (2) an amount directly proportional to the percent increase ("***Percent Increase***"), if any, in (i) the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers (CPI-U) U.S. City Average, All Items (1982-84 = 100) (the "***Index***") for the last full calendar month preceding the applicable Adjustment Date (the "***CPI Previous Period***") over and above (ii) the corresponding Index figure for the calendar month in which the preceding Adjustment Date occurred (or, with respect to the first Adjustment Date, the Effective Date) (the "***CPI Current Period***"). The adjustment methodology in clause (2) of the immediately preceding sentence is herein called the "***CPI Based Adjustment***" and shall be calculated in accordance with the formula below).

(b) Notwithstanding any contrary provision hereof, the foregoing adjustments to the Base Rent shall never operate to reduce the Base Rent below the amount being paid prior to the Adjustment Date.

(c) The term "***Adjustment Date***" shall means the first day of the second Lease Year and of each subsequent Lease Year during the Term (including the Initial Term and [subject, in the case of the Adjustment Date that is the first day of the second (2nd) Renewal Term, to the provisions below in Section 4.1(f)]) any Renewal Term for which Tenant has exercised a Renewal Option).

(d) The formula for the CPI Based Adjustment to be used is as follows:

For purpose of the formula, the CPI Current Period minus CPI Previous Period = Index Point Change

(Index Point Change/CPI Previous Period) multiplied by 100 = the Percent Increase

The following is an example of the operation of the provisions of the preceding paragraph: assume that (i) the Base Rent is $212,916.67; and (ii) the CPI Previous Period was 229.815 and the CPI Current Period is 232.945. The Percent Increase would be 1.36%. The New Base Rent would be $215,812.34.

(e) If (i) such Index should be discontinued, such calculation shall be made by use of another reputable Index selected by Landlord and approved by Tenant (such approval not to be unreasonably withheld, conditioned or delayed), (ii) if the base period for the Index (currently 1982-84 = 100) is hereafter modified, the base period used in making the foregoing calculation shall be appropriately adjusted by Landlord (subject to Tenant's approval thereof, which will not be unreasonably withheld, conditioned or delayed) to reflect such modification and (iii) if the Index is published in such a manner that an Index figure is not available for a particular month (the "***Relevant Month***") (such as, by way of illustration only and not by way of limitation, if the Index were only published every other month), then the Index figure published for the most recent month preceding such Relevant Month shall be used. In the event the relevant Index figure for the month referred to in (i) preceding is not available on the applicable Adjustment Date, Tenant shall continue to pay, monthly in advance, the same amount of Base Rent as was applicable for the month immediately preceding such Adjustment Date; however, within fifteen (15) days after Landlord gives Tenant notice of any deficiency in Tenant's payments of Base Rent for the current period due to unavailability of such relevant Index figures (which notice shall be accompanied by the relevant Index figure and calculation supporting Landlord's statement of deficiency), Tenant shall pay Landlord the amount of such deficiency and shall thereafter pay Landlord, monthly in advance, the new Base Rent amount resulting from the calculation stated above.

(f) Landlord and Tenant have agreed that, if Tenant exercises the second (2nd) Renewal Option, the Base Rent shall be adjusted as of the first day of the second (2nd) Renewal Term based upon the Market Rate (as determined in accordance with **Exhibit G** attached hereto) for the second (2nd) Renewal Term, (but in no event shall such adjustment result in a reduction in Base Rent). Accordingly and notwithstanding the foregoing, the monthly Base Rent for the first Lease Year of the second (2nd) Renewal Term

shall be the greater of (i) the Market Rate and (ii) the Base Rent as was applicable for the last month of the first (1st) Renewal Term. On each Adjustment Date thereafter during the second (2nd) Renewal Term, and if exercised, the third (3rd) Renewal Term, the Base Rent in effect shall be adjusted using the methodology described in Section 4.1(a), (b) and (c) hereof.

4.2 Partial Month Rent. If the date upon which the Term commences shall be other than the first day of a calendar month, or if the date upon which the Term expires (or is earlier terminated) shall be other than the last day of a calendar month, as the case may be, Base Rent shall be prorated for any such month.

4.3 Terms of Payment. All Rent and other payments to be made by Tenant to Landlord hereunder shall be made payable to Landlord in current legal tender of the United States of America and sent to Landlord at the address set forth in Section 22.1 below, or as otherwise directed by Landlord from time to time (upon prior written notice by Landlord to Tenant). All Base Rent shall be payable in advance, on or before the first day of each calendar month, and as stated without notice or demand.

4.4 Additional Rent. Tenant shall pay and discharge, as additional rent (collectively, "***Additional Rent***") the following amounts, on and subject to the terms and conditions of this Lease: (a) all costs of which are incurred by Tenant in connection or associated with the operation, use, occupancy, maintenance, alteration, repair or restoration of any of the Premises, (b) all Impositions, and (c) all other costs that, by the other terms of this Lease, Tenant is obligated to pay to Landlord or to others. Tenant shall pay and discharge Additional Rent when the same shall become due, provided that amounts which are billed to Landlord or any third party, but not to Tenant, shall be paid no later than the later to occur of (a) thirty (30) days after Landlord delivers such invoice to Tenant and (b) the day upon which the same becomes past due or delinquent; provided, that, in the case of ad valorem taxes that are not billed directly to Tenant, the same shall be paid to Landlord no later than the later to occur of (i) ten (10) Business Days after Landlord delivers an invoice therefor to Tenant, and (ii) the fifth (5th) Business Day prior to the date the same becomes delinquent.

4.5 Delinquent Sums. Any Rent not paid when due by Tenant to Landlord, or any sums due and payable by Landlord to Tenant and not paid when due, shall bear interest from the fifth (5th) day following the date due until paid at a rate per annum (the "***Past Due Rate***") equal to the lesser of ten percent (10%) and the maximum non-usurious rate of interest permitted by applicable Law. Further, any installment of Base Rent that is not paid within five (5) days following the date due shall entitle Landlord to charge and collect, as Additional Rent, a late fee ("***Late Fee***") equal to five percent (5%) of the amount of such late installment of Base Rent. Notwithstanding the foregoing, with respect to the first late payment in any twelve (12) month period, Landlord shall provide Tenant with written notice of such failure to pay and if such falure to pay is remedied by Tenant within five (5) days following such notice, then no interest charge or Late Fee shall be assessed with regard thereto.

4.6 Rent. The term "***Rent***" shall mean all amounts due as Base Rent and Additional Rent.

Article V
NET LEASE

It is the purpose and intent of Landlord and Tenant that, except as expressly provided for in this Lease, the Rent hereinabove provided to be paid to Landlord by Tenant be absolutely net to Landlord so that this Lease shall yield net to Landlord the Rent as hereinabove provided, to be paid during the Term, including without limitation Tenant's obligation to pay all Impositions, and replacement, repair, and maintenance. Nothing herein contained, however, shall be deemed to require Tenant to pay or discharge any of the following: debt service or fees, costs, expenses or other charges due and owing or paid by Landlord with regard to any loans made to Landlord (except nothing in this clause shall affect or impair Tenant's obligation to pay Impositions), or the costs and expenses incurred by Landlord in connection with any sale of the Premises or an interest therein. Tenant acknowledges and agrees that this is an absolute net lease and all Rent shall be paid by Tenant without notice (except for notice as expressly provided for in this Lease) or demand and without (except as expressly provided for in this Lease) setoff, counterclaim, recoupment, abatement, suspension, deferment, diminution, deduction, reduction or defense. Except as otherwise expressly provided herein, this Lease and the rights of Landlord and the obligations of Tenant hereunder shall not be affected by any event or for any reason, including the following: (a) any damage to or theft, loss or destruction of any of the Premises; (b) any casualty or Condemnation; (c) any action of any governmental authority; (d) any prohibition, limitation, interruption, cessation, restriction or prevention of Tenant's use, occupancy or enjoyment of the Premises; (e) Tenant's acquisition of ownership of any of the Premises other than pursuant to an express provision of this Lease; (f) any failure of the Premises to comply with any Laws; (g) any latent or other defect in any of the Premises; (h) any interference with Tenant's use of the Premises by parties other than Landlord; (i) any eviction by paramount title or otherwise; (j) the bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution or winding-up of, or other proceeding affecting Landlord; (k) the exercise of any remedy, including foreclosure,
under any Mortgage; (l) construction or renovation of the Premises; (m) market or economic changes; or (n) any other cause, whether similar or dissimilar to the foregoing, any present or future Law to the contrary notwithstanding. The obligations of Tenant hereunder shall be separate and independent covenants and agreements, all Rent and other charges due and payable under this Lease (collectively, "***Monetary Obligations***") shall continue to be payable in all events, and the obligations of Tenant hereunder shall continue unaffected unless the requirement to pay or perform the same shall have been terminated pursuant to an express provision of this Lease. All Rent payable by Tenant hereunder shall constitute "rent" for all purposes, including Section 502(b)(6) of the Bankruptcy Code. Except as otherwise expressly provided herein, Tenant shall have no right and hereby waives all rights which it may have under any Law to quit, terminate or surrender this Lease or any of the Premises, or to any set-off, counterclaim, recoupment, abatement, suspension, deferment, diminution, deduction, reduction or defense of any Monetary Obligations.

Article VI
USE

The Premises shall be occupied and used by Tenant for the operation of a retail automotive dealership, and any and all related, ancillary, or complementary purposes, including, without limitation, the display, sale, storage, and service of new and used automotive vehicles, and any other lawful uses (the "***Permitted Use***"). In no event shall Tenant use or occupy or permit any of the Premises to be used or occupied, nor do or permit anything to be done in or on any of the Premises, in a manner which constitutes a Prohibited Use (as defined below) or which (a) violates any Law; (b) makes void or voidable or causes any insurer to cancel any insurance required by this Lease, or makes it difficult or impossible to obtain any such insurance at commercially reasonable rates; (c) constitutes a nuisance or physical waste; or (d) violates, or not be permitted pursuant to, any document or instrument that was, as of the day prior to the Effective Date, filed in the Real Property Records of the County and actually affects title to the Premises, as listed on the attached **Exhibit B** (the "***Existing Encumbrances***"). Without Tenant's prior written consent, which consent shall be in Tenant's sole and absolute discretion, Landlord will not enter into or amend any reciprocal easement agreements, development agreements, operating agreements, maintenance agreements or other instruments (including, without limitation, any Existing Encumbrances) affecting the use, occupancy, benefits or burdens pertaining to the Premises or any portion thereof if the effect thereof could reasonably be expected to (i) materially and adversely impact Tenant's use of or access to the Premises or Tenant's rights under this Lease, or (ii) materially increase Tenant's costs, expenses, or other obligations or result in the imposition of any material cost, expense, or obligation of Tenant. Landlord makes no representation or warranty that the Premises is adequate for use for the Permitted Use or that the Premises may be lawfully used for the Permitted Use. Landlord acknowledges and agrees that, so long as Tenant continues to pay Rent and otherwise comply with its obligations under this Lease, (A) Tenant shall not be required to operate its business upon the Premises (continuously or otherwise), and (B) Tenant's abandonment or vacation of the Premises shall not, by itself, be deemed a breach or Event of Default under this Lease.

The term "***Prohibited Use***" shall mean any one or more of the following:

(1) any fire, explosion or other damaging or dangerous hazard, including the storage, display or sale of explosives or fireworks;

(2) any mobile home park, trailer court, labor camp, junk yard, stock yard or animal raising;

(3) any noise or sound that is objectionable due to intermittence, beat, frequency, shrillness or loudness;

(4) any veterinary hospital, mortuary, funeral home or similar service establishment;

(5) any entertainment, recreation or amusement use, whether directed to children or adults; such prohibited uses shall include, without limitation, any one or more of the following: skating rink, gun range, shooting gallery, bowling alley, teenage discotheque, discotheque, dance hall, video game parlor, pool room, massage parlor, off-track betting facility, casino, card club, bingo parlor, facility containing gaming equipment, arcade games, amusement gallery, rides, video or redemption games, play for fun casino games, golf simulations, rodeo simulations, other sport simulations and carnival activities;

(6) any fire sale, flea market, bankruptcy sale or auction operation (excluding an automobile auction operation);

(7) any bar or tavern serving alcoholic drink for on-premises or immediate off-premises consumption, or any restaurant or other establishment whose annual gross revenues from the sale of alcoholic beverages for on or off-premises consumption exceeds fifty percent (50%) of the gross revenues of such business;

(8) an business primarily used as a storage warehouse operation or any assembling, manufacturing, distilling, refining, smelting, agricultural or mining operation or for any other industrial use

(9) any central laundry, dry cleaning operation or laundromat;

(10) any church, synagogue, mosque or other place of worship;

(11) any hotel, motel or other lodging facility;

(12) any facility for the sale of paraphernalia for use with illicit drugs;

(13) any adult bookstore or adult theatre or similar facility primarily selling or displaying pornographic material;

(14) government, embassies, or consular offices;

(15) health care facilities primarily devoted to the care of the indigent, free medical clinics, abortion clinics or offices primarily devoted to abortion counseling or services;

(16) any veterinary hospital;

(17) a “flea” market; pawn shop; junk yard;

(18) day care or child care facility; nursing home or other facility devoted to the care of the elderly;

(19) Any facility operated primarily for the storage, use or disposal, whether temporary or permanent, of any Regulated Substance; provided, that, in no event shall the use prohibited by this clause be deemed or interpreted to restrict or prohibit the use of the Premises for the operation of a retail automotive dealership (or uses related, ancillary, or complementary thereto, including service of new and used automotive vehicles).

Article VII
NO SUBLETTING AND ASSIGNMENT

7.1 No Subletting and Assignment. Tenant may not at any time assign this Lease in whole or in part or sublet all or any part of the Premises for occupancy without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed; provided, that, without the need of prior consent thereto by Landlord (but subject to not less than ten (10) Business Days prior written notice to Landlord, unless, and to the extent that, any such prior notice to Landlord is prohibited by applicable law or a binding nondisclosure agreement), the named “Tenant” herein shall have the right to consummate a Permitted Transfer so long as no Event of Default exists. As used herein, the term “***Permitted Transfer***” means and includes any assignment or sublease (a) to an Affiliate of Tenant, or (b) in connection with (i) a merger or other business consolidation of Tenant with another entity, (ii) the conveyance by Tenant, in a single transaction or a series of related transactions, of all or substantially all of Tenant’s assets, or (iii) the conveyance, in a single transaction or a series of related transactions, of a controlling interest in Tenant or any direct or indirect parent of Tenant. No assignment hereof by Tenant, whether made with Landlord’s consent or made in a manner that does not require Landlord’s consent, shall release or relieve Tenant from any of the obligations, duties or covenants of the “tenant” under this Lease. No assignment hereof shall be effective as against Landlord unless and until written notice thereof has been provided to Landlord, which notice must contain the name and address of the assignee.

No assignment or subletting shall relieve Tenant of its obligation to pay the Rent and to perform all of the other obligations to be performed by Tenant hereunder, and no assignment or subletting shall release or relieve Guarantor from any obligations under the Guaranty. The acceptance of Rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any subletting or assignment. Consent
by Landlord to one subletting or assignment shall not be deemed to constitute a consent to any other or subsequent attempted subletting or assignment. If Tenant desires at any time to assign this Lease or to sublet the Premises or any portion thereof, it shall first notify Landlord of its desire to do so and shall submit in writing to Landlord all pertinent information relating to the proposed assignee or sublessee, all pertinent information relating to the proposed assignment or sublease, and all such financial information as Landlord may reasonably request concerning the Tenant and proposed assignee or subtenant. Any assignment or sublease shall be expressly subject to the terms and conditions of this Lease.

Subject to the Permitted Transfer provisions above, if Tenant is a corporation, limited liability company, partnership or other entity that is not publicly traded on a recognized national stock exchange, any transaction or series of related transactions (including, without limitation, any dissolution, merger, consolidation or other reorganization, any withdrawal or admission of a partner or change in a partner’s interest, or any issuance, sale, gift, transfer or redemption of any capital stock of or ownership interest in such entity, whether voluntary, involuntary or by operation of law, or any combination of any of the foregoing transactions) resulting in the transfer of control of Tenant, shall be deemed to be an assignment of this Lease. The term “***control***” as used in this paragraph means (a) the power to directly or indirectly direct or cause the direction of the management or policies of Tenant and (b) any transfer that results in more than 49% of the ownership interests in Tenant as of the Effective Date being vested in any person or entity that does not, as of the Effective Date, own, directly or indirectly, interests in Tenant. The term “***Affiliate***” means any person or entity that, directly or indirectly controls, is controlled by, or is under common control with, Tenant. Notwithstanding anything in this paragraph or elsewhere in this Lease to the contrary, in no event shall any of the following transactions be deemed to constitute an assignment of this Lease requiring Landlord’s consent: (i) the trading of stock through a national or regional stock exchange in Tenant or in any Affiliate of Tenant; (ii) transactions among Tenant and its Affiliates; or (iii) the public offering or private placement of any or all of the stock in Tenant or in any Affiliate of Tenant.

7.2 Assignment by Landlord; Landlord’s Right to Mortgage. Landlord shall have the right to transfer all or any part of Landlord’s interest in the Lease and the Premises without the consent or approval of Tenant, which transfer shall work an absolute release of Landlord’s liabilities and obligations hereunder arising after the date of such assignment provided that the assignee assumes all obligations of Landlord hereunder arising after the date of such assignment. No transfer by Landlord of any interests in this Lease shall be affective or against Tenant unless and until written notice thereof is actually received by Tenant, which notice must contain the name and address of the successor landlord and a copy of the executed assignment of this Lease. Subject to Article XXIII below, Landlord shall have the right to mortgage or grant deed of trust liens against Landlord’s interest in the Premises (each, a “***Fee Mortgage,***” and the holder of a Fee Mortgage herein called a “***Fee Mortgagee***”).

7.3 No Right to Mortgage. Tenant may not mortgage, pledge, encumber, assign or transfer collaterally its interest in this Lease without Landlord’s prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed.

Article VIII
QUIET ENJOYMENT

Landlord covenants and agrees with Tenant that so long as Tenant keeps and performs as and when due all of the covenants and conditions to be kept and performed by Tenant hereunder, Tenant shall, subject to the provisions hereof and all Existing Encumbrances, have quiet, undisturbed and continued possession of the Premises free from any claims by any persons claiming under, by or through Landlord.

Article IX
ALTERATIONS

9.1 Tenant’s Alterations. Tenant may, from time to time, make additions, alterations, modifications, replacements and changes to the Improvements and other portions of the Premises (collectively, “***Alterations***”), subject to Landlord’s approval, which (A) shall not be unreasonably withheld, conditioned, or delayed in the case of any Alteration that is not Sole Discretion Alteration; and (B) may, in the case of any Sole Discretion Alteration, be granted or withheld in Landlord’s sole and absolute discretion; provided that

Landlord's approval shall not be required for any Alterations so long as such Alterations (a) do not affect the structural elements of any portion of the roof, foundation, floor slab or load-bearing or exterior walls of any Building, (b) do not require a building permit, (c) do not include demolition of any Building, and (d) when completed do not result in a diminution of the market value of the Premises or the utility or functionality of any Building. As used herein, the term "***Sole Discretion Alterations***" means (i) any Alteration that materially and adversely affects the structural elements of any portion of the roof, foundation, floor slab or load bearing walls of any Building, (ii) includes demolition of any Building or (iii) when completed would result in a diminution of the market value of the Premises or the utility or functionality of any Building; provided, that Alterations required by any automobile manufacturer with whom Tenant has a franchise agreement to operate at the Premises shall not be considered Sole Discretion Alterations. For purposes hereof, the term "***Alterations***" shall not be deemed to include the installation, relocation, reconfiguration or replacement of any movable trade equipment notwithstanding that the same may be anchored to a Building. Tenant shall not do, or permit others under its control to do, any work on the Premises related to Alterations unless Tenant shall have first procured and paid, or caused to be procured and paid, all requisite municipal and other governmental permits and authorizations. All Alterations shall comply with all requirements of all insurers that, at the time in question, are insuring the Improvements under property damage insurance policies (collectively, "***Insurance Requirements***") and with Laws and shall be constructed in a good and workmanlike manner using good grades of materials. If by the provisions above in this paragraph Landlord's consent is required for an Alteration, Tenant shall submit the proposed plans and specifications therefor to Landlord for review prior to commencement of such Alteration. Landlord shall have ten (10) Business Days in which to review and approve the same. If Landlord fails to provide its approval or disapproval of any submitted plans and specifications within said ten (10) Business Day period and such failure is not cured within five (5) Business Days after a second written request from Tenant (conspicuously marked "**SECOND NOTICE – FAILURE TO RESPOND WITHIN 5 BUSINESS DAYS SHALL RESULT IN DEEMED APPROVAL"**), then the same shall be deemed approved by Landlord. Landlord's right to review plans and specifications shall be solely for its own benefit, and Landlord shall have no duty to see that such plans and specifications or construction comply with Laws or Insurance Requirements. Landlord may post or give notices of non-responsibility in compliance with applicable law. Tenant shall deliver to Landlord a diskette on which Tenant has recorded in the most recent version of AutoCAD or compatible format (or such other format then in common use by commercial architects) the "as-built" drawings for all Alterations (which, in any single instance, cost $50,000.00 or more, and actually affect the structural elements or mechanical, electrical and plumbing facilities) that Tenant made subsequent to its previous submission of drawings to Landlord in accordance with the terms hereof. Other than Alterations made by Tenant requiring Landlord's approval and that with respect to which Tenant failed to obtain Landlord's approval, Tenant shall not be required to remove any of the Improvements or any Alterations. Subject to the foregoing, and except as otherwise provided herein, at the expiration of the Term, Tenant shall deliver the Premises to Landlord in good condition and repair, subject to ordinary wear and tear, subject to the following: (a) ordinary wear and tear, and (b) casualty and Condemnation damage that, by the other provisions of this Lease, Tenant is not obligated to repair. Upon the termination of this Lease, such Improvements (including all Alterations but excluding the Removable Property and Equipment) that are not already the property of Landlord shall become the property of Landlord.

9.2 <u>Method of Alterations</u>. All Alterations made by Tenant shall be done in a good and workmanlike manner without impairing the structural soundness of the Premises. All such work shall be performed in accordance with all applicable Laws. Before commencing any work costing in excess of $50,000.00, Tenant shall obtain (or cause its general contractor to obtain) workers' compensation (if required by Law) and employees liability insurance covering all persons employed in connection with the work and with respect to whom death or bodily injury claims could be asserted against Landlord and/or Tenant, and builder's risk insurance insuring damage resulting to the Improvements (and the work itself). A certificate of insurance or copy of said policy shall be delivered to Landlord upon written request. Tenant shall procure and pay for all permits, licenses and authorizations required in connection with any such alteration, addition or improvement, and, at no cost or expense to Landlord, Landlord agrees to cooperate with Tenant, at Tenant's expense, in procuring such permits, licenses and authorizations if such cooperation is reasonably determined by Tenant to be necessary.

Article X
REMOVABLE PROPERTY AND EQUIPMENT

10.1 <u>Removable Property and Equipment</u>. As used herein, the term "***Removable Property and Equipment***" means and includes all personal property, furniture, furnishings, computer equipment, vehicles, movable trade equipment (i.e., equipment that can be removed without material injury to the Building). For clarity, none of the following shall constitute Removable Property and Equipment: heating, ventilation and air conditioning systems providing HVAC services to the Buildings; plumbing equipment providing water and sanitary sewer service to the Buildings; or lighting permanently installed in the Buildings; flooring in the Buildings; in-ground lifts within the Premises Tenant shall have the right at any time during the Term to remove any or all of the Removable Property and Equipment. Tenant shall be obligated to remove and dispose of the following, but only to the extent installed or brought on the Premises by Tenant on or after the Effective Date: (a) all drums, reservoirs and storage containers, (b) all above ground and underground storage tanks within or on any portion of the Premises; provided, that Tenant shall not by the provisions of this paragraph be obligated to remove from Premises any above ground or underground storage tanks installed by Tenant or after the Effective Date that replace any tank on or in the Premises as of the Effective Date, and (c) other used property, such as oil filters, chemicals, oil, tires, junk batteries, spare parts, and cleaning fluids. Tenant shall conduct such removal and disposal in full compliance with all applicable Laws, including Environmental Laws. If Tenant fails to so remove and dispose of such items prior to the expiration of the Term, Landlord may do so at Tenant's expense and Tenant agrees to sign any manifests or other records required by any Environmental Laws or any government authority with appropriate jurisdiction, for such disposal. Tenant shall also have the right to remove all signage reflecting Tenant's name or corporate logo (and that of any sublessee). If the Premises are damaged by the removal of any items, Tenant shall repair such damage and restore the condition of the Premises to at least the condition that existed before removal of any items (the obligations of Tenant under this sentence to expressly survive the expiration of this Lease).

10.2 <u>Title at Termination</u>. Any Removable Property and Equipment that Tenant does not remove in accordance with this Lease following the expiration or sooner termination of this Lease, and any other property of Tenant, that Tenant has not elected to remove pursuant to <u>Section 10.1</u> (or is not required to be removed pursuant to the terms thereof), at the expiration or earlier termination of this Lease, shall become and remain the property of Landlord, free and clear of any claim or interest whatsoever including, without limitation, any claim or interest of Tenant or anyone claiming thereunder. Notwithstanding any provision herein to the contrary, any underground storage tanks that were installed by Tenant on or after the Effective Date and that are, or may become subject to any Environmental Laws, shall not become the property of Landlord.

Article XI
LIEN OR ENCUMBRANCE

11.1 <u>No Liens</u>. Tenant will pay or cause to be paid all charges for all work done, including without limitation all labor and materials for all repairs, alterations, and additions, to or upon the Premises during the Term of this Lease and will not suffer or permit any mechanic's, materialman's, or similar liens for labor or materials furnished to the Premises during the Term of this Lease or any extensions hereof to be filed against the Premises; and if any such lien shall be filed, Tenant will either pay the same or procure the discharge thereof by giving security or in such other manner as may be required or permitted by Law within ten (10) Business Days after such filing or within such shorter time period as may be required by Law. Tenant shall indemnify and defend Landlord against, and save Landlord harmless from, any and all loss, damage, claims, liabilities, judgments, interest, costs, expenses, and attorneys' fees arising out of the filing or contesting of any such lien.

NOTICE IS HEREBY GIVEN THAT LANDLORD SHALL NOT BE LIABLE FOR ANY LABOR, SERVICES OR MATERIALS FURNISHED OR TO BE FURNISHED TO TENANT OR TO ANYONE HOLDING OR OCCUPYING ANY OF THE PREMISES THROUGH OR UNDER TENANT, AND THAT NO MECHANICS' OR OTHER LIENS FOR ANY SUCH LABOR, SERVICES OR MATERIALS SHALL ATTACH TO OR AFFECT THE INTEREST OF LANDLORD IN AND TO ANY OF THE PREMISES. LANDLORD MAY AT ANY TIME, AND AT LANDLORD'S REQUEST TENANT SHALL PROMPTLY, POST ANY NOTICES ON THE PREMISES REGARDING SUCH NON-LIABILITY OF LANDLORD. ADDITIONALLY, LANDLORD SHALL HAVE THE RIGHT TO RECORD A NOTICE OF NON-RESPONSIBILITY (OR SUCH OTHER SIMILAR DOCUMENT) IN THE OFFICIAL RECORDS OF THE COUNTY WHERE THE PREMISES IS LOCATED, REGARDING LANDLORD'S NON-LIABILITY FOR ANY LABOR, SERVICES OR MATERIALS FURNISHED OR TO BE FURNISHED TO TENANT OR TO ANYONE HOLDING OR OCCUPYING ANY OF THE PREMISES THROUGH OR UNDER TENANT.

11.2 <u>No Consent to Work, Lien or Encumbrance</u>. Nothing contained herein shall constitute any consent or request by Landlord, express or implied, to or for the performance of any labor or services or the furnishing of any materials or other property in respect of the Premises nor as giving Tenant any right, power, or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against Landlord or the Premises in respect thereto. Nothing in this Lease shall be construed as empowering Tenant to encumber or cause to be encumbered the title or interest of Landlord in the Premises in any manner whatsoever.

Article XII
REPAIRS AND MAINTENANCE

12.1 Duty to Repair. During the Term, Tenant shall keep the Premises in good condition and repair, subject to ordinary wear and tear. Tenant shall have no obligation under this Article XII to repair the Premises if the Premises are damaged by fire or other casualty, or by reason of Condemnation, and this Lease is terminated as permitted in Article XIV or Article XVII below. All repairs made by Tenant shall be made in a good and workmanlike manner and made in accordance with applicable Laws. Without limiting the generality of the foregoing, Tenant, at its own expense, will maintain all parts of the Premises in good repair, appearance and condition in accordance with all Laws and will make all structural and nonstructural, foreseen and unforeseen and ordinary and extraordinary changes and repairs which may be required to keep all parts of the Premises in good repair and condition (including all painting, glass, utilities, conduits, fixtures and equipment, foundation, roof, exterior walls, heating and air conditioning systems, wiring, plumbing, sprinkler systems and other utilities, and all paving, sidewalks, roads, loading docks, driveways, signs, parking areas, curbs and gutters and fences). Tenant, at its own expense, will retain an independent consultant reasonably approved by Landlord to conduct annual inspections of the roof and the heating and air conditioning systems of the Premises and to provide Tenant and Landlord with a written report of its findings. Tenant shall promptly cause a licensed contractor to perform any recommended or necessary repairs or maintenance measures reflected in such report. Landlord, its contractors, subcontractors, servants, employees and agents, shall have the right to enter upon the Premises with three (3) Business Days prior notice (except in the event of an emergency, in which case no notice shall be required) to inspect same to ensure that all parts of the Premises are maintained in good repair and condition, and Tenant shall not be entitled to any abatement or reduction in rent by reason thereof.

12.2 Landlord has no Obligation to Repair. Landlord shall not under any circumstances be required to furnish any services or facilities or to make any repairs, replacements or alterations of any nature or description in or to the Premises whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen, or to make any expenditure whatsoever in connection with this Lease, or to maintain or improve the Premises in any way. Tenant hereby waives the right to make repairs at the expense of Landlord pursuant to any Law in effect at the time of the execution of this Lease or thereafter enacted, and assumes the full and sole responsibility for the condition, operation, repair, replacement, maintenance, and management of the Premises. Landlord covenants to cooperate with Tenant, at Tenant's expense, in processing claims with respect to matters covered by such insurance.

Article XIII
REQUIREMENTS OF LAW; TENANT'S RIGHTS TO CONTEST

13.1 Requirements. During the Term, Tenant shall, at its expense, comply with, or cause to be complied with, all insurance requirements imposed by insurers providing insurance to Tenant hereunder, and all current and future laws, statutes, ordinances and regulations of federal, state, county and, municipal authorities including, but not limited to, the Americans With Disabilities Act (collectively, "***Laws***") applicable to the Premises or Tenant's use and occupancy thereof, which shall impose any duty or obligation on the Premises or the owner thereof and then only to the extent the last day for mandatory compliance falls within the Term. Tenant shall have the right at Tenant's own expense, to object to and appeal from any administrative or judicial decision requiring compliance and Landlord shall cooperate at Tenant's expense with any such appeal and/or objection by Tenant. In the event compliance shall require improvements or alterations to the Premises during the Term and Tenant is obligated to perform the same as provided for in this Section 13.1, Tenant shall, at Tenant's sole expense, construct such improvements in accordance with the provisions for Tenant's alterations contained in Article IX of this Lease; provided, Landlord shall not withhold consent to any Alterations to the extent such Alterations are required by applicable Laws.

13.2 Tenant's Rights to Contest. Notwithstanding any other provision of this Lease, Tenant shall not be required to take any action to comply with any Law (such noncompliance with the terms hereof being hereinafter referred to collectively as "***Permitted Violations***"), so long as at the time of such contest no Event of Default exists and so long as (a) Tenant is contesting the same in good faith the existence, amount or validity thereof by appropriate proceedings which shall operate during the pendency thereof to prevent or stay: (i) the collection of, or other realization upon, the Permitted Violation so contested; (ii) the sale, forfeiture or loss of any of the Premises or any Rent to satisfy or to pay any damages caused by any Permitted Violation; (b) there is no interference with the use or occupancy of any of the Premises; (c) there is no interference with the payment of any Rent; (d) Landlord is not subjected to any material risk of civil liability, fines or penalties, or subjected to any risk of environmental or criminal liability; and (e) there is no cancellation or increase in the rate of any insurance policy or a statement by the carrier that coverage will be denied. While any proceedings which comply with the requirements of this Section 13.2 are pending, Landlord shall not have the right to correct any Permitted Violation thereby being contested unless Landlord is required by Law to correct such Permitted Violation and Tenant's contest does not prevent or stay such requirement as to Landlord. Each such contest shall be promptly and diligently prosecuted by Tenant to a final conclusion, except that Tenant, so long as the conditions of this Section 13.2 are at all times complied with, has the right to bond around, attempt to settle or compromise such contest through negotiations. Tenant shall pay any and all losses, judgments, decrees and costs in connection with any such contest and shall, promptly after the final determination of such contest, fully pay and discharge the amounts which shall be levied, assessed, charged or imposed or be determined to be payable therein or in connection therewith, together with all penalties, fines, interest and costs thereof or in connection therewith, and perform all acts the performance of which shall be ordered or decreed as a result thereof.

Article XIV
DAMAGE OR DESTRUCTION

14.1 Obligation to Rebuild. Subject to the provisions of Section 14.5 below, if, at any time during the Term, the Improvements or any part thereof shall be damaged or destroyed by fire or other casualty (including any casualty for which insurance coverage was not obtained or obtainable) of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Tenant, at its sole cost and expense (if the Insurance proceeds are payable in connection with such damage, or destruction, but are inadequate to pay the costs of restoration, Tenant shall nonetheless be obligated to restore and repair the Improvements), and shall commence (within a reasonable time after the occurrence of such fire or other casualty, subject to allowance for the purpose of adjusting the insurance loss, unavoidable delay and time reasonably necessary to complete plans and specifications and obtain necessary building and other permits) to repair, alter, restore, replace or rebuild the same as nearly as practicable to its condition prior to such damage or destruction, subject to such changes or alterations as Tenant may elect to make in conformity with the provisions of Article IX hereof, and those which may be required by applicable Law including, without limitation, rules, regulations, codes or ordinances and shall thereafter diligently complete such repair and restoration. Notwithstanding that Tenant shall not be obligated to commence such repair, alteration, restoration, replacement or rebuilding until a reasonable time after the date of such fire or other casualty, Tenant shall promptly remove all debris and rubble caused thereby and place the Premises in a clean, safe and sightly condition. Such repair, alteration, restoration, replacement or rebuilding, including such changes and alterations as aforementioned and including temporary repairs for the protection of other property pending the completion of any thereof, are sometimes referred to in this Article XIV as the "***Work***".

14.2 Conduct of the Work. Except as otherwise provided in this Article XIV, the conditions under which any Work is to be performed and the method of proceeding with and performing the same shall be governed by all of the provisions of Article IX hereof.

14.3 Application of Insurance Proceeds. All proceeds of property damage insurance policies provided for in this Lease paid on account of such damage or destruction of the Improvements (sometimes referred to in this Article XIV as the "***Insurance Proceeds***") shall be paid to and applied by the Insurance Trustee to the payment of the cost of the Work (for purposes hereof, the cost of the Work shall include, without limitation, construction management, design and permitting fees and costs), and shall be paid out to or for the account of Tenant from time to time as such Work progresses; provided, that if the reasonable estimate of the cost of repair and restoration is less than One Hundred Thousand and No/Dollars ($100,000.00), the Insurance Proceeds shall be paid directly to Tenant for the purpose of payment of the cost of the Work. The Insurance Trustee shall make such payments or disbursement upon the written request by Tenant when accompanied by the following:

(a) a certificate, dated not more than fifteen (15) days prior to such request, signed by Tenant or its duly authorized representative setting forth that:

(i) the sum then requested either has been paid by Tenant or is justly due to contractors, subcontractors, materialmen, architects or other persons who have rendered services or furnished materials in connection with the Work (or relates to permitting, insurance or other similar costs attributable to the Work), giving a brief description of the services and materials and the several amounts so paid or due and stating that no part thereof has been made the basis of any previous or then pending request, and that, in respect to sums due to contractors, subcontractors, or materialmen, the sum requested does not, to the knowledge of Tenant, exceed the value of the services and materials described in the certificate,

(ii) except for the amount stated in such certificate to be due as aforesaid, there is no outstanding indebtedness for work performed prior to the date of such certificate known to Tenant (other than liens which are being contested in accordance with the other provisions of this Lease), the Premises or Tenant's leasehold interest, or any part thereof, and

(iii) the cost, as estimated by Tenant, of the Work required to be done subsequent to the date of such certificate in order to complete the same, does not exceed the amount of Insurance Proceeds remaining in the hands of the Insurance Trustee after the payment of the sum so requested; and

(b) a certificate, dated not more than fifteen (15) days prior to such request, of a title or abstract company satisfactory to Landlord then doing business in the City of Dallas, covering the period from the date of such casualty (or the date of the last such certificate furnished pursuant to any of the applicable provisions of this Lease) to the date of such certificate, setting forth all liens and encumbrances, if any, of record and reflecting that there are mechanic's or materialmen's liens of record of any kind on the Premises except those permitted by the terms of this Lease and except such as will be discharged by payment of the amount then requested.

Upon compliance with the foregoing provisions of this Section 14.3, the Insurance Trustee shall, out of the Insurance Proceeds, pay or cause to be paid to Tenant or to the persons named in the certificate the respective amounts stated therein to have been paid by Tenant or to be due to them, as the case may be. All sums so paid to Tenant and any other Insurance Proceeds received or collected by or for the account of Tenant (other than by way of reimbursement to Tenant for sums theretofore paid by Tenant) shall be held by Tenant in trust for the purpose of paying the cost of the Work.

Upon receipt by the Insurance Trustee of evidence satisfactory to it of the character required by subsections (a) and (b) of this Section 14.3 that the Work has been completed and paid for in full and there are no liens of the character referred to therein, and if no Event of Default has occurred and is then-continuing, the Insurance Trustee shall pay any remaining balance of the Insurance Proceeds to the Tenant.

If the Insurance Proceeds received by the Insurance Trustee shall be insufficient to pay the entire cost of the Work, Tenant shall be responsible for and pay the amount of any such deficiency (the "***Shortfall***"), and shall first apply the Shortfall to the payment of the cost of the Work before calling upon the Insurance Trustee for the disbursement of the Insurance Proceeds held by the Insurance Trustee.

Under no circumstance shall Landlord be obligated to make any payment, disbursement or contribution towards the cost of the Work. Except to the extent Landlord is entitled to the same pursuant to Section 14.5 below, no Fee Mortgagee or any other creditor of Landlord shall be entitled to receive any Insurance Proceeds hereof, and in the event any such mortgagee or creditor shall receive any such Insurance Proceeds, Landlord shall cause the same to be delivered to the Insurance Trustee. At the request of Tenant, such Insurance Proceeds may be invested by the Insurance Trustee, for the account of Tenant, pursuant to instructions reasonably acceptable to Landlord and Tenant.

14.4 No Abatement of Rent. In no event shall Tenant be entitled to any abatement, allowance, reduction or suspension of rent because part or all of the Improvements shall be untenantable owing to the partial or total destruction thereof; and notwithstanding anything herein to the contrary, no such damage or destruction shall relieve Tenant in any way from its obligation to pay the Base Rent and Additional Rent and other payments herein reserved or required to be paid, nor release Tenant of or from any obligation imposed upon Tenant under this Lease.

14.5 Right to Terminate. If the Improvements suffer Major Damage by fire or other casualty at any time during the last three (3) Lease Years of the Initial Term or during the last two (2) Lease Years any Renewal Term, Tenant may, at its option, terminate this Lease within ninety (90) days after such Major Damage by serving upon Landlord at any time within said ninety (90) day period a written notice of Tenant's election to so terminate. Tenant's termination notice shall state the effective date of such termination, which shall be no fewer than thirty (30) days and no
more than one hundred eighty (180) days after the date of Tenant's notice. Notwithstanding Tenant's election to terminate the Lease, Tenant shall continue to be responsible for paying to Landlord, as and when due under this Lease, the Base Rent and Additional Rent (including Impositions) up to and including the effective date of such termination. With respect to any items of Additional Rent which are payable to Landlord in the event of such termination but which are not then capable of ascertainment, Tenant covenants and agrees to pay to Landlord an amount equal to such Additional Rent as and when the same becomes determined, or in case any such item of Additional Rent shall relate to Impositions, Tenant covenants and agrees to pay to Landlord the amount or amounts thereof as and when the same become due and payable, it being the understanding that, if as a result of any action or proceeding to obtain a reduction of such Impositions, Tenant shall be entitled to a refund, the amount of such refund (less the cost and expense of collection including reasonable attorneys' fees) if and when collected by Landlord shall be paid by Landlord to Tenant. The covenants and agreements with respect to the adjustment and payment of these items of Additional Rent shall survive the termination hereof. In the event this Lease shall be terminated pursuant to the provisions of this Section 14.5, none of the Insurance Proceeds payable in respect of such damage or destruction to the Improvements (excluding any Insurance Proceeds payable in respect of any damage or destruction to Tenant's Removable Property and Equipment) shall be payable to Tenant but shall be applied as follows:

(a) first, to the costs to remove all debris and rubble caused by such damage and to place the Premises in a safe condition (Tenant shall be obligated to perform such work); and

(b) second, to Landlord.

As used herein, the term "***Major Damage***" means any damage or destruction that is reasonably expected to: (a) cost in excess of $2,000,000.00 to repair, or (b) require more than the lesser of (x) one (1) year and (y) a period equal to one-half (1/2) of the remainder of the Term, in each case measured from the date of the casualty, to repair and restore fully, in each such case as reasonably estimated by a reputable general contractor selected by Tenant and reasonably approved by Landlord.

Article XV
INSURANCE

15.1 Property Insurance. Tenant shall, throughout the Term, at Tenant's sole cost and expense, provide and keep in force for the benefit of Landlord and Tenant insurance against loss or destruction of, or damage or injury to, any Improvements now or hereafter erected on the Premises resulting from fire or from any casualty or hazard included in the so-called extended coverage endorsement (including plate glass insurance, increased cost of construction endorsement, sprinkler leakage, collapse and vandalism and malicious mischief, also known as "causes of loss – special", "broad form" property damage insurance coverage). The self-insured retention under each of said policies shall not be an amount greater than (a) $100,000.000 or (b) if and only for long as the Tenant is an Asbury Party, $5,000,000.00, provided there shall be no limits on deductibles. Such insurance policies may exclude foundations, excavation and the usual items customarily excluded in such insurance policies. As used herein, the term "***Asbury Party***" means the Tenant named herein, any other entity that is controlled by, controls, or is under common control with Guarantor, or any entity that is controlled by, controls, or is under common control with an entity into which Guarantor is merged.

Any policies of property insurance with respect to the Improvements only shall expressly provide that any losses thereunder shall be adjusted by Tenant and Landlord (the consent of Landlord to any proposed adjustment shall not be unreasonably withheld, conditioned or delayed). Notwithstanding any provision hereof to the contrary, all property insurance with regard to the Removable Property and Equipment shall be solely in the name of Tenant (and such lenders to Tenant, as Tenant may elect), Landlord shall have no right or interests therein or in the proceeds thereof, and Tenant shall be entitled to settle and compromise all claims with regard thereto without any notice to or consent from Landlord.

Proceeds from a loss insured under any property damage insurance policy with regard to the Improvements shall be carried in the name of Landlord and Tenant, and loss thereunder shall, if in the amount of $100,000.00 or less, be paid to Tenant for application by Tenant to restoration and repair of the Improvements or, if in an amount in excess of $100,000.00, shall be payable to a bank or trust company selected by Tenant and satisfying the criteria set forth below, as insurance trustee under this Lease (herein called the "***Insurance Trustee***"), on behalf of the holders Landlord and Tenant, as their respective interests may appear, pursuant to a Texas Standard Mortgagee Clause, without contribution, if obtainable. If paid to Tenant, such insurance proceeds shall be held by Tenant in trust for the purpose of paying the cost of such restoration and repair (Tenant shall, however, be entitled to retain the balance of the proceeds remaining, if any, following Tenant's completion of such restoration and repair). If paid to the Insurance Trustee (whether paid to it on behalf of Landlord and Tenant), such Insurance Trustee shall hold, apply and make available to Tenant the amount of such insurance proceeds so paid in the manner as is set forth in Article XIV hereof, and the Insurance Trustee may deduct from such insurance proceeds the amount of its charges for so acting and any reasonable out-of-pocket expenses incurred by it. Furthermore, upon completion of such restoration and repair, the Insurance Trustee shall remit the balance of the insurance proceeds held by it to Tenant. The Insurance Trustee shall be a national bank selected by Landlord from among the five (5) national banks then doing business in Dallas, Texas, which have the

largest aggregate amount of capital and surplus. Whenever required by the provisions hereof and subject to the limitations herein contained, the Insurance Trustee shall have all of the powers granted trustees by the Texas Trust Code and shall be governed thereby. Tenant shall promptly pay all of the charges of Insurance Trustee acting hereunder for their services performed hereunder and the expenses incurred by any of such parties in connection therewith.

15.2 Commercial General Liability Insurance. During the Term, at Tenant's sole cost and expense, Tenant shall maintain in full force and effect commercial general liability insurance, for personal injury, bodily injury, death or property damage occurring on, in or about the Premises, with limits of liability of not less than $2,000,000.00 arising out of any one occurrence and $10,000,000.00 annual aggregate. Tenant shall cause such insurance policy or policies to name as additional insureds Landlord, Landlord's property management company, Landlord's asset management company and, if requested in writing by Landlord, Landlord's mortgagee. If Tenant exercises the first (1st) Renewal Option, the amount of such insurance shall be increased as of the first (1st) day of the first (1st) Renewal Term to an amount reasonably agreed to by Landlord and Tenant as being consistent with commercial general liability insurance being provided by tenants to landlords under leases similar to this Lease, and involving facilities similar to the Improvements and that have been executed within the three (3) year period then immediately preceding; provided, however, any such changes to Tenant's insurance requirements shall not become effective until the next annual policy renewal date.

15.3 Workers' Compensation, Employer's Liability Insurance. Tenant shall also provide and maintain, at Tenant's sole cost and expense throughout the Term, workers' compensation insurance, if required by Law, with statutory limits of liability and employer's liability insurance with limits of liability of not less than $500,000.00 in respect of any work or other operations done or performed on or about the Premises.

15.4 Requirements of Policies.

(a) All policies required to be carried pursuant to this Article XV:

(i) shall be written and signed by solvent and responsible insurance companies authorized to do business in the jurisdiction wherein the Premises are located having a rating of not less than Best A-, Class XIII and having a claims paying ability rating of not less than Standard & Poor's A;

(ii) shall contain an agreement by the insurer that such policy or policies shall not be canceled or non-renewed without at least thirty (30) days' prior written notice to Landlord, Landlord's mortgagee and Tenant;

(iii) may be carried under so-called blanket policies, provided that the protection afforded thereunder as to the Premises shall be not less than that which would have been afforded under separate policy or policies relating only to the Premises and provided, however, any such policy of blanket insurance shall specify therein, or Tenant shall furnish Landlord a written statement from the insurer under such policy so specifying, the amount of the total insurance allocated to the Premises, which amount shall be not less than the amount required herein and any such policy shall comply in all respects with the requirements set out in this Article;

(iv) may be carried under a combination of primary insurance and umbrella coverage; and

(v) shall be primary insurance, which will not call upon any other insurance effected or procured by Landlord for defense, contribution or payment.

(b) Tenant retains full responsibility for payment of all deductibles under each policy provided for hereunder.

(c) Annually, Tenant will promptly furnish to Landlord and Landlord's Fee Mortgagee (if Tenant has been provided the name and address of such mortgagee) certificates evidencing that the insurance required pursuant to this Article XV is in full force and effect.

(d) If Tenant shall fail or refuse to effect or maintain any of said insurance, which failure is not cured by Tenant within one (1) Business Day after written notice from Landlord, Landlord may, but shall have no obligation to do so, effect or maintain said insurance and the amount of money so paid, with interest at the Past Due Rate, shall be payable by Tenant to Landlord as Additional Rent, upon demand.

15.5 Release, Waiver of Subrogation. Landlord and Tenant hereby release one another and their respective officers, directors, employees and agents, from liability or responsibility for any loss or damage in, about, or to the Premises or any other real and personal property (including, without limitation, loss or damage to Tenant's personal property, or Tenant's business or the Improvements, loss arising from any act or neglect of cotenants or other occupants of the Premises) caused by a peril which is insured or is required to be insured against under any insurance policies required by this Lease **AND THIS RELEASE SHALL APPLY NOTWITHSTANDING THE FAULT OR NEGLIGENCE OF EITHER PARTY OR ANYONE FOR WHOM EITHER PARTY MAY BE RESPONSIBLE**. The aforesaid policies shall recognize this release and waive all rights of subrogation by the respective property and liability insurance carriers. Nothing in this Section 15.5 shall be deemed or construed as a release by Landlord of Tenant's obligation to obtain and maintain insurance required by this Lease.

Article XVI
INDEMNIFICATION OF LANDLORD

Tenant will defend, indemnify, and hold harmless Landlord from and against any and all liabilities, claims, losses, damages, actions, judgments, costs, and expenses (including without limitation attorneys' fees and expenses) of every kind imposed upon or asserted by third parties against Landlord or Landlord's title in the Premises arising by reason of or in connection with (a) any accident, injury to or death of persons, or loss of or damage to property occurring on or about the Premises or adjoining public passageways during the Term, (b) any breach of this Lease by Tenant, and (c) a claim by any employee, agent, invitee, contractor of Tenant or any other third party arising out of, directly or indirectly, the use or occupancy of the Premises; **IT BEING INTENDED THAT TENANT'S INDEMNIFICATION OBLIGATIONS EXTEND TO AND COVER CLAIMS IN WHICH LANDLORD IS ALLEGED OR FOUND TO BE NEGLIGENT BUT ONLY TO THE EXTENT SUCH NEGLIGENCE IS BASED ON A FAILURE BY LANDLORD TO HAVE SUPERVISED OR MONITORED THE ACTIVITIES OF TENANT, ITS AGENTS, CONTRACTORS OR EMPLOYEES, IN, ON OR ABOUT THE PREMISES.** If Tenant fails to undertake defense of Landlord when required to do so by this Article XVI and it becomes necessary for Landlord to defend any action seeking to impose any such liability (in so doing, Landlord shall have the right to select counsel of Landlord's choosing), Tenant will pay Landlord all costs, expenses, and attorneys' fees incurred by Landlord in effecting such defense, in addition to any other sums which Landlord may be called upon to pay by reason of the entry of judgment against Landlord in the litigation in which such claim is asserted. The indemnity obligations of Tenant under this Article XVI shall not extend to or cover any claims, liabilities, losses, damages, actions, judgments, costs or expenses suffered or incurred by Landlord which are the subject of an express indemnity obligation of Tenant in a different article or section of this Lease (i.e., Section 11.1, Section 20.1, Article XXII, and Article XXV); Tenant's indemnification obligations with respect to claims, liabilities, losses, damages, actions, judgments, costs or expenses described in such sections of this Lease shall be governed by said article or section. The indemnification obligations of Tenant set forth in this Lease shall survive the expiration or sooner termination of this Lease with respect to acts or omissions for which Tenant is responsible and which occur during the Term.

Article XVII
CONDEMNATION

17.1 Authority. Tenant, promptly upon receiving notice or knowledge of the institution of or intention to institute any proceeding for condemnation or taking of the Premises or any portion thereof (each, a "***Condemnation***"), shall notify Landlord thereof. Tenant is not authorized to negotiate the amount of any award. Landlord shall have the sole authority, right and power to collect, settle and compromise the amount of any award. A sale of the Premises or any portion thereof under threat of, or in lieu of, such a taking or condemnation shall be considered a Condemnation for purposes of this Lease.

17.2 Application of Award. Except as expressly provided below in this paragraph to the contrary, Tenant hereby irrevocably assigns to Landlord any award or payment to which Tenant may become entitled by reason of any taking of the Premises, or any part thereof, in or by Condemnation or other eminent domain proceedings pursuant to any Law or by reason of the temporary requisition of the use or occupancy of the Premises or any part thereof by any governmental authority, whether same shall be paid or payable in respect of Tenant's leasehold interest hereunder or otherwise; except that, Tenant shall have the right to receive from the Net Award an amount equal to the sum of the following: the fair market value of any of the Removable Property and Equipment taken in such Condemnation; and reasonable moving expenses. To the extent of such rights, Tenant shall not be deemed to have assigned the same to Landlord, and Tenant's rights thereto shall survive the termination of this Lease. As used herein, the term "***Net Award***" means the gross amount of the award paid by the condemnor in the Condemnation (whether by settlement or otherwise) less the costs and expenses incurred by Landlord ("***Condemnation Costs***") in the legal proceedings arising therefrom (including, by way of example, and not limitation, costs of appraisers). The proceeds of the award shall first be applied to reimburse Landlord for Condemnation Costs, and the Net Award shall thereafter be applied in accordance with this Section 17.2.

If this Lease is not terminated pursuant to Section 17.3 below in the event of a Condemnation, then (a) Landlord shall deliver to Tenant, for application to the costs of restoring damage to the Premises, an amount of the Net Award that is payable to Landlord pursuant to this Lease as is necessary to reimburse Tenant for the costs and expenses incurred by Tenant in repairing or altering Improvements damaged or affected by the Condemnation, and (b) in the event of a Significant Condemnation, the Base Rent shall be adjusted downward by the Condemnation
Adjustment Amount, such adjustment to be effective as of the first day of the first calendar month following the date upon which the condemnor has taken possession of the portion of the Premises taken in such Significant Condemnation. As used herein, (i) the term "***Significant Condemnation***" means a Condemnation of not less than five percent (5%) of the total number of square feet of Improved Land, and (ii) the term "***Improved Land***" means the portion of the Land that contains building improvements or other site improvements, including, without limitation, parking, driveway, and other paved areas, landscaping, or utility improvements. Notwithstanding the foregoing, if all or any portion of the Premises is condemned or taken for a period of twelve (12) consecutive calendar months or less, the Lease shall remain in full force and effect, and there shall be no reduction or abatement of Base Rent notwithstanding such condemnation; provided, however, the entire amount of any Net Award paid on account of a temporary taking shall be paid to Tenant. The Condemnation Adjustment Amount shall be calculated in accordance with the provisions of ***Exhibit H*** attached hereto.

17.3 Termination. If a Condemnation involves all or substantially all of the Premises, then this Lease shall terminate on the date upon which the condemnor takes possession of the Premises (the "***Condemnation Termination Date***"). If a Condemnation of less than all or substantially all of the Premises shall nevertheless affect such portion of the Premises so as to render the remainder of the Premises unsuitable for restoration for continued use and occupancy in Tenant's business or if the amount necessary to repair or alter the Improvements damaged or affected by the Condemnation exceeds the amount of the Net Award available to Tenant for such repairs or alterations by more than $250,000.00 (and Landlord does not agree to pay such excess cost), then in either case, Tenant may, within ninety (90) days following the date upon which Tenant is notified institution of or intention to institute any proceeding for condemnation or taking, deliver to Landlord: (a) notice of its intention ("***Notice of Intention***") to terminate this Lease, and (b) a certificate of an authorized officer of Tenant describing the event giving rise to such termination and, if applicable, stating the basis upon which Tenant has determined that such Condemnation has rendered the Premises unsuitable for restoration for continued use and occupancy in Tenant's business. If the Notice of Intention is timely given and is not disputed, this Lease shall terminate on the date upon the Condemnation Termination Date. Upon payment by Tenant of all Base Rent, Additional Rent and other sums due and payable under this Lease to and including the Condemnation Termination Date, this Lease shall terminate. The Net Award shall nonetheless be applied in accordance with Section 17.2.

Article XVIII
DEFAULT

18.1 Events of Default.

Each of the following shall be deemed a default by Tenant ("***Event of Default***"):

(a) Tenant's failure to pay Rent when such becomes due as herein provided, provided, that Landlord shall have first given Tenant five (5) days' prior written notice and opportunity to cure the same, with no cure having been made within such five (5) day period; provided, further, that Landlord shall be obligated to provide such notice with respect to a failure to pay Base Rent on no more than two (2) occasions in any Lease Year; or

(b) Tenant's failure to perform, within thirty (30) days after written notice from Landlord, any other terms, conditions or covenants of this Lease to be observed by Tenant; provided, that, if the nature of such failure is such that it cannot reasonably be expected to be cured within such thirty (30) day period, then such thirty (30) period shall be extended for such time as is reasonably necessary to cure such failure with the exercise of diligent, continuous efforts undertaken in good faith; or

(c) If Tenant or Guarantor shall file a petition in bankruptcy or for reorganization or for an arrangement pursuant to any federal or state law or shall be adjudicated a bankrupt or become insolvent or shall make an assignment for the benefit of creditors, or if a petition proposing the adjudication of Tenant or Guarantor as a bankrupt or its reorganization pursuant to any federal or state bankruptcy law or any similar federal or state law shall be filed in any court and Tenant or, as applicable, Guarantor shall consent to or acquiesce in the filing thereof or such petition shall not be discharged or denied within ninety (90) days after the filing thereof; or

(d) If a receiver, trustee or conservator of Tenant or Guarantor, or of all or substantially all of the assets of Tenant or Guarantor, or of the Premises or Tenant's estate therein shall be appointed in any proceeding brought by Tenant, or if any such receiver, trustee or conservator shall be appointed in any proceeding brought against Tenant or Guarantor and shall not be discharged within ninety (90) days after such appointment, or if Tenant shall consent to or acquiesce in such appointment;

18.2 Landlord's Rights Upon Tenants Default. In the event of any default set forth in Section 18.1, Landlord, in addition to any other rights or remedies it may have at Law or in equity, may do any one or more of the following:

(a) If an Event of Default has occurred, Landlord shall have the right, at its sole option, then or at any time thereafter, without demand upon or notice to Tenant, except as otherwise expressly provided in this Article XVIII, to do any or all of the following:

(i) Landlord may give Tenant notice of Landlord's intention to terminate this Lease on a date specified in such notice and upon such date, this Lease, the estate hereby granted and all rights of Tenant hereunder shall expire and terminate. Upon such termination, Tenant shall immediately surrender and deliver possession of the Premises to Landlord in accordance with Article IX. If Tenant does not so surrender and deliver possession of all of the Premises, Landlord may repossess any of the Premises not surrendered by summary ejectment or any other lawful means or procedure. Upon or at any time after taking possession of any of the Premises, Landlord may remove any Persons or property therefrom by lawful means. Landlord shall be under no liability for or by reason of any such entry, repossession or removal. Notwithstanding such entry or repossession, Landlord may collect the damages set forth in Section 18.2(b).

(ii) terminate Tenant's right of possession (but not this Lease) and may repossess the Premises without demand or notice of any kind to Tenant and without terminating this Lease in which event Landlord shall, to the extent required under applicable law, relet the same for the account of Tenant for such rent and upon such terms as shall be satisfactory to Landlord. For the purpose of such reletting, Landlord is authorized to make repairs, changes, alterations or additions to the Premises to make same relettable, and (A) if Landlord shall be unable to relet the Premises, or (B) if the same are relet and sufficient sums shall not be realized from such reletting (after paying: (i) the unpaid rentals due under this Lease earned, but unpaid at the time of reletting, plus interest thereon at the Past Due Rate, (ii) the cost of recovering possession, including Landlord's attorneys' fees, (iii) all of the costs and expenses of reletting including decorations, repairs, changes, alterations and additions by Landlord, and (iv) the expense of the collection of the Rent accruing therefrom) to satisfy the rent and all other charges provided for in this Lease to be paid by Tenant, then Tenant shall pay to Landlord, as damages, the sum equal to the amount of the Rent and other expenses payable by Tenant for such period or periods, or if the Premises has been relet, Tenant shall satisfy and pay any such deficiency upon demand therefor from time to time and Tenant agrees that Landlord may file suit to recover any sums falling due under the terms of this Article from time to time upon one or more occasions without Landlord being obligated to wait until expiration of the term of this Lease. Such reletting shall not be construed as an election on the part of Landlord to terminate this Lease unless a written notice of such intention be given to Tenant by Landlord. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach. Failure of Landlord to declare any default immediately upon occurrence thereof or delay in taking any action in connection therewith shall not waive such default but Landlord shall have the right to declare any such default at any time thereafter. Notwithstanding any such reletting, Landlord may collect the damages set forth in Section 18.2(b).

(iii) exercise any or all rights of Landlord against Guarantor under the Guaranty.

(b) The following constitute damages to which Landlord shall be entitled if Landlord exercises its remedies under Section 18.2(a)(i) or Section 18.2(a)(ii):

(i) If Landlord exercises its remedy under Section 18.2(a)(i) but not its remedy under Section 18.2(a)(ii) then, upon written demand from Landlord, Tenant shall pay to Landlord, as liquidated and agreed final damages for Tenant's default, all Rent accrued but unpaid through the date of termination of this Lease by Landlord.

(ii) If Landlord exercises its remedy under Section 18.2(a)(ii) but not its remedy under Section 18.2(a)(i), then, upon written demand from Landlord, Tenant shall pay to Landlord, as liquidated and agreed final damages for Tenant's default and in lieu of all current damages beyond the date of such demand (it being agreed that it would be impracticable or extremely difficult to fix the actual damages), a sum equal to (A) all Rent accrued but unpaid as of the date of such notice to Tenant, plus (B) an amount (the "***Net Present Value***") equal to the positive difference between the Base Rent to become due through the expiration of the then current
Term (which, for purposes of calculating Net Present Value, Landlord may accelerate and declare due and payable), and the fair rental value of the Premises through the expiration of the then current Term, with such positive difference being discounted to present value at the rate of six percent (6%) per annum. Tenant shall also pay to Landlord

all of Landlord’s out of pocket expenses in connection with the repossession of the Premises and any attempted reletting thereof, including all brokerage commissions, reasonable attorneys’ fees and hard and soft costs of Alterations needed to prepare the Premises for reletting.

(c) Notwithstanding anything to the contrary herein contained, in lieu of or in addition to any of the foregoing remedies and damages, Landlord may exercise any remedies and collect any damages available to it at law or in equity. If Landlord is unable to obtain full satisfaction pursuant to the exercise of any remedy, it may pursue any other remedy which it has under this Lease or at law or in equity, it being understood that the remedies set forth in this Lease are not exclusive and are cumulative in addition to any remedies that may be available at law or in equity.

(d) Landlord shall use commercially reasonable efforts to mitigate Landlord’s damages under this Lease. Tenant agrees that Landlord shall be deemed to have used commercially reasonable efforts to mitigate Landlord’s damages under this Lease by listing the Premises with a leasing agent on terms recommended by said leasing agent and advising at least one outside commercial brokerage entity of the availability of the Premises; provided, however, in no event shall Landlord be obligated to: (i) accept less than the then-current market rent for the Premises; (ii) deviate from Landlord’s then-established guidelines for tenants, including, without limitation, use, experience, reputation, caliber and creditworthiness; (iii) expand, contract or “fit out” the Premises for a new tenant; or (iv) lease less than all or substantially all of the Premises. Tenant agrees that Landlord’s duty to mitigate Landlord’s damages pursuant to this Section 18.2(d) shall not commence unless and until Tenant has fully vacated and delivered the Premises free of any and all Removable Property and Equipment.

(e) No termination of this Lease, repossession or reletting of the Premises, exercise of any remedy or collection of any damages pursuant to this Article XVIII shall relieve Tenant of any Surviving Obligations.

(f) No failure of Landlord: (i) to insist at any time upon the strict performance of any provision of this Lease; or (ii) to exercise any option, right, power or remedy contained in this Lease shall be construed as a waiver, modification or relinquishment thereof. A receipt by Landlord of any sum in satisfaction of any Monetary Obligation with knowledge of the breach of any provision hereof shall not be deemed a waiver of such breach, and no waiver by Landlord of any provision hereof shall be deemed to have been made unless expressed in a writing signed by Landlord.

(g) Tenant hereby waives and surrenders, for itself and all those claiming under it, including creditors of all kinds, any right and privilege which it or any of them may have under any present or future Law to redeem any of the Premises or to have a continuance of this Lease after termination of this Lease or of Tenant’s right of occupancy or possession pursuant to any court order or any provision hereof.

Article XIX
TAXES AND OTHER LIENS

19.1 Impositions. Landlord and Tenant shall cooperate with each other to cause the appropriate taxing authorities to deliver directly to Tenant all statements and invoices for Impositions, effective as of the Effective Date. Tenant shall pay before any fine, penalty, interest, or cost may be added thereto for the nonpayment thereof, all real estate, municipal utility district and other similar taxes, assessments, ad valorem taxes, water and sewer charges, sales tax on Rent, all gross receipts or “margin” tax assessed against Landlord with respect to, or that is attributable to, Rent, vault charges, license and permit fees, dues or assessments, general or special of any association to which the Premises is subject and other governmental levies and charges, general and special, ordinary, and extraordinary, unforeseen as well as foreseen, of any kind and nature (collectively, “***Impositions***”) which may be charged, assessed, levied, imposed upon or become due and payable, during the Term; provided, however, that if, by Law, any Imposition is payable or at the option of the taxpayer may be paid in installments (whether or not interest shall accrue on the unpaid balance thereof), Tenant may pay the same (and any accrued interest on the unpaid balance) in installments and shall be required to pay only such installments as may become due during the Term as the same respectively become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment thereof. If the Term commences on a day other than January 1 or expires on a date other than December 31, Tenant shall only be liable for the Impositions accruing during the Term (such that the same shall be prorated between Landlord and Tenant for such calendar year). Tenant shall be entitled to the benefit of any abatements or reduction of any Impositions during the Term and, in all events, shall be entitled to any and all tax incentives, rebates, discounts or other similar payments or inducements which Tenant may negotiate for and receive (even though allocable to the Premises) from any governmental authority with regard to the location of Tenant’s business on the Premises or otherwise. All reductions, refunds, or rebates of Impositions applicable to the Term shall belong to Tenant.

19.2 Tax on Tenant Additions. Tenant shall pay all additional taxes levied, assessed or becoming payable during the Term by reason of the improvements, alterations or additions to the Premises installed by Tenant at any time during the Term.

19.3 Exceptions. Nothing in this Lease shall require Tenant to pay any inheritance, succession, capital levy, stamp, transfer or income tax of Landlord; provided, however, that if at any time under the laws of the State of Texas or any political subdivision thereof in which the Premises is located a future change in the method of taxation or in the taxing authority, or for any other reason, a franchise, income, transfer, profit or other tax or governmental imposition, however designated, shall be levied against Landlord in substitution in whole or in part for any Imposition payable by Tenant, or in lieu of additions to or increases of said Impositions payable by Tenant then said franchise, income, transfer, profit or other tax or governmental imposition shall be deemed to be included within the term “***Imposition***”, and Tenant shall pay and discharge such imposition in accordance with Section 19.1 in respect of the payment of Impositions, but only to
the extent such franchise, income, transfer, profit or other tax or governmental imposition (a) is in substitution for any Imposition otherwise payable by Tenant, or in lieu of additions to or increases of any Imposition otherwise payable by Tenant, and (b) would be payable if the Premises were the only property of Landlord subject to such imposition.

19.4 Proof of Payment. Tenant agrees to submit to Landlord official receipts evidencing payment of said Impositions at the place at which rental payments are required to be made at least ten (10) Business Days before said Impositions or other charges would otherwise become delinquent.

19.5 Refunds. If Landlord shall receive a refund of any Imposition theretofore paid by Tenant pursuant to the provisions hereof, such refund, net of Landlord’s reasonable out-of-pocket costs of recovery, shall be promptly paid to Tenant.

19.6 Protest. So long as no Event of Default exists hereunder and no event has occurred that, with the passage of time, the giving of notice, or both, could constitute an Event of Default hereunder, Tenant shall have the right to contest in the name of Tenant or, if required by applicable Law, Landlord or both, the amount or validity of any Imposition applicable to the Premises (including, without limitation, the appraised or assessed value of the Premises for purposes of ad valorem taxes) for any calendar year during the Term (excluding, however, the calendar year in which the Term is scheduled to expire, if fewer than six (6) months of such calendar year will fall within the Term). Such right to contest such Imposition is subject to, and conditioned upon compliance with, the following: (a) Tenant must do so in good faith, diligently and by appropriate proceedings, (b) no portion of the Premises or interest therein is in any material danger of being sold, forfeited or lost during the pendency of such proceedings, (c) the contest is conducted in accordance with all applicable Laws, (d) no settlement thereof may include any agreement with regard to appraised or assessed values for any year other than the calendar year being contested, (e) Tenant keeps Landlord generally apprised of the status of such contest, and (f) Tenant pays all costs and expenses thereof and reimburses Landlord for any costs or expenses incurred by Landlord with regard thereto.

Article XX
UTILITIES

20.1 Payment of Charges. Tenant shall, during the Term, pay and discharge punctually as and when the same shall become due and payable without penalty all water and sewer rents, rates, and charges, charges for removal of waste materials, and charges for water, steam heat, gas, electricity, light, and power, and other service or services furnished to the Premises or the occupants thereof during the Term and shall indemnify, defend, and hold harmless Landlord and the Premises against any and all liability to third parties on such account, such indemnification to expressly survive the termination of this Lease.

20.2 Provision of Services. Landlord shall not be required to furnish any services or facilities to the Premises and shall not be liable for any failure of water supply or electric current or of any service by any utility, nor for injury or damage to person (including death) or property caused by or resulting from steam, gas, electricity, water, heat, or by rain or snow that may flow or leak from any part of the Premises or from any pipes, appliances, or plumbing works of the same or from the street or subsurface or from any other place, nor for interference with light or other incorporeal hereditaments or easements, however caused, unless due to the affirmative acts of Landlord.

Article XXI

HOLDING OVER

If Tenant or anyone claiming under Tenant remains in possession of the Premises at the expiration of the Term, such continuing possession shall constitute a renewal of this Lease on a month to month basis on the terms herein specified, except that monthly Base Rent during such period shall be in the amount of one hundred fifty percent (150%) of the monthly rate of Base Rent for the month immediately preceding expiration of the Term. Entry upon the Premises pursuant to Section 10.1 shall not be deemed "continuing possession" for purposes of this Article XXI. Tenant shall indemnify Landlord from and against actual damages incurred by Landlord as a result of such hold over if Landlord notifies Tenant no later than thirty (30) days prior to the scheduled expiration of the Term that Landlord has executed a lease with a third party for all or part of the Premises. The increased Base Rent payable by Tenant pursuant to this Article XXI, Landlord's right to seek recovery of immediate possession of the Premises, and Landlord's right to enforce Tenant's indemnification obligations set forth in the immediately preceding sentence shall constitute Landlord's sole and exclusive remedies in the event of any holdover or continuing possession by Tenant beyond the expiration or earlier termination of this Lease.

Article XXII
NOTICE

22.1 Notice Address. All notices and other communications required or permitted hereunder shall be in writing (in some instances in this Lease the words "written notice" or "notice in writing" [or words to like effect] are used and in other instances the word "notice" may be used; no inference shall be drawn therefrom as all notices must, except as expressly provided to the contrary be in writing) and given by registered or certified mail (return receipt requested and postage prepaid), by personal delivery or by a recognized overnight delivery service (such as DHL, Federal Express or UPS), and shall be determined to have been effectively given upon actual receipt or upon refusal of delivery or, if earlier and whether or not actually received, (a) if transmitted via a recognized overnight delivery service, one (1) business day after deposit with such recognized overnight delivery service for next business day delivery, properly addressed to the intended recipient, with delivery charges prepaid by, or billed to, the sender, or, (b) if mailed, three (3) Business Days after deposit with the United States mail, registered or certified mail, return receipt requested, postage prepaid, properly addressed to the intended recipient, or (c) if by personal delivery, upon the earlier of actual receipt or, in the case when the addressee refuses to accept the delivery, when tendered to the addressee. The initial notice addresses of the parties hereto are as follows:

in the instance of Landlord, to:

[insert Park Place entity]
2021 McKinney, Suite 450
Dallas, Texas 75201
Attention: President

with a copy to:

Locke Lord LLP
600 Travis, Suite 2800
Houston, Texas 77002
Attention: Kevin Peter and Stephen Jacobs

and in the instance of Tenant, to:

____
____
____

with a copy to:

____
____
____

Article XXIII
SUBORDINATION

23.1 Lease Subordinate; SNDA. Neither this Lease nor the leasehold estate created hereby shall be subordinate to any current or future deed of trust, mortgage or other lien against fee title to the Land (including, without limitation, a Fee Mortgage), and Tenant shall have no obligation to subordinate this Lease thereto, except in the case (and only in the case) where the holder thereof executes and delivers to Tenant a subordination, non-disturbance and attornment agreement ("***SNDA***") in the form attached hereto as **Exhibit C**, or on such holder's commercially reasonable standard form with such commercially reasonable modifications as may be requested by Tenant. Notwithstanding anything in this Lease to the contrary, any SNDA must provide that any and all property insurance or condemnation proceeds shall be available to, and may be used by, Tenant as expressly provided for in, and subject to the terms and provisions of, this Lease. Upon execution of an SNDA, this Lease shall be subordinate to the liens therein described to the extent (but no further) expressly provided for in the SNDA.

23.2 Attornment. Tenant covenants and agrees that, upon any mortgage foreclosure or foreclosure under a Fee Mortgage, it will attorn to any mortgagee, trustee, assignee, or any purchaser at any foreclosure sale as its Landlord, and this Lease shall continue in full force and effect as a direct Lease between Tenant herein and such party upon all terms, conditions, and agreements set forth in this Lease.

23.3 Attornment to Successor. In the event Landlord or any successor owner of the Premises shall transfer the Premises, which transfer may be freely effected by Landlord without the consent or approval of Tenant and such assignee assumes the obligation of Landlord hereunder, Landlord or such successor owner, as the case may be, shall thereupon be released from all future liabilities and obligations of Landlord under this Lease and all such future liabilities and obligations shall thereupon automatically be binding upon the new owner, and Tenant will attorn to any new owner as its Landlord, and this Lease shall continue in full force and effect as a direct Lease between Tenant herein and such party upon all terms, conditions, and agreements set forth in this Lease.

Article XXIV
LANDLORD'S ACCESS TO THE PREMISES

Landlord, or its agents or authorized representatives, upon reasonable prior notice (at least forty-eight (48) hours except in the case of an emergency, as described below), shall have access to the Premises during normal business hours or at other times as agreed by the parties for the purposes of examining, inspecting or investigating the condition of same, including, without limitation, conducting a subsurface investigation of the Premises. Such examination, inspection or investigation to be performed in such a manner as to minimize, to the maximum extent practicable, interference with Tenant's conduct of its business and Tenant's full and complete use of and access to the Premises. In the event of any emergency such as, but not limited to, a fire, flood, or severe windstorm, Landlord shall have free access to the Premises for the purpose of examining or inspecting damage done to them. Landlord further reserves the right to show the Premises to prospective purchasers and mortgagees any time during the Term, during normal business hours, or at other times upon reasonable notice to Tenant, and with reasonable prior notice. Except in the case of emergency, Tenant may elect to accompany Landlord or its agents and representatives in connection with any such access or entry on or into the Premises.

Article XXV
ENVIRONMENTAL COMPLIANCE

25.1 Definitions. For purposes of this Lease:

(a) the term "***Environmental Laws***" shall mean and include the Resource Conservation and Recovery Act, as amended by the Hazardous and Solid Waste Amendments of 1984, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Hazardous Materials Transportation Act, the Toxic Substances Control Act, the Federal Insecticide, Fungicide and Rodenticide Act, the Clean Water Act, the Clean Air Act, the Texas Solid Waste Disposal Act, the Texas Clean Water Act, the Texas Clean Air Act and all other federal, state and local laws, ordinances, rules, requirements, regulations, guidance, publications and orders relating to the protection of human health and the environment or regulation of any
substances or materials, including, but not limited to, solid wastes, hazardous wastes, hazardous substances, hazardous materials, toxic substances, pollutants, contaminants, petroleum substances, volatile organic compounds, semi-volatile organic compounds, polychlorinated biphenyls and asbestos, as any of the foregoing may have been or may be from time to time amended, supplemented or supplanted, and any and all other federal, state or local laws, ordinances, rules, requirements, regulations, guidance, publications or orders, now or hereafter existing, relating to the protection of human health and the environment or regulation of any substances or materials, including, but not limited to, solid wastes, hazardous wastes, hazardous substances, hazardous materials, toxic substances, pollutants, contaminants, petroleum substances, volatile organic compounds, semi-volatile organic compounds, polychlorinated biphenyls and asbestos; and

(b) the term "***Regulated Substance(s)***" shall mean and include any, each and all substances or materials now or hereafter regulated pursuant to any Environmental Laws, including, but not limited to, any such substance or material now or hereafter defined as or deemed to be a "regulated substance," "pesticide," "hazardous substance," hazardous waste," "hazardous material," "solid waste," "toxic substance," "pollutant," "contaminant," "petroleum product," "petroleum substance," "volatile organic compound" or "semi-volatile organic compound" or included in any similar or like classification or categorization thereunder.

(c) the term "***Tenant Environmental Event***" shall mean the failure of Tenant, in whole or in part, to comply with one or more of its obligations and/or responsibilities under this Article XXV.

25.2 Tenant's Agreements. Tenant agrees to be, and shall be, liable and responsible under this Lease for (a) all Regulated Substances that Tenant or its employees, contractors, vendors, agents or invitees place upon, or cause to come upon, the Premises, either prior to or during the Term, and (b) any violation of Environmental Laws resulting from Tenant's activities or the activities of its employees, contractors, vendors, agents or invitees, the use of the Premises by Tenant, or the operations of Tenant at the Premises whether prior to or during the Term. To that end and based on the intention of the parties set forth in this paragraph, Tenant shall, at a minimum:

(a) store, use, manage, transport and dispose of any Regulated Substance on, under, at, to or from the Premises in full compliance with all Environmental Laws and thus, not cause or allow any Regulated Substance to be placed, held, located, transported or disposed on, under, at, to or from the Premises in violation of any Environmental Laws; provided that Tenant shall not be deemed in breach hereof if the Regulated Substance originated from (whether prior to or after the Effective Date) a property off-site to the Premises (for clarity, nothing in this paragraph shall be deemed to release or relieve Tenant from any liability to Landlord if the property off-site to the Premises from which such Regulated Substance originated was or is owned or operated by Tenant and Tenant is responsible under Environmental Laws for the release or migration of such Regulated Substance);

(b) at its own cost and expense or at the cost and expense of any party other than Landlord, investigate the presence, release or threatened release of any Regulated Substance that is related in any way to any Tenant Environmental Event affecting the Premises, and contain at or remove from the Premises, or perform any other necessary or desirable remedial action with respect thereto, (if, as and when such containment, removal or other remedial action is required under any Environmental Laws), and in a manner satisfying all applicable Environmental Laws;

(c) provide Landlord with written notice (and a copy as may be applicable) of any of the following within ten (10) days thereof: (i) Tenant's obtaining actual knowledge or notice or any other information of any kind of the presence, or any actual or threatened release, of any Regulated Substance in any way affecting the Premises in a manner that violates or may violate any Environmental Laws; (ii) Tenant's receipt or submission, or Tenant's obtaining actual knowledge or notice, of any information, report, citation, notice of violation or any other notice, administrative complaint, or other communication from or to any federal, state or local governmental or quasi-governmental authority regarding any Regulated Substance that in any way affects the Premises or that originated at, on or under the Premises and in any way affects any property off-site to the Premises or regarding any violation of Environmental Laws at the Premises or by Tenant or its employees, contractors, vendors, agents or invitees; (iii) Tenant's obtaining actual knowledge or notice of the incurrence of any cost or expense by any federal, state or local governmental or quasi-governmental authority or any private party in connection with the assessment, monitoring, containment, removal or remediation of any kind of any Regulated Substance that in any way affects the Premises or that originated at, on or under the Premises and in any way affects any property off-site to the Premises due to migration or disposal of any such Regulated Substance, or of the filing or recording of any lien on the Premises or any portion thereof in connection with any such action or Regulated Substance in any way affecting the Premises; and (iv) Tenant's obtaining notice of a lawsuit or a threatened lawsuit against Tenant and/or Landlord by a third party, including any governmental or quasi-governmental authority, related in any way to the storage, use, management, transport, release or disposal of any Regulated Substance at the Premises during the Term, violation of any Environmental Laws by Tenant or its employees, contractors, vendors, agents or invitees during the Term, or any other Tenant Environmental Event affecting the Premises;

(d) defend all actions against Landlord (with counsel reasonably acceptable to Landlord) and its mortgagee, trustees, beneficiaries, officers, employees, agents, representatives and assigns ("***Landlord Parties***") and pay, protect, release, indemnify, defend and save harmless Landlord and Landlord Parties from and against any and all liabilities, losses, damages, fines, penalties, costs, expenses (including, without limitation, attorneys', experts' and consultants' fees, investigation costs, response and clean-up costs, court costs, and litigation expenses), causes of action, suits, claims, demands or judgments of any nature or kind relating in any way to any of the following that occur during the Term or arise out of an event that occurred prior to during the Term: (i) a Tenant Environmental Event; (ii) any act or omission of Tenant or its employees, contractors, vendors, agents or invitees that alters or affects the environmental condition of the Premises; (iii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or relating to any Tenant Environmental Event; or (iv) any violation of Environmental Laws due to a Tenant Environmental Event. The indemnity contained in this Article XXV shall survive the expiration or earlier termination of this Lease. In no event shall Tenant be responsible for any breach or violation of Environmental Laws, or have any liability or
obligations, attributable in whole or in part to (A) the condition of the Premises as of the Effective Date that are not the result of the acts of Tenant, its agents, contractors or employees, or (B) any Regulated Substance(s) originating from (whether prior to or after the Effective Date) a property off-site to the Premises (for clarity, nothing in this paragraph shall be deemed to release or relieve Tenant from any liability to Landlord if the property off-site to the Premises from which such Regulated Substance originated was or is owned or operated by Tenant and Tenant is responsible under Environmental Laws for the release or migration of such Regulated Substance).

Article XXVI
ESTOPPEL CERTIFICATES

Upon the request of either party hereto, the other party will, within ten (10) Business Days after receipt of written request, execute, acknowledge, and deliver a certificate, certifying that this Lease is unmodified and is in full force and effect (or, if modified, that this Lease is in full force and effect, as modified, and stating the date of each instrument so modifying this Lease); the dates, if any, to which Rent and other charges payable hereunder have been paid; and, whether, to the actual knowledge of the party delivering the same, any default exists hereunder and, if so, the nature and period of existence thereof and what action should be taken with respect thereto and whether notice thereof has been given to the other and such other factual matters with regard to the status of this Lease as may reasonably be requested. If such certificate is required to be delivered by a corporation, the same shall be signed by the President, a Vice President or the Secretary, or authorized agent thereof, and if such certificate is required to be delivered by a partnership, the same shall be signed by a general partner thereof. Any certificate required under this Article may be relied upon by a prospective purchaser, mortgagee, or other transferee of Landlord's or Tenant's interest under this Lease.

Article XXVII
PROVISIONS OF GENERAL APPLICATION

27.1 Interpretation. The language in all parts of this Lease shall in all cases be construed as a whole and according to its fair meaning, and not strictly for or against either Landlord or Tenant, and the construction of this Lease and any of its various provisions shall be unaffected by any argument or claim, whether or not justified, it has been prepared, wholly or in substantial part, by or on that behalf of Landlord or Tenant.

27.2 Headings. The Article and Section headings in this Lease are for convenience only and are not a part of this Lease, and do not in any was limit or simplify the terms and provisions of this Lease, nor should they be used to determine the intent of the parties.

27.3 Separable. If any term, covenant, condition or provision of this Lease, or the application thereof to any person or circumstances, shall, to any extent, be invalid, illegal, or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby; and it is the intention of the parties hereto that if any provision of this Lease is capable of two (2) constructions, one (1) of which would render the provision invalid, and the other which would render the provision valid, then the provision shall have the meaning which renders it valid; and each term, covenant, condition and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

27.4 Governing Law; Venue; Time is of the Essence. This Lease shall be governed and construed in accordance with the laws of the State of Texas, without regard to conflicts of laws principles. The courts located in Dallas County, Texas shall be the exclusive place of venue with respect to all legal proceedings between Landlord or Tenant with regard to or arising out of this Lease. Time is of the essence; provided, that, if the day upon which any time period described herein expires, an election, consent, decision or determination is to be made, or by which a notice must be provided falls on a day that is not a business day, then time period or, as applicable, the last day to make such election, consent, decision, determination or to provide such notice shall extend to the next business day. All references to days in this Lease (including any exhibits or riders hereto) mean calendar days, not working or business days, unless otherwise stated. All references in this Lease (including any exhibits or riders hereto) to "***Business Days***" means any day other than a Saturday, Sunday or a holiday on which national banking associations located in Dallas, Texas are not open for the conduct of regular business.

27.5 No Waiver. It is mutually covenanted and agreed by and between the parties that no waiver of a breach of any of the covenants or conditions of this Lease shall be construed to be a waiver of any preceding or succeeding breach of the same covenant or condition. It is further agreed by and between the parties that no modification, release, discharge or waiver of any provision of this Lease shall be of any force, effect or value unless in writing and signed by the Landlord and Tenant or their duly authorized agents.

27.6 Landlord and Tenant; Successors and Assigns. The words "***Landlord***" and "***Tenant***" and the pronouns referring thereto, as used in this Lease, shall mean, where the context requires or permits, the persons named herein as Landlord and as Tenant, respectively, and their respective heirs, legal representatives, successors, and assigns, irrespective of whether singular or plural, or masculine, feminine, or neuter; provided, that, nothing in this Section 27.6 shall be deemed or interpreted to modify, amend or impair the provisions of, or authorize any assignment of this Lease prohibited by, Article VII hereof. The agreements and conditions in this Lease contained on the part of Landlord to be performed and observed shall be binding upon Landlord and its heirs, legal representatives, successors, and assigns, and shall inure to the benefit of Tenant and its heirs, legal representatives, successors, and assigns; and the agreements and conditions on the part of Tenant to be performed and observed hereunder shall be binding upon Tenant and its heirs, legal representatives, successors and assigns, and shall inure to the benefit of Landlord and its heirs, legal representatives, successors, and assigns.

27.7 No Brokers. Landlord and Tenant represent to each other that no broker or person is entitled to any commission by reason of the negotiation and execution of this Lease other than, in the case of Landlord, Presidio Merchant Partners LLC. Landlord and Tenant agree to hold each other harmless against any and all claims by any person for brokerage commissions arising out of any conversation, negotiations or other dealings held by the other party with any broker regarding this Lease.

27.8 Attorneys' Fees. If Landlord or Tenant uses the services of an attorney in order to secure compliance with this Lease or recover damages therefor from the other, the prevailing party in any litigation resulting therefrom or settlement associated therewith shall be entitled to recover from the other party any and all reasonable attorneys' fees and expenses incurred by the prevailing party in connection with such litigation or settlement.

27.9 Entire Agreement. This instrument contains the entire and only agreement between the parties relating to the subject matter hereof, and no oral statements or representations or written matter not contained in this instrument shall have any force or effect. This Lease shall not be amended or modified in any way except by a writing executed by both parties.

27.10 No Joint Venture. The relationship between the parties hereto is solely that of Landlord and Tenant, and nothing in this Lease shall be construed as creating a partnership or joint venture between the parties hereto, it being the express intent of Landlord and Tenant that the business of Tenant on the Premises and elsewhere, and the good will thereof, shall be and remain the sole property of Tenant.

27.11 Singular and Plural. Throughout this Lease, wherever the context so requires, the singular shall include the plural, and the masculine gender shall include the feminine and neuter genders.

27.12 No Merger. There shall be no merger of this Lease or the leasehold estate created by this Lease with any other estate or interest in the Premises by reason of the fact of the same person, firm, corporation, or other entity acquiring or owning or holding, directly or indirectly, this Lease or the leasehold interest created by this Lease or any interest in this Lease, and any such other estate or interest in the Premises or any part thereof, and no such merger shall occur unless and until all corporations, firms, and other entities having an interest (including a security interest) in this Lease or the leasehold interest created by this Lease and any such other estate or interest in the Premises or any part thereof, shall join in a written instrument effecting such merger and shall duly record the same.

27.13 Waiver of Rights Under Section 93.012 of the Texas Property Code. Landlord and Tenant are each knowledgeable and experienced in commercial transactions and hereby agree that the provisions of this Lease for determining charges, amounts and Additional Rent payable by Tenant are commercially reasonable and valid even though such methods may not state a precise mathematical formula for determining such charges. **ACCORDINGLY, TENANT VOLUNTARILY AND KNOWINGLY WAIVES ALL RIGHTS AND BENEFITS OF TENANT UNDER SECTION 93.012 OF THE TEXAS PROPERTY CODE AS SUCH SECTION NOW EXISTS OR AS MAY BE HEREAFTER AMENDED OR SUCCEEDED FROM TIME TO TIME.**

27.14 Force Majeure. Notwithstanding anything to the contrary contained in this Lease, any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, acts of war, terrorism, terrorist activities, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire, flood, earthquake or other casualty, and other causes beyond the reasonable control of the party obligated to perform (collectively, a "***Force Majeure***"), shall, except with respect to the obligations imposed with regard to Rent and other charges to be paid by Tenant pursuant to this Lease and any Tenant indemnification obligations set forth in this Lease, excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure. Any party claiming delay due to an event of Force Majeure must provide written notice to the other party hereto promptly upon learning of such event, and in such notice provide a reasonable description of the event of Force Majeure and the nature of the delay anticipated to be incurred as a result thereof. Each party agrees to use commercially reasonable efforts to mitigate the delay resulting from an event of Force Majeure.

27.15 No Punitive or Consequential Damages. The provisions of this Section 27.15 shall control over any and all conflicting provisions of this Lease. Without affecting the rights of any party hereto to recovery of actual, direct damages, neither Landlord nor Tenant will be liable to the other for incidental, consequential, special or punitive damages, loss of future revenues or income (for the avoidance of doubt, "future revenues or income" does not include Rent), lost profits, loss of business reputation or opportunity relating to any breach or alleged breach of this Lease, regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranties, failure of essential purpose or otherwise. The provisions of this Section 27.15 shall expressly survive the expiration or sooner termination of this Lease.

27.16 Jury Trial Waiver. **LANDLORD AND TENANT WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY OF ANY CONTRACT OR TORT CLAIM, COUNTERCLAIM, CROSS-COMPLAINT, OR CAUSE OF ACTION IN ANY ACTION, PROCEEDING, OR HEARING BROUGHT BY EITHER PARTY AGAINST THE OTHER ON ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, OR TENANT'S USE OR OCCUPANCY OF THE PREMISES, INCLUDING WITHOUT LIMITATION ANY CLAIM OF INJURY OR DAMAGE OR THE ENFORCEMENT OF ANY REMEDY UNDER ANY CURRENT OR FUTURE LAW, STATUTE, REGULATION, CODE, OR ORDINANCE.**

27.17 Authority. Each party represents and warrants to the other that all consents or approvals required of third parties (including, but not limited to, its Board of Directors, members or partners) for the execution, delivery and performance of this Lease have been obtained and that each party has the right and authority to enter into and perform its covenants contained in this Lease and the person executing this Lease on behalf of such party is authorized to do so.

27.18 OFAC. Pursuant to United States Presidential Executive Order 13224 ("***Executive Order***") and related regulations of the Office of Foreign Assets Control ("***OFAC***") of the U.S. Department of the Treasury, U.S. persons and entities are prohibited from transacting business with persons or entities who, from time to time, are determined to have committed, or to pose a risk of committing or supporting terrorist acts, narcotics trafficking, money laundering and related crimes. Those persons and entities are identified on a list of Specially Designated Nationals and Blocked Persons, published and regulated by OFAC. The names, including aliases, of these persons or entities are updated frequently. In addition, OFAC enforces other laws, regulations and orders which, from time to time, impose restrictions on transactions with, or involving certain countries. Each party represents and warrants to the other that such party is not acting, directly or indirectly, for or on behalf of any person, group, entity, or nation named by any executive order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or

other banned or blocked person, group, entity, nation, or transaction pursuant to any law, order, rule, or regulation that is enforced or administered by OFAC and that it is not engaged in this transaction, directly or indirectly, on behalf of, or instigating or facilitating this transaction, directly or indirectly, on behalf of any such person, group, entity, or nation.

27.19 Limitation on Landlord Liability. Notwithstanding anything contained in this Lease to the contrary, the obligations of Landlord under this Lease (including any actual or alleged breach or default by Landlord) do not constitute personal obligations of the individual partners, directors, officers, trustees, members or shareholders of Landlord or Landlord's members or partners or any mortgagee, and Tenant shall not seek recourse against the individual partners, directors, officers, trustees, members or shareholders of Landlord or against Landlord's members or partners or against any mortgagee or against any other persons or entities having any interest in Landlord, or against any of their personal assets for satisfaction of any liability with respect to this Lease. Any liability of Landlord for a default by Landlord under this Lease, or a breach by Landlord of any of its obligations under the Lease, shall be limited solely to its interest in the Premises (and the rents, profits, insurance and condemnation proceeds, and sales proceeds therefrom), and in no event shall any personal liability be asserted against Landlord in connection with this Lease nor shall any recourse be had to any other property or assets of Landlord, its partners, directors, officers, trustees, members, shareholders or any other persons having any interest in Landlord. Tenant's sole and exclusive remedy for a default or breach of this Lease by Landlord shall be any or all of the following: (a) an action for direct damages, (b) enforcement of this Lease, or (c) an action for injunctive relief, Tenant hereby waiving and agreeing that Tenant shall have no offset rights (except as expressly set forth in this Lease) or rights to terminate this Lease on account of any breach or default by Landlord under this Lease (nothing in this sentence shall affect or impair any right of Tenant to terminate this Lease that is expressly provided for in this Lease nor to, and shall not, limit any right that Tenant might otherwise have to any suit or action in connection with enforcement or collection of amounts which may become owing or payable under or on account of insurance maintained by Landlord, nor shall the provisions of this paragraph affect or impair any express right of Tenant to abate Rent set forth in this Lease.

27.20 Recording. Concurrently with the execution and delivery of this Lease, Landlord and Tenant shall execute a memorandum or short form of lease in the form attached hereto as **Exhibit D**. Tenant is authorized to record, at Tenant's sole expense, such executed short form or memorandum of lease in the public records of the county in which the Premises are located.

27.21 Landlord Lien Subordination. Notwithstanding anything in this Lease to the contrary, Landlord agrees to subordinate any and all of its Landlord's Liens (as defined below) to the liens granted by Tenant to any unaffiliated, third party lender that provides a loan to Tenant by executing and delivering to Tenant a subordination and access agreement in favor of any lender of Tenant, in substantially the form attached as **Exhibit E**, or in such other form as may be reasonably acceptable to both Landlord and Tenant's lender. The term "***Landlord's Liens***" means any contractual or statutory lien rights, and any other rights, that Landlord now possesses, or may by virtue of any law subsequently acquire, to seize, hold, distrain, levy on, take possession of, sell, or otherwise interfere with any or all chattels, new or used, that are owned, or may subsequently be acquired by Tenant.

27.22 Guaranty. Concurrently with Tenant's execution and delivery of this Lease, Asbury Automotive Group L.L.C., a Delaware limited liability company ("***Guarantor***") shall execute and deliver to Landlord a guaranty in the form attached hereto as **Exhibit F** ("***Guaranty***").

[Remainder of Page Intentionally Left Blank. Signature Page Follows.]

Landlord and Tenant have duly executed this Lease as of the Effective Date.

TENANT:

By:

Name:
Title:

LANDLORD:

[insert name of Park Place entity]

By:

Name:

Title:

Exhibits:

A	-	Premises
B	-	Form of Subordination, Non-Disturbance, and Attornment Agreement
C	-	Existing Encumbrances
D	-	Form of Memorandum of Lease
E	-	Form of Landlord Lien Subordination Agreement
F	-	Form of Guaranty
G	-	Market Rate
H	-	Condemnation Rent Adjustment

[Signature Page to Lease]

EXHIBIT A to Lease

Premises

(See Following Page(s))

EXHIBIT B to Lease

Existing Encumbrances

EXHIBIT C to Lease

Form of Subordination, Non-Disturbance, and Attornment Agreement

SUBORDINATION, NON-DISTURBANCE,
AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE, AND ATTORNMENT AGREEMENT (“**Agreement**”) made as of ____________, by and among __________ (“**Lender**”), whose address is ____________, ____________, a ____________ (“**Tenant**”), whose address is ____________, and ____________, a ____________ (“**Landlord**”), address is __________.

WITNESSETH:

WHEREAS, concurrent herewith, Landlord and Tenant entered into that certain Lease dated __________, 2020 (the same, as amended, modified and supplemented from time to time is herein called the “**Lease**”) pursuant to which Landlord has leased to Tenant certain premises (“**Premises**”) which constitute a portion of the real property described in ***Exhibit “A”*** attached hereto (“**Mortgaged Property**”); and

WHEREAS, concurrent herewith, Lender has made a loan (“**Loan**”) to Landlord in the principal amount of ____________________ Dollars ($______) evidenced by a Promissory Note in that amount (“**Note**”) secured by a deed of trust (“**Mortgage**”) encumbering the Premises; and

WHEREAS, Tenant has agreed that the Lease shall be subject and subordinate to the Mortgage provided Tenant is assured of continued occupancy of the Premises under the terms of the Lease; and

WHEREAS, each of the parties desires to set forth herein its agreement concerning the Lease and the rights of Tenant thereunder in connection with any exercise by Lender of its rights and remedies under the Note, Mortgage, or any other instrument executed in connection therewith (collectively, the "Loan Documents").

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and notwithstanding anything in the Lease to the contrary, the parties hereto agree to follows:

1. **Representations of Lender**. Lender hereby represents to and for the benefit of Tenant that:

1.1 Lender is the owner and holder of the Note and all other Loan Documents;

1.2 The Loan Documents have not been transferred, pledged or assigned by Lender; and

2. **Subordination**. Tenant agrees that, subject to this Agreement, the Lease, with all rights, options, liens and charges created thereby, is and shall continue to be subject and subordinate in all respects to the liens and security interests of the Mortgage, any future advances made thereunder and to any renewals, modifications, consolidations, replacements and extensions thereof.

3. **Non-Disturbance**.

3.1 So long as Tenant is not in default under any of the terms, covenants or conditions of the Lease beyond any period provided to Tenant to cure such default by the terms of the Lease, Tenant's rights under the Lease and possession of the Premises shall not be affected or disturbed by Lender in the exercise of any of its rights or remedies under the Loan Documents nor shall Tenant be named as a party defendant in any suit filed by Lender except that, to the extent required by under applicable law to give force and effect to any such proceedings, Tenant may be joined therein.

3.2 Upon foreclosure of the Mortgage or the exercise of any other remedy available to Lender under the Loan Documents or applicable law pursuant to which Lender or any Foreclosure Purchaser (defined below) acquires title to the Premises, or any part thereof, the Lease (including all renewals and other options contained therein) shall not be terminated and shall continue in full force and effect as though the Landlord's default giving rise to such action had not occurred.

3.2.1 The Lender or, as applicable, the Foreclosure Purchaser, shall recognize all of the rights and interest of Tenant under the Lease and shall perform all of the duties and responsibilities of the Landlord under the Lease with the same force and effect and with the same priority in right as if the Lease were directly made between Lender or, as applicable, the Foreclosure Purchaser and Tenant so long as Tenant is not in default thereunder beyond any applicable cure period available to Tenant under the terms of the Lease; provided, however; that neither Lender nor Foreclosure Purchaser shall:

3.2.1.1 be liable for any act or omission of any prior landlord unless such act or omission is continuing in nature and the same was described in a notice provided to Lender pursuant to Section 4.3 hereof;

3.2.1.2 be subject to any offsets or defenses which Tenant might have against any prior landlord;

3.2.1.3 be bound by nor be required to give Tenant any credit with respect to any rent or additional rent which Tenant might have paid for more than the current month to any prior landlord; or

3.2.1.4 be bound by any amendment or modification of the Lease made without the prior written consent of Lender. Lender agrees that (1) no amendment to the Lease that documents the exercise by Tenant of any extension option set forth in the Lease as of the date hereof shall require Lender's consent, and that each such amendment shall be binding upon Lender and, as applicable, the Foreclosure Purchaser, and (2) Lender's consent to any amendment that does not modify the rent (except as set forth in clause (1) of this sentence), extend or shorten the term of the Lease, or materially reduce the obligations of Tenant thereunder shall not be unreasonably withheld, conditioned or delayed. Lender agrees to review and respond to any request for consent to an amendment within fifteen (15) business days; and

3.2.1.5 The foregoing provisions shall be self-operative and effective without the execution of any further instruments on the part of any party hereto. However, Tenant agrees to execute and deliver to Lender or to any person to whom Tenant herein agrees to attorn such other instruments as either shall request in order to effectuate said provisions.

3.2.2 Upon foreclosure under the Loan Documents, Tenant shall attorn to and recognize the then owner of the Premises to the same extent and with the same force and effect as if such owner were the Landlord under the Lease and shall be bound by and perform all of the obligations imposed upon Tenant under the Lease. Tenant's attornment hereunder shall be effective and self-operative without the execution of any other instruments on the part of any party and shall be effective concurrently with such owner's acquisition of title to the Premises. In such event, Lender or, as applicable, the Foreclosure Purchaser, shall be responsible for all Landlord obligations arising from and after the date of attornment.

3.3 So long as the Mortgage remains outstanding and unsatisfied, Tenant will mail or deliver to Lender at its address and in the manner hereinbelow provided, a copy of all notices of default permitted or required to be given to the Landlord by Tenant pursuant to the Lease. Lender may, but shall have no obligation to, cure any default of Landlord by the last to occur of:

3.3.1 any time before the rights of the Landlord shall have been forfeited or adversely affected because of any default of the Landlord;

3.3.2 within the time permitted to Landlord for curing any default under the Lease as therein provided; or

3.3.3 within fifteen (15) days after its receipt of a notice specifying the default with respect to defaults that can be cured by the payment of money, and within thirty (30) days after its receipt of such notice with respect to any other default unless such default cannot reasonably be cured in thirty (30) days in which event, Lender shall have thirty (30) days within which to commence action necessary to effect such cure and shall thereafter diligently prosecute such curative action to completion without interruption.

4. **Casualty and Condemnation**. Notwithstanding any contrary provisions hereof, Lender agrees that the terms and provisions of the Lease regarding the disposition, handling and application of proceeds of insurance and awards from condemnation shall control over any and all conflicting terms and provisions of the Mortgage.

5. **Acknowledgment of Assignment of Lease**. Upon receipt of written notice from Lender requesting that Tenant pay the rent thereafter due under the Lease to Landlord, Landlord and Tenant agree that Tenant shall pay all rent and other amounts owing under the Lease to a bank account or accounts designated by Lender. Any such payment by Tenant made in the manner directed by Lender shall be credited against the rental and other obligations of Tenant under the Lease in the direct order of maturity of the rental and other obligations due thereunder, and Landlord hereby releases Tenant from all claims and liabilities as to the payment of rent or any other amount due under the Lease if such payment is made pursuant to the written direction of Lender.

6. **Limitation of Lender Liability**. Notwithstanding anything to the contrary contained in this Agreement or the Lease, in the event of any default or breach by Lender with respect to any of the terms, covenants and conditions of the Lease to be observed, honored or performed by Lender as landlord, Tenant shall look solely to the estate and property of Lender in the Premises (including, without limitation, the rents, profits and proceeds therefrom) for the recovery of any judgment (or any other judicial procedures requiring the payment of money by Lender) from Lender, it being agreed that Lender shall never be personally liable for any such judgment and that no property or assets of Lender other than Lender's interest in the Premises (including, without limitation, the rents, profits and proceeds therefrom) shall be subject to levy, execution or other procedures for satisfaction of Tenant's remedies. Lender shall not be required to respond in monetary damages from any of its properties or assets other than Lender's interests in the Premises.

7. **Interpretation; Effect on Loan Documents**. Except as provided herein, neither this Agreement nor the Lease shall expand, enlarge, alter, affect or diminish Lender's rights against Landlord under the Loan Documents. Except as provided in Section 3.2.1 of this Agreement, the Loan Documents shall not expand, enlarge, alter, affect or diminish Tenant's rights or obligations under the Lease.

8. **Notice**. All notices, demands, requests and other communications required under this Mortgage may be given by recognized national courier such as Federal Express or in writing delivered by hand or mail and shall be conclusively deemed to have been received three (3) days after same is deposited in the United States mail if delivered or attempted to be delivered by United States first class mail, return receipt requested, postage prepaid, addressed to the party for whom it is intended at its address set forth in the introduction to this Agreement. Any party may designate a change of address by written notice to the other party received by such other party at least ten (10) days before such change of address is to become effective.

9. **Successors and Assigns**. All of the terms of this Agreement shall be binding upon, and inure to the benefit of, the heirs, devisees, personal representatives, successors and assigns of Lender, Landlord and Tenant. As used herein, the term "**Foreclosure Purchaser**" means each successor to Landlord in title to the Premises by reason of foreclosure of the lien and security interests of the Mortgage or by reason of a deed in lieu of foreclosure thereof.

10. **Invalidity**. If any one or more of the provisions contained in this Agreement is declared or found by a court of competent jurisdiction to be invalid, illegal, or unenforceable, such provision or portion thereof shall be deemed stricken and severed and the remaining provisions hereof shall continue in full force and effect.

11. **Modification**. No agreement unless in writing and signed by an authorized officer of the parties hereto and no course of dealing between the parties hereto shall be effective to change, waive, terminate, modify, discharge, or release in whole or in part any provision of this Agreement. No waiver of any rights or powers of the parties hereto or consent by it shall be valid unless in writing signed by an authorized officer of the parties hereto and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

12. **Applicable Law**. This Agreement shall be construed, interpreted, enforced and governed by and in accordance with the laws of the State of Texas. The courts located in Dallas County, Texas shall be the exclusive place of venue for any legal proceedings with respect to this Agreement.

13. **Strict Performance**. It is specifically agreed that time is of the essence as to all matters provided for in this Agreement.

14. **Captions**. The description headings of the various sections or parts of this Agreement are for convenience only and shall not affect the meaning or construction of any of the provisions hereof.

15. **Termination**. From and after payment in full of the Loan and the recordation of a release or satisfaction thereof, without the transfer of the Property to Lender or, as applicable, a Foreclosure Purchaser, as a purchaser, this Agreement shall become void and of no further force or effect.

16. **Waiver of Trial by Jury**. LENDER, LANDLORD AND TENANT HEREBY KNOWINGLY, IRREVOCABLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT ANY OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, PROCEEDING OR COUNTERCLAIM BASED ON THIS AGREEMENT, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER, LANDLORD AND TENANT ENTERING INTO THIS AGREEMENT.

17. **No Rejection Upon Bankruptcy**. Lender agrees that should it have the right to reject this Agreement upon or subsequent to the filing a petition for adjudication as bankrupt, or for reorganization or an arrangement under any provision of the Bankruptcy Act, or if an involuntary petition under the Bankruptcy Act is filed against Lender, Lender shall not reject this Agreement.

(See Following Pages for Signatures)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under seal by their duly authorized officers, agents or representatives, as the case may be, as of the date first written above.

LANDLORD:

By:

Name:

Title:

LENDER:

By:

Name:

Title:

TENANT:

By:

Name:

Title:

(Add Notorial Acknowledgements)

<u>EXHIBIT "A" to Subordination, Non-Disturbance and Attornment Agreement</u>

Legal Description

EXHIBIT D to Lease

Form of Memorandum of Lease

Memorandum of Lease

This Memorandum of Lease (“**Memorandum**”) is executed by and between [insert name of Park Place entity], a ________________, having its principal place of business at 2021 McKinney, Suite 420, Dallas, Texas 75201, Attention: President (hereinafter referred to as “**Landlord**”), and [insert name of Asbury entity], a ________________, whose address is ________________, Attention: ________________ (hereinafter referred to as “**Tenant**”).

RECITALS

1. Demised Premises. Landlord and Tenant have entered into that Lease (as amended from time to time, “**Lease**”) dated on or about the date hereof covering the land, and all improvements thereon, described on Exhibit A hereto.

2. Term and Renewal/Options. The Lease has an initial term of twenty (20) years following the Commencement Date (as defined in the Lease). The term is subject to extension (at Tenant’s option (subject to the conditions therein set forth) as provided therein for three (3) additional periods, the first of which is for a period of ten (10) years and the second and third of which are each for a period of five (5) years.

3. Incorporation of Lease. This Memorandum is for information purposes only and nothing contained herein shall be deemed to in any way modify or otherwise affect any of the terms and conditions of the Lease, the terms of which are incorporated herein by reference. This instrument is merely a memorandum of the Lease and is subject to all of the terms, provisions and conditions of the Lease. In the event of any conflicts or inconsistency between the terms of the Lease and this instrument, the terms of the Lease shall prevail. Unless otherwise expressly provided in this Memorandum, all defined terms used herein shall have the respective meanings provided for such defined terms in the Lease.

This instrument may be executed in one or more counterparts, each being an original hereof and all such counterparts taken together constituting but one and the same instrument.

[End of Page; See Following Page for Signatures]

EXECUTED as of ________________, 2020.

TENANT:

By:

Name
Title:

LANDLORD:

[insert name of Park Place entity]

By:

Name:

Title:

Exhibit A – Demised Premises

<u>EXHIBIT "A" to Memorandum of Lease</u>

Legal Description

EXHIBIT E to Lease

Form of Landlord Lien Waiver Subordination

LANDLORD'S LIEN SUBORDINATION

THE STATE OF TEXAS	§
	§
COUNTY OF ________	§

This Landlord's Lien Subordination is made by and among ______________________, a __________________________ ("Landlord"), ________________________, a ____________________ ("Tenant") and _______________________, a _____________________ ("Lender") effective as of the date set forth below the signature of Landlord set forth below.

RECITALS

Landlord and Tenant has previously executed and entered into that certain Lease (the same, as heretofore amended, is herein called the "Lease") dated ____________, 2020 pursuant to which Tenant leases from Landlord the land, and all improvements thereon, described on Exhibit A attached hereto (the "Leased Premises"). Lender proposes to make one or more loans to Tenant (whether one or more, the "Loan") and Lender proposes to accept, as security therefor, a security interest in the Personal Property (defined below). Lender has requested that Landlord subordinate all liens and security interests now or hereafter held by Landlord under or pursuant to the Lease to the liens and security interests granted by the Tenant in the Personal Property as security for the Loan. Subject to the terms and provisions hereof, Landlord is willing to do so.

1. Landlord subordinates each and every right which Landlord now has, or may hereafter have in and to the Personal Property, under the laws of the State of Texas or by virtue of the Lease, to the liens and security interests granted by Tenant in favor of Lender as security for the Loan. The term "Personal Property" means all movable trade equipment, inventory, furniture, furnishings, and other items of personal property of Tenant located from time to time in the Leased Premises which Lender requires to be pledged as security under the Loan; provided, that, in no event shall the lien in favor of Lender extend to or cover any of the foregoing which, by the terms of the Lease, Tenant is *not* entitled to remove upon expiration or sooner termination of the Lease even if Tenant is not in default thereunder.

2. In the event of default by Tenant either under the Lease or in the payment of any indebtedness to Lender under the Loan, or in the performance of any of the terms and conditions of any such security instrument, or any extension or renewals thereof, Lender may remove the Personal Property, or any part thereof, from the above mentioned premises in accordance with the terms and conditions of such security instrument but subject to the provisions of the Lease. Landlord agrees to provide Lender written notice of any termination of the Lease or the termination of the right of Tenant's possession of the leased premises and Lender shall have 30 days thereafter in which to enter the Leased Premises and remove the Personal Property therefrom. For the avoidance of doubt, Lender's right of access to the leased premises and the Center is limited to the removal of the Personal Property therefrom and in no event my Lender, or anyone acting for or on behalf of Lender, have any right to conduct at the Leased Premises any auction or

foreclosure sale with respect to the Personal Property. Lender agrees to repair any damage to the Leased Premises caused by Lender’s (or its agents’, contractors’ or employees’) entry upon the Leased Premises or the removal of the Personal Property. Such removal by Lender shall additionally be performed in accordance with Section 9.604(d) of the Texas Business and Commerce Code, and Landlord reserves all rights thereunder. If Lender fails to remove the Personal Property within said 30-day period, Lender shall be deemed to have waived its security interest therein and Landlord shall be free to retain or dispose of the Personal Property in any manner desired by Landlord and Landlord shall have no liability or responsibility to Lender with respect thereto. If Lender enters the leased premises to remove the Personal Property but fails to surrender possession of the Leased Premises at the expiration of such 30-day period, then in addition to all of Landlord’s other rights and remedies available at law or in equity, Lender shall pay to Landlord rent for each day thereafter Lender continues to possess the Leased Premises at a daily rate equal to the holdover rent rate set forth in the Lease.

Any vendor Lender engages to remove the Personal Property must provide Landlord, prior to entering the Leased Premises evidence that such vendor has commercial general liability insurance of not less than $1,000,000 per occurrence and $2,000,000 in the aggregate (such insurance must be occurrence based and name Landlord as an additional insured), and execute and delivery to Landlord an agreement (in form reasonably acceptable to Landlord) indemnifying Landlord from claims of third parties for injury or death to such third parties or damage to their property resulting from the acts or omissions of such vendor (or its employees) in or about the Center.

3. Tenant hereby waives any and all claims against Landlord in regard to granting access to the Leased Premises to Lender for the purposes of removing the Personal Property and agrees that Landlord has no duty to Tenant of inquiry as to the entitlement of Lender to enter into the Leased Premises or to remove the Personal Property.

4. In no event shall Landlord ever have any liability or obligation with respect to the Loan.

5. Wherever any notice is required or permitted under this Agreement, such notice shall be in writing, addressed to the intended recipient at the address set forth below. Any notice or document required or permitted to be delivered under this Agreement shall be deemed to be delivered and received upon the first to occur of (a) actual receipt by the designated addressee, (b) three (3) days after deposit in the United States mail, postage prepaid, certified mail, return receipt requested, and (c) one (1) day after delivery to the custody of a reputable messenger service or overnight courier service. Each party hereto shall have the right to change its address for purposes of this Agreement by written notice given in accordance herewith.

If to Landlord:

c/o ________________________

____

____

If to Lender:

____
____
____
____

If to Tenant:

____
____
____
____

4. This Agreement shall inure to the benefit of the successors and assigns of Lender and shall be binding upon the heirs, personal representatives, successors and assigns of Landlord. This Agreement shall be governed by the laws of the State of Texas. The courts located in Dallas County, Texas shall be the exclusive place of venue for any legal proceedings in regard to this Agreement. This Agreement represents the entire agreement amongst the parties with respect to the subject matter hereof (for the avoidance of doubt, however, nothing herein shall constitute an amendment or modification of the Lease) and may be not modified or amended, nor shall any provision hereof be deemed waived, unless and then only to the extent such modification, amendment or waiver is set forth in a writing signed by all parties hereto. This Agreement may be executed in one or more counterparts each such counterpart being an original hereof and all such counterparts being one and the same instrument and agreement.

[Remainder of Page Left Blank Intentionally]

This Agreement is executed effective as of the date set forth below the signature of Landlord.

LANDLORD:

By:

Name:

Title:

LENDER:

By:

Name:

Title:

TENANT:

By:

Name:

Title:

(Add Notorial Acknowledgements)

<u>EXHIBIT “A” to Landlord’s Lien Subordination</u>

Legal Description

<u>EXHIBIT F</u> to Lease

Guaranty

<u>GUARANTY OF LEASE</u>

THIS GUARANTY OF LEASE ("**<u>Guaranty</u>**"), is made and entered into by Asbury Automotive Group L.L.C., a Delaware limited liability company ("**<u>Guarantor</u>**"), for the benefit of ____________________________, a __________________________________ (together with its successors under the Lease [defined below], herein called "**<u>Landlord</u>**") and is effective as of the ___ day of ___________, 2020 (the "**<u>Guaranty Effective Date</u>**").

<u>RECITALS</u>:

A. Reference is here made to that certain Lease (the same, as renewed, extended, modified and amended from time to time is herein called the "**<u>Lease</u>**") dated effective on or about the Guaranty Effective Date executed by, as landlord, Landlord, and, as tenant, **[inset here the tenant's name and entity description]**_______________, a ______________ ("**<u>Tenant</u>**") regarding the land and improvements described in the Lease that are located in ____________________ County, Texas. Words with initial capital letters used but not defined in this Guaranty shall have the respective meanings assigned to them in the Lease.

B. As a condition to its willingness to execute and enter into the Lease, Landlord has required that Guarantor execute and deliver this Guaranty and Guarantor has agreed to do so.

<u>AGREEMENTS</u>:

For and in consideration of the foregoing, and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged and confessed by Guarantor), Guarantor hereby agrees with Landlord as follows:

1. Guarantor unconditionally guarantees all of the following (collectively sometimes herein called the "**<u>Guaranteed Obligations</u>**"): (i) the payment of all sums, costs, expenses, charges, payments and deposits (including, without limitation, sums payable as damages upon a default under the Lease) which are at any time payable by Tenant under the Lease (whether on their stated due dates or by acceleration or otherwise) in accordance with the Lease, and (ii) the performance of each covenant and condition of the Lease to be performed or observed by Tenant including, without limitation, all obligations of indemnification by Tenant of Landlord set forth in the Lease and all obligations and liabilities of Tenant set forth in the Lease arising out of Tenant's default under the Lease.

2. This Guaranty is an unconditional, irrevocable and absolute guaranty of payment and performance, and not of collection. If for any reason any provision of the Lease shall not be faithfully performed or observed by Tenant as required thereby, or if any of the monetary Guaranteed Obligations are not paid or satisfied fully as and when due under the Lease, upon demand to Guarantor therefor by Landlord Guarantor will promptly perform or observe, or cause the performance or observance of each such provision, and will immediately pay such rental or other sums, costs, expenses, damages, charges, payments or deposits to Landlord (or such other person or entity entitled thereto pursuant to the provisions of the Lease, if any) together with interest at the rate per annum of the prime rate being charged by JP Morgan Chase Bank (or its successor) on the date as of which the interest in question commences to accrue plus two percent (2%); provided, however, if such interest rate exceeds that permitted to be charged by law, then the interest rate shall be the highest rate the law shall allow at the time. Said interest shall accrue from the due date thereof to the date of payment in all cases regardless of whether Landlord shall have taken any steps to enforce any rights against Tenant and/or Guarantor or any other person to compel any such performance or observance or to collect any such rental or any other sum, cost, expense, charge, payment or deposit, or any part thereof, either pursuant to the provisions of the Lease or this Guaranty, or at law or in equity, and regardless of any other condition or contingency.

3. Guarantor's obligations under this Guaranty shall in no way be affected or impaired by reason of the happening from time to time of any of the following with respect either to the Lease or to this Guaranty, even without notice to or the further consent of Guarantor:

(a) the waiver by Landlord of the performance or observance by Tenant of any provision of the Lease as a result of any course of dealing or conduct;

(b) the extension of the time for payment by Tenant of any rental or any other sums, costs, expenses, damages, charges, payments or deposits or any part thereof, owing or payable under the Lease, or of the time for performance by Tenant of any other obligations under or arising out of or on account of the Lease or any extension, renewal, modification or amendment thereof;

(c) the assignment, subletting or mortgaging or the purported assignment, subletting or mortgaging of all or part of Tenant's interest in the Lease, whether or not permitted by the Lease;

(d) the modification or amendment (whether material or otherwise) of any obligation of Tenant as set forth in the Lease;

(e) the taking or the omitting to take any right, benefit, power or remedy referred to in the Lease;

(f) the failure, omission or delay of Landlord to enforce, assert or exercise any right, power or remedy conferred on Landlord in the Lease or by law or in equity, or any action on the part of Landlord granting indulgence or extension in any form;

(g) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all of the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of, or other similar proceeding affecting Tenant or any of its assets, or the disaffirmance of the Lease in any such proceeding;

(h) the release of Tenant from performance or observance of any provision of the Lease whether by operation of law or otherwise;

(i) the receipt and acceptance by Landlord of notes, checks or other instruments for the payment of money made by Tenant, or any extensions or renewals thereof;

(j) the renewal, extension, amendment or modification of the Lease; or

(k) any other cause, whether similar to or dissimilar from the foregoing except in cases in which Tenant has been excused from performance pursuant to specific and express rights granted in the Lease, but specifically not excepting cases in which Tenant has been excused from performance as a result of bankruptcy.

4. Guarantor (a) represents and warrants to Landlord that, and stipulates and agrees that, Guarantor has received adequate consideration for entering into this Guaranty, (b) represents and warrants to Landlord that the execution of this Guaranty by Guarantor, and the performance of all of the Guarantor’s obligations, duties, liabilities and agreements under this Guaranty, will benefit the Guarantor either directly or indirectly, (c) acknowledges that Landlord is relying on Guarantor’s representations in entering into the Lease, (d) acknowledges that Guarantor has received a copy of the Lease, has examined the Lease and is familiar with all of the terms covenants and provisions contained therein, (e) agrees that Guarantor has adequate means to assess the financial creditworthiness and ability of the Tenant to perform all of the obligations, covenants and agreements imposed upon it, now or hereafter, under the Lease, and (f) acknowledges that neither Landlord nor any person representing or allegedly representing Landlord has made and representations, warranties or agreements with Guarantor in regard to the Lease or this Guaranty that are not expressly contained in this Guaranty, and Guarantor is not relying upon any representations, warranties or agreements made or allegedly made by Landlord or any person or entity representing or allegedly representing Landlord in regard to the Lease or this Guaranty that are not expressly contained in this Guaranty. Guarantor hereby expressly **WAIVES** notice of the breach or non-performance of any provision of the Lease and all rights of a surety under applicable law, including all rights under Rule 31 of the Texas Rules of Civil Procedure, Section 17.001 of the Texas Civil Practice and Remedies Code Chapter 43 of the

Texas Civil Practice and Remedies Code. Landlord shall have the right to enforce this Guaranty regardless of the receipt by Landlord of additional security or the enforcement of any remedies against such security or the release of such security. Guarantor hereby waives marshaling of assets and liabilities, sale in inverse order of alienation, notice of acceptance of this Guaranty and of any liability to which it applies or may apply, presentment, demand for payment, protest, notice of nonpayment, notice of dishonor, notice of acceleration, notice of intent to accelerate and all other notices and demands, collection suit and the taking of any other action by the Landlord.

5. **THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND GUARANTOR HEREBY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF TEXAS IN ANY ACTION THAT LANDLORD MAY BRING TO ENFORCE THE TERMS OF THIS GUARANTY**. The courts located in Dallas Harris County, Texas shall be the only proper place of venue for any suit, action or other proceeding at any time arising out of or relating to this Guaranty. **TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY SUIT OR OTHER LEGAL PROCEEDING IN REGARD TO THE ENFORCEMENT OF THIS GUARANTY.**

6. This Guaranty may not be modified, amended, released or otherwise altered except by written agreement executed by Guarantor and Landlord, and any attempted modification, amendment, release or other alteration without such written consent and agreed by Landlord shall be void and without force and effect.

7. No waiver by Landlord of the payment by Guarantor of any of its obligations contained in this Guaranty, nor any extension of time for the payment by Guarantor of any such obligations, shall affect or impair this Guaranty or constitute a waiver or relinquishment of any rights of Landlord hereunder for the future. No action brought under this Guaranty against Guarantor and no recovery had in pursuance thereof shall be any bar or defense to any further action or recovery which may be brought or had under this Guaranty by reason of any further default or default of Tenant. If any term or provision of this Guaranty, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Guaranty, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Guaranty shall be valid and shall be enforceable to the extent permitted by law.

8. All of the provisions of this Guaranty shall inure to the benefit of Landlord and its grantees, successors and assigns, and shall inure to the benefit of any future owner or holder of rights or interests of the landlord under the Lease, and all of the provisions of this Guaranty shall be binding upon Guarantor and Guarantor’s legal representatives, beneficiaries, trustees, owners, successors and assigns (nothing in this clause shall be deemed or interpreted as any authorization by Landlord or right in Guarantor to assign the obligations of Guarantor under this Guaranty).

9. Each notice required or permitted to be given hereunder by Guarantor to Landlord or by Landlord to Guarantor shall be in writing, and the same shall be sufficient if delivered in person (including, without limitation, delivery by messenger or overnight delivery service), placed in the United States mail, postage prepaid, registered or certified mail, return receipt requested, or sent by telecopy or facsimile addressed to such party at the address provided for such party herein. Any notice to Landlord shall be addressed and given to Landlord at c/o __________________, 2021 McKinney, Suite 420, Dallas, Texas 75201, Attention: Kenneth L. Schnitzer, with a copy to Locke Lord LLP, 600 Travis, 27th Floor, Houston, Texas 77002, Attention: Stephen Jacobs and Elizabeth Genter. Any notice to Guarantor shall be addressed and given to Guarantor at **[**Guarantor’s Address**]**. The addresses hereinbefore stated shall be effective for all notices to the respective parties until written notice of a change in address is given pursuant to the provisions hereof. Any notice or document to be delivered, whether or not actually received, shall be deemed to be delivered upon the first to occur of (i) actual receipt by the intended recipient, (ii) three days after depositing the same in the United States Mail, certified mail, return receipt requested, with postage prepaid and properly addressed and (iii) the day attempted delivery has been made and refused as attested by the carrier.

10. The liability of Guarantor is joint and several with Tenant and with any other guarantor of the Lease, and action, suit or other proceeding may be brought at any time against Guarantor and carried to final judgment (i) with or without making Tenant (or any other guarantor) a party thereto or notifying Tenant (or any other guarantor) thereof, or (ii) with or without first taking any action against any collateral that may at any time secure Tenant’s performance under the Lease. If there is more than one undersigned Guarantor, (a) the term “Guarantor”, as used herein, shall include all of such undersigned and each and every provisions of this Guaranty shall be binding on each and every one of the undersigned and they shall be jointly and severally liable hereunder and Landlord shall have the right to join one or all of them in any proceeding or to proceed against them in any order, and (b) this Guaranty may be executed in separate counterparts, each of which will be deemed an original, and all of which taken together will constitute one and the same instrument.

11. An electronic copy or facsimile copy of this Guaranty bearing the signature of any Guarantor shall be binding upon such party to the same extent as an original copy of this Guaranty bearing such party’s signature.

12. All of Landlord's rights, powers, benefits and remedies under the Lease and this Guaranty shall be distinct, separate and cumulative and no such rights, powers, benefits and remedies shall be exclusive of or a waiver of any of the others.

13. Without limiting or affecting Guarantor's other obligations hereunder, Guarantor will pay to Landlord all of Landlord's expenses incurred in enforcing this Guaranty, including but not limited to, attorneys' fees, court costs and related expenses.

14. Notwithstanding anything to the contrary contained in this Guaranty, Guarantor shall be liable for all interest accrued and for all amounts expended by Landlord in collecting sums due Landlord under this Guaranty and/or the Lease even though said amounts may be accrued or incurred after the expiration of the Term of this Guaranty.

Guarantor has caused this Guaranty to be executed as of the Guaranty Effective Date.

GUARANTOR:

Asbury Automotive Group L.L.C., a Delaware limited liability company

By:

Name:

Title:

THE STATE OF ______ §
§
COUNTY OF ________ §

This instrument was acknowledged before me on this ___ day of __________, 2020, by __________, __________ of Asbury Automotive Group L.L.C., a Delaware limited liability company, on behalf of said limited liability company.

Notary Public in and for the
State of ______
Printed Name:_______________
My Commission Expires: _______

(Seal)

EXHIBIT G to Lease

Market Rate

Within thirty (30) days following Tenant's Renewal Notice, Landlord shall provide Tenant with Landlord's determination ("***Landlord's Initial Determination*** ") of the fair market rental value of the Premises. For a period of thirty (30) days following the date that Tenant receives the Landlord's Determination, (such 30-day period being herein called the "***Negotiation Period***"), Tenant and Landlord shall attempt in good faith to agree upon the fair market rental value of the Premises, with the fair market rental value being determined based on the highest and best use of the Premises as if the Premises were not burdened by the Lease. If Landlord and Tenant have not reached agreement upon the fair market rental value of the Premises (which agreement shall be deemed to have been made only if set forth in a writing signed by Landlord and Tenant) prior to the expiration of the Negotiation Period, then the parties shall implement the arbitration procedures set forth in the following paragraphs.

If by the operation of the preceding paragraph the parties are to implement the procedures set forth in this paragraph, then within ten (10) days after implementing these arbitration provisions, Landlord and Tenant shall each, simultaneously, provide the other party written notice setting forth (i) its final opinion as to the fair market rental value of the Premises, expressed as annual rental ("***Landlord's Determination***" and "***Tenant's Determination***", respectively) and (ii) the name and address of the real estate broker (meeting the qualifications set forth below) designated to act as arbitrator on its behalf. Each real estate broker shall be a commercial real estate broker active in the leasing of property similar to the Premises within the general vicinity of the Premises for a period of not less than ten (10) years prior to the date of his or her appointment. Each such designated real estate broker shall meet and confer with the other within twenty (20) days of their designation, and shall, within such twenty (20) day period, attempt to agree upon the fair market rental value of the Premises and select from the Landlord's Determination and the Tenant's Determination the one which is closest to such brokers' agreed upon determination. If the two brokers agree, they shall report such agreement to Landlord and Tenant and whichever of the Landlord's Determination or the Tenant's Determination, as the case may be, selected by the two brokers shall constitute the fair market rental value of the Premises. If, however, they have not so agreed within such twenty (20) day period, then they shall, within ten (10) days after the expiration of such twenty (20) day period, designate a third real estate broker, who is independent, disinterested, and has the qualifications set forth above (the "***Third Broker***") who shall be instructed to determine the fair market rental value of the Premises within twenty (20) days following the date of such Third Broker's selection and also within such 20-day period to select whichever of the Landlord's Determination or Tenant's Determination most closely reflects such Third Broker's opinion as to the fair market rental value of the Premises. The Landlord's Determination or the Tenant's Determination, as the case may be, selected by the Third Broker shall constitute the fair market rental value of the Premises.

The determination of fair market rental value pursuant to this process shall be conclusive and binding on Landlord and Tenant, and is herein called the "***Market Rate***". If the final determination of the fair market rental value occurs after the first day of the second (2nd) Renewal Term, then pending the final determination of Market Rate, Tenant shall continue paying rent at the applicable rate set forth in this Lease for the period prior to the commencement of such second (2nd) Renewal Term and a cash adjustment shall be made between the parties if the Market Rate is determined.

If the initial brokers are not able to agree upon the selection of a third broker timely, Landlord and Tenant shall make the appropriate filing requesting the appointment of an independent arbitrator by the United States District Court for the Northern District of Texas, subject to the rules of such courts regarding recusal of judges. If such court does not appoint the third arbitrator within forty-five (45) days, then the parties shall request that such independent arbitrator be appointed within fifteen (15) days by the American Arbitration Association in accordance with its rules of commercial arbitration, but subject to the requirements herein for the appointment of arbitrators. In the event of the failure, refusal or inability of any selected broker to act, a new broker shall be appointed in his or her stead by whichever of Landlord or Tenant had selected such broker who fails, refuses or is unable to act.

None of the brokers shall have the power to amend or modify the provisions hereof. The parties recognize, however, that performance of the foregoing provisions is, in part, dependent upon broker and others who are not a party hereto. If such brokers have been timely appointed by the parties hereto but thereafter fail to perform their obligations in accordance with the provisions hereof, no such failure shall constitute a breach hereof by either party hereto nor a waiver of Tenant's renewal rights and options.

EXHIBIT H to Lease

Condemnation Rent Adjustment

The purpose of this Exhibit H is to set forth the methodology for the downward adjustment (such downward adjustment being herein called the "***Condemnation Adjustment Amount***", as further defined below) in the case of a Significant Condemnation. As used herein, the following terms shall have the following meanings:

(a) "***Affected Square Footage***" means the actual number of square feet of Improved Land area taken in such Significant Condemnation.

(b) "***Base Land Value***" means $***[for Grapevine: $16,500,000.00; for Plano: $34,000,000.00]***, which amount represents the parties determination of the fair market value of the Land as of the Effective Date (and, for clarity, does not include the value of Improvements); provided, however, if the Significant Condemnation occurs on or after the first day of the second Lease Year, then, for purposes of calculating the Condemnation Adjustment Amount, the Base Land Value shall be deemed to have escalated by the same percentage increase in Base Rent that has occurred up to and including the date of the Significant Condemnation, pursuant to the provisions of Section 4.1 of this Lease.

(c) "***Gross Square Footage***" means the total number of square feet of Improved Land area immediately prior to the Significant Condemnation.

(d) "***Condemnation Adjustment Amount***" means an amount determined in accordance with the following formula:

Condemnation Adjustment Amount = (Affected Square Footage/Gross Square Footage) x (Base Land Value x 7%)

The following is an example of the intended operation of the following:[1]

---

1 Examples to follow

REAL ESTATE PURCHASE AGREEMENT

(“***Agreement***”)

DATED:	As of December 11, 2019 (the ***“Effective Date”***)
BETWEEN:	**SELLER**
	Kings Road Realty Ltd. PP Land Holdings LP PPJ Land LLC JLRA Realty LP PPA Realty Ltd. PP Real Estate, Ltd. PPM Realty Ltd. NWH Land LP PPMBA Realty LP 350 Phelps Realty LP
AND:	**BUYER**
	Asbury Automotive Group, LLC

RECITALS

A. This Agreement encompasses obligations, rights, covenants, representations, warranties, actions and conditions applicable to each entity comprising Seller (each entity comprising Seller is herein called an “***Owner***”), and it is understood that performance by each Owner shall be required by Buyer as set forth herein. However, each Owner has executed this Agreement only with respect to its separate property interests and rights. For purposes of convenience, references in this Agreement to “Seller” shall mean the Owners, collectively. However, any representations or warranties of “the Seller” which relate to, for example, “the Property”, “the Land”, “the Improvements”, or any other real or personal property or rights or interests therein, shall (without affecting the joint and several liability of the Owners for breach of any representation or warranty by any of the Owners) in fact apply, relate and refer only to the items, property or property interests which are owned by, or which are for the benefit of, such individual Owner, respectively, and not any of the other parties comprising the Seller.

B. Seller desires to sell all (and not less than all) of the Property to Buyer, and Buyer desires to purchase all (and not less than all) of the Property from Seller, subject to and on the terms and conditions set forth in this Real Estate Purchase Agreement.

NOW, THEREFORE, for value received and in consideration of the mutual promises set forth in this Agreement, the parties agree as follows:

1. **CERTAIN DEFINITIONS**

As used herein, the following terms shall have the following meanings:

a. ***Agreement*** means this Real Estate Purchase Agreement, as the same may hereafter be modified or amended from time to time.

b. ***APA Buyer*** means Asbury Automotive Group, LLC, and its permitted successors and assigns under the Asset Purchase Agreement.

c. ***APA Sellers*** is a collective reference to JRA Dealerships LP; Park Place LX of Texas, Ltd.; Park Place Motocars, Ltd.; Park Place Motocars of Fort Worth, Ltd.; Park Place RB, Ltd.; PPCT LP; PPDV, Ltd.; PPJ LLC; PPM Auction LP; PPMB Arlington LLC; PPP LP. APA Seller is a reference to any one of the APA Sellers.

d. ***Asset Purchase Agreement*** means that certain Asset Purchase Agreement of even date herewith executed by and among the APA Sellers and the APA Buyer, as the same may hereafter be modified or amended from time to time.

e. ***Business Days*** means any day other than a Saturday, Sunday or a holiday recognized by national banking associations in the state of Texas.

f. ***Claim*** shall have the meaning ascribed to it in the Asset Purchase Agreement.

g. ***Closing*** and ***Closing Date*** shall have the respective meanings ascribed to them in Section 9 of this Agreement.

h. ***Construction Documents*** means each construction agreement, including all change orders thereto, for which there is an applicable Capital Improvements Reimbursement, which Capital Improvements Reimbursement is listed on Exhibit G or is otherwise mutually agreed to in accordance with Section 11.1.

i. ***DFW Ground Lease*** means that certain Ground Lease Agreement for Northwest Logistics Development made by and between the Dallas / Fort Worth International Airport BOARD, as lessor, and, as lessee, PPJ Land LLC, which lease is referenced in that certain Memorandum of Lease filed for record under Document No. D216084751 of the Real Property Records of Tarrant County, Texas.

j. ***Effective Date*** means the date first above written.

k. ***Excluded Property*** means and refers to all of the following with respect to each Owner: (i) Protected Information (as defined below); (ii) cash and bank accounts of Owner; (iii) any and all information relating to or disclosing the costs incurred or paid by Owner (or any of its predecessors) to acquire or develop the Property, and (iii) in the case of PP Real Estate, Ltd., all right, and interest in and to, as lessor, that certain mineral lease described in instrument filed for record under Document Number D208297171 of the Real Property Records of Tarrant County, Texas

(herein called the "***Reserved Mineral Lease***"). As used herein, the term "***Protected Information***" shall mean any books, records or files (whether in a printed or electronic format) that consist of or contain any of the following: Seller's organizational documents or files or records relating thereto; appraisals; budgets; strategic plans for the Property; internal analyses; information regarding the marketing of the Property for sale; submissions relating to obtaining internal authorization for the sale of the Property by Seller or any direct or indirect owner of any beneficial interest in Seller; attorney and accountant work product; and attorney-client privileged documents; internal correspondence of Seller, any direct or indirect owner of any beneficial interest in Seller, or any of their respective affiliates and correspondence between or among such parties.

l. ***Fraud*** shall have the meaning ascribed to it in the Asset Purchase Agreement.

m. ***Limitations Representations*** means, collectively, (i) the REPA Representations set forth in the following sections of this Agreement: Section 7.1(a), 7.1(b), 7.1(c),7.1(d), and clause (i) of Section 7.1, and (ii) the representation of Seller set forth herein regarding brokers.

n. ***Loss*** shall have the meaning ascribed to it in the Asset Purchase Agreement. For purposes of Seller's indemnification obligations set forth herein, "***Loss***" will not include any Non-Reimbursable Damages (as defined in the Asset Purchase Agreement).

o. ***Mandatory Cure Matters*** means, with respect to any parcel of Land, (a) the effects of any voluntary conveyances of interests in such Land made by the Owner thereof after the Effective Date that are not Permitted New Title Exceptions, (b) deed of trust liens, mortgages, liens for past due ad valorem taxes or assessments, judgment liens, federal tax liens, and any other liens (other than inchoate liens for ad valorem taxes) that secure payment of a specific sum of money caused or permitted by Seller (excluding, however, any such liens arising by, through or under Buyer), (c) other than those arising by, through or under Buyer, mechanic's or materialman's lien claims, (d) the termination of all leases except for the DFW Ground Lease and except for those certain mineral rights leases set forth in the Permitted Exceptions (the "***Mineral Leases***"), and (e) all items set forth in Schedule C of each Title Commitment (excluding, however, those that relate to, or require performance by, Buyer).

p. ***Owner*** is defined in the Recitals.

q. ***Permitted Exceptions*** means, with regard to each tract or parcel of Land, (a) as applicable, the respective matters described in Exhibits A-1 through and including Exhibit A-21 attached hereto, (b) each Permitted New Title Exception, and (c) any Additional Exceptions (defined below) that by the terms of this Agreement constitute Permitted Exceptions.

r. ***Permitted New Title Exception*** means, with respect to any parcel of the Land, any utility and similar easements required by applicable governmental authorities for lawful use and occupancy of, or the provision of services to, the Improvements located on such parcel of the Land, provided that any such easement shall not have a material adverse effect on the value of the Land encumbered thereby or the use thereof for the uses being made as of the Effective Date.

s. "***Person***" shall have the meaning ascribed to it in the Asset Purchase Agreement.

t. ***Property*** is a collective reference to the land (the "***Land***") described on Exhibits A-1 through and including Exhibit A-21 attached hereto, together with all of Seller's rights, titles and interests in and to (a) all reversions, remainders, easements, rights-of-way, appurtenances, tenements, licenses, hereditaments, water rights and mineral rights appertaining to or otherwise benefiting the Land or any of the Improvements (as defined below); (b) all of Seller's rights, titles and interests, if any, in and to any structures, facilities, fixtures and improvements now or hereafter situated on the Land (collectively, the "***Improvements***"); (c) all of Seller's rights, titles and interests, if any, in and to all air rights, development rights, and similar rights or entitlements relating to or affecting the Land or the Improvements (the "***Development Rights***"); and (d) all of Seller's rights, titles and interests, if any, to the extent transferable and/or assignable, in and to all licenses, permits, approvals, and certificates of occupancy relating to the zoning, land use, ownership, operation, occupancy, construction or maintenance of the Improvements running to or in favor of Seller, the Land, or the Improvements, (collectively the "***Intangible Property***"). In no event shall the "Property" include any of the Excluded Property.

u. "***REPA Representations***" has the meaning ascribed to it in Section 7 hereof.

v. ***Sellers' Express Representations*** has the meaning ascribed to it in the Asset Purchase Agreement.

w. ***Specific Property*** is a reference to a single parcel of Land, together with all Improvements thereon.

x. ***Title Company*** shall mean Republic Title of Texas, Inc., 2626 Howell Street, 10th Floor, Dallas Texas 75204, Attention: Teresa Rodden.

2. Purchase and Sale of the Property

Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from Seller, on the terms and conditions set forth in this Agreement.

3. **Total Purchase Price; Additional Consideration**

3.1 **Purchase Price**. The purchase price for the Property (the "***Purchase Price***") shall be Two Hundred Fifteen Million Five Hundred Thousand and No/Dollars ($215,500,000.00), subject to adjustment at Closing as set forth in Sections 14.17 and 14.18 and this Section 3.1. Schedule 1 attached hereto sets forth an allocation of the Purchase Price to each Specific Property; provided however, in the event the Asset Purchase Price to be paid under the Asset Purchase Agreement is adjusted in accordance with Section 9.12 of the Asset Purchase Agreement, then the Purchase Price to be paid by Buyer under this Agreement shall be reduced by the amount of the Purchase Price allocated on Schedule 1 to the Specific Property owned by PPMBA Realty LP (the "***Arlington Property***"), and the Arlington Property shall be removed for all purposes from and throughout this Agreement.

3.2 **Capital Improvements Work; Additional Consideration**.

(a) At Closing and in addition to the Purchase Price, Buyer shall reimburse each applicable Owner for the actual costs and expenses incurred and paid by such Owner (or the respective APA Sellers) as of Closing with respect to the capital improvements work described on Exhibit G attached hereto or as otherwise mutually agreed to in accordance with Section 11.1 hereof (collectively, "***Capital Improvements Work***") subject in each case, to the maximum amount set forth in said Exhibit G to this Agreement or as otherwise mutually agreed to in accordance with Section 11.1 (collectively, "***Capital Improvements Reimbursement***"). Prior to Closing, Seller shall deliver to Buyer reasonable evidence of the actual, out-of-pocket costs incurred by each Owner to design, permit and construct all Capital Improvements Work, including, by way of example, bills, vouchers, invoices and receipts and an estoppel certificate from each contractor who is a party to a Construction Document with an Owner (or any APA Seller) confirming all amounts paid or to be paid under each Construction Document through the end of the calendar month preceding the calendar month in which Closing occurs have been paid, together with all applicable lien releases from such contractor for work performed through the end of the calendar month preceding the calendar month in which Closing occurs. The parties recognize that certain costs of performing the Capital Improvements Work are paid for by, and accounted for on the financial statements of, the Owner of the Specific Property where such work is being performed while certain other costs are accounted for by (and may be reflected as fixed assets on the financial statements of) an APA Seller. Notwithstanding such accounting and notwithstanding any contrary provisions of the Asset Purchase Agreement, (a) the Capital Improvements Reimbursements shall be made pursuant to, and governed solely by, the terms and provisions of this Agreement, (b) Seller shall have the right to direct portions of the Capital Improvements Reimbursement to one or more of the APA Sellers and (c) no provisions of the Asset Purchase Agreement which may be interpreted as excluding payment of the Capital Improvements Reimbursement, or requiring payment thereof, shall be given in force or effect, it being the intention of the parties that reimbursement for Capital Improvements Work be governed solely by the terms and provisions of this Agreement.

(b) Seller shall, at Buyer's request, provide a copy of purchase orders, construction contracts, design professional contracts, and other agreements entered into by Seller (or any APA Seller) with regard to the Capital Improvements Work, whether executed prior to or after the Effective Date. All of such contracts and agreements shall be subject to the approval of Buyer, which approval shall not be unreasonably withheld, conditioned or delayed. All of such contracts and agreements shall, for purposes hereof, constitute Construction Documents and shall be assigned by Seller (or, as applicable, an APA Seller; and Seller shall, in this regard and to the extent applicable, cause such APA Seller to assign the same), together with all rights and

warranties relating to the Construction Documents or any other recently completed construction, at Closing to Buyer, and Buyer shall assume all obligations of Seller (and, as applicable, APA Sellers) thereunder arising after Closing and that are not attributable to a breach or default thereunder prior to Closing. Any Liabilities relating to any pre-closing breaches or defaults shall be deemed to be Excluded Liabilities for purposes of the APA.

4. Relation to Asset Purchase Agreement

4.1 **General.** This Agreement has been executed in connection with, and as an integral part of the transactions described in, the Asset Purchase Agreement. Notwithstanding any contrary provisions hereof, (a) it shall be a condition to the obligations of Seller to consummate the sale hereunder that the closing under the Asset Purchase Agreement has occurred, or occurs concurrent with the Closing hereunder, (b) it shall be a condition to the obligations of Buyer to consummate the purchase hereunder that the closing under the Asset Purchase Agreement has occurred, or occurs concurrent with the Closing hereunder.

4.2 **With Respect to Remedies**. The parties intend and agree that the rights and remedies of the parties hereunder with respect to any failure of a condition to Closing hereunder or breach hereof, whether prior to or after Closing, be governed by solely by the terms and provisions of the Asset Purchase Agreement such that, solely for purposes of the rights and remedies of the parties under the Asset Purchase Agreement, by execution of this Agreement, Seller shall be deemed to have automatically joined into the Asset Purchase Agreement such that the reference in the Asset Purchase Agreement to the APA Sellers therein is a collective reference to the APA Sellers and Seller hereunder and the reference in the Asset Purchase Agreement to the APA Buyer is a collective reference to the APA Buyer and Buyer. The following are examples of the intended effect of the foregoing provisions of this paragraph:

(a) if this Agreement is terminated due to a default by Buyer hereunder (that is not cured within the applicable cure period set forth below), except as provided in Section 5.2 hereof with regard to the indemnification and restoration obligations set forth therein, the sole and exclusive remedy of Seller hereunder will be to receive such part of the Earnest Money (as defined in the Asset Purchase Agreement) as Seller and the APA Sellers may, as amongst themselves, agree upon; and

(b) subject only to those liabilities and claims that are of a nature that are not subject to the Cap (as defined in the Asset Purchase Agreement), the liability of Seller hereunder, when aggregated with the liability of the APA Sellers under the Asset Purchase Agreement shall not exceed the Cap.

5. Buyer's Inspections

5.1. Right to Enter and Inspect the Property. For so long as this Agreement remains in effect and subject to the terms and provisions of this Section 5.1, Buyer shall have access to the Property at all commercially reasonable times during normal business hours. Buyer shall give not less than one Business Day's notice to Seller prior to any entry upon the Property, and such entry shall be conditioned upon coordination with Seller so that (a) one or more representatives of Seller

are available to escort and accompany Buyer, and (b) disruption to Seller's and any of the APA Sellers' respective businesses is minimized to the extent practicable. Notwithstanding any other provision of this Agreement, at least three (3) Business Days prior to performing any such inspection or study of any of Property which will involve the intrusive or destructive sampling or analysis of any portion of the Property or its improvements ("***Intrusive Investigation***"), Buyer shall provide to Seller a detailed description of the work to be performed during the Intrusive Investigation. No such Intrusive Investigation may be undertaken unless approved in writing by Seller, such approval not to be unreasonably withheld, conditioned or delayed. All inspections and studies shall be at Buyer's sole expense.

5.2. Insurance and Indemnity. Prior to the Effective Date, Buyer and certain agents, contractors and representatives of Buyer have entered the Property for the purpose of conducting tests and/or inspections. Prior to entry on the Property after the Effective Date, Buyer and all of its representatives conducting any tests and/or inspections on Buyer's behalf (including Buyer's architects, engineers, consultants, agents and contractors, but excluding Buyer's employees) shall deliver to Seller a certificate of insurance, in a form reasonably acceptable to Seller, evidencing that the following insurance is then in full force and effect: (i) Commercial General Liability Insurance on an Occurrence form including Products/Completed Operations and Personal Injury coverage with a limit of not less than One Million Dollars ($1,000,000) per occurrence, $5,000,000.00 aggregate; and (ii) Automobile Liability coverage with a limit of not less than One Million Dollars ($1,000,000) Combined Single Limit. Each such policy shall be endorsed naming Seller (and any mortgagee identified by Seller) as an additional insured. **WHETHER OR NOT THE TRANSACTION DESCRIBED IN THIS CONTRACT SHALL CLOSE, BUYER SHALL INDEMNIFY, DEFEND AND HOLD SELLER HARMLESS FROM AND AGAINST ALL CLAIMS, ACTIONS, DAMAGES, LIABILITY, LOSS, COSTS, ATTORNEY'S FEES AND EXPENSES RELATED TO OR ARISING FROM SUCH INSPECTIONS AND STUDIES (WHETHER CONDUCTED PRIOR TO OR AFTER THE EFFECTIVE DATE), INCLUDING THOSE ARISING FROM SELLER'S NEGLIGENCE TO THE EXTENT (BUT NO FURTHER) SELLER IS ALLEGED OR FOUND TO HAVE BEEN NEGLIGENT IN FAILING TO SUPERVISE THE CONDUCT OF BUYER, ITS AGENTS, CONTRACTORS AND EMPLOYEES IN, ON, OR ABOUT THE PROPERTY; provided, that in no event shall such indemnification obligations extend to the gross negligence or willful misconduct of Seller nor to any of the foregoing attributable to the mere discovery by Buyer of an existing condition at or of the Property**. If any of the Property is damaged as a result of any inspections or tests conducted by or at the direction of Buyer, Buyer shall restore the damaged Property to its prior condition. The indemnification and restoration obligations of Buyer in this paragraph shall survive the Closing or any termination or cancellation of this Agreement notwithstanding any contrary provision hereof or the Asset Purchase Agreement and Buyer's indemnification obligations (and Seller's right to enforce the same) shall, notwithstanding any contrary provision hereof or the Asset Purchase Agreement, in no way be limited by the limitations on Seller's remedies set forth herein (or by reason of the provisions of the Asset Purchase Agreement), Seller to have all rights and remedies in the enforcement of Buyer's indemnification and restoration obligations.

6. **Title and Survey matters**

6.1. Title Approval. Seller has provided to Buyer prior to the Effective Date (a) a current preliminary title commitment with respect to each parcel of the Land, together with a copy of all underlying exceptions referenced therein (collectively the "***Title Commitment***") prepared by the Title Company and (b) a current ALTA survey of each parcel of the Land (collectively, the "***Survey***"). Each Survey may, at Buyer's cost, be updated by Buyer. Each such updated survey (each, an "***Updated Survey***") shall incorporate the final legal description as approved by Seller, Buyer and the Title Company (or, in the alternative, certify that the legal description shown on the Updated Survey is "one and the same" as the final approved legal description in the Title Commitment) and shall depict and reference all matters shown as Schedule B exceptions in the Title Commitment for each parcel of Land. Further, each Updated Survey, at Buyer's cost, shall be certified to Buyer. Except to the extent provided below in Section 14.17 with regard to the North Austin Location (as defined below), Section 14.18 with regard to the North Austin Lot (as defined below) and 3300 Atwell Property (as defined below), Buyer has approved the status of title to the Property as reflected in the Title Commitment and Survey subject to the terms and conditions of this Agreement, including, without limitation, with respect to Mandatory Cure Matters.

6.2. Title Supplements. If, after the Effective Date and prior to Closing, Title Company issues a supplemental or updated title commitment showing exceptions to title that are not Permitted Exceptions, that are not attributable to any act or omission of Buyer or its contractors, agents or employees, and that do not constitute a Permitted New Title Exception (a **"*Title Supplement***"; such additional exceptions being herein called the "***Additional Exceptions***"), Buyer shall have five (5) Business Days from the date of receipt of both the Title Supplement and a copy of each Additional Exception and (to the extent the nature of the Additional Exceptions is such that it is capable of being depicted on a survey) an update to the Survey (or, as applicable Updated Survey) depicting the location of such Additional Exception in which to give notice to Seller of Buyer's objection to any such Additional Exceptions (such notice being herein called the "***Supplemental Objection Notice***"; the Additional Exceptions to which Buyer objects in such Supplemental Objection Notice being herein called the "***Supplemental Title Objections***"). If Buyer provides such Supplemental Objection Notice to Seller timely, Seller shall use its commercially reasonable efforts (which shall be limited to, in the case of expending funds, up to $250,000.00 in the aggregate to cure such Supplemental Title Objections) to cure the Supplemental Title Objections; provided, that, in all events Seller shall be obligated to cure Mandatory Cure Matters and any Additional Exception attributable to any act or omission of Seller after the Effective Date. If Seller has not cured the Supplemental Title Objections (the same shall be cured if the Title Company has removed the same from an updated version of the Title Commitment) within five (5) Business Days following receipt of the Supplemental Objection Notice (such five Business Day cure period is herein called the "***Seller's Supplemental Cure Period***") and such Supplemental Title Objection has a material adverse effect on the value of the Land encumbered thereby or the use thereof for the uses being made as of the Effective Date, then in such event Buyer shall have, as Buyer's sole and exclusive remedy on account thereof, the right and option to terminate this Agreement by providing written notice to Seller no later than five (5) Business Days following the expiration of Seller's Supplemental Cure Period. If Buyer terminates this Agreement pursuant to this paragraph, the termination hereof shall, for purposes of the Asset

Purchase Agreement, be deemed to constitute a termination of the Asset Purchase Agreement by mutual agreement of the APA Sellers and APA Buyer pursuant to Section 8.1(d) of the Asset Purchase Agreement. Any Additional Exceptions (i) not objected to by Buyer, (ii) that are objected to by Buyer but are cured, or (iii) that are objected to by Buyer but not cured and that do not have a material adverse effect on the value of the Land encumbered thereby or the use thereof for the uses being made as of the Effective Date shall constitute part of the Permitted Exceptions, specifically excluding any Mandatory Cure Matters and any Additional Exceptions attributable to any act or omission of Seller after the Effective Date. Seller shall deliver to Buyer a copy of any Permitted New Title Exception and to the Survey (or, as applicable Updated Survey) depicting the location of such Permitted New Title Exception within five (5) Business Days after execution thereof.

7. Seller's and Buyer's Representations

7.1. Seller's Representations. Each Owner makes, severally as to itself (the several nature of the following does not, however, affect or impair the joint and several liability of all of the Owners for the breach of any of the following by any Owner), the following representations and warranties to Buyer as of the Effective Date and, subject to update and amendments thereof as a result of delivery of any Representation Update Notice (defined below), as of Closing (unless a specific date is set forth in such representation or warranty, in which case such representation or warranty must be true and correct as of such specific date) (the following representations and warranties are herein called the "***REPA Representations***" and, for purposes of the Asset Purchase Agreement shall constitute part of the Sellers' Express Representations [as defined in the Asset Purchase Agreement]):

(a) **Status**. It: (i) is duly organized, validly existing and in good standing under the laws of the State of Texas; and (ii) has the requisite power and authority to own or lease its properties and to carry on its business as now being conducted. There is no pending or, to its Knowledge (as defined below), threatened proceeding for its dissolution, liquidation, insolvency or rehabilitation.

(b) **Power and Authority**. It: (i) has all power and authority necessary to execute and deliver this Agreement and the other documents to which it is or will be a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated herein and therein, and (ii) has taken all action necessary to authorize the execution and delivery of this Agreement and the other documents to which it is or will be party, the performance of its obligations hereunder and thereunder, and the consummation of the transactions contemplated herein and therein.

(c) **Enforceability.** This Agreement has been duly executed and delivered by it and constitutes, and, as of the Closing, each of the other documents to which it will be a party will be duly executed and delivered by Buyer, and will constitute, assuming the due authorization, execution and delivery of such documents, as applicable, by the other Persons that are party thereto, its valid and binding obligations, enforceable against it in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other laws relating to or affecting creditors' rights generally or by equitable principles (regardless of whether enforcement is sought at law or in equity).

(d) **Non-foreign Status**. It is not a “foreign person” as defined in Section 1445 of the Internal Revenue Code of 1986, as amended.

(e) **Litigation**. There is no dispute, action, suit or other legal or administrative proceeding or governmental investigation pending or, to its Knowledge threatened, (i) against, by or affecting it or the Specific Property(ies) owned by it and that would be binding upon Buyer or any of the Specific Property(ies) owned after Closing, or (ii) which questions the validity or enforceability of this Agreement or the transactions contemplated herein. There are no outstanding orders, decrees or stipulations issued by any governmental authority in any proceeding to which it is or was a party which have not been complied with in full or which continue to impose any obligations on it and would be binding upon Buyer or any of the Specific Property(ies) owned after Closing.

(f) **Service Contracts**. At Closing, except for the Construction Documents and except for the Assumed Contracts (as defined in the Asset Purchase Contract), there will be no service contracts, maintenance contracts, equipment contracts or operating agreements in existence with respect to any Specific Property and which will burden or affect such Specific Property and be binding upon Buyer after Closing.

(g) **Title to Property**. Each Seller owns fee simple title to its applicable Specific Property, which at the time of Closing will be free and clear of all restrictions, liens, encumbrances, easements, exceptions, Uniform Commercial Code financing statements and security interests of every kind and character, except for the Permitted Exceptions.

(h) **Zoning**. It has no Knowledge of any proceedings, or any proposed or threatened proceedings, to change such zoning classification or land use plan or the conditions applicable thereto, and Seller shall not itself apply for or acquiesce in any such change. It has no Knowledge or any violation of any requirement or condition to such zoning classification or land use plan which is applicable to all or any portion of any Specific Property.

(i) **No Violation**. Except as contemplated by this Agreement or the other documents to be executed by it, its execution and delivery of this Agreement and the other documents by it, performance of its obligations hereunder and the consummation of the transactions contemplated in this Agreement will not (i) contravene any provision of its certificate or articles of formation or any of its other organization instruments, (ii) violate or conflict with any law, statute, ordinance, rule, regulation, decree, writ, injunction, judgment, ruling or order of any governmental authority or of any arbitration award which is either applicable to, binding upon, or enforceable against it, (iii) require the consent, approval, authorization or permit of, or filing with or notification to, any governmental authority, any court or tribunal or any other Person, except (a) in the case of the foregoing clauses (ii) and (iii) as would not have a material adverse effect on its ability to consummate the transactions contemplated herein or (b) for filings and approvals under HSR (as defined in the Asset Purchase Agreement).

(j) **Leases and Certain Other Agreements**. Except for leases that will be terminated as of Closing and except for the DFW Ground Lease, it has no Knowledge of any unrecorded leases, options, or rights of first refusal affecting title to the Specific Property(ies) owned by it. Except for leases that will be terminated as of Closing, the DFW Ground Lease, and

leases that constitute Permitted Exceptions, there are no other written or oral leases affecting the Specific Property(ies) owned by it. Except as set forth in the Permitted Exceptions, it has no Knowledge of rights of occupancy relating to the Specific Property(ies) owned by it, or that any Person has any right of possession or occupancy in any part of the Specific Property(ies) owned by it.

(k) **Mineral Leases**. There is no surface drilling conducted on any Specific Property.

(l) **Insurance**. It has not received any notices from any insurance company of any defects or any inadequacies in the Specific Property(ies) owned by it or any part thereof that have not been remedied and which would adversely affect the insurability of the Specific Property(ies) owned by it or asserting that any of the Specific Property(ies) owned by it is not is in compliance with the requirements of all insurance carriers currently providing insurance coverage for the Specific Property(ies) owned by it.

(m) **Compliance**. It has no Knowledge of nor has it received any written notice that any of the Specific Property(ies) owned by it is in violation of any laws, ordinances, rules, regulations, requirements and orders of federal, state, or local governments and/or their agencies (including, without limitation, any environmental laws) that has not been cured.

(n) **Miscellaneous**. Except as set forth in the Permitted Exceptions, it has no Knowledge of any commitments or side agreements existing with any governmental authority, utility company, school board, church or other religious body, or any homeowners or homeowners' association, or with other organization, group, party, or individual, relating to the Property which would impose an obligation upon Buyer or its successors or assigns to make any contribution or dedication of money or land or to construct, install or maintain any improvements of as public or private nature on or off the Property.

(o) **DFW Lease and Construction Documents**. To the Knowledge of Seller, the DFW Lease and each Construction Document (i) is a legal, valid and binding obligation of the applicable Seller and the other parties thereto, (ii) is in full force and effect in accordance with its terms. To the Knowledge of Seller, (1) neither Seller nor any other party to the DFW Lease or any Construction Document is in material breach of or material default under, or has provided or received any written notice alleging any breach of or default under the DFW Lease or any Construction Document, (2) with regard to the assignment thereof to Buyer, except for the consent of the landlord under the DFW Ground Lease neither the assignment of the DFW Ground Lease nor any Construction Document requires any consent or approval from the counterparty thereto, and (iv) no event has occurred (with or without notice, the lapse of time or both) would constitute a breach thereof by Seller or any counterparty thereto. None of the counterparties to the DFW Lease or any Construction Document has notified Seller in writing that it intends to terminate, cancel or not renew any such Contract (as such term is defined in the APA).

For purposes of this Agreement, the phrase "Seller has received no notice", "Seller has received no written notice" or similar phrase shall mean that neither Kenneth L. Schnitzer or Rick Stone (collectively, the "***Seller Knowledge Parties***") has received any written notice of the relevant matter, and the phrase "***to Sellers' Knowledge***" or any similar phrase means the current, actual

knowledge of the Seller Knowledge Parties, after reasonable examination of information maintained by Seller and that is reasonably available to the Seller Knowledge Parties; such terms do include knowledge imputed to any Seller Knowledge Party. Except in the case of claims against Seller with respect to Fraud by a Seller Knowledge Party, Buyer waives any right to sue or to seek any personal judgment or claim against Seller Knowledge Parties and such waiver shall expressly survive Closing and any termination of this Agreement (and shall inure to the benefit of and be enforceable by each of Seller Knowledge Parties and may not be amended or modified without the express written consent of each of the Seller Knowledge Parties, which consent may be granted or withheld in their respective sole and absolute discretion).

Seller shall have the right to update and amend from time to time prior to Closing any or all of the REPA Representations in order to account for events or circumstances occurring after the Effective Date; provided, however, that the foregoing right to update and amend: (i) shall not be deemed to permit a Seller to breach any covenant made by a Seller herein (nor, except as set forth below, affect or waive any of Buyer's rights set forth in the other provisions of this Agreement in regard to a Seller's breach under this Agreement); and (ii) shall not affect Buyer's right to terminate this Agreement pursuant to Section 8.1(b) if, without regard to any update or amendment pursuant to this paragraph, any of REPA Representations are not true and correct in all material respects as of the Closing Date; provided, further, however, that if Closing does occur, then all matters disclosed pursuant to any such Representation Update Notice at or prior to Closing shall be waived and Buyer shall not be entitled to make an indemnification claim with respect thereto pursuant to the terms of this Agreement or otherwise; provided, that any Losses that Buyer suffers or incurs as a result of the inaccuracy or breach of the REPA Representations will count toward the Deductible under, and as defined in, the Asset Purchase Agreement and the determination if such threshold has been met for other indemnification claims. Such updates must be in writing delivered to Buyer (each, a "***Representation Update Notice***") and must conspicuously state that the same is being delivered pursuant to this paragraph and describe the change in reasonable detail; otherwise such update shall not be deemed to have been given. Upon the giving of a Representation Update Notice, the affected representation(s) therein described shall be deemed updated and amended by the information therein subject to the limitations and provisions described above. Solely for purposes of the first proviso of this paragraph, a REPA Representation shall be not correct in all material respects if the inaccuracy or breach of the REPA Representations is (A) quantifiable and would result in a Loss to Buyer that equals to or exceed $2,000,000, individually or in the aggregate, (B) would otherwise have a material adverse effect on the use of any Specific Property, or (C) is reasonably likely to involve, or result in, an injunction proceeding involving Buyer.

7.2. Buyer's Representations. Buyer represents and warrants to Seller that the following are true, accurate and complete in all material respects as of the date hereof and will be true, accurate and complete in all material respects as of the Closing Date:

(a) **Status.** Buyer is a duly organized, validly existing and in good standing under the laws of the state or commonwealth in which organized. Buyer has all requisite power and authority to own or lease its properties and to carry on its business as presently conducted. There is no pending or threatened proceeding for the dissolution, liquidation, insolvency or rehabilitation of Buyer.

(b) **Power and Authority.** Buyer (i) has all requisite power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is or will be a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby, and (ii) has taken all corporate action necessary to authorize its execution and delivery of this Agreement and the Transaction Documents to which it is or will be a party, the performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby.

(c) **Enforceability.** This Agreement has been duly executed and delivered by Buyer and constitutes, and, as of the Closing, each of the other Transaction Documents to which Buyer will be a party will be duly executed and delivered by Buyer, and will constitute, assuming the due authorization, execution and delivery of such Transaction Documents, as applicable, by the other Persons that are party thereto, the valid and binding obligations of Buyer, enforceable against Buyer in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other laws relating to or affecting creditors' rights generally or by equitable principles (regardless of whether enforcement is sought at law or in equity).

(d) **No Violation.** The execution and delivery of this Agreement and the other documents by Buyer, the performance by Buyer of its obligations hereunder and the consummation of the transactions contemplated in this Agreement will not (i) contravene any provision of its certificate or articles of formation or any of its other organization instruments, (ii) violate or conflict with any law, statute, ordinance, rule, regulation, decree, writ, injunction, judgment, ruling or order of any governmental authority or of any arbitration award which is either applicable to, binding upon, or enforceable against Buyer, (iii) require the consent, approval, authorization or permit of, or filing with or notification to, any governmental authority, any court or tribunal or any other Person that, if not obtained or filed would have a material adverse effect on or materially delay Buyer's ability to consummate the transactions contemplated herein, except for filings and approvals under HSR (as defined in the Asset Purchase Agreement).

7.3. <u>AS IS</u>. THE PROVISIONS OF THIS SECTION 7.3 SHALL CONTROL OVER ANY AND ALL CONFLICTING PROVISIONS OF THE AGREEMENT.

BUYER ACKNOWLEDGES AND AGREES THAT BUYER IS EXPERIENCED IN THE OWNERSHIP OF PROPERTIES SIMILAR TO THE PROPERTY AND THAT BUYER, PRIOR TO THE CLOSING DATE, WILL HAVE INSPECTED THE PROPERTY TO ITS SATISFACTION AND IS QUALIFIED TO MAKE SUCH INSPECTION. BUYER ACKNOWLEDGES THAT IT IS FULLY RELYING ON BUYER'S (OR BUYER'S REPRESENTATIVES') INSPECTIONS OF THE PROPERTY AND NOT UPON ANY STATEMENTS (ORAL OR WRITTEN) WHICH MAY HAVE BEEN MADE OR MAY BE MADE (OR PURPORTEDLY MADE) BY SELLER OR ANY OF ITS REPRESENTATIVES, OTHER THAN (A) SELLERS' EXPRESS REPRESENTATIONS AND (B) THE WARRANTIES MADE BY SELLER IN THE DEED AND BILL OF SALE EXECUTED BY SELLER AND DELIVERED TO BUYER AT CLOSING (THE "<u>CLOSING DOCUMENTS WARRANTIES</u>"; SELLERS' EXPRESS REPRESENTATIONS AND THE CLOSING DOCUMENTS WARRANTIES ARE

COLLECTIVELY REFERRED TO IN THIS SECTION 7.3 AS THE "SELLER REPRESENTATIONS"). BUYER ACKNOWLEDGES THAT BUYER HAS (OR BUYER'S REPRESENTATIVES HAVE), OR PRIOR TO THE CLOSING DATE WILL HAVE, THOROUGHLY INSPECTED AND EXAMINED THE PROPERTY TO THE EXTENT DEEMED NECESSARY BY BUYER IN ORDER TO ENABLE BUYER TO EVALUATE THE CONDITION OF THE PROPERTY AND ALL OTHER ASPECTS OF THE PROPERTY (INCLUDING, BUT NOT LIMITED TO, THE ENVIRONMENTAL CONDITION OF THE PROPERTY), AND, EXCEPT FOR THE SELLER REPRESENTATIONS, BUYER ACKNOWLEDGES THAT BUYER IS RELYING SOLELY UPON ITS OWN (OR ITS REPRESENTATIVES') INSPECTION, EXAMINATION AND EVALUATION OF THE PROPERTY AS A MATERIAL PART OF THE CONSIDERATION FOR THIS CONTRACT AND THE PURCHASE. BUYER HEREBY AGREES TO ACCEPT THE PROPERTY ON THE CLOSING DATE IN ITS "AS IS," "WHERE IS" CONDITION, WITH ALL FAULTS, AND WITHOUT REPRESENTATIONS AND WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, EXCEPT ONLY (A) THE SELLER REPRESENTATIONS, AND (B) CLOSING DOCUMENTS WARRANTIES. WITHOUT IN ANY WAY LIMITING THE GENERALITY OF THE FOREGOING, IN CONNECTION WITH THE SALE OF THE PROPERTY TO BUYER, EXCEPT FOR THE SELLER REPRESENTATIONS, THE SALE OF THE PROPERTY IS WITHOUT ANY WARRANTY, AND SELLER AND SELLER'S OFFICERS, AGENTS, DIRECTORS, EMPLOYEES, ATTORNEYS, CONTRACTORS AND AFFILIATES (COLLECTIVELY, "SELLER'S RELATED PARTIES") HAVE MADE NO, AND EXPRESSLY AND SPECIFICALLY DISCLAIM, AND BUYER ACCEPTS THAT SELLER AND SELLER'S RELATED PARTIES HAVE DISCLAIMED, ANY AND ALL REPRESENTATIONS, GUARANTIES OR WARRANTIES, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW (EXCEPT AS TO THE SELLER REPRESENTATIONS), OF OR RELATING TO THE PROPERTY, INCLUDING WITHOUT LIMITATION, OF OR RELATING TO: (I) THE USE, INCOME POTENTIAL, EXPENSES, OPERATION, CHARACTERISTICS OR CONDITION OF THE PROPERTY OR ANY PORTION THEREOF, INCLUDING WITHOUT LIMITATION, WARRANTIES OF SUITABILITY, HABITABILITY, MERCHANTABILITY, DESIGN OR FITNESS FOR ANY SPECIFIC PURPOSE OR A PARTICULAR PURPOSE, OR GOOD AND WORKMANLIKE CONSTRUCTION; (II) THE NATURE, MANNER, CONSTRUCTION, CONDITION, STATE OF REPAIR OR LACK OF REPAIR OF ANY IMPROVEMENTS LOCATED ON THE PROPERTY, ON THE SURFACE OR SUBSURFACE THEREOF, WHETHER OR NOT OBVIOUS, VISIBLE OR APPARENT; (III) THE NATURE OR QUALITY OF CONSTRUCTION, STRUCTURAL DESIGN OR ENGINEERING OF THE PROPERTY; (IV) THE ENVIRONMENTAL CONDITION OF THE PROPERTY AND THE PRESENCE OR ABSENCE OF OR CONTAMINATION BY HAZARDOUS MATERIALS, MOLD, FUNGUS, MILDEW (OR OTHER SIMILAR ORGANISMS OR MATERIAL), OR THE COMPLIANCE OF THE PROPERTY WITH ALL REGULATIONS OR LAWS PERTAINING TO HEALTH OR THE ENVIRONMENT, INCLUDING BUT NOT LIMITED TO, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT, THE RESOURCE CONSERVATION AND RECOVERY ACT, THE CLEAN WATER ACT, THE TEXAS HEALTH AND SAFETY

CODE AND THE TEXAS WATER CODE, EACH AS MAY BE AMENDED FROM TIME TO TIME, AND INCLUDING ANY AND ALL REGULATIONS, RULES OR POLICIES PROMULGATED THEREUNDER ("ENVIRONMENTAL LAWS"); (V) THE QUALITY OF THE LABOR AND MATERIALS INCLUDED IN THE PROPERTY; AND (VI) THE SOIL CONDITIONS, DRAINAGE, FLOODING CHARACTERISTICS, UTILITIES OR OTHER CONDITIONS EXISTING IN, ON, OR UNDER THE PROPERTY. BUYER SPECIFICALLY ACKNOWLEDGES THAT THE PROPERTY MAY BE LOCATED IN AN AREA, OR MAY BE IN A CONDITION, WHERE DAMPNESS, WATER PENETRATION OR WEATHER CONDITIONS PROMOTE OR HAVE RESULTED IN GROWTH OF MOLD, MILDEW, FUNGUS OR OTHER ORGANISMS AFFECTING THE IMPROVEMENTS AND WHICH MAY BE HARMFUL TO HUMAN HEALTH OR AFFECT THE VALUE OF THE PROPERTY. EXCEPT FOR THE SELLER REPRESENTATIONS, BUYER HEREBY EXPRESSLY AGREES TO ACCEPT THE PROPERTY SUBJECT TO ALL RISKS, LIABILITIES, CLAIMS, DAMAGES AND COSTS, INCLUDING ANY LIABILITY WITH RESPECT TO ENVIRONMENTAL LAWS (AND AGREES THAT SELLER SHALL NOT BE LIABLE FOR ANY SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL, OR OTHER DAMAGES) RESULTING OR ARISING FROM OR RELATED TO THE CONDITION OF THE PROPERTY. EXCEPT FOR THE SELLER REPRESENTATIONS, BUYER EXPRESSLY WAIVES (TO THE EXTENT ALLOWED BY APPLICABLE LAW) ANY CLAIMS UNDER FEDERAL, STATE OR OTHER LAW (INCLUDING, BUT NOT LIMITED TO, COMMON LAW, WHETHER SOUNDING IN CONTRACT OR TORT, AND ANY AND ALL ENVIRONMENTAL LAWS) THAT BUYER MIGHT OTHERWISE HAVE AGAINST SELLER RELATING TO THE USE, CHARACTERISTICS OR CONDITION OF THE PROPERTY. THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE THE CLOSING.

To avoid doubt, the foregoing provisions of this Section 7.3 shall not affect or impair any rights or remedies of the APA Buyer under the Asset Purchase Agreement with respect to breaches of the Sellers' Express Representations.

8. Conditions to Closing

8.1. Buyer's Conditions. Buyer's obligation to close this transaction is subject to the full satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Buyer in writing):

(a) **Seller's Compliance**. Seller shall have timely fulfilled each of its obligations under this Agreement.

(b) **Seller's Representations**. Each of the REPA Representations are true, correct and accurate in all material respects as of the Closing Date (and without regard to any updates pursuant to any Representation Update Notices) as if made on the Closing Date.

(c) **Asset Purchase Transaction**. All conditions precedent to the APA Buyer's obligation to close under the Asset Purchase Agreement shall have been satisfied, and the closing of the transaction under the Asset Purchase Agreement shall occur contemporaneously with the Closing under this Agreement.

(d) **DFW Lease**. Buyer shall have received, with regard to the DFW Lease, (i) a consent from the landlord thereunder in form and substance reasonably satisfactory to Buyer to the assignment to Buyer, (ii) an estoppel certificate from the landlord thereunder in form and substance reasonably satisfactory to Buyer whereby the landlord certifies to Buyer that a true and correct copy of the DFW Lease is affixed thereto, that there is no event of default thereunder, and (iii) if none then exists with respect to such DFW Lease, a subordination, non-disturbance and attornment agreement from the holder of any Lien affecting the fee simple title described in such DFW Lease, in form and substance acceptable to Buyer.

In the event of a failure at or prior to the Closing of any of the foregoing conditions, subject to any applicable notice and cure period under the Asset Purchase Agreement, Buyer shall have the right to terminate this Agreement upon written notice to Seller; provided, further, that if such failure is the result of a breach by Seller and the Asset Purchase Agreement is not terminated, Buyer shall have the rights and remedies under Section 10.2 of this Agreement in addition to all rights under the Asset Purchase Agreement.

8.2. Seller's Conditions. Seller's obligation to close this transaction is subject to the full satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Seller in writing):

(a) **Buyer's Compliance**. Buyer shall have timely fulfilled each of its obligations under this Agreement.

(b) **Buyer's Representations**. Each of the representations and warranties made by Buyer in this Agreement shall be true, correct and accurate in all material respects as of the Closing Date as if made on the Closing Date.

(c) **Asset Purchase Transaction**. All conditions precedent to the APA Sellers obligation to close under the Asset Purchase Agreement shall have been satisfied, and the closing of the transaction under the Asset Purchase Agreement shall occur contemporaneously with the Closing under this Agreement.

In the event of a failure at or prior to the Closing of any of the foregoing conditions, subject to any applicable notice and cure period under the Asset Purchase Agreement, Seller shall have the right to terminate this Agreement upon written notice to Buyer; provided, further, if such failure is the result of a breach by Buyer and the Asset Purchase Agreement is not terminated, Seller shall have the rights and remedies under Section 10.1 of this Agreement in addition to all rights under the Asset Purchase Agreement.

9. CLOSING

9.1. Closing Date. Subject to the parties' termination rights set forth herein, this transaction shall close (the "***Closing***") simultaneously with the Asset Purchase Agreement, which date shall be referred to herein as the "***Closing Date***", but in no event later than the Closing Date Deadline (as defined in the Asset Purchase Agreement).

9.2. Manner and Place of Closing. The Closing hereunder shall be held (either by mail or in person), and delivery of all items to be made at the Closing under the terms of this Agreement shall be made (either by mail or in person), at the offices of the Title Company, or at such other place as the parties may mutually agree to in writing. Closing shall take place in the manner and in accordance with the provisions set forth in this Agreement.

9.3. Prorations; Adjustments.

(a) Real property taxes shall be prorated for the year in which the Closing occurs as of 11:59 p.m. on the day prior to the Closing Date (the "***Proration Time***"), with Seller to be responsible for all taxes in respect of prior years and the portion of the current calendar year prior to the Proration Time. In connection with the proration of real property taxes for the year in which the Closing occurs, such proration shall be based upon the final assessed valuation for such year, to the extent the same is available, and tax rate figures for such year, to the extent the same is available; provided, that in the event that the actual final assessed value for the year in which the Closing occurs is not available at the Closing Date or the final tax rate for the year of the Closing is not available the Closing Date, the proration shall be made using the latest available assessed valuation and the tax rate, and such item shall be reapportioned and prorated, and the proper party reimbursed, as soon as practicable after the Closing Date. Seller has advised Buyer that Seller has instituted a protest of the assessed value of one or more of the Specific Properties for 2019 (and one more prior years) with regard to ad valorem tax purposes (the "***Tax Protest***"). Notwithstanding the foregoing or any provision hereof to the contrary, Seller shall have the right to direct the Tax Protest until conclusion including the right to institute litigation in regard thereto, settle and compromise any and all claims thereunder, and the right to appeal and judgment therefrom; provided, that no settlement thereof may, without Buyer's express, prior written approval (which approval may be granted or withheld in Buyer's sole and absolute discretion), include any agreement that establishes the assessed or appraised value of the Property for any calendar year other than calendar year 2019 and prior calendar years.

(b) All utility billings with respect to the Property shall be prorated as of the Proration Time.

(c) Seller shall pay all recording fees and other charges incurred or due in connection with the recordation of the Deed, all recording fees and other charges related to the release of any existing deed of trust liens, any other Mandatory Cure Matters and other matters cured (if any) under Section 6.2, the base premium and all search fees payable for the Owner's Policy of title insurance, and all costs incurred by Seller to obtain the Survey. Buyer shall pay for any modifications and endorsements to the Owner's Policy of title insurance, any Incremental Title Costs (defined below), all costs of modifications to the Survey, and all costs of any mortgagee policies of title insurance.

(d) Seller and Buyer shall each pay one-half of the escrow and closing fees charged by the Title Company.

(e) Rent and other charges under the DFW Ground Lease shall be prorated at Closing.

(f) At the Closing, Seller and Buyer shall each execute a closing settlement statement to reflect the credits, prorations, and adjustments contemplated by or specifically provided for in this Agreement. To the extent any of the closing prorations made under this Section 9.3 (including without limitation real property taxes) are done on the basis of estimates, the same shall be subject to post-Closing adjustment and reconciliation when the actual amounts of those adjustment items can be determined. Any such adjustment shall be made within thirty (30) days after either party makes written demand therefor to the other accompanied by a summary of the actual amounts upon which the final adjustment should be made and reasonable supporting documentation which shall evidence those actual amounts. Any out-of-pocket expense incurred by a party in collecting or obtaining reduction of any amount prorated may be offset against or added to the amount recovered or reduction obtained. This paragraph shall survive the Closing for a period of one (1) year.

9.4. Seller's Closing Documents. On or before the Closing, Seller will deposit with the Title Company the following documents for delivery to Buyer at the Closing, each of which will have been duly executed and, where appropriate, acknowledged:

(a) **Evidence of Authority**. Seller shall provide Buyer and the Title Company with documents reasonably evidencing Seller's authority to enter into and consummate the transaction contemplated by this Agreement.

(b) **Deed**. From each Owner (excluding, in the case of PPJ Land LLC, with regard to the DFW Ground Lease), a Special Warranty Deed ("***Deed***"), in the same form as Exhibit B hereto, describing each parcel of Land owned by it, and subject to no exceptions, easements, encumbrances, covenants, conditions, restrictions, or liens, except the Permitted Exceptions applicable thereto. The applicable Deed with respect to the Land encumbered by the Reserved Mineral Lease shall contain a reservation of such Reserved Mineral Lease by the grantor thereunder.

(c) **Assignment of DFW Ground Lease**. From PPJ Land LLC, an instrument, in form that is approved by the lessor under the DFW Ground Lease, assigning to Buyer all of the tenant's interests in and to the DFW Ground Lease (the "***Ground Lease Assignment***").

(d) **Bill of Sale**. From each Owner, a bill of sale ("***Bill of Sale***") in the same form as Exhibit C hereto, and describing each parcel of Land owned by it.

(e) **Blanket Conveyance and Assignment**. From each Owner, a blanket conveyance and assignment in the same form as Exhibit D hereto, and describing each parcel of Land owned by it.

(f) **FIRPTA Affidavit**. An affidavit from each Owner in the form of Exhibit E attached hereto.

(g) **Title Company Affidavit**. An affidavit from each Owner in the form of Exhibit F attached hereto and describing each parcel of Land owned by it.

(h) **Termination of Leases**. Reasonable evidence that all leases affecting the Property (other than the DFW Ground Lease) have been terminated, effective as of Closing, except for the Mineral Leases.

(i) **Construction Documents Assignment**. An assignment of the Construction Documents, and all warranties, bonds, plans, permits and approvals applicable to the Specific Property, pursuant to a form of assignment reasonably mutually agreeable to Buyer and Seller.

(j) **Payoff**. A payoff, termination and discharge letter, in form and substance reasonably satisfactory to Buyer, from each holder of Seller's debt where such debt creates a Lien (as such term is defined in the APA) on Property (including, without limitation, the leasehold estate under the DFW Ground Lease) as of immediately prior to Closing, and such other payoff letters, Lien releases, mortgage satisfactions and/or UCC-3 termination statements (or commitments by the lenders to deliver the same), in form and substance reasonably satisfactory to Buyer, as Buyer may reasonably request to evidence the release and discharge (or commitment to release and discharge) of all Liens (other than inchoate liens for taxes not yet due and payable and landlord's liens (if any) under the DFW Lease), if any, on the Property.

(k) **Additional Documents**. Such other documents as may be required by the Title Company or reasonably requested by Buyer, or as may otherwise be reasonably necessary or appropriate to transfer and convey fee title of the Property to Buyer, to remove specified Permitted Exceptions relating to matters no longer affecting the Subject Property as agreed upon the Title Company, or to otherwise consummate the transactions contemplated by and in accordance with the terms of this Agreement.

9.5. Buyer's Closing Documents. On or before the Closing, Buyer will deposit with the Title Company the following documents for delivery to Seller at the Closing, each of which will have been duly executed and, where appropriate, acknowledged:

(a) **Buyer's Resolution**. A certified copy of resolution of the board of directors of Buyer, which resolution will be in full force and effect, approving this transaction and designating the person or persons authorized to sign documents on behalf of Buyer.

(b) ***Ground Lease Assignment***. Join with PPJ Land LLC in executing and delivering the Ground Lease Assignment, and therein assuming all of the obligations of PPJ Land LLC to the extent required by the landlord under the DFW Ground Lease. Further, in connection therewith, Buyer shall provide the landlord under the DFW Ground Lease evidence of net worth that satisfies the provisions of Section 15.3(c) of the DFW Ground Lease.

(c) **Additional Documents**. Such other documents as may be reasonably necessary to consummate the transactions contemplated by and in accordance with the terms of this Agreement.

9.6. Delivery of Certain Other Items. At the Closing, Seller will deliver to Buyer at the Property or otherwise make available all keys, books and records of Seller relating to the maintenance and operation of the Property.

9.7. Title Policy. At Closing, Seller shall deliver to Buyer a proforma commitment by the Title Company to issue to Buyer an Owner Policy of Title Insurance (the "***Title Policy***") in the full amount of the Purchase Price, dated as of the Closing Date, insuring Buyer's fee simple title to each parcel of the Land to be good and indefeasible subject only to the Permitted Exceptions applicable to each such parcel together with a pro forma owner policy of title insurance with all endorsements attached and requested modifications shown. Each Title Policy may also contain the following exception but only if such Title Policy is endorsed with a T19.2 title endorsement: "All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records, whether listed in Schedule B or not. There may be leases, grants, exceptions or reservations of mineral interest that are not listed." To the extent the Title Company is willing to issue the same, the Title Policy, at Buyer's cost, shall contain all standard and applicable endorsements, including all applicable contiguity and T-19 (T-19.1 or T-19.2 at Buyer's option) endorsements, and shall insure all appurtenant easements. The Title Policy shall also be subject to the standard printed exceptions contained in the base, standard Texas form of the Title Policy and shall be issued in the Texas standard form (Form T-1); provided, however: (a) the standard exception as to restrictive covenants shall either be deleted or except only for any restrictive covenants that are Permitted Exceptions; (b) the blank in the standard tax exception shall be completed with the year in which the Closing occurs; (c) subject to the willingness of the Title Company to do so and subject to Buyer's payment of the premium therefor, the standard exception in Schedule B, item 2 shall be revised to read "shortages in area" only; (d) there shall be no exception for parties in possession; (e) there shall be no exception for visible or apparent easements or other matters that would be shown on a survey (although specific matters shown on the Survey of a Specific Property may be shown as an exception); and (f) the Title Policy will provide that Section 14 of the Conditions and Stipulations relating to arbitration has been deleted. If Buyer exercises the Separation Option (hereinafter defined), Buyer may request the Title Company to issue to each Break-Out Owner (hereinafter defined) a separate owner policy of title insurance, each such policy (each herein called a "***Separate Policy***") to be subject to the Permitted Exceptions applicable to the Specific Property(ies) to be conveyed to such Break-Out Owner (and subject to the standard printed exceptions to the same extent as set forth above only) and in the amount set forth on Schedule 1. Furthermore, in all events Buyer shall be responsible for the Incremental Title Costs (hereinafter defined below) arising out of the exercise of the Separation Option. As used herein, the term "***Incremental Title Costs***" means the difference between the premium for a single owner policy of title insurance, in Texas standard form (and without any endorsements) in the amount of the Purchase Price and the aggregate premiums for the Separate Policies.

9.8. Break Out Option. Buyer may, by written notice given to Seller no later than fifteen (15) Business Days prior to the date scheduled for Closing, elect to cause one or more of the Specific Properties to be conveyed to a separate entity controlled by, under common control with or controlling Buyer (each herein called a "***Break-Out Owner***"), such election and option of the Buyer being herein called the "***Separation Option***". In the event Buyer elects the Separation Option, this Agreement shall, at Closing, be deemed automatically partially assigned to each

Break-Out Owner with regard to a Specific Property provided that Buyer shall not be released from any of its obligations hereunder, and Buyer, together with each Break-Out Owner, as to a Specific Property shall collectively have all rights of Buyer with regard to a Specific Property. In connection with the exercise of the Separation Option, Buyer's notice shall set forth the following information: (i) the name of each Break-Out Owner, (ii) reasonable evidence that the Break-Out Owner is controlled by, under common control with, or controlling Buyer, and (iii) the identification of the Specific Properties to be conveyed to each Break-Out Owner and the name of the Break-Out Owner to receive title to the Specific Properties. Further, if Buyer exercises the Separation Option, (i) Seller shall, with respect to the documents required to be executed and delivered by Seller pursuant to Section 9.4 hereof, execute and deliver a separate copy of each of such documents to each Break-Out Owner, each relating to the Specific Property(ies) to be conveyed to such Break-Out Owner, and (i) Buyer shall cause each Break-Out Owner to execute and deliver the documents described in Section 9.5 with respect to the Specific Property(ies) being conveyed to such Break-Out Owner. In no event shall Seller be obligated to incur, in connection with Buyer's exercise of the Separation Option, any expense of a type that Seller would not be responsible for under this Agreement absent the exercise of the Separation Option or that is greater in any material respect to the expenses Seller would incur absent the exercise of the Separation Option.

9.9. Possession. Seller shall deliver possession of the Property to Buyer on the Closing Date, subject to the rights of parties claiming under the Permitted Exceptions.

10. DEFAULTS AND FAILURE TO CLOSE

10.1. Seller's Remedies. Seller may terminate this Agreement by giving written notice to Buyer if Buyer has breached this Agreement, Seller has notified Buyer of the breach in writing, and the breach has continued without cure for a period of ten (10) days after notice of the breach; provided, if the breach is a failure by Buyer to close the purchase on the date scheduled for Closing and the failure to close is not due to Seller's breach of this Agreement, no such notice shall be required and Buyer shall not be afforded such 10-day opportunity to cure such breach. In addition to all rights and remedies under the terms and conditions of the Asset Purchase Agreement as contemplated by Section 4.2, Seller's right to terminate is its sole and exclusive remedy under this Agreement with respect to a breach of this Agreement by Buyer that results in failure of the transaction contemplated by this Agreement to close (provided, that, Seller shall in all events have the right to enforce the indemnification obligations of Buyer set forth in Section 5.2 hereof). Any such termination will be effective immediately upon Seller giving written notice of termination to Buyer and the Title Company. Nothing in this paragraph shall limit or affect the rights of the APA Sellers under the Asset Purchase Agreement.

10.2. Buyer's Remedies. Buyer may terminate this Agreement by giving written notice to Seller if Seller has breached this Agreement, Buyer has notified Seller of the breach in writing, and the breach has continued without cure for a period of ten (10) days after notice of the breach; provided, if the breach is a failure by Seller to close the purchase on the date scheduled for Closing and the failure to close is not due to Buyer's breach of this Agreement, no such notice shall be required and Seller shall not be afforded such 10-day opportunity to cure such breach. In addition to all rights and remedies under the terms and conditions of the Asset Purchase Agreement as

contemplated by Section 4.2, Buyer's sole and exclusive remedy under this Agreement with respect to a breach of this Agreement by Seller that results in failure of the transaction contemplated by this Agreement to close is either to terminate this Agreement by giving written notice to Seller or seek to enforce specific performance of Seller's obligations under this Agreement; provided, that, in no event may Buyer seek or obtain an order for specific performance if the Asset Purchase Agreement has been terminated and, further, in no event shall Seller have any obligation to convey the Property to Buyer unless concurrent therewith the purchase and sale under the Asset Purchase Agreement is being consummated. Any such termination will be effective immediately upon Buyer giving written notice of termination to Seller and the Title Company. Nothing in this paragraph shall limit or affect the rights of the APA Buyer under the Asset Purchase Agreement.

11. Conduct of Business

11.1. Contracts. Seller shall not, after the Effective Date, enter into any contract which will not be paid and performed in full prior to the Closing Date, that will be binding upon Buyer or the Property after Closing, and that cannot be canceled upon thirty (30) days' (or less) notice at no cost to Buyer unless Seller first obtains the written approval of Buyer, which approval shall not be unreasonably withheld. Without limiting the generality of the foregoing, after the Effective Date Seller shall not enter into any additional Construction Documents without the prior written consent and approval of Buyer.

11.2. Permits. Seller shall until the Closing Date use commercially reasonable efforts to preserve intact and unimpaired any licenses or permits required for the lawful and proper operation and occupancy of the Property, timely file all reports, statements, renewal applications and other filings required in connection therewith and timely pay all fees and charges in connection therewith that are required to keep such licenses and permits in full force and effect and where the failure to do so is reasonably likely to have a material adverse effect on the Property; not knowingly violate or knowingly allow the violation of any law, ordinance, rule or regulation affecting the Property; and not apply for or join in any change in zoning, platting, right of way grant or similar public land use matters related to the Property, or any laws relating to the Property.

11.3. Operation of Property and Certain Other Covenants. During the period between the date hereof and the Closing, Seller shall:

(a) Use its commercially reasonable efforts to comply with all state and municipal laws, ordinances, regulations and orders relating to the Property;

(b) Use its commercially reasonable efforts to comply with all the terms, conditions and provisions of the liens, mortgages, agreements, insurance policies and other contractual arrangements relating to the Property, make all payments due thereunder and suffer no default therein;

(c) Operate, manage maintain the Property in the same manner as it has in the past and shall not change its policies or procedures with regard to maintenance of the Property.

(d) Reasonably cooperate with Buyer in Buyer's efforts to obtain estoppel certificates from property owner associations and other applicable parties with respect to restrictive covenants affecting any of the Property.

(e) Upon Buyer's request, reasonably cooperate with Buyer and Buyer's efforts to remove as an exception from the applicable Title Commitment (1) the Easement granted by PPM Specialists, Ltd., to Austin Coca-Cola Bottling Company, Inc., filed 04/18/1994, recorded in Volume 94074, Page 4695, Real Property Records, Dallas County, Texas, and (2) terms, provisions, and conditions of Unity Agreement, by and between Austin Coca-Cola Bottling Company and PPM Specialists, Ltd., filed 04/18/1994, recorded in Volume 94074, Page 4703, Real Property Records, Dallas County, Texas.

11.4. Notification to Buyer. Until the Closing Date or the earlier termination of this Agreement, Seller shall notify Buyer, in writing, within five (5) Business Days after receiving notice, or otherwise obtaining actual Knowledge, which notice shall constitute a Representation Update Notice subject to the terms and conditions of Section 7.1 hereof, of:

(a) Any fact or event which would make any of the representations or warranties of Seller contained in this Agreement untrue, incorrect, inaccurate or misleading in any material respect or which would cause Seller to be in violation of any of its covenants or other undertakings or obligations hereunder.

(b) Any violation of any law, ordinance, rules, requirements, regulations, order or law with respect to the Property or any portion thereof.

(c) Any proposed change in any zoning, government dedication or law affecting the use or development of the Property or any part thereof.

(d) Any pending or threatened (and unresolved) litigation which affects or relates to the Property or any part thereof and would subject Buyer to liability or which would affect the transaction contemplated hereby.

(e) Any damage or destruction (excluding normal wear and tear) to the Property or any part thereof.

(f) Any pending or threatened (and unresolved) condemnation or eminent domain proceeding affecting the Property or any part thereof.

(g) Any written notice or other communication, from the United States Environmental Protection Agency or any other federal, state or local governmental authority having jurisdiction over the Property, with respect to (i) any alleged violation concerning the Property of any environmental laws; or (ii) the handling, release, use, discharge, storage or disposal of any hazardous materials at, on or from the Property.

(h) Any notice of reassessment or other notice received from a taxing authority.

12. **Condemnation and Destruction**

12.1. Eminent Domain or Taking.

(a) The provisions of this Section 12.1 shall control over any and all conflicting provisions of Section 5.007 of the Texas Property Code.

(b) If, prior to the Closing, any portion of the Property is taken by any governmental authority under power of eminent domain or otherwise, or a conveyance is made under threat thereof ("***Taking***"), or if the Property becomes subject to a pending, threatened or contemplated Taking which has not been consummated (a "***Pending Taking***"), Seller shall promptly notify Buyer of such fact.

(c) If any such Taking or Pending Taking has a material adverse affect as to any Specific Property, then the following shall apply: (i) Buyer shall elect, by written notice to Seller no later than ten (10) days following the date upon which Seller has provided Buyer written notice of the Taking or Pending Taking (such 10-day period being herein called the "***Buyer's Condemnation Election Period***"), as Buyer's sole and exclusive remedies, either to (A) terminate this Agreement, or (B) proceed with Closing, in which case the provisions of Section 12.1(d) below shall apply. For purposes of this Section 12.1, "***material adverse effect***" means that (A) ingress and egress to and from the affected Property is materially and adversely affected such that continued use of the affected Property for the business as conducted thereon as of the Effective Date is materially impaired, (B) more than ten percent (10%) of the land area of the Specific Property affected thereby is taken, or (C) regardless of the percentage of the land area of the Specific Property affected thereby, the continued use or operation of any Specific Property for the business conducted thereon is materially impaired or (taking into account "grandfathering" applicable to the effects of condemnation) fails to materially comply with applicable laws, rules and regulations or Manufacturer (as defined in the Asset Purchase Agreement) requirements. Failure by Buyer to elect to terminate this Agreement during the Buyer's Condemnation Election Period shall be deemed an election to proceed with Closing. If Buyer terminates this Agreement pursuant to this paragraph, the termination hereof shall, for purposes of the Asset Purchase Agreement, be deemed to constitute a termination of the Asset Purchase Agreement by mutual agreement of the APA Sellers and APA Buyer pursuant to Section 8.1(d) of the Asset Purchase Agreement.

(d) If such Taking or Pending Taking does not have a material adverse affect as to the Specific Property affected thereby, Buyer agrees to accept each portion of the Property that is subject to a Pending Taking (except that as to any Taking where title to any of the Land has been conveyed to the condemnor, such affected land shall no longer be considered part of the "Land" for purposes of this Agreement). In such event, upon the Closing, Seller shall assign and turn over, and Buyer shall be entitled to receive and keep, all awards or rights to awards attributable to any such Taking which accrue to or have been paid to Seller, and the parties shall proceed to the Closing pursuant to terms hereof, and there shall be no reduction in the Purchase Price. Seller shall take no action with respect to the settlement of any Taking or Pending Taking without the prior written approval of Buyer, which approval shall not be unreasonably withheld, conditioned or delayed.

12.2. Fire or Casualty.

(a) The provisions of this Section 12.2 shall control over any and all conflicting provisions of Section 5.007 of the Texas Property Code. Prior to the Closing, the entire risk of loss or damage to the Property by fire or other casualty shall be borne and assumed by Seller, except as otherwise provided in this Section 12.2.

(b) If, prior to the Closing, any part of the Property is damaged or destroyed by fire or other casualty, Seller shall promptly notify Buyer of such fact.

(c) If the damage to the improvements located on the Specific Property caused by such fire or other casualty constitutes a Major Casualty (defined below) as to such Specific Property, Buyer shall elect, by written notice to Seller no later than ten (10) days following the date upon which Seller has provided Buyer written notice of the occurrence of such fire or other casualty (such 10-day period being herein called the "***Buyer's Casualty Election Period***"), as Buyer's sole and exclusive remedies, either to (A) terminate this Agreement, or (B) proceed with Closing, in which case the provisions of Section 12.2(d) below shall apply. As used herein, the term "***Major Casualty***" means any damage or destruction to any Specific Property that is reasonably expected to (A) cost in excess of $2,000,000.00 to repair, or (B) require more than one hundred eighty (180) days, measured from the date of the casualty, to repair and restore fully, in each such case as reasonably estimated by a reputable general contractor selected by Buyer and approved by Seller. Failure by Buyer to elect to terminate this Agreement during the Buyer's Casualty Election Period shall be deemed an election to proceed with Closing. If Buyer terminates this Agreement pursuant to this paragraph, the termination hereof shall, for purposes of the Asset Purchase Agreement, be deemed to constitute a termination of the Asset Purchase Agreement by mutual agreement of the APA Sellers and APA Buyer pursuant to Section 8.1(d) of the Asset Purchase Agreement.

(d) If any such fire or other casualty does not constitute a Major Casualty, Buyer agrees to accept any Property damaged by reason thereof without the repair or restoration thereof and without any reduction in the Purchase Price. However, Seller shall, at Closing, assign and turn over, and Buyer shall be entitled to receive and keep, all insurance proceeds paid or payable to Seller with respect to such damage or destruction (save any portions thereof which may have been expended by Seller in repair of the Property), and Seller shall pay over to Buyer an amount equal to the deductible amount (less an amount equal to the amount of Seller's own funds applied to repair and restoration) and any required co-insurance payment with respect to the insurance and the parties shall proceed to the Closing pursuant to the terms hereof without modification of the terms of this Agreement and without any reduction in the Purchase Price. Buyer shall have the right to participate in any adjustment of the insurance claim, and Seller shall not adjust or settle any such claim without Buyer's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed.

13. **INDEMNITY; SURVIVAL AND CERTAIN LIMITATIONS**

13.1 Indemnification by Seller in Favor of Buyer. Subject to the limitation of recourse and recovery set below in this paragraph and the effect of the provisions of Section 4.2 hereof, Seller (for clarity, each Owner jointly and severally) shall indemnify, defend and hold Buyer harmless from and against any and all Losses, whether or not involving a claim or other assertion

of liabilities by third parties, resulting from: (i) any breach of any Sellers' Express Representation made by Seller, and (ii) any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs, and expenses, including without limitation, reasonable legal fees and expenses incident to any of the foregoing or incurred in investigating or attempting to oppose the imposition thereof. The indemnification obligations of Seller set forth in this paragraph shall expressly survive Closing and shall be subject to the terms and conditions of Section 4.2 hereof.

13.2 Indemnification by Buyer in Favor of Seller. Buyer shall indemnify and hold Seller harmless from and against any and all Losses, whether or not involving a whether or not involving a claim or other assertion of liabilities by third parties, resulting from: (i) any breach of a representation or warranty contained in this Agreement and (ii) any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs, and expenses, including without limitation, reasonable legal fees and expenses resulting from any of the foregoing or incurred in investigating or attempting to oppose the imposition thereof. The indemnification obligations of Buyer set forth in this paragraph shall expressly survive Closing and, excluding the indemnification obligations of Buyer under Section 5.2 hereof, shall be subject to the terms and conditions of Section 4.2 hereof.

13.3 Indemnification Procedures for Third Party Claims. With respect to any claim or other assertion of liabilities by third parties as to which Seller or Buyer has an indemnification obligation under this Agreement, Seller and Buyer agree to implement and observe the procedures set forth in Section 12.3 of the Asset Purchase Agreement, which provisions are hereby incorporated herein.

13.4 Survival. All of the representations and warranties contained in this Agreement shall survive the Closing and continue in full force and effect for a period of eighteen (18) months from and after the Closing Date, after which they will merge with the Deed; *provided*, *however*, that the Limitations Representation shall survive for a period of thirty (30) days after the expiration of the applicable statute of limitations (giving effect to any tolling, waiver, mitigation or extension thereof). No party shall have any liability for indemnification claims made under this Section 13 unless a written notice of claim (describing in reasonable detail the claim, including an estimate of Losses attributable to such claim) is provided prior to the expiration of any applicable survival period. If an indemnified party delivers written notice to a relevant indemnifying party for a claim for indemnification or recovery within the applicable survival period, such claim shall survive until satisfied, otherwise finally resolved or judicially resolved.

13.5 Fraud. For the avoidance of doubt, nothing in this Agreement shall restrict any party from asserting a claim for Fraud.

14. **GENERAL PROVISIONS**

14.1. Further Assurances. Each party hereto shall execute and/or cause to be delivered to each other party hereto such instruments and other documents, and shall take such other actions, as such other party may reasonably request (prior to, at or after Closing) for the purpose of carrying out or evidencing any of the transactions contemplated pursuant to this Agreement.

14.2. Waiver. Any waiver of any term or condition of this Agreement shall not operate as a waiver of any prior or subsequent breach of such term or condition other than the breach specifically intended to be waived, nor shall any failure to enforce any provision hereof operate as a waiver of such provision or of any other provision hereof. Prior to this Agreement being terminated as a result of the failure of a contingency or condition to be met, the party in whose favor such failed condition or contingency exists shall have the sole and exclusive right, by written notice to the other, to waive any such condition or contingency, and if waived, said condition or contingency shall be deemed satisfied.

14.3. Notices. Any notice, demand, or communication required, permitted, or desired to be given hereunder shall be in writing (in certain instances in this Agreement the word "notice" is used and in others the words "written notice" or words to like effect are used; no inference is to be drawn therefrom as all notices under this Agreement must be in writing) and shall be deemed duly given and received (i) when delivered in person (with receipt therefore), (ii) on the next business day after deposit with a recognized overnight delivery service, (iii) on the second day after being sent by certified or registered mail, return receipt requested, postage paid, or (iv) except in the case of any notice alleging a default, when sent via email (provided that if sent after 5:00 p.m. Central time or any day that is not a business day, such notice shall not be considered delivered until the next following business day) and followed by one of the foregoing methods, to the following addresses:

If to Seller:	Park Place Dealerships, LLC 2021 McKinney, Suite 420 Dallas, Texas 75201 Attention: Kenneth L. Schnitzer and Rick Stone
with a copy to:	Locke Lord LLP 600 Travis Street, Suite 2800 Houston, Texas 77002 Attention: Stephen C. Jacobs and Elizabeth Genter
If to Buyer:	c/o Asbury Automotive Group, Inc. 2905 Premiere Parkway, Suite 300 Duluth, Georgia 30097 Attention: Senior Vice President and General Counsel
with a copy to:	Hill Ward Henderson 101 E. Kennedy Blvd., Suite 3700 Tampa, Florida 33602 Attention: R. James Robbins, Jr.

or to such other address, and to the attention of such other person or officer, as either party may designate, at the addresses that the party may designate by like written notice.

and with a copy to: Jones Day
1420 Peachtree Street, N.E., Suite 800
Atlanta, Georgia 30309
Attention: Joel May __________

14.4. Time is of the Essence. Time is of the essence with respect to all matters in this Agreement. Except as expressly provided for in this Agreement, the time for performance of any obligation or taking any action under this Agreement will be deemed to expire at 6:00 o'clock Central Time on the last day of the applicable time period provided for in this Agreement. If the time for the performance of any obligation or taking any action under this Agreement expires on a day that is not a Business Day, the time for performance or taking such action will be extended to the next succeeding day which is a Business Day.

14.5. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns; provided (a) Seller shall not be permitted to assign any of its rights or obligations under this Agreement and (b) except with respect to an assignment to a Break-Out Owner, Buyer may not assign its rights hereunder. No assignment hereof by Buyer to a Break-Out Owner shall release or relieve the assignor from any obligations under this Agreement, whether arising prior to or after the date of such assignment.

14.6. No Third Party Beneficiaries. Nothing in this Agreement or the Exhibits attached hereto, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any Persons other than the parties to it, nor is anything in this Agreement intended to relieve or discharge the obligations or liabilities of any third Person to any party to this Agreement.

14.7. Governing Law; Venue; Waiver of Right to Trial by Jury. This Agreement will be governed by, construed and enforced in accordance with the laws of the state of Texas, without regard to conflicts of laws principles. The courts located in Dallas County, Texas shall be the exclusive place of venue with respect to any legal proceedings between the parties arising out of or related to this Agreement. **TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HERETO WAIVES THE RIGHT TO TRIAL BY JURY WITH REGARD TO ANY DISPUTE ARISING UNDER OR FROM THIS CONTRACT. EACH PARTY REPRESENTS TO THE OTHER THAT SUCH WAIVER IS MADE KNOWINGLY, VOLUNTARILY AND AFTER CONSULTATION WITH COUNSEL OF ITS CHOOSING.** The provisions of this Section 14.7 shall expressly survive the termination of this Agreement and Closing.

14.8. Attorney's Fees for Prevailing Party. If this Agreement or any term or provision hereof becomes the subject of litigation, the prevailing party in such litigation will be entitled to recover from the non-prevailing party court costs and reasonable attorney's fees. For purposes hereof, the "prevailing party" shall be determined by the court and means the "net winner" of a dispute, taking into account the claims pursued, the claims on which the pursuing party was successful, the amount of money sought, the amount of money awarded, and offsets or counterclaims pursued (successfully or unsuccessfully) by the other party. The provisions of this Section 14.8 shall expressly survive the termination of this Agreement and Closing.

14.9. Counterparts and Facsimile Execution. This Agreement may be executed in any number of counterparts, and by facsimile signature, each of which will be an original, but all of which will constitute one and the same instrument.

14.10. Severability. Any provision of this Agreement which is prohibited or unenforceable, in whole or in part, in any jurisdiction shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

14.11. Headings. The section headings contained in this Agreement are for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

14.12. Tax Free Exchange. Buyer and Seller shall reasonably cooperate with each other to allow either party to involve the Property as part of a tax free exchange. In no event, however, shall Buyer or Seller be obligated to incur any cost or liability in connection with such exchange on behalf of the other party, and Closing shall not be delayed or extended in order to accommodate any such exchange.

14.13. No Brokers. Buyer represents and warrants that Buyer has not dealt with any sales agents, finders or other brokers in connection with this transaction. Seller represents and warrants that Seller has not dealt with any sales agents, finders, or other brokers in connection with this transaction other than Presidio Merchant Partners LLC (the "***Broker***"), which Broker shall be paid by Seller (such representation of Seller shall constitute a Limitations Representation). If any other person asserts a claim to a finder's fee, brokerage commission or other compensation on account of alleged employment as a finder or broker, or the performance of services as a finder or broker in connection with this transaction, the party under whom the finder or broker is claiming will indemnify, defend and hold the other party and the other party's affiliates harmless for, from, and against any claims related thereto. This indemnity will survive the Closing and any termination of this Agreement.

14.14. Construction. The parties have jointly participated in the negotiation and drafting of this Agreement. In the event of an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumptions or burdens of proof shall arise favoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

14.15. Non-Recourse. This Agreement may only be enforced against, and any claim or proceeding based upon, arising out of, or related to this Agreement, or the negotiation, execution or performance of this Agreement, may only be brought against the entities that are expressly named as parties hereto and then only with respect to the specific obligations set forth herein with respect to such party. No past, present or future director, officer, manager, employee, incorporator, member, partner, stockholder, agent, attorney, representative or affiliate of any party or any of

their respective affiliates shall have any liability (whether in contract or in tort) for any obligations or liabilities of such party arising under, in connection with or related to this Agreement or for any claim based on, in respect of, or by reason of, the transactions contemplated hereby; *provided*, *however*, that nothing in this Section 14.15 shall limit any liability of the parties to this Agreement for breaches of the terms and conditions of this Agreement.

14.16. Actual Damages Only. Notwithstanding any contrary provisions of this Agreement, neither Seller or Buyer shall be liable to the other for Non-Reimbursable Damages (as defined in the Asset Purchase Agreement). The provisions of this Section 14.16 shall expressly survive the termination of this Agreement and Closing.

14.17. Special Provisions Regarding 13910 FM 620 North. The Specific Property located at 13910 FM 620 North is, for purposes of this paragraph, herein called the "***North Austin Location***". The Survey provided by Seller to Buyer applicable to the North Austin Location does not reflect the location of the following easements that are reflected in the Title Commitment applicable to the North Austin Location: (a) water line easement granted to the city of Austin, Texas by instrument recorded November 2, 2018 under Document No. 2018097878 of the Real Property Records of Williamson County, Texas ("***Water Line Easement***"), (b) electric utility easement granted to city of Austin, Texas by instrument dated June 18, 2019, recorded under Document No. 2019058127 (also herein called the "***Electric Easement***"), and (c) Sidewalk, Trail, and Recreational Easement with Required Maintenance dated November 2, 2018, recorded under Document No. 2018097920 ("***Sidewalk Easement***"). Seller agrees to provide Buyer an update of the Survey of the North Austin Location prior to Closing that shows the location of each of the easements created under each of the Water Line Easement and Sidewalk Easement, as well as the location of all buildings located on the North Austin Location.

(i) So long as no portion of any building protrudes or encroaches into either the Water Line Easement or Sidewalk Easement in a manner or extent that is not permitted under the terms of the applicable easement (an "***Impermissible Encroachment***"), each of the Water Line Easement and Sidewalk Easement shall be deemed approved for all purposes. If there is an Impermissible Encroachment and the same is not cured prior to Closing (such cure may be affected by obtaining a consent to or approval of such encroachment from the city of Austin), then the Closing shall nonetheless continue and, at Closing Buyer shall, as its sole remedies, elect as its sole option to either (1) accept such encroachments (in which case the same shall constitute Permitted Exceptions) and consummate the purchase without reduction in the Purchase Price or (2) in lieu of purchasing the North Austin Location, reduce the Purchase Price by the amount allocated to the North Austin Location and lease the same from the Owner thereof under the same terms and conditions applicable to the Post Closing Lease referenced in the Asset Purchase Agreement as the "Plano Lease", but with the initial annual base rental of $2,499,000.00); provided, that, the same shall also include an obligation of Buyer to purchase, and the landlord to sell, the North Austin Location (at the applicable price allocated thereto as set forth herein) in accordance with the terms and conditions set forth herein, at such time as such Impermissible Encroachment is cured by obtaining consent or approval from the City of Austin as described above, or in another manner that is reasonably satisfactory to Buyer.

(ii) The parties acknowledge that the Electric Easement is a blanket easement such that, until such time as the easement therein is specified in accordance with its terms, the precise location of the boundaries of such easement cannot be determined. If such specification has not been completed prior to Closing, then so long as Seller provides Buyer reasonable evidence that the location of the Facilities (as defined in the Electric Easement) is such that, following specification of the easements in accordance with the Electric Easement, no buildings or other structures encroach the easements (as specified), then the Electric Easement shall be deemed approved for all purposes. If such evidence is not provided or if specification has occurred and a building or other structure encroaches into the easement, Buyer shall, as its sole remedies, elect as its sole option to either (1) consummate the purchase without reduction in the Purchase Price or (2) in lieu of purchasing the North Austin Location, reduce the Purchase Price by the amount allocated to the North Austin Location and lease the same from the Owner thereof under the same terms and conditions applicable to the Post Closing Lease referenced in the Asset Purchase Agreement as the "Plano Lease", but with the initial annual base rental of $2,499,000.00); provided, that, the same shall also include an obligation of Buyer to purchase, and the landlord to sell, the North Austin Location (at the applicable price allocated thereto as set forth herein) in accordance with the terms and conditions set forth herein at such time as such easements are specified and such specification reflects that no buildings or other structures encroach the easements (as specified) or, as applicable if the specification has occurred prior to Closing and reflects an encroachment, each encroachment has been cured in a manner reasonably satisfactory to Buyer.

14.18. Special Provision Regarding RR 620 (1 acre Lot). The Specific Property located at RR 620 (1 acre lot) is, for purposes of this paragraph, herein called the "***North Austin Lot***". The Survey provided by Seller to Buyer applicable to the North Austin Lot does not reflect that Tom Kemp Road is publicly dedicated and maintained by the City of Austin. Seller agrees to provide Buyer an update of the Survey of the North Austin Lot prior to Closing that confirms that Tom Kemp Road is publicly dedicated and maintained by the City of Austin. In the event Seller is unable to provide a survey of the North Austin Lot prior to Closing that confirms that Tom Kemp Road is publicly dedicated and maintained by the City of Austin prior to Closing, Buyer shall, as its sole remedies, elect at its sole option to either (i) consummate the purchase without reduction in the Purchase Price, or (ii) remove the North Austin Lot from the transaction contemplated by this Agreement and reduce the Purchase Price by the amount allocated to the North Austin Lot.

14.19. Post Closing Covenant Regarding 3300 Atwell. Seller agrees to cooperate with Buyer on a post-closing basis to resolve any title or ownership issues relating to 3300 Atwell Street, Dallas, Texas, ("***3300 Atwell***") and to convey all of Seller's rights and interests therein by execution of a quit claim deed or assignment of any and all intangible rights or interests that Seller may have in and to 3300 Atwell, and the joinder in or cooperation with a quiet title action at Buyer's expense. The terms and conditions of this Section 14.19 shall survive Closing.

14.20. Entire Agreement. This Agreement, which includes the following Schedules and Exhibits:*

Schedule 1	Purchase Price Allocation
Exhibit A-1 to A-21	Legal Description
Exhibit B	Special Warranty Deed
Exhibit C	Bill of Sale
Exhibit D	Blanket Conveyance and Assignment
Exhibit E	Non-Foreign Certificate
Exhibit F	Affidavit of Debts and Liens
Exhibit G	Capital Improvement Projects

[*Certain exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K, and Asbury Automotive Group, Inc. hereby agrees to provide an unredacted copy of any omitted exhibit or schedule to the Securities and Exchange Commission upon request.]

constitutes the entire agreement between the parties pertaining to the subject matter contained in this Agreement (but without affect on references herein to the Asset Purchase Agreement). All prior and contemporaneous agreements, representations and understandings of the parties, oral or written, are superseded by and merged in this Agreement. No supplement, modification or amendment of this Agreement will be binding unless in writing and executed by Buyer and Seller.

[SIGNATURES ON FOLLOWING PAGE]

Signature Page to Real Estate Purchase Agreement

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in duplicate as of the day and year first above written.

SELLER:

KINGS ROAD REALTY LTD., a Texas limited partnership

By: PP Land GP, LLC, a Texas limited liability company, general partner

By: /s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer, Manager

PP LAND HOLDINGS LP, a Texas limited partnership

By: PP Land GP, LLC, a Texas limited liability company, general partner

By: /s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer, Manager

PPJ LAND LLC, a Texas limited liability company

By: PP Land GP, LLC, a Texas limited liability company, general partner

By: /s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer, Manager

JLRA REALTY LP, a Texas limited partnership

By: PP Land GP, LLC, a Texas limited liability company, general partner

By: /s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer, Manager

PPA REALTY LTD., a Texas limited partnership

By: PP Land GP, LLC, a Texas limited liability company, general partner

By: /s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer, Manager

PP REAL ESTATE, LTD., a Texas limited partnership

By: Park Place Dealerships, LLC a Texas limited liability company, sole general partner

By: /s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer, Manager

Signature Page to Real Estate Purchase Contract

PPM REALTY LTD., a Texas limited partnership

By: Park Place Dealerships, LLC a Texas limited
liability company, general partner

By: /s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer, Manager

NWH LAND LP, a Texas limited partnership

By: PP Land GP, LLC, a Texas limited liability
company, sole general partner

By: /s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer, Manager

PPMBA REALTY LP, a Texas limited partnership

By: PP Land GP, LLC, a Texas limited liability company, general partner

By: /s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer, Manager

350 PHELPS REALTY LP, a Texas limited partnership

By: PP Land GP, LLC, a Texas limited liability company, general partner

By: /s/ Kenneth L. Schnitzer

Kenneth L. Schnitzer, Manager

BUYER:

ASBURY AUTOMOTIVE GROUP LLC, a Delaware limited liability company

By: /s/ David Hult

Name: David Hult
Title: President & Chief Executive Officer

SCHEDULE 1 TO REAL ESTATE PURCHASE AGREEMENT

Property Address	Owner		Purchase Price Allocation
6219 Peeler Street	Kings Road Realty Ltd.	$	8,000,000.00
3515 Inwood Road	Kings Road Realty Ltd.	$	7,500,000.00
RR 620 (1 acre lot)	PP Land Holdings LP	$	458,430.00
4422 Plano Parkway (Lot 2R)	PPJ Land LLC	$	8,700,000.00
4428 Plano Parkway	PPJ Land LLC	$	3,000,000.00
13910 FM 620 North Road	JLRA Realty LP	$	35,700,000.00
5300 Lemmon Avenue	PPA Realty Ltd.	$	9,900,000.00
6262 Cedar Springs	PPA Realty Ltd.	$	5,200,000.00
6214 Cedar Springs	PPA Realty Ltd.	$	9,900,000.00
5601 Bryant Irvin Road	PP Real Estate, Ltd.	$	20,000,000.00
5760 Bryant Irvin Road	PP Real Estate, Ltd.	$	12,500,000.00
5751 Bryant Irvin Road	PP Real Estate, Ltd.	$	4,500,000.00
6120 Peeler Street	PPM Realty Ltd.	$	10,900,000.00
3316 Atwell Street	PPM Realty Ltd.	$	4,500,000.00
3333 Atwell Street	PPM Realty Ltd.	$	2,400,000.00
2425 Northwest Highway	NWH Land LP		7,800,00.00
4201 Beltway Place	PPMBA Realty LP	$	32,000,000.00
350 Phelps Drive	350 Phelps Realty LP	$	7,800,000.00
1300 East State Highway 114	PPJ Land LLC (Leasehold Estate)	$	25,200,000.00

EXHIBIT A-1

LEGAL DESCRIPTION

BEING Lot 3, in Block 1/5717, of PARK PLACE BODYWERKS, an Addition to the City of Dallas, Dallas County, Texas, according to the Map thereof recorded in cc# 201200278262, of the Real Property Records, Dallas County, Texas.

Permitted Exceptions

1. Easement granted by The Massey-Harris Company to the City of Dallas, filed 03/24/1947, recorded in Volume 2801, Page 240, Real Property Records, Dallas County, Texas.
2. Easement granted by Kings Road Realty, Ltd., a Texas limited partnership to the City of Dallas, filed 01/14/2009, recorded in cc# 200900012391, Real Property Records, Dallas County, Texas.
3. Easement granted by Kings Road Realty, Ltd., a Texas limited partnership to the City of Dallas, filed 01/14/2009, recorded in cc# 200900012392, Real Property Records, Dallas County, Texas.
4. Terms, provisions, and conditions of Remote Parking Agreement filed 06/23/2015, recorded in cc# 201500163378, Real Property Records, Dallas County, Texas.
5. The following easements and/or building lines, as shown on plat recorded incc# 201200278262, Real Property Records, Dallas County, Texas:

   20’ sanitary sewer easement;
   8’ sanitary sewer easement;
   20’ detention access easement;
   3’ sidewalk easement;
   5’ x 15’ water easement;
   Detention area easement.
6. Terms, provisions, and conditions of Easement Encroachment Letter filed 03/16/2017, recorded in cc# 201700075652, Real Property Records, Dallas County, Texas.

EXHIBIT A-2

Property Description

Being Lot 2, in Block 2/5696, of PRESCOTT INTERESTS 3515 INWOOD ADDITION, an Addition to the City of Dallas, Dallas County, Texas, according to the Map thereof recorded in cc# 20080147914, of the Real Property Records of Dallas County, Texas.

Permitted Exceptions

1. Restrictive covenants described in instrument filed 04/28/2004, recorded in Volume 2004083, Page 9356, Real Property Records, Dallas County, Texas.
2. Easement granted by Grady Brown to the City of Dallas, filed 05/18/1948, recorded in Volume 2979, Page 231, Real Property Records, Dallas County, Texas.
3. Easement granted by Carl C. Weichsel to the City of Dallas, filed 06/10/1941, recorded in Volume 2287, Page 113, Real Property Records, Dallas County, Texas. As affected by Partial Abandonment in City of Dallas Ordinance No. 26911, filed 09/26/2007, recorded in cc# 20070347227, Real Property Records Dallas County, Texas.
4. Easement granted by Jack E. Pratt to Trustees of TI Employees Pension Trust, filed 01/25/1966, recorded in Volume 743, Page 1828, Real Property Records, Dallas County, Texas.
5. Easement granted by Cooper Weichsel et al to the City of Dallas, filed 02/08/1949, recorded in Volume 3090, Page 423, Real Property Records, Dallas County, Texas.
6. Easement granted by Jack E. Pratt to Dallas Power & Light Company, a Texas corporation and Southwestern Bell Telephone Company, a Missouri corporation, filed 05/13/1966, recorded in Volume 821, Page 1893, Real Property Records, Dallas County, Texas.
7. Sewer lines and appurtenances thereto as evidenced by City of Dallas Sewer Plats, Sheet(s) F-9.
8. Easement reserved by the City of Dallas in Warranty Deed filed 10/06/1953, recorded in Volume 3927, Page 363, Real Property Records Dallas County, Texas.

EXHIBIT A-3
Property Description

A DESCRIPTION OF 1.002 ACRES (APPROXIMATELY 43,660 SQ. FT.) IN THE RACHEL SAUL SURVEY, ABS. 551 IN WILLIAMSON COUNTY, TEXAS, BEING ALL OF A 1.00 ACRE TRACT CONVEYED TO DAVID BRUCE SMITH IN A WARRANTY DEED DATED OCTOBER 31, 1996 AND RECORDED IN DOCUMENT NO. 9658386 OF THE OFFICIAL RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 1.002 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2” REBAR WITH “PATE” CAP FOUND FOR AN ANGLE POINT IN THE WEST RIGHT-OF-WAY LINE OF TOM KEMP ROAD (RIGHT-OF-WAY WIDTH VARIES) AS SHOWN ON A/P 620 LTD., A SUBDIVISION OF RECORD IN CABINET E, SLIDE 93 OF THE PLAT RECORDS OF WILLIAMSON COUNTY, TEXAS, ALSO SHOWN ON RESUBDIVISION OF LOT 3, BLOCK A, PAR 620, SECTION TWO, A SUBDIVISION OF RECORD IN CABINET DD, SLIDE 121 OF THE PLAT RECORDS OF WILLIAMSON COUNTY, TEXAS AND AS DESCRIBED IN VOLUME 873, PAGE 157 OF THE DEED RECORDS OF WILLIAMSON COUNTY, TEXAS AND DOCUMENT NO. 2001064423 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, BEING IN THE SOUTH LINE OF THE SAID 1.00 ACRE TRACT, BEING ALSO THE NORTHEAST CORNER OF LOT 3B, OF SAID RESUBDIVISION OF LOT 3, BLOCK A, PAR 620, SECTION TWO, FROM WHICH A TXDOT TYPE II DISK FOUND FOR AN ANGLE POINT IN THE WEST RIGHT-OF-WAY LINE OF TOM KEMP ROAD AND THE EAST LINE OF SAID LOT 3B, BEARS SOUTH 21°26’32” EAST, A DISTANCE OF 220.08 FEET;

THENCE WITH THE COMMON LINE OF THE SAID 1.00 ACRE TRACT AND SAID LOT 3B, THE FOLLOWING TWO (2) COURSES AND DISTANCES:

1. SOUTH 69°00’14” WEST, A DISTANCE OF 162.29 FEET TO A 1/2” REBAR FOUND FOR THE SOUTHWEST CORNER OF THE SAID 1.00 ACRE TRACT;

2. NORTH 19°33’12” WEST, A DISTANCE OF 45.19 FEET TO A 1/2” REBAR WITH “CHAPARRAL” CAP FOUND FOR A SOUTHEAST CORNER OF LOT 3A, OF SAID RESUBDIVISION OF LOT 3, BLOCK A, PAR 620, SECTION TWO, FROM WHICH A 2 INCH STEEL FENCE POST FOUND FOR THE NORTHWEST CORNER OF SAID LOT 3B, BEING AN ANGLE POINT IN THE SOUTH LINE OF SAID LOT 3A, BEARS SOUTH 81°26’27” WEST, A DISTANCE OF 218.07 FEET;

THENCE WITH THE COMMON LINE OF THE SAID 1.00 ACRE TRACT AND SAID LOT 3A, THE FOLLOWING TWO (2) COURSES AND DISTANCES:

1. NORTH 19°33’12” WEST, A DISTANCE OF 162.52 FEET TO A 1/2” REBAR FOUND FOR THE NORTHWEST CORNER OF THE SAID 1.00 ACRE TRACT;

2. NORTH 69°58’06” EAST, A DISTANCE OF 209.78 FEET TO A 1/2” REBAR FOUND IN THE WEST RIGHT-OF-WAY LINE OF TOM KEMP ROAD, BEING THE NORTHEAST CORNER OF THE SAID 1.00 ACRE TRACT, BEING ALSO A SOUTHEAST CORNER OF SAID LOT 3A;

THENCE WITH THE COMMON LINE OF TOM KEMP ROAD AND THE SAID 1.00 ACRE TRACT, THE FOLLOWING TWO (2) COURSES AND DISTANCES:

1. SOUTH 20°48’06” EAST, A DISTANCE OF 204.29 FEET TO A 1/2” REBAR WITH “PATE” CAP FOUND FOR THE SOUTHEAST CORNER OF THE SAID 1.00 ACRE TRACT;

2. SOUTH 69°11’53” WEST, A DISTANCE OF 52.00 FEET TO THE POINT OF BEGINNING, CONTAINING 1.002 ACRES OF LAND, MORE OR LESS.

Permitted Exceptions

1. Electric lines and systems and telephone lines and easement granted to the City of Austin, by instrument dated September 21, 1959, recorded in Volume 434, Page 658 of the Deed Records of Williamson County, Texas.
2. Electric lines and systems and telephone lines easement granted to the City of Austin, by instrument dated April 10, 1990, recorded in Volume 1898, Page 545 of the Official Records of Williamson County, Texas.

EXHIBIT A-4

Property Description

Being Lot 2R, in Block 1, of SIDNEY ADDITION LOT ~ 2R, PAGE 1, an Addition to the City of Plano, Collin County, Texas, according to the Map thereof recorded in Volume 2011, Page 253, of the Map Records of Collin County, Texas.

Permitted Exceptions

1. Easement granted by Van K. Daves, et al, to the City of Plano, filed 10/11/1983, recorded in Volume 1751, Page 813, Real Property Records, Collin County, Texas, as shown on Plat recorded in Volume L, Page 124, Map Records, Collin County, Texas.
2. INTENTIONALLY DELETED.
3. The following easements and/or building lines, as shown on plat recorded in Volume 2011, Page 253, Map Records, Collin County, Texas:

10’ water easements;
24’ fire lane and water easement;
24’ fire lane and utility easement;
60’ fire lane, access, drainage and water easement;
60’ drainage and water easement;
15’ hike and bike trail and
Variable width drainage easement;
5’ utility easement;
Variable width drainage and water easement;
Variable width fire lane easement.

EXHIBIT A-5
Property Description

Tract 1: (Fee Simple)

Being Lot 2, Block A, of EHI-EP ADDITION, LOTS 1 AND 2, BLOCK A, an Addition to the City of Plano, Collin County, Texas, according to the Plat thereof recorded in Volume 2016, Page 185, Map Records, Collin County, Texas.

Tract 2: (Easement Estate)

Non-Exclusive Estate as created by Construction, Easement and Cost-Sharing Agreement, filed 05/06/2016, recorded in cc# 20160506000558200, Real Property Records, Collin County, Texas. Amended by First Amendment filed 09/22/2016, recorded in cc# 20160922001272920, Real Property Records, Collin County, Texas, and Second Amendment filed 04/25/2017, recorded in cc# 20170425000525480, Real Property Records, Collin County, Texas.

Permitted Exceptions

1. Title to all coal, water rights, lignite, oil, gas and other minerals in, under and that may be produced from the land, together with all rights, privileges, and immunities relating thereto, all of such interest, to the extent not previously reserved or conveyed, being reserved or conveyed in instrument filed 12/09/2013, recorded in cc# 20131209001620890, Real Property Records, Tarrant County, Texas. (Affects Tract 1)
2. INTENTIONALLY DELETED.
3. The following easements and/or building lines, as shown on plat filed 03/16/2016, recorded in Volume 2016, Page 185, Map Records, Collin County, Texas:
   - 10’ drainage easement;
   - 15’ water easement;
   - 25’ by 25’ drainage easement;
   - 5’ utility easement;
   - 15’ hike & bike trail;
   - T.U. Electric easement;
   - Portion of a 30’ fire lane access, mutual access and utility easement;
   - Portion of a 30’ mutual access easement.
     (Affects Tract 1)
4. Terms, provisions, conditions, easements, and obligations, contained in Construction, Easement and Cost-Sharing Agreement, filed 05/06/2016, recorded in cc# 20160506000558200, Real Property Records, Collin County, Texas. Amended by First Amendment filed 09/22/2016, recorded in cc# 20160922001272920, Real Property Records, Collin County, Texas, and Second Amendment filed 04/25/2017, recorded in cc# 20170425000525480, Real Property Records, Collin County, Texas. (Affects Tracts 1 and 2)
5. INTENTIONALLY DELETED
6. INTENTIONALLY DELETED.

EXHIBIT A-6
Property Description

TRACT 1: LOT(S) 1, PARMER CROSSING RESUBDIVISION OF LOT 1, A/P 620, LTD, SECTION TWO, A SUBDIVISION IN WILLIAMSON COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF, RECORDED UNDER DOCUMENT NO. 2015037649 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS.

TRACT 2: EASEMENT ESTATE FOR NONEXCLUSIVE INGRESS AND EGRESS EASEMENT AS CREATED AND DEFINED IN DECLARATIONS OF EASEMENTS AND RESTRICTIONS DATED APRIL 29, 1998, RECORDED UNDER DOCUMENT NO. 9831667 OF THE OFFICIAL RECORDS OF WILLIAMSON COUNTY, TEXAS, AND RATIFICATION AND ACCEPTANCE OF EASEMENTS AND RESTRICTIONS RECORDED UNDER DOCUMENT NO. 2005004651 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, AND BEING OVER AND ACROSS AN 899 SQUARE FOOT PORTION OF LOT(S) 1, BLOCK A, PAR 620 COMMERCIAL, A SUBDIVISION IN WILLIAMSON COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF, RECORDED IN CABINET P, SLIDE(S) 291-292 OF THE PLAT RECORDS OF WILLIAMSON COUNTY, TEXAS.

TRACT 3: EASEMENT ESTATE FOR THE NONEXCLUSIVE RIGHT FOR VEHICULAR AND PEDESTRIAN INGRESS AND EGRESS AS CREATED AND DEFINED IN JOINT USE ACCESS EASEMENT DATED NOVEMBER 30, 2004, RECORDED UNDER DOCUMENT NO. 2004093457 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, AND BEING OVER AND ACROSS A 0.951 ACRE PORTION OF (I) LOT 2, BLOCK A, PAR 620 COMMERCIAL, A SUBDIVISION IN WILLIAMSON COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF, RECORDED IN CABINET P, SLIDE(S) 291-292 OF THE PLAT RECORDS OF WILLIAMSON COUNTY, TEXAS, (II) LOT(S) 1-3, PAR 620 SECTION TWO, A SUBDIVISION IN WILLIAMSON COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF, RECORDED IN CABINET AA, SLIDE(S) 41-42 OF THE PLAT RECORDS OF WILLIAMSON COUNTY, TEXAS, AND (III) THE COMMON ELEMENTS OF PARMER CROSSING CONDOMINIUMS, A CONDOMINIUM PROJECT IN WILLIAMSON COUNTY, TEXAS, ACCORDING TO THE DECLARATION OF CONDOMINIUM AND AMENDMENTS THERETO, RECORDED UNDER DOCUMENT NO. 2017061344 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, AND FIRST AMENDMENT RECORDED UNDER DOCUMENT NO. 2018032412 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS AND SECOND AMENDMENT RECORDED UNDER DOCUMENT NO. 2018065824 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS.

Permitted Exceptions

1. Restrictions contained in instrument recorded in Volume 592, Page 825, Real Property Records, Williamson County, Texas, and in Volume 874, Page 873 of the Real Property Records, Williamson County, Texas. (AFFECTS TRACTS 1, 2 AND 3 ONLY).
2. Restrictions contained in instrument recorded under Document No. 9827866, Official Public Records, Williams County, Texas; and as affected by Partial Release recorded under Document No. 2016120567, Official Public Records, Williamson County, Texas. (AFFECTS TRACTS 1, 2 AND 3 ONLY).
3. Restrictions and other matters contained in instrument recorded under Document No. 9831667, and Document No. 2005004651, Official Public Records, Williamson County, Texas. (AFFECTS TRACTS 1 AND 2 ONLY).
4. Restrictions contained in instrument recorded under Document No. 9831669, and Document No. 2005004651, Official Public Records, Williamson County, Texas. (AFFECTS TRACTS 2 AND 3 ONLY).
5. Restrictions (including building setback lines) contained in instrument recorded under Document No. 2001083134, as affected by Amendment to Declaration recorded under Document No. 2016108789, Official Public Records, Williamson County, Texas. (AFFECTS TRACTS 1, 2 AND 3 ONLY).
6. Restrictions, easements and other matters contained in plats recorded in Cabinet E, Slides 93-95, and recorded under Document No. 2015037649, Official Public Records, Williamson County, Texas. (AFFECTS TRACTS 1 AND 3 ONLY).
7. Restrictions contained in plat recorded in Cabinet P, Slides 291-292, Official Public Records, Williamson County, Texas. (AFFECTS TRACTS 2 AND 3 ONLY).
8. Restrictions contained in instrument recorded under Document No. 2017061344, Official Public Records, Williams County, Texas; and as affected by instruments recorded under Document Nos. 2018032412, and 2018065824, Official Public Records, Williamson County, Texas. (AFFECTS TRACT 3 ONLY).
9. INTENTIONALLY DELETED.
10. Access limitations as reserved in Deed recorded under Document No. 2002061380 of the Official Public Records of Williamson County, Texas. (AFFECTS TRACT 1 ONLY)
11. INTENTIONALLY DELETED.
12. INTENTIONALLY DELETED.
13. Water and wastewater line easement granted to the City of Austin, by instrument dated December 20, 2005, recorded under Document No. 2005102639 of the Official Public Records of Williamson County, Texas. (AFFECTS TRACTS 1 AND 3 ONLY)
14. The terms, conditions and stipulations set out in that certain Joint Use Access Easement dated November 30, 2004, recorded under Document No. 2004093457 of the Official Public Records of Williamson County, Texas. (AFFECTS TRACTS 1 AND 3 ONLY)
15. 1/4th royalty interest in all oil, gas and other minerals conveyed by Ivean C. Pearson and wife, Pauline Pearson in instrument recorded in Volume 408, Page 318 of the Deed Records of Williamson County, Texas. Said mineral estate not traced further herein. (AFFECTS TRACTS 1, 2 AND 3 ONLY)
16. Water and wastewater line easement granted to the City of Austin, by instrument dated March 18, 2005, recorded under Document No. 2005020696 of the Official Public Records of Williamson County, Texas. (AFFECTS TRACTS 1 AND 3 ONLY)
17. Electric and telecommunications easement 15 feet in width along the western property line(s), and aerial easement 15 feet in width along the southern property line(s) as shown by the Plat(s) recorded under Document No(s). 2015037649 of the Official Public Records of Williamson County, Texas. (AFFECTS TRACT 1 ONLY)
18. The terms, conditions and stipulations of that certain Development Escrow Agreement dated June 12, 2015, as evidenced by Memorandum of Development Escrow Agreement recorded under Document No. 2015049681 of the Official Public Records of Williamson County, Texas. (AFFECTS TRACTS 1 AND 3 ONLY)
19. Water lines easement granted to City of Austin, Texas, by instrument dated December 21, 2015, recorded under Document No. 2016005306 of the Official Public Records of Williamson County, Texas. (AFFECTS TRACT 1 ONLY)
20. Public utility and C.O.A. electric easement 10 feet in width along the Parmer Lane property line(s), as shown by the Plat(s) recorded in Cabinet P, Slide 291-292 of the Plat Records of Williamson County, Texas. (AFFECTS TRACT 3 ONLY)
21. Public utility and C.O.A. electric easement 10 feet in width along the south property line(s), as shown by the Plat(s) recorded in Cabinet P, Slide 291-292 of the Plat Records of Williamson County, Texas. (AFFECTS TRACT 2 ONLY)
22. Aerial electric easement 5 feet in width along the Parmer Lane property line(s), as shown by the Plat(s) recorded in Cabinet AA, Slide 41-42 of the Plat Records of Williamson County, Texas. (AFFECTS TRACT 3 ONLY)
23. Water and wastewater easement 20 feet in width along the Parmer Lane property line(s), as shown by the Plat(s) recorded in Cabinet AA, Slide 41-42 of the Plat Records of Williamson County, Texas. (AFFECTS TRACT 3 ONLY)
24. Water and wastewater easement 10 feet in width traversing eastern portion of subject property, as shown by the Plat(s) recorded in Cabinet AA, Slide 41-42 of the Plat Records of Williamson County, Texas. (AFFECTS TRACT 3 ONLY)
25. Public utility easement 10 feet in width along all R.O.W. property line(s), as stated by the Plat(s) recorded in Cabinet AA, Slide 41-42 of the Plat Records of Williamson County, Texas. (AFFECTS TRACT 3 ONLY)
26. The terms, conditions and stipulations of that certain Notice Concerning Construction of Subdivision Improvements dated April 14, 1998, recorded under Document No. 9819065 of the Official Records of Williamson County, Texas. (AFFECTS TRACTS 2 AND 3 ONLY)
27. The terms, conditions and stipulations set out in that certain Lease Agreement dated May 15, 1998, executed by and between Par 620, Ltd., as Lessor(s) and The Southland Corporation, as Lessee(s), evidenced by Memorandum of Lease recorded under Document No. 9827867 of the Official Records of Williamson County, Texas, further conveyed by Deeds recorded under Document No(s). 2001004558, 2001088237 and 2005054657 of the Official Public Records of Williamson County, Texas, and including the purchase option set out therein. (AFFECTS TRACT 3 ONLY)
28. Wastewater line easement granted to the City of Austin, by instrument dated December 1, 2004, recorded under Document No. 2004093455 of the Official Public Records of Williamson County, Texas. (AFFECTS TRACT 3 ONLY)
29. Terms, conditions and stipulations of that certain Edwards Aquifer Protection Plan approved April 9, 2005, evidenced by Affidavit recorded under Document No. 2005082736 of the Official Public Records of Williamson County, Texas. (AFFECTS TRACT 3 ONLY)
30. The terms, conditions and stipulations of that certain Declaration of Access Easement and Restrictions dated January 31, 2006, recorded under Document No. 2006007772 of the Official Public Records of Williamson County, Texas, further affected by Assignment of Easement Rights recorded under Document No. 2015049682 of the Official Public Records of Williamson County, Texas. (AFFECTS TRACT 3 ONLY)
31. Electric utility easement granted to the City of Austin, by instrument dated January 12, 2006, recorded under Document No. 2006010039 of the Official Public Records of Williamson County, Texas. (AFFECTS TRACT 3 ONLY)
32. Electric utility easement granted to the City of Austin, by instrument dated August 3, 2007, recorded under Document No. 2007068501 of the Official Public Records of Williamson County, Texas. (AFFECTS TRACT 3 ONLY)
33. Water lines easement granted to the City of Austin, Texas, by instrument dated October 7, 2015, recorded under Document No. 2015110601 of the Official Public Records of Williamson County, Texas. (AFFECTS TRACT 3 ONLY)
34. Drainage easement granted to the City of Austin, Texas, by instrument dated October 7, 2015, recorded under Document No. 2015110602 of the Official Public Records of Williamson County, Texas. (AFFECTS TRACT 3 ONLY)
35. The terms, conditions and stipulations of that certain Declaration of Easements and Restrictive Covenants Regarding the Maintenance of Drainage Facilities dated

October 7, 2015, recorded under Document No. 2015110604 of the Official Public Records of Williamson County, Texas. (Easements not on Tract 1) (AFFECTS TRACT 3 ONLY)

36. The terms, conditions and stipulations of that certain Public Utility and Private Drainage Lines Easement with Required Maintenance of the Private Drainage Lines dated October 7, 2015, recorded under Document No. 2015110606 of the Official Public Records of Williamson County, Texas. (AFFECTS TRACT 3 ONLY)

37. Electric utility easement granted to the City of Austin, by instrument dated May 3, 2016, recorded under Document No. 2016042853 of the Official Public Records of Williamson County, Texas. (AFFECTS TRACT 3 ONLY)

38. Subject to all definitions, easements, covenants, limitations, conditions, rights, privileges, obligations, liabilities, and all other terms and provisions of that certain Declaration of Condominium Regime for Parmer Crossing Condominiums, recorded under Document No. 2017061344 of the Official Public Records, and First Amendment recorded under Document No. 2018032412 of the Official Public Records of Williamson County, Texas and Second Amendment recorded under Document No. 2018065824 of the Official Public Records of Williamson County, Texas. (AFFECTS TRACT 3 ONLY)

39. INTENTIONALLY DELETED.

40. Subject property lies within the boundaries of Upper Brushy Creek Water Control and Improvement District. (AFFECTS TRACTS 1, 2 AND 3 ONLY)

41. INTENTIONALLY DELETED.

42. Water lines easement granted to City of Austin, Texas, by instrument recorded November 2, 2018, under Document No. 2018097878 of the Official Public Records of Williamson County, Texas. (TRACT 1)

43. The terms, conditions and stipulations of that certain Sidewalk, Trail, and Recreational Easement with Required Maintenance dated November 2, 2018, recorded under Document No. 2018097920 of the Official Public Records of Williamson County, Texas.

44. Electric utility easement granted to City of Austin, by instrument dated June 18, 2019, recorded under Document No. 2019058127 of the Official Public Records of Williamson County, Texas. (TRACT 1)

EXHIBIT A-7
Property Description

BEING a tract of land situated in the C. Grigsby Survey, Abstract No. 532, City of Dallas, Texas, being all of Lot 1B, Block 6/2467, ELSMERE NO. 3 ADDITION, an addition to the City of Dallas, recorded in Instrument Number 201000033140, Official Public Records, Dallas County. Texas.

Permitted Exceptions

1. Restrictive covenants described in instrument filed 05/02/1939, recorded in Volume 2138, Page 19, Real Property Records, Dallas County, Texas.

EXHIBIT A-8
Property Description

TRACT 1:

BEING A TRACT OF LAND SITUATED IN THE MILES BENNETT SURVEY, ABSTRACT NO. 52, IN THE CITY OF DALLAS, DALLAS COUNTY, TEXAS, AND BEING ALL OF A TRACT OF LAND DESCRIBED IN EXCHANGE DEED TO PPA REALTY, LTD. AS RECORDED IN DOC. 20080019021, OFFICIAL PUBLIC RECORDS DALLAS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2 INCH IRON ROD WITH PLASTIC CAP STAMPED “SPIARSENG” SET AT THE INTERSECTION OF THE NORTHEAST LINE OF CEDAR SPRINGS AVENUE (50 FOOT PUBLIC RIGHT-OF-WAY) AND THE SOUTHEAST LINE OF MANOR WAY (50 FOOT PUBLIC RIGHT-OF-WAY) AND THE SOUTHWEST CORNER OF SAID PPA REALTY, LTD TRACT;

THENCE NORTH 43 DEG. 55 MIN. 01 SEC. EAST DEPARTING SAID INTERSECTION AND ALONG SAID SOUTHEAST LINE OF MANOR WAY, FOR A DISTANCE OF 520.46 FEET TO A 1/2 INCH CAPPED IRON ROD FOUND AT THE COMMON CORNER OF SAID PPA REALTY TRACT AND TRACT 5 DESCRIBED IN DEED TO INDUSTRIAL INV CORP;

THENCE SOUTH 46 DEG. 10 MIN. 42 SEC. EAST DEPARTING SAID MANOR WAY AND ALONG THE COMMON LINE OF SAID PPA REALTY TRACT AND SAID INDUSTRIAL INV CORP TRACT, FOR A DISTANCE OF 175.00 FEET TO A 1/2 INCH IRON ROD WITH PLASTIC CAP STAMPED “SPIARSENG” SET FOR CORNER;

THENCE SOUTH 43 DEG. 55 MIN. 01 SEC. WEST AND PASSING AT A DISTANCE OF 20.39 FEET THE COMMON CORNER OF SAID PPA REALTY TRACT AND TRACT 10 DESCRIBED IN DEED TO MARATHON 6214, LLC AS RECORDED IN DOC 200600394448, DEED RECORDS, DALLAS COUNTY, TEXAS FOR A TOTAL DISTANCE OF 520.39 FEET TO A 1/2 INCH IRON ROD WITH PLASTIC CAP STAMPED “SPIARSENG” SET IN SAID NORTHEAST LINE OF CEDAR SPRINGS AVENUE, FROM WHICH A “X” CUT FOUND BEARS SOUTH 46 DEG. 11 MIN. 59 SEC. EAST, 260.00 FEET AT THE SOUTHEAST CORNER OF SAID MARATHON TRACT;

THENCE NORTH 46 DEG. 11 MIN. 59 SEC. WEST ALONG SAID NORTHEAST LINE OF CEDAR SPRINGS AVENUE, FOR A DISTANCE OF 175.00 FEET TO THE POINT OF BEGINNING, AND CONTAINING 91,074 SQUARE FEET OR 2.091 ACRES OF LAND.

SAVE AND EXCEPT ANY AND ALL IMPROVEMENTS AND FIXTURES LOCATED ON THE BILLBOARD POLE EASEMENT.

TRACT 2:

A NON-EXCLUSIVE EASEMENT ESTATE AS CREATED IN INSTRUMENT FILED 02/27/2017, RECORDED IN CC# 201700056879, REAL PROPERTY RECORDS, DALLAS COUNTY, TEXAS.

Permitted Exceptions

1. INTENTIONALLY DELETED.
2. INTENTIONALLY DELETED.
3. Terms, provisions, and conditions of Ordinance No. 26239, filed 04/12/2006, recorded in cc# 200600133394, Real Property Records, Dallas County, Texas.
4. Easement granted by Continental Motors Corporation to the City of Dallas, filed 06/02/1966, recorded in Volume 834, Page 898, Real Property Records, Dallas County, Texas.
5. Mineral estate and interest in coal, lignite oil, gas and other minerals together with all rights, privileges and immunities thereto described in instrument filed 06/29/2001, recorded in Volume 2001227, Page 5590, Real Property Records, Dallas County, Texas. (Affects Tract 2)
6. Easements, reservations, restrictions and covenants, including sign pole easement, visibility easement and access easement, reserved and set out in Annex B of Special Warranty Deed dated 06/26/2006, from Prescott Interests, Ltd. to Kings Road Realty, Ltd., filed 06/29/2006, recorded under cc# 200600237848, Real Property Records, Dallas County, Texas. Assigned to Prescott Interests Billboards, Ltd. by instrument filed 04/15/2019, recorded in cc# 201900093227, Real Property Records, Dallas County, Texas.
7. Terms, provisions, conditions, and obligations contained in Declaration of Private Drainage Easement, filed 02/27/2017, recorded in cc# 201700056879, Real Property Records, Dallas County, Texas.

EXHIBIT A-9

INTENTIONALLY DELETED

Permitted Exceptions

INTENTIONALLY DELETED

EXHIBIT A-10
Property Description

Being Lot 3, Block A/5717, PPA PARKING ADDITION, an Addition to the City of Dallas, Dallas County, Texas, according to the Plat thereof recorded in cc# 201900180815, Real Property Records, Dallas County, Texas.

Permitted Exceptions

1. Easement granted by National Industries Corporation to Dallas Power & Light Company and Southwestern Bell Telephone Company, filed 04/25/1949, recorded in Volume 3122, Page 106, Real Property Records, Dallas County, Texas.
2. Easement granted by George W. Sumers to the City of Dallas, filed 12/09/1965, recorded in Volume 712, Page 1749, Real Property Records, Dallas County, Texas.
3. Terms, provisions, and conditions of City of Dallas Ordinance No. 29203, filed 01/23/2014, recorded in cc# 201400016313, Real Property Records, Dallas County, Texas.
4. Terms, provisions, and conditions of Declaration of Private Drainage Easement, filed 02/27/2017, recorded in cc# 201700056879, Real Property Records, Dallas County, Texas.
5. The following easements and/or building lines, as shown on plat recorded in cc# 201900180815, Real Property Records, Dallas County, Texas:
    - 5' right of way dedication;
    - 15' detention area easement;
    - 45' detention area easement.

EXHIBIT A-11
Property Description

Being Lot 4R, in Block 7, of CITY VIEW ADDITION, an Addition to the City of Fort Worth, Tarrant County, Texas, according to the Plat thereof recorded in Cabinet A, Slide 9485, Plat Records, Tarrant County, Texas.

Permitted Exceptions

1. Restrictive covenants described in instrument filed 03/05/1999, recorded in Volume 13692, Page 226, Real Property Records, Tarrant County, Texas.
2. Restrictive covenants described in instrument filed 09/25/2003, recorded in Volume 17238, Page 313, Real Property Records, Tarrant County, Texas.
3. Restrictive covenants, easements and other matters described in instrument filed 12/28/1984, recorded in Volume 8046, Page 252, Real Property Records, Tarrant County, Texas. Affected by Final Judgment filed 10/24/1997, recorded in Volume 12954, Page 150, Real Property Records, Tarrant County, Texas. Affidavit of Amendment filed 10/19/1999, recorded in Volume 14060, Page 468, Real Property Records, Tarrant County, Texas. Third Amendment filed 04/24/2007, recorded under cc# D207140913, Real Property Records, Tarrant County, Texas.
4. Restrictive covenants described in instrument filed 09/27/2003, recorded in Volume 16006, Page 238, Real Property Records, Tarrant County, Texas.
5. Restrictive covenants, easements and other matters described in instrument filed 05/19/2004, recorded in cc# D204154784, Real Property Records, Tarrant County, Texas.
6. INTENTIONALLY DELETED.
7. INTENTIONALLY DELETED.
8. Easement granted by PP Real Estate, Ltd. to the City of Fort Worth, Texas, filed 07/27/2005, recorded in cc# D205217842, Real Property Records, Tarrant County, Texas.
9. Easement granted by Park Place Motor Cars to TXU Electric Delivery Company, a Texas corporation, filed 10/14/2005, recorded in cc# D205308581, Real Property Records, Tarrant County, Texas.
10. Easement granted by The Hills Joint Venture I, et al to the City of Fort Worth, filed 01/04/1985, recorded in Volume 8050, Page 1113, Real Property Records, Tarrant County, Texas, as shown on plat filed 08/13/2004, recorded in Cabinet A, Slide 9485, Plat Records, Tarrant County, Texas.
11. 15' sanitary sewer easement, and all terms, provisions and conditions incident thereto, created pursuant to Easement Agreement filed 01/05/1994, recorded in Volume 11397, Page 549, Real Property Records of Tarrant County, Texas; as affected by Agreement filed 03/21/1994, recorded in Volume 11500, Page 1970, Real Property Records, Tarrant County, Texas; as shown on plat filed 08/13/2004, recorded in Cabinet A, Slide 9485, Plat Records, Tarrant County, Texas.
12. The following easements and/or building lines, as shown on plat recorded in Cabinet A, Slide 9485, Plat Records, Tarrant County, Texas:

    5' utility easement along South boundary line of subject property;
    15' utility easement along West and North boundary lines of subject property; and
    15' sanitary sewer easement entering into subject property from North boundary line.
13. Mineral lease, and all rights incident thereto, to Vargas Energy, Ltd., a limited partnership from PP Real Estate, Ltd., a Texas limited partnership described in instrument filed 07/30/2008, cc# D208297171, Real Property Records of Tarrant County, Texas. Surface waiver contained therein.

EXHIBIT A-12
Property Description

TRACT 1:

Being all of Lot 9-R, Block CR, River Hills Addition, an addition to the City of Fort Worth, according to the plat thereof recorded in Cabinet A, Slide 10216 of the Plat Records, Tarrant County, Texas (PRTCT) being situated in the J.F. Heath Survey, Abstract No. 641, in the City of Fort Worth, Texas.

TRACT 2:

Being a non-exclusive easement for access as created by that certain Declaration of Restrictions and Easements dated 09/04/2002, by the Declarant, Legacy Capital Partners, LTD., recorded in Volume 15945, Page 197, Deed Records of Tarrant County, Texas.

TRACT 3:

Being a non-exclusive easement for access as created by that certain Access Easement Agreement dated effective 03/31/2003, by and between Home Depot U.S.A., Inc. and Legacy Capital Partners Ltd., recorded in Volume 16537, Page 153, Deed Records of Tarrant County, Texas.

Permitted Exceptions

1. Restrictive covenants, assessments, building setback lines contained in Declaration of Restrictive Covenants recorded in Volume 8046, Page 252, Real Property Records, Tarrant County, Texas, as amended by Final Judgment filed 10/24/1997, recorded in Volume 12954, Page 150, Real Property Records, Tarrant County, Texas, Affidavit of Amendment filed 10/19/1999, recorded in Volume 1406Q, Page 468, Real Property Records, Tarrant County, Texas, Third Amendment to Declaration of Restrictive.

Covenants filed 04/24/2007, recorded in cc# D207140913, Real Property Records, Tarrant County, Texas, and Affidavit of Amendment filed 04/24/2007, recorded in cc# D207140912, Real Property Records, Tarrant County, Texas.

2. Restrictive covenants contained in Declaration of Restrictions and Easements recorded in Volume 16213, Page 253, Real Property Records, Tarrant County, Texas, as amended by First Amendment filed 04/30/2012, recorded in cc# D212102413, Real Property Records, Tarrant County, Texas.
3. Restrictive covenants contained in Declaration of Restrictions and Easements recorded in Volume 15945, Page 197, Real Property Records, Tarrant County, Texas.
4. 10' zoning buffer setback, and 15' sanitary sewer and water easement, as shown on plat recorded in Cabinet A, Slide 10216, Plat Records, Tarrant County, Texas.
5. Easement granted by The Hills Joints Venture III to Texas Electric Service Company, filed 11/11/1985, recorded in Volume 8368, Page 1913, Real Property Records, Tarrant County, Texas.
6. Easement granted by Legacy Capital Partners, Ltd. to Metro Exterior Wash 2001, Ltd., filed 07/28/2003, recorded in Volume 16983, Page 48, Real Property Records, Tarrant County, Texas, as amended by First Amendment filed 04/03/2012, recorded in cc# D212102413, Real Property Records, Tarrant County, Texas.
7. Terms, provisions, conditions, and easements contained in Declaration of Restrictive Covenants filed 12/28/1984, recorded in Volume 8046, Page 252, Real Property Records, Tarrant County, Texas, as amended by Final Judgment filed 10/24/1997, recorded in Volume 12954, Page 150, Real Property Records, Tarrant County, Texas, Affidavit of Amendment filed 10/19/1999, recorded in Volume 14060, Page 468, Real Property Records, Tarrant County, Texas, Third Amendment to Declaration of Restrictive Covenants filed 04/24/2007, recorded in cc# D207140913, Real Property Records, Tarrant County, Texas, and Affidavit of Amendment filed 04/24/2007, recorded in cc# D207140912, Real Property Records, Tarrant County, Texas.
8. Terms, provisions and conditions of Access Easement Agreement filed 04/01/2003, recorded in Volume 16537, Page 153, Real Property Records, Tarrant County, Texas.
9. Mineral lease together with all rights, privileges and immunities incident thereto, to Vargas Energy, Ltd, from Parkway Development Partners, L.P, described in instrument filed 09/13/2007, recorded in cc# D207327707, Real Property Records, Tarrant County, Texas.
10. Easement granted by PP Real Estate, Ltd. to Oncor Electric Delivery Company LLC, filed 08/27/2014, recorded in cc# D214187552, Real Property Records, Tarrant County, Texas.
11. Terms, provisions, and conditions of Storm Water Facility Maintenance Agreement filed 09/22/2014, recorded in cc# D214207385, Real Property Records, Tarrant County, Texas.

EXHIBIT A-13
Property Description

Tract 1: (Fee Simple)

Being Lot 2R1, Block 1, SOUTHWEST HOSPITAL ADDITION, an Addition to the City of Fort Worth, Tarrant County, Texas, according to the Replat thereof recorded in cc# D214106764, Real Property Records, Tarrant County, Texas.

Tract 2: (Easement Estate)

Non-Exclusive easement rights created in Cross Access Easement Agreement, by and between Baylor BI, LLC, a Texas limited liability company, and Baylor All Saints Medical Center, a Texas non-profit corporation, filed 04/06/2011, recorded in cc# D211080329, Real Property Records, Tarrant County, Texas. As affected by Amendment filed 01/11/2012, recorded in cc# D212007342, Real Property Records, Tarrant County, Texas. As affected by Agreement Regarding Cross Access Easement Agreement and Unified Sign Agreement filed 05/15/2014, recorded in cc# D214099696, Real Property Records, Tarrant County, Texas. As affected by Second Amendment filed 10/06/2014, recorded in cc# D214219553, Real Property Records, Tarrant County, Texas.

Permitted Exceptions

1. Restrictive covenants, easements and other matters described in instrument filed 12/28/1984, recorded in Volume 8046, Page 252, Real Property Records, Tarrant County, Texas.
2. INTENTIONALLY DELETED.
3. Easement granted by The Hills Joint Venture III, to Texas Electric Service Company, filed 09/16/1986, recorded in Volume 8686, Page 2065, Real Property Records, Tarrant County, Texas.
4. Easement granted by SDC Land Partners, Ltd., to the City of Fort Worth, filed 11/19/1990, recorded in Volume 10100, Page 2056, Real Property Records, Tarrant County, Texas.
5. Easement granted by All Saints Health Systems to the City of Fort Worth, filed 05/31/1995, recorded in Volume 11979, Page 2008, Real Property Records, Tarrant County, Texas.
6. Easement granted by All Saints Health Systems to the City of Fort Worth, filed 08/04/1995, recorded in Volume 12053, Page 410, Real Property Records, Tarrant County, Texas.
7. Easement granted by All Saints Episcopal Hospital/Fort Worth to Southwest Bell Telephone Company, filed 12/01/1995, recorded in Volume 12183, Page 684, Real Property Records, Tarrant County, Texas.
8. Mineral lease, together with all rights privileges and immunities incident thereto, to XTO Energy, Inc., from Baylor All Saints Medical Center, as evidenced by Memorandum of Oil and Gas Lease, filed 01/06/2010, recorded in cc# D210003257, Real Property Records, Tarrant County, Texas.
9. Terms, provisions, and conditions of Cross Access Easement Agreement, filed 04/05/2011, recorded in cc# D211080329, Real Property Records, Tarrant County, Texas. As affected by Amendment filed 01/11/2012, recorded in cc# D212007342, Real Property Records, Tarrant County, Texas. As affected by Agreement Regarding Cross Access Easement Agreement and Unified Sign Agreement filed 05/15/2014, recorded in cc# D214099696, Real Property Records, Tarrant County, Texas. As affected by Second Amendment filed 10/06/2014, recorded in cc# D214219553, Real Property Records, Tarrant County, Texas.
10. Terms, provisions, and conditions of Unified Sign Agreement, filed 08/17/2012, recorded in cc# D212201534, Real Property Records, Tarrant County, Texas. As affected by Agreement Regarding Cross Access Easement Agreement and Unified Sign Agreement filed 05/15/2014, recorded in cc# D214099696, Real Property Records, Tarrant County, Texas.
11. Mineral estate and interest in coal, lignite oil, gas and other minerals together with all rights, privileges and immunities thereto described in instrument filed 07/17/2013, recorded in cc# D213185139, Real Property Records, Tarrant County, Texas.
12. The following easements and/or building lines, as shown on plat recorded in cc# D214106764, Real Property Records, Tarrant County, Texas:
    - 15' Oncor easements;
    - 2.5' sanitary sewer easement;
    - 10' x 10' public open space easement;
    - 5' utility easement;
    - 15' sanitary sewer easement.

EXHIBIT A-14

Property Description

BEING a 4.073 acre tract of land situated in the Miles Bennett Survey, Abstract No. 52, Dallas County, Texas and being in Block No. 5717, Official Numbers of the City of Dallas, Texas; said tract being all of that certain tract of land described in Special Warranty Deed with Vendor's Lien to R.H.A. Partnership recorded in Volume 96151, Page 5171 of the Deed Records of Dallas County Texas; said 4.073 acre tract being more particularly described as follows:

BEGINNING, at a point for corner on a sanitary sewer manhole cover (nothing found or set) at the intersection of the northeast right-of-way line of Peeler Street (a 50-foot wide right-of-way) and the northwest right-of-way line of Atwell Street (a 50-foot wide right-of-way);

THENCE, North 43 degrees, 27 minutes, 40 seconds West, along the said northeast line of Peeler Street, a distance of 590.00 feet to a 1/2-inch iron rod with "Pacheco Koch" cap set for corner at the intersection of the said northeast line of Peeler Street and the southeast right-of-way line of Haggar Way (a 53-foot wide right-of-way);

THENCE, North 46 degrees, 44 minutes, 00 seconds East, departing the said northeast line of Peeler Street and along the said southeast line of Haggar Way, a distance of 300.50 feet to a "+" cut in concrete set for corner; said point being the westernmost corner of that certain tract of land described in Special Warranty Deed to Car Park Lem, L.P. recorded in Volume 2004021, Page 7611 of said Deed Records;

THENCE, South 43 degrees, 30 minutes, 00 seconds East, departing the said southeast line of Haggar Way and along the southwest line of said Car Park Lem tract and the southwest line of that certain tract of land described in Quit Claim Deed to R.H.A. Partnership recorded in Volume 96151, Page 5184 of said Deed Records, at a distance of 216.00 feet passing the southernmost corner of said Car Park tract, at a distance of 223.00 feet passing a "PK" nail set at the westernmost corner of the second referenced R.H.A. Partnership tract, continuing in all a total distance of 590.00 feet to a 1/2-inch iron rod with "Pacheco Koch" cap set for corner in the said northwest line of Atwell Street; said point being the southernmost corner of the second referenced R.H.A. Partnership tract;

THENCE, South 46 degrees, 44 minutes, 00 seconds West, along the said northwest line of Atwell Street, a distance of 300.90 feet to the POINT OF BEGINNING;

CONTAINING, 177,412 square feet or 4.073 acres of land, more or less.

Permitted Exceptions

None

EXHIBIT A-15
Property Description

BEING a tract of land situated in the Miles Bennett Survey, Abstract No. 52, City of Dallas, Dallas County, Texas, the subject tract being all of a called 2.287 acre tract of land described in deed to Car Park PL TX, LLC as recorded in Instrument No. 201100050286, Official Public Records, Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2 inch iron pin found for the northwest corner of subject tract and also being at the intersection of Peeler Street (50' Public Right-of-Way) and Atwell Street (50' Public Right-of-Way), from which a 5/8 inch iron rod found bears North 08°29'40" East, 8.79 feet;

THENCE North 43°58'05" East along the southeast line of said Atwell Street and the northwest line of the subject tract, for a distance of 350.61 feet to a 1/2 inch iron pin found at the northeast corner of the subject tract and also being the northwest corner of a tract of land described in deed to Lowes Home Centers, LLC as recorded in Document No. 200600117231, Official Public Records, Dallas County, Texas;

THENCE South 46°15'55" East departing said Atwell Street and along the common line of the subject tract and said Lowes Home Centers tract, for a distance of 369.65 feet to a 1/2 inch iron rod with plastic cap stamped "SPIARSENG" set at said common corner and also being in the north line of Lot 3, Block A/5719 Park Cities Ford, an addition to the City of Dallas as recorded in Document No. 20080156990, Official Public Records, Dallas County, Texas, and also being the beginning of a curve to the left;

THENCE along said curve to the left and along the common line of said subject tract and said Park Cities Ford addition whose chord bears South 64°49'10" West, 376.06 feet and through a central angle of 31°37'38", a radius of 690.00 feet and an arc length of 380.88 feet to a 1/2 inch iron rod with plastic cap stamped "SPIARSENG" set at the common corner of said subject tract and the most northeast corner of Lot 2C, Block 1/4798 Knights Branch Subdivision, Section 2, Phase 2, an addition to the City of Dallas as recorded in Volume 95009, Page 5540, Map Records, Dallas County, Texas and also being in the north line of said Park Cities Ford addition;

THENCE North 46°11'55" West along the common line of said subject tract and passing at a distance of 32.76 feet the common corner of said Knights Branch and a tract of land described in deed to Jose D. Guevara as recorded in Volume 2004101, Page 0938, Deed Records, Dallas County, Texas, for a total distance of 235.79 feet to the PLACE OF BEGINNING, containing 99,616 square feet, or 2.287 acres of land.

Permitted Exceptions

1. Easement granted by Carl C. Weichsel, et al, to Dallas Power & Light Company and Southwestern Bell Telephone Company, filed 06/14/1948, recorded in Volume 2992, Page 205, Real Property Records, Dallas County, Texas.
2. Easement granted by Cars-DB4, L.P., to the City of Dallas, filed 09/11/2008, recorded in cc# 20080295278, Real Property Records, Dallas County, Texas.
3. Easement granted by Carl C. Weichsel, et al, to the City of Dallas, filed 06/30/1948, recorded in Volume 2999, Page 52, Real Property Records, Dallas County, Texas, and as shown on City of Dallas Sewer Map F-9.
4. Easement granted by PPM Specialists, Ltd., to Austin Coca-Cola Bottling Company, Inc., filed 04/18/1994, recorded in Volume 94074, Page 4695, Real Property Records, Dallas County, Texas.
5. Terms, provisions, and conditions of Unity Agreement, by and between Austin Coca-Cola Bottling Company and PPM Specialists, Ltd., filed 04/18/1994, recorded in Volume 94074, Page 4703, Real Property Records, Dallas County, Texas.
6. INTENTIONALLY DELETED.

EXHIBIT A-16
Property Description

BEING a tract of land situated in the Miles Bennett Survey, Abstract No. 52, City of Dallas, Dallas County, Texas, the subject tract being all of a called 1.379 acre tract of land described in deed to Car Park PL TX, LLC as recorded in Instrument No. 201100050286, Official Public Records, Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2 inch iron rod with plastic cap stamped “SPIARSENG” set for corner of said subject tract from which a 1 inch iron pin found bears South 50°01’21” East, 4.74 feet and also being in the north line of Atwell Street (50’ Public Right-of-Way) and also being the southeast corner of the old abandoned M.K.&T. Railroad ROW;

THENCE North 46°19’18” West departing said north line of Atwell Street and the common line of said subject tract and said Old Railroad ROW, for a distance of 374.00 feet to an “X” cut found in concrete at the northwesterly corner of the subject tract and also in a common line of Lot 1, Block C/5715 Haggar Way, an addition to the City of Dallas as recorded in Volume 2004117, Page 11, Plat Records, Dallas County, Texas;

THENCE along the common line of said subject tract and said Lot 1 of Haggar Way addition, the following courses and distances:

North 43°54’42” East, 161.42 feet to an “X” cut found in concrete;

South 46°05’18” East, 374.00 feet to a 1/2 inch iron rod with plastic cap stamped “SPIARSENG” set for corner in said north line of Atwell Street;

THENCE South 43°54’42” West along said north line of Atwell Street, for a distance of 159.90 feet to the PLACE OF BEGINNING, containing 60,086 square feet, or 1.379 acres of land.

Permitted Exceptions

1. Easement granted by Titche-Goettinger Company, Inc., to Dallas Power & Light Company, filed 12/04/1957, recorded in Volume 4808, Page 297, Real Property Records, Dallas County, Texas.
2. Terms, provisions, and conditions contained in City of Dallas Ordinance No. 19618, passed 07/29/1987, a certified copy of which was filed 11/23/1987, recorded in Volume 87227, Page 233, Real Property Records, Dallas County, Texas.
3. INTENTIONALLY DELETED.

EXHIBIT A-17
Property Description

[Intentionally Deleted]

Permitted Exceptions

[Intentionally Deleted]

EXHIBIT A-18
Property Description

TRACT 1:

Being a 3.984 acre tract of land situated in the Absolom Smith Survey, Abstract No. 1347, City of Dallas, Dallas County, Texas, and being part of Lot 1, Block B/5795 of Hines/Northwest, an addition to the City of Dallas, as recorded in Volume 84238, Page 5351 Map Records, Dallas County, Texas, and also being all of a called 3.984 acre tract of land described in Warranty Deed to OMC Real Estate Partners, Ltd. as recorded in Volume 98007, Page 3760, Deed Records, Dallas County, Texas and being more particularly described as follows:

BEGINNING at a 5/8 inch capped iron rod found at the southwest corner of said OMC Real Estate Partners tract and also being the southeast corner of Part of Lot 1 of said Hines/Northwest Addition and also being a tract of land described in deed to City of Dallas as recorded in Volume 91214, Page 3782, Deed Records, Dallas County, Texas and also being in the north line of West Northwest Highway (Variable Width Public Right-of-Way);

THENCE North 14°56’58” East along the common line of said OMC Real Estate Partners tract and said City of Dallas tract, for a distance of 352.93 feet to a 1/2 inch iron rod found for common corner of said OMC Real Estate Partners tract and also being the southwest corner of Lot 1.5 of said Hines/Northwest Addition and also being a tract of land described in deed to Bhagat Holdings, Ltd. as recorded in Volume 2004037, Page 2286, Deed Records, Dallas County, Texas;

THENCE South 75°03’02” East along the common line of said OMC Real Estate Partners tract and said Bhagat Holdings tract, for a distance of 462.31 feet to a “X” cut found at the common corner of said OMC Real Estate Partners tract and the most westerly northwest corner of Lot 1.3 of said Hines/Northwest Addition and also being a tract of land described in deed to El Tacaso Inc as recorded in Instrument No. 200600002950, Deed Records, Dallas County, Texas;

THENCE South 14°51’07” West and passing at a distance of 51.83 feet the most westerly southwest corner of said El Tacaso tract and also the northwest corner of Lot 1.4 of said Hines/Northwest Addition and also being a tract of land described in deed to Jacquelyn Keller as recorded in Volume 92253, Page 2310, Deed Records, Dallas County, Texas, for a total distance of 391.17 feet to a “X” cut found at the common corner of said OMC Real Estate Partners tract and said Jacquelyn Keller tract and also in said north line of West Northwest Highway;

THENCE North 74°19’37” West along said north line of West Northwest Highway and the south line of said OMC Real Estate Partners tract, for a distance of 88.08 feet to a 1/2 inch iron rod found for corner;

THENCE North 69°23’43” West continuing along said north line of West Northwest Highway, for a distance of 376.74 feet to the Point of Beginning and containing 173,547 square feet or 3.984 acres of land.

TRACT 2:

Being a non-exclusive easement for ingress and egress as created by Easement Agreement (the “EA” and capitalized terms herein shall have the same meanings ascribed to those terms in the EA) executed by Connell Development Co., dated 01/16/1986, filed 01/21/1986, recorded in Volume 86013, Page 2583, of the Real Property Records of Dallas County, Texas, over and across the portion of the Easement within the Remainder Property.

Permitted Exceptions

1. Easement granted by Kathryn Currin to the City of Dallas, filed 10/27/1950, recorded in Volume 3399, Page 618, Real Property Records, Dallas County, Texas, and as shown on plat recorded in Volume 84238, Page 5351, Map Records, Dallas County, Texas.
2. Easement granted by Hines/Northwest Venture, et al, to the City of Dallas, filed 12/28/1984, recorded in Volume 84252, Page 2946, Real Property Records, Dallas

County, Texas.

3. Terms, provisions, conditions, and easement contained in Easement Agreement by Connell Development Co., dated 01/16/1986, recorded in Volume 86013, Page 2583, Real Property Records, Dallas County, Texas.

4. Terms, provisions, and conditions of City of Dallas Ordinance No. 29489 filed 10/31/2014, recorded in cc# 201400279288, Real Property Records, Dallas County, Texas.

5. Voluntary Cleanup Program Final Certificate of Completion filed 07/10/2019, recorded in cc# 201900178084, Real Property Records, Dallas County, Texas.

6. INTENTIONALLY DELETED.

EXHIBIT A-19
Property Description

Being Lot 1RA, in Block 4, of WESTWAY ADDITION, an Addition to the City of Arlington, Tarrant County, Texas, according to the Map thereof recorded in cc# D214084804, of the Map Records of Tarrant County, Texas.

Permitted Exceptions

1. Restrictive covenants described in instrument recorded in filed 07/26/1983, recorded in Volume 7567, Page 1938, Real Property Records, Tarrant County, Texas. Modification recorded in Volume 7713, Page 366, Real Property Records, Tarrant County, Texas. Amendment recorded in Volume 7713, Page 378, Real Property Records, Tarrant County, Texas. Modification recorded in Volume 7713, Page 381, Real Property Records, Tarrant County, Texas. Affidavit of Resignation filed 10/11/2005, recorded in cc# D205303289, Real Property Records, Tarrant County, Texas. Affidavit of Resignation filed 10/11/2005, recorded in cc# D205303290, Real Property Records, Tarrant County, Texas. Affidavit of Resignation filed 10/11/2005, recorded in cc# D205303291, Real Property Records, Tarrant County, Texas. Affidavit of Resignation filed 10/11/2005, recorded in cc# D205303292, Real Property Records, Tarrant County, Texas. Second Amendment filed 12/05/2005, recorded in cc# D205361599, Real Property Records, Tarrant County, Texas. Amendment of Covenants filed 04/12/2010, recorded in cc# D210082119, Real Property Records, Tarrant County, Texas.

2. The following easements and/or building lines, as shown on plat filed 04/28/2014, recorded in cc# D214084804, Real Property Records, Tarrant County, Texas:

   10’ utility easement along the North property line;
   Temporary turnaround;
   15’ drainage and utility easement along the East property line.

3. Easement granted by Binkley - Richardson, Inc., to Texas Electric Service Company, filed 01/04/1984, recorded in Volume 7707, Page 646, Real Property Records, Tarrant County, Texas.

4. Easement granted by Westway Development Joint Venture to Texas Electric Service Company, filed 09/03/1985, recorded in Volume 8295, Page 2101, Real Property Records, Tarrant County, Texas.

5. Easement granted by Louis Land Company, Ltd., to the City of Arlington, filed 12/02/2003, recorded in Volume 17439, Page 23, Real Property Records, Tarrant County, Texas.

6. Easement granted by Louis Land Company, Ltd., to the City of Arlington, filed 12/02/2003, recorded in Volume 17439, Page 26, Real Property Records, Tarrant County, Texas.

7. Title to all coal, lignite, oil, gas and other minerals in, under and that may be produced from the land, together with all rights, privileges, and immunities relating thereto, all of such interest, to the extent not previously reserved or conveyed being described in instrument filed 06/28/2013, recorded in cc# D213167559, Real Property Records, Tarrant County, Texas.

8. Mineral lease, together with all rights privileges and immunities incident thereto, to Chesapeake Exploration, L.L.C., as Lessee, from Louis Land Co., Ltd., as Lessor, as evidenced by Memorandum, filed 01/04/2008, recorded in cc# D208004621, Real Property Records, Tarrant County, Texas. Notice of Lease Extension filed 04/09/2009, recorded in cc# D209094868, Real Property Records, Tarrant County, Texas.

9. Easement granted by Louis Land Company, Ltd., a Texas limited partnership, to the City of Arlington, filed 12/02/2003, recorded in Volume 17439, Page 25, Real Property Records, Tarrant County, Texas.

10. Easement granted by PPMBA Realty, Ltd., to the City of Arlington, filed 06/13/2014, recorded in cc# D214123825, Real Property Records, Tarrant County, Texas.

11. Easement granted by PPMBA Realty, Ltd., to the City of Arlington, filed 06/13/2014, recorded in cc# D214123826, Real Property Records, Tarrant County, Texas.

12. Easement granted by PPMBA Realty, Ltd., to the City of Arlington, filed 06/17/2014, recorded in cc# D214126911, Real Property Records, Tarrant County, Texas.

13. Easement granted by PPMBA Realty, LP, a Texas limited partnership, to Oncor Electric Delivery Company, LLC, filed 04/30/2015, recorded in cc# D215088510, Real Property Records, Tarrant County, Texas.

EXHIBIT A-20
Property Description

Being all that certain lot, tract, or parcel of land being known and designated as LAS COLINAS AREA I, TRACT 2, SEVENTH INSTALLMENT, an addition to the City of Irving, Dallas County, Texas, according to the plat thereof recorded in Volume 82139, Page 953, Deed Records, Dallas County, Texas.

Permitted Exceptions

1. Restrictive covenants contained in Declaration filed 08/22/1973, recorded in Volume 73166, Page 1001, Real Property Records of Dallas County, Texas; Correction to Declaration recorded in Volume 77154, Page 1096, Real Property Records, Dallas County, Texas. Second Correction to Declaration recorded in Volume 79122, Page 749, Real Property Records, Dallas County, Texas. Third Correction to Declaration recorded in Volume 82071, Page 3244, Real Property Records, Dallas County, Texas. Statement of Lien Priority recorded in Volume 84213, Page 2741, Real Property Records, Dallas County, Texas. Corrected Assignment and Transfer of Rights under Declaration recorded in Volume 92041, Page 446, Real Property Records, Dallas County, Texas. Secretary’s Certificate as to ACC Standards filed 09/30/2005, recorded in cc# 200503527191, Real Property Records, Dallas County, Texas. Assignment of Declarant’s Rights filed 12/27/2005, recorded in cc# 20050341275, Real Property Records, Dallas County, Texas. Certificate of Architectural Control Standards filed 12/29/2011, recorded in cc# 201100338880, Real Property Records, Dallas County, Texas.

2. Terms, provisions, conditions, easements, and obligations contained in Declaration-Las Colinas Area I, Dallas County, Texas, filed 08/22/1973, recorded in Volume 73166, Page 1001, Real Property Records, Dallas County, Texas, as corrected and supplemented.

3. Terms and conditions of Ordinance No. 71-100, entitled Airport Zoning Ordinance of the Dallas-Fort Worth Regional Airport, filed 09/03/1982, recorded in Volume 82173, Page 178, Real Property Records, Dallas County, Texas.

4. Aviation Release contained on Plat recorded in Volume 82139, Page 953, Map Records, Dallas County, Texas.

5. The following easements and/or building lines, as shown on plat recorded in Volume 82139, Page 953, Map Records, Dallas County, Texas:

   15' utility easement;
   10' utility easement, 4.7' of which affects the subject property along the Easterly line;
   30' building line.

6. Terms, provisions, conditions, and easements contained in Maintenance and Access Easement, granted by CP Properties Partners, to Las Colinas USAA Limited Partnership, filed 08/26/1993, recorded in Volume 93167, Page 639, Real Property Records, Dallas County, Texas.

7. Assessments and liens contained in Declaration-Las Colinas Area I, Dallas County, Texas, filed 08/22/1973, recorded in Volume 73166, Page 1001, Real Property Records, Dallas County, Texas, as corrected and supplemented.

8. INTENTIONALLY DELETED

EXHIBIT A-21
Property Description

Being a leasehold estate created by the Ground Lease dated 04/15/2016, between Dallas/Fort Worth International Airport Board, as landlord, and PPJ Land LLC, as tenant, as evidenced by Memorandum of Lease filed 04/25/2016, recorded in cc# D216084751, Real Property Records, Tarrant County, Texas, in and to that certain tract of land described as follows:

BEING a tract of land situated in the W. Bradford Survey, Abstract No. 131, City of Grapevine, Tarrant County, Texas, the subject tract being a portion of a tract conveyed to City of Dallas and the City of Fort Worth, Texas according to the deed recorded in Document No. D189026214 of the Deed Records, Tarrant County, Texas (DRTCT), the subject tract being more particularly described as follows:

BEGINNING at a 5/8" iron rod with plastic cap found for the intersection of the west line of Metro Circle, a 60 foot right-of-way created by plat recorded in Volume 388-140, Page 51, Plat Records, Tarrant County, Texas, with the south line of State Highway 114, a variable width right-of-way, for the southeast corner of Parcel 49, Part 4 of the right-of-way thereof recorded in Document No. D210321735 DRTCT;

THENCE S 02º39'55" W, 537.54 feet along the west line of Metro Circle to a 5/8" iron rod with plastic cap found;

THENCE continuing along the west line of Metro Circle, around a tangent curve to the right having a central angle of 17º05'02", a radius of 410.74 feet, a chord of S 11º12'26" W – 122.02 feet, an arc length of 122.47 feet to a 5/8" iron rod with plastic cap found;

THENCE N 88º36'18" W, 497.28 feet departing the west line thereof, to a 5/8" iron rod with plastic cap found;

THENCE N 01º23'42" E, 668.11 feet to a 5/8" iron rod with plastic cap found on the south line of said Parcel 49, Part 4;

THENCE along the south line thereof, the following:

S 89º06'14" E, 314.61 feet to a 5/8" iron rod with plastic cap found;

A tangent curve to the right having a central angle of 01º57'53", a radius of 5707.58 feet, a chord of S 88º07'17" E – 195.71 feet, an arc length of 195.72 feet to a 5/8" iron rod with plastic cap found;

S 39º03'43" E, 14.91 feet to a 5/8" iron rod with plastic cap found;

And S 87º20'17" E, 10.02 feet to the POINT OF BEGINNING with the subject tract containing 349,346 square feet or 8.020 acres of land

Permitted Exceptions

1. Terms, provisions, and conditions of the Ground Lease Agreement between Dallas/Fort Worth International Airport Board, as landlord, and PPJ Land LLC, as tenant, with an Effective Date of 04/15/2016 as evidenced by Memorandum of Lease filed 04/25/2016, recorded in cc# D216084751, Real Property Records, Tarrant County, Texas.

2. Terms and conditions of Ordinance No. 71-100, entitled Airport Zoning Ordinance of the Dallas-Fort Worth Regional Airport, filed 09/01/1982, recorded in Volume 7349, Page 1106, Real Property Records, Tarrant County, Texas.

3. Easement granted by Metroplace Corporation, to the City of Grapevine, filed 09/15/1983, recorded in Volume 7616, Page 1056, Real Property Records, Tarrant County, Texas.

4. Limited or lack of access to road or highway abutting subject property as set forth in Instrument filed 12/30/2010, recorded in cc # D210321735, Real Property Records, Tarrant County, Texas.

5. Mineral lease together with all rights, privileges and immunities incident thereto, to Chesapeake Exploration Limited Partnership, from Dallas/Fort Worth International Airport Board and the City of Dallas and the City of Fort Worth, described in instrument filed 10/11/2006, recorded in cc# D206319462, Real Property Records, Tarrant County, Texas, Amended by Lease Amendment evidenced by Memorandum filed 05/22/2012, recorded in cc#D212122508, Real Property Records, Tarrant County, Texas, and Memorandum of Amendment of Oil and Gas Lease, filed 09/06/2017, recorded in cc# D217206948, Real Property Records, Tarrant County, Texas. Declaration of Pooled Unit filed 08/22/2007, recorded in cc# D207298104, Real Property Records, Tarrant County, Texas. Notice of Force Majeure of Oil Gas and Mineral Lease filed 12/30/2015, recorded in cc # D215289906, Real Property Records, Tarrant County, Texas.

6. INTENTIONALLY DELETED

EXHIBIT B

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

STATE OF TEXAS §

§ KNOW ALL BY THESE PRESENTS:

COUNTY OF ***[insert appropriate county]*** §

THAT ________________________, a ________________________ (***"Grantor"***), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, paid by _____________________________ (***"Grantee"***), whose mailing address is _________________________________, has GRANTED and CONVEYED, and by these presents does GRANT and CONVEY unto Grantee the land described on Exhibit A which is attached hereto and incorporated herein by reference for all purposes (the "***Land***"), together with all of Grantor's rights, titles and interests in and to (a) all reversions, remainders, easements, rights-of-way, appurtenances, tenements, licenses, hereditaments, water rights and mineral rights appertaining to or otherwise benefiting the Land or any of the Improvements (as defined below); (b) all of Grantor's rights, titles and interests, if any, in and to any structures, facilities, fixtures and improvements now situated on the Land (collectively, the "***Improvements***"); (c) all of Grantor's rights, titles and interests, if any, in and to all air rights, development rights, and similar rights or entitlements relating to or affecting the Land or the Improvements (the "***Development Rights***"); and (d) all of Grantor's rights, titles and interests, if any and then only to the extent transferable and/or assignable, in and to all licenses, permits, approvals, and certificates of occupancy relating to the zoning, land use, ownership, operation, occupancy with respect to the Land or Improvements (collectively the "***Intangible Property***") (the Land, together with all of the foregoing, is herein collectively called the "***Property***").

This conveyance is made subject to all easements, restrictions and other matters of record as of the date hereof that affect the Land and that are listed on Exhibit B attached hereto, to the extent the same are valid and subsisting and affect the Property (the "***Existing Encumbrances***").

TO HAVE AND TO HOLD the Property unto Grantee, and Grantee's successors and assigns forever, and Grantor does hereby bind Grantor, and Grantor's successors and assigns, to WARRANT and FOREVER DEFEND, all and singular the Land unto Grantee and Grantee's successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through or under Grantor, but not otherwise subject, however, to the Existing Encumbrances.

[SIGNATURE PAGE FOLLOWS]

Signature Page to Special Warranty Deed

EXECUTED on the date set forth in the acknowledgement below to be effective for all purposes as of ___________________, 2020.

GRANTOR:

[Insert Signature Block of Owner]

THE STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on this ____ of ____________________, 2020, by _________________________________, ________________________ of ____________________, a __________________________, [general partner of _________, a Texas limited partnership,] on behalf of said __________________________________.

____

Notary Public in and for the State of Texas
Printed Name: _______________________
My commission expires: _______________

EXHIBIT A TO DEED

Signature Page to Bill of Sale

EXHIBIT C

BILL OF SALE

THE STATE OF TEXAS §
§
COUNTY OF ***[insert applicable county]*** §

THAT, ***[insert applicable Seller]***("Seller"), for and in consideration of the sum of Ten and No/100 Dollars ($10.00) and other good and valuable consideration to Seller in hand paid by __________________________, a ______________________ ("Buyer"), the receipt of which is hereby acknowledged, has Sold, Delivered and Assigned, and by these presents does Sell, Deliver and Assign, unto Buyer all of Seller's right, title and interest in and to the following described property, to-wit:

All equipment, fixtures, appliances, machinery, inventory and other tangible personal property of whatever kind or character owned by Seller and attached to or located or installed on those certain improved tracts of land situated in _______ County, Texas, and the improvements situated thereon, said tracts of land being described on Exhibit A, attached hereto and made a part hereof for all purposes, which are used in connection with the ownership, maintenance or operation of said land or improvements, including, but not limited to, all equipment and supplies, heating, lighting, refrigeration, plumbing, ventilating, incinerating, communication, electrical, appliances,

maintenance equipment, keys, locks, elevators, sprinklers, hoses, tools and lawn equipment (all of the above-described personal property being hereinafter referred to as the "Property").

In no event shall the Property include any of the Excluded Property, as such term is defined in that certain Real Estate Purchase Agreement dated effective as of ___________, 20____ executed by Seller and Buyer (or Buyer's predecessor in interest thereunder).

Seller has executed this Bill of Sale and BARGAINED, SOLD, DELIVERED and ASSIGNED the Property and Buyer has accepted this Bill of Sale and purchased the Property AS IS AND WHEREVER LOCATED, WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXCEPT THAT THE FOREGOING SHALL NOT BE CONSTRUED TO NEGATE THE SPECIAL WARRANTY OF TITLE HEREINAFTER SET FORTH.

Subject to the matters set forth herein, Seller does hereby covenant with Buyer that at the time of delivery of this Bill of Sale, the Property is free from all encumbrances, liens and interests (other than those listed in the deed from Seller to Buyer of even date herewith) and Seller does hereby bind itself, its successors and assigns, to forever Warrant and Defend title to the Property unto Buyer, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Seller, but not otherwise.

Signature Page to Bill of Sale

EXECUTED this _____ day of ____________, 20___.

SELLER: ***[insert signature block of applicable Seller]***

Exhibit A - Land

Exhibit A to Bill of Sale

EXHIBIT D

BLANKET CONVEYANCE AND ASSIGNMENT

THE STATE OF TEXAS	§	
	§	KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF ______	§	

Concurrently with the execution and delivery hereof, ***[insert name of applicable Seller]*** ("Assignor") is conveying to ____________________, a __________________ ("Assignee") by Special Warranty Deed that certain tract of land, together with the improvements located thereon (collectively, the "Property"), lying and being situated in _________ County, Texas, being more particularly described on Exhibit "A" attached hereto and made a part hereof for all purposes. Such conveyance is being made pursuant to that certain Real Estate Purchase Agreement (the "Purchase Contract") dated effective as of _________, 20___ executed by and between Assignor and ___________, predecessor in interest to Assignee. Words with initial capital letters used but not defined herein shall have the respective meanings ascribed to them in the Purchase Contract.

It is the intent of Assignor and Assignee that Assignor convey to Assignee all of Assignor's rights, if any, in and to all assignable licenses and permits with respect to the Property (the "Assigned Properties").

NOW, THEREFORE, in consideration of the receipt of Ten and No/100 Dollars ($10.00) and other good and valuable consideration in hand paid by Assignee to Assignor, the receipt and sufficiency of which are hereby acknowledged and confessed by Assignor, Assignor does hereby ASSIGN, TRANSFER, SET-OVER AND DELIVER to Assignee, its successors and assigns, all of Assignor's right, title and interest in and to the Assigned Properties.

TO HAVE AND TO HOLD the Assigned Properties unto Assignee, its successors and assigns, forever.

Assignor has caused this Assignment to be executed effective as of the ____ day of ______________, 20___.

[insert signature block of applicable Seller]

Exhibit A to Blanket Conveyance and Assignment

Exhibit E to Real Estate Purchase Agreement

CERTIFICATION OF NON-FOREIGN STATUS

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by __________________________ ("Seller"), the undersigned hereby certifies the following on behalf of Seller:

1. Seller is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Seller's U.S. employer identification number is _______________; and
3. Seller is not a "disregarded entity" (as such term is defined in the Internal Revenue Code and Income Tax Regulations).
4. Seller's office address is 2021 McKinney, Suite 420, Dallas, Texas 75201.

Seller understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of Seller.

Dated: __________, 20___

[insert signature block of applicable Seller]
a Texas corporation

Exhibit F to Real Estate Purchase Agreement

AFFIDAVIT AS TO DEBTS, LIENS AND LEASES

GF NO. ___________

OWNER: __________________________

SUBJECT PROPERTY:
See Exhibit "A"

STATE OF TEXAS
COUNTY OF _____________________

Before me, the undersigned authority, on this day personally appeared ________, ____________________ of ________________________, ("Affiant") known to me to be the person whose name is subscribed hereto and upon his oath deposes and says, in his capacity as indicated below, that to the best of his actual knowledge:

1. Except as disclosed to the title company reflected below or in other instruments to which the title company is a party, there are no unpaid debts for the purchase of plumbing fixtures, water heaters, floor furnaces, air conditioners, radio or television antennae, carpeting, rugs, lawn sprinkling systems, venetian blinds, window shades, draperies, electric appliances, fences, street paving, or any personal property or fixtures that are located on the Property described above, and no such items have been purchased on time payment contracts, and there are no security interests on such Property secured by financing statements, security agreements or otherwise except costs associated with ongoing and recurring maintenance and operation of the Property.
2. There are no loans or liens (including Federal or State Liens and Judgment Liens) of any kind on such property except loans being extinguished concurrent with the closing of the sale of the property.
3. All labor and material used in the construction of improvements on the above described property have been paid for and there are now no unpaid labor or material claims against the improvements or the Property upon which same are situated.
4. There are no leases (whether oral or written) encumbering the Property.
5. No proceedings in bankruptcy or receivership have been instituted by or against Owner, and Owner has never made an assignment for the benefit of creditors.
6. Affiant recognizes that but for making of the hereinabove statements relative to the Property, neither Republic Title of Texas, Inc. Title Company nor Fidelity Title Insurance Company (collectively, "Title Company") would issue its owner policy of title insurance ("Owner Policy") on the Property in favor of ____________________, and that such statements have been made as an inducement for such issuance.

   Indemnity Agreement: Owner hereby agrees to indemnify, defend and hold the Title Company harmless of, from and against any and all claims asserted against the Title Company under the Owner Policy based upon the inaccuracy of the statements made by Affiant herein.

Executed as to the Affidavit: __________________, 20__:

AFFIANT:

Printed Name: __________________________, in
his capacity as __________________________ of
____

COUNTY OF ______________ §
§
STATE OF ________________ §

Sworn to and subscribed before me this ____ day of ______________, 20__.

Notary Public, State of ________________

[seal]

Exhibit G to Real Estate Purchase Agreement

Capital Improvement Projects

Project Name	Scope of Work	Entities		Hard Costs	Soft Costs	Fixed Assets	Total Project Costs
		Dealership	Land Company				
JLR DFW Warehouse Expansion	General Construction to convert vacant warehouse space to support make ready operations for JLR DFW (excludes Paint Booth Equipment estimated at $170,000)	PPJ LLC	PPJ Land LLC	463,791	73,500	113,000	650,291
EV Readiness – MB Arlington	Install conduit, electrical power, and charging equipment for EV vehicles	PPMB Arlington LLC	PPMBA Realty LP	108,000	17,000	25,000	150,000
EV Readiness – MB Dallas	Install conduit, electrical power, and charging equipment for EV vehicles	Park Place Motorcars, Ltd.	n/a (CARS Lease property)	140,000	10,000	35,000	185,000
EV Readiness – MB Fort Worth	Install conduit, electrical power, and charging equipment for EV vehicles	Park Place Motorcars Fort Worth, Ltd.	PP Real Estate, Ltd.	129,000	11,000	25,000	165,000
Premier Service Refresh	Refurbish Service Advisor and Shop areas including new walls, glazing, flooring, internal/external paint & equipment	Park Place RB, Ltd	NWH Land LP	635,000	40,000	520,000	1,195,000
Sprinter Dealership	Renovate existing buildings at 3316 and 3333 Atwell to facility guidelines for Sprinter	Park Place Motorcars, Ltd.	PPM Realty, Ltd.	2,825,000	175,000	250,000	3,250,000

Exhibit 10.16

SEPARATION AGREEMENT AND GENERAL RELEASE

Asbury Automotive Group, Inc. (the "Company"), and John Hartman ("Employee") have entered into this Separation Agreement and General Release (this "Agreement") as of this 2nd day of January 2020 (the "Agreement Date"). In consideration of the mutual promises contained in this Agreement, Company and Employee (together, the "Parties") agree as follows:

1. Voluntary Resignation and Separation from Employment.

(a) As of 11:59 p.m. on January 2, 2020 (the "Separation Date"), Employee will resign his position as Senior Vice President of Operations for the Company.

(b) Employee's Severance Pay Agreement for Key Employee with the Company, executed effective January 4, 2018, and attached hereto as Exhibit A (the "Severance Pay Agreement") is hereby immediately terminated, except that Sections 3, 4, 5, 6 and 7 will survive termination of the Severance Pay Agreement. Employee hereby acknowledges and affirms that he is subject to, and has complied and will continue to comply with, the obligations under Sections 3, 4, 5, 6 and 7 of the Severance Pay Agreement.

(c) Effective as of 11:59 p.m. on the Separation Date:

(i) Employee's employment with the Company and its subsidiaries and affiliates (the "Company Group") will terminate as a result of his voluntary resignation and such resignation will be reflected in the personnel records of the Company;

(ii) Employee's salary and benefits from the Company Group will cease to accrue (except as described below) and Employee will no longer have any right to contribute to any employee benefit plans or programs of any member of the Company Group;

(iii) Employee will resign all positions Employee held as an officer, director, manager or employee of, and relinquish all titles and authorities with respect to, the Company Group, and will promptly execute such documents and take such actions as may be necessary or reasonably requested by any member of the Company Group to effectuate or memorialize the resignation of such positions and relinquishment of such titles and authorities; and

(iv) Employee's resignation and separation on the Separation Date pursuant to Section l(c) will be a "separation from service," as defined in Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations and official guidance issued thereunder ("Section 409A").

2. Payments and Other Consideration. If Employee (i) executes and does not revoke this Agreement during the revocation period described in Section 22, and (ii) continues to comply with

the terms and conditions of this Agreement, and Sections 3, 4, 5, 6 and 7 of the Severance Pay Agreement, then:

(a) Salary Continuation. The Company will continue to pay Employee his base salary for a period of 52 weeks following the Separation Date in accordance with the Company's regular payroll practices; provided that such payments shall not commence until the day following the date this Agreement may no longer be revoked (the "Release Effective Date"), and provided further that any payments which would have been made prior to the date this Agreement may no longer be revoked will be paid on the first regular payroll date following the Release Effective Date.

(b) Cash Bonus. The Company will pay Employee a cash bonus as follows:

(i) The Company will pay Employee his annual bonus for 2019 under the Company's Corporate Office Incentive Program (the "Bonus Plan"). The annual bonus will be paid at such time as bonuses are paid under the Bonus Plan to the Company's other participants thereunder whose employment was not terminated.

(ii) The Company will pay Employee an additional cash bonus of $222,182.63 as consideration for Employee’s continuing cooperation and assistance to the Company, its stockholders or any other member of the Company Group with any compliance or other matters related to the Company or the other Released Parties with respect to the Company Group, including any internal investigation or audit. The amount described in this Section 2(b)(ii) shall be divided by fifty-two (52) and paid to Employee in equal weekly distributions for 52 weeks following the Separation Date in accordance with the Company’s regular payroll schedule, provided that such payments shall not commence until the Release Effective Date, *i.e.*, the day following the date this Agreement may no longer be revoked, and provided further that any payments which would have been made prior to the date this Agreement may no longer be revoked will be paid on the first regular payroll date following the Release Effective Date.

(c) Health and Dental Insurance. Employee will be entitled to continue to participate at the same level of coverage and Employee contribution in any Company health and dental insurance plans, as may be amended from time to time, in which Employee was participating immediately prior to the Separation Date for a period of twelve (12) months commencing on the Release Effective Date. In order for Employee to receive this benefit, Employee must timely and properly elect COBRA for any medical, dental and vision benefit plans in which Employee was participating immediately prior to the end of Employee’s employment with the Company and the Company shall continue to pay its portion of the monthly premium for those COBRA-covered medical, dental and vision benefit plans for a period of 12 months after the last day of Employee’s employment with the Company. Notwithstanding the above, if Employee obtains other employment (prior to the end of the 12 month COBRA reimbursement period) under which Employee is eligible to be covered by benefits equal to the benefits in his COBRA-elected plans, the Company’s obligation to reimburse Employee ceases upon Employee’s eligibility for such

equal benefits. Employee agrees to notify the Company promptly upon obtaining such other employment.

(d) Employee agrees that no additional compensation of any kind (*e.g.*, wages, salaries, commissions, bonuses, vacation/holiday pay, unvested equity awards, insurance, benefits, allowances, *etc*.) is due Employee now or in the future except as specifically described in this Section 2.

3. General Release of Claims.

(a) Release. In exchange for the payments and benefits set forth in Section 2 and the obligations set forth in Section 1, Employee and his affiliates, heirs, beneficiaries, personal representatives, agents, successors and assigns and their respective successors and assigns (collectively, the "Releasing Parties"), hereby forever knowingly, voluntarily, unconditionally and absolutely release, acquit, remise and discharge the Company Group, and each member of the Company Group's past, present, and future officers, directors, managers, stockholders, members, employees, trustees, agents, representatives, affiliates, successors and assigns, including all affiliated dealerships (collectively, the "Released Parties"), from any and all claims, claims for relief, demands, actions and causes of action of any kind or description whatsoever, known or unknown, whether arising out of contract, tort, statute, treaty or otherwise, in law or in equity, which a Releasing Party now has, has had, or may hereafter have against any of the Released Parties) (each a "Potential Claim") from the beginning of time through the Agreement Date, including those directly or indirectly arising from, connected with, or in any way related to:

(i) Employee's employment by any member of the Company Group;

(ii) Employee's service as a director, officer, manager or employee, as the case may be, of any member of the Company Group;

(iii) any transaction prior to the Agreement Date, including all effects, consequences, losses and damages relating thereto;

(iv) any services provided by Employee to any member of the Company Group;

(v) the Severance Pay Agreement or any documents ancillary thereto; or

(vi) Employee's resignation and separation from employment with any member of the Company Group under any law, including the common law or any federal or state statute, including all claims arising under Title VII of the Civil Rights Act of I 964, the Civil Rights Act of 1991, the False Claims Act, 31 U.S.C.A. § 3730, including any right to personal gain with respect to any claim asse1ied under its "qui tam" provisions; Sections 1981 through 1988 of Title 42 of the United States Code, the Employee Retirement Income Security Act of 1974, the Immigration Reform and Control Act, the Americans with Disabilities Act of 1990, the Age Discrimination in Employment Act of 1967 (the "ADEA"), including all rights and claims under the ADEA, the Older Workers' Benefit Protection Act of 1990, the Workers Adjustment and

Retraining Notification Act, the Occupational Safety and Health Act, Georgia Equal Employment of Persons with Disabilities Code, Georgia Sex Discrimination in Employment Act, Georgia Wage Payment Act, Georgia Fair Employment Practices Act of 1978, the Georgia Code of Ordinances, any other federal, state or local civil or human rights law or any other local, state or federal law, regulation or ordinance, any public policy, contract, tort, or common law or any allegation for costs, fees, or other expenses including attorneys' fees incurred in these matters (the Potential Claims from the beginning of time through the Agreement Date, including those set forth in clauses (i) through (vi), the "Released Matters"), except that the Released Matters do not include any Potential Claims directly arising from: (w) this Agreement, (x) any claims to the extent that such claims cannot be waived under law, including the right to file a charge with or participate in an investigation conducted by the Equal Employment Opportunity Commission ("EEOC") (except that Employee is expressly waiving any claim for monetary damages, recovery or relief should the EEOC or any other agency or commission pursue any such claims on Employee's behalf) and any claims under the ADEA that may arise after the Agreement Date, (y) indemnification under applicable law or the Company's charter or bylaws and any related insurance coverage or (z) any accrued and vested compensation or benefits, whether under any tax-qualified retirement plans or otherwise.

(b) No Transfer of Potential Claims. Employee represents and warrants to the Released Parties that neither Employee nor any Releasing Party has made an assignment or transfer of any of the Potential Claims for any Released Matter.

(c) Release Not Considered an Admission. Employee acknowledges and agrees that neither this Agreement nor the furnishing of the consideration under this Agreement, including for the release given under this Section 3, will be deemed or construed at any time to be an admission by Employee or any Released Party of any liability or improper or unlawful conduct of any kind.

(d) Waiver of Unknown Claims. With respect to any and all Potential Claims for any Released Matter, Employee expressly waives and relinquishes, and the other Releasing Parties will be deemed to have expressly waived and relinquished, any and all provisions, rights and benefits conferred by any law of any other jurisdiction or principle of common law that provides that a general release does not extend to claims that are unknown or unsuspected to the releasor at the time the releaser executes the release. Employee acknowledges that the inclusion of such unknown Potential Claims herein was separately bargained for and was a key element of this Section 3. Employee acknowledges, and the other Releasing Parties will be deemed to have acknowledged, that they may hereafter discover facts which are different from or in addition to those that they may now know or believe to be true with respect to any and all Potential Claims herein released and agree that all such unknown Potential Claims are nonetheless released and that this Section 3 will remain effective in all respects even if such different or additional facts are subsequently discovered.

(e) Sufficiency of Consideration. Employee acknowledges and agrees that the Company's obligations under Sections 1 and 2, and the other covenants of the Company herein, have provided good and sufficient consideration for every promise, duty, release, obligation, agreement and right contained in this Section 3.

(f) Basis of Defense; Attorneys' Fees. This Section 3 may be pleaded by the Released Parties as a full and complete defense and may be used as the basis for an injunction against any action at law or equity instituted or maintained against them in violation of this Section 3. In the event any Potential Claim is brought or maintained by Employee or any Releasing Party against any Released Party in violation of this Section 3, Employee will be responsible for all costs and expenses, including reasonable attorneys' fees, incurred by the Released Parties in defending same.

4. Affirmations. Employee affirms that he (a) has not filed or caused to be filed, and is not presently a party to any claim, grievance, complaint, charge, or action against any member of the Company Group in any forum or form, (b) has no known workplace injuries or occupational diseases, and (c) has been provided and has not been denied any leave requested under the Family and Medical Leave Act.

5. Non-Disparagement. Employee will not, at any time, take any action or make any public statement, including statements to individuals, subsequent employers, vendors, clients, customers, suppliers or licensors or the news media, that would disparage, defame or place in a negative light, any member of the Company Group, or any of their respective officers, directors, managers, stockholders, members, creditors, affiliates, employees, successors, assigns, business services, products or dealerships, except that nothing herein will restrict Employee from making truthful statements that are required by applicable law or by order of any court of competent jurisdiction.

6. Cooperation.

(a) Compliance and Internal Investigations Employee has given the Company written notice of any and all concerns he may have regarding suspected ethics-related or compliance related issues or violations on the part of the Company or any other Released Party with respect to the Company Group. Employee will cooperate and assist the Company, its stockholders or any other member of the Company Group with any compliance or other matters related to the Company or the other Released Parties with respect to the Company Group, including any internal investigation or audit.

(b) Third Party Proceedings. Employee will not voluntarily appear in any action or proceeding brought by a third party that is known to him to be adverse to any member of the Company Group, unless required by law and, if so required, Employee will promptly notify the Company of such appearance.

7. Return of Company Property.

(a) As of the Separation Date, Employee has returned to the Company all items of Company Group property (including but not limited to any vehicle) in Employee's possession or control and any items containing confidential or proprietary information or technology of any member of the Company Group.

(b) If Employee discovers he has any such item of Company Group property in his possession after the Separation Date, Employee will promptly, but no later than two business days after such discovery, return such property to the Company. The return of property under this Section 7(b) will not affect Employee's liability for any losses or damages caused by the breach of the representation in Section 7(a).

8. Further Assurances. From and after the Agreement Date, at the request of the Company, Employee will execute and deliver to any member of the Company Group, as applicable, such instruments and other documents as the Company may reasonably request in connection with this Agreement or the transactions contemplated hereby.

9. Injunctive Relief. The obligations of Employee under, and the subject matter of, this Agreement are unique. If Employee fails to perform or otherwise breaches any of the warranties, covenants or other agreements hereunder, Employee acknowledges that it would be extremely impracticable to measure the resulting damages and that the Company or any other Releasing Parties would be irreparably damaged by any such breach. Accordingly, the Company Group, in addition to any other available rights or remedies that may be available at law or in equity, will be entitled to, and may sue in equity for, an injunction or injunctions to prevent breaches of, and specific performance with respect to the obligations of Employee under this Agreement. Employee expressly waives the defense that a remedy in damages will be adequate and any requirement to post bond or provide similar security in connection with actions or proceedings instituted for injunctive relief or specific performance of this Agreement.

10. Survival. The representations, warranties, covenants, and other agreements in this Agreement survive the execution hereof and will survive the expiration and termination of this Agreement.

11. Expenses; Attorneys' Fees. Each party will pay its own expenses in connection with the negotiation and execution of this Agreement and the transactions contemplated hereby. Subject to Section 3(f), if either party brings an action or proceeding to enforce, interpret or construe this Agreement, the prevailing party in such action or proceeding will be entitled to recover their reasonable attorneys' fees and costs related to such action or proceeding from the other party.

12. Notices. All notices, requests, demands and other communications made under or by reason of the provisions of this Agreement must be in writing and be given by hand delivery or next business day courier to the affected party at the address set forth below or at such other address as such party may have provided to the other party in accordance herewith. Such notices will be deemed given at the time personally delivered (if delivered by hand with receipt acknowledged) and the first business day after timely delivery to the courier (if sent by next business day courier specifying next business day delivery).

<u>To the Company</u>:

Asbury Automotive Group, Inc.
2905 Premiere Parkway, Suite 300
Duluth, GA 30097
Attention: President and Chief Executive Officer

<u>With a copy to</u>:

Asbury Automotive Group, Inc.
2905 Premiere Parkway, Suite 300
Duluth, GA 30097
Attention: SVP, Chief Human Resources Officer

<u>To Employee</u>:

John Hartman, at Employee's most recent address as set forth in the Company's employment records

13. <u>Amendment; Waiver</u>. No supplement, modification or amendment of this Agreement will be binding unless signed in writing by the Parties. No waiver of any of the provisions of this Agreement will be deemed to be or will constitute a continuing waiver. No waiver will be binding unless signed in writing by the party making the waiver.

14. <u>Binding Effect; Assignment</u>. This Agreement will inure to the benefit of the heirs, executors, administrators, successors and permitted assigns of the Parties. This Agreement is not assignable by either party without the prior written consent of the other, except that the Company may, without prior written consent of Employee, assign this Agreement to (x) any of its affiliates or (y) an assignee of all or substantially all of the business or assets of the Company.

15. <u>Governing Law</u>. This Agreement will be governed by and construed and enforced in accordance with the internal laws (and not the choice of law principles) of the State of Georgia.

16. <u>Dispute Resolution</u>. In the event that the Parties are unable to resolve any dispute, controversy or claim arising out of or in connection with this Agreement or breach thereof, either Party shall refer the dispute to binding arbitration, which shall be the exclusive forum for resolving such matters. Such arbitration will be administered by Judicial Arbitration and Mediation Services, Inc. ("JAMS") and governed by Georgia law. The arbitration shall be conducted by a single arbitrator selected by the Parties according to the rules of JAMS. In the event that the Parties fail to agree on the selection of the arbitrator within 30 days after either party's request for arbitration, JAMS shall choose an arbitrator who has at least ten (10) years of experience in employment law. The arbitration proceeding shall commence on a mutually agreeable date within 60 days after the request for arbitration, unless otherwise agreed by the Parties, in Atlanta, Georgia. Subject to <u>Section 11</u>, the Parties agree that each will bear their own costs and attorneys' fees. The arbitrator shall have no power or authority to make awards or orders granting relief that would not be available

to a Party in a court of law. The arbitrator's award is limited by and must comply with this Agreement and applicable federal, state, and local laws. The decision of the arbitrator shall be final and binding on the Parties. If necessary, any judgment, which may include an award of damages, may be entered in the highest state or federal court having jurisdiction thereof. Notwithstanding the foregoing, no claim or controversy for injunctive or equitable relief contemplated by or allowed under applicable law pursuant to Section 9 will be subject to arbitration under this Section 16, but will instead be subject to determination in a court of competent jurisdiction in Georgia, which court shall apply Georgia law, where either Party may seek injunctive or equitable relief as appropriate.

17. Jurisdiction; Venue. To the extent permitted under Section 16, the Parties consent to the exclusive jurisdiction of all state and federal courts located in Atlanta, Georgia, as well as to the jurisdiction of all courts of which an appeal may be taken from such courts, for the purpose of any suit, action or other proceeding arising out of, or in connection with, this Agreement or the transactions contemplated hereby. Each party hereby expressly waives (a) any and all rights to bring any suit, action or other proceeding in or before any court or tribunal other than the courts described in this Section 16, and agrees that it will not seek in any manner to resolve any dispute other than as set forth in this Section 16 and (b) any and all objections that it may have to venue, including the inconvenience of such forum, in any of such courts. In addition, the Parties consent to the service of process by personal service or any manner in which notices may be delivered hereunder.

18. Entire Agreement. This Agreement and the terms surviving termination of the Severance Pay Agreement set forth the entire agreement between the Parties and supersede any other prior agreements or understandings between the Parties concerning the subject matter of this Agreement. Each party acknowledges that such party has not relied on any representations, promises or agreements of any kind made to such party in connection with the other party's decision to enter into this Agreement, except for those set forth in this Agreement.

19. Severability. If any provision of this Agreement or the application of any provision of this Agreement to any party or circumstance is, to any extent, adjudged invalid or unenforceable, the application of the remainder of such provision to such party or circumstance, the application of such provision to the other party or circumstance, and the application of the remainder of this Agreement will not be affected thereby. If the general release in Section 3 or any part thereof is adjudged invalid or unenforceable, Employee and the Company will execute a valid release of all Potential Claims for all Released Matters (as defined in the applicable release) as an amendment hereto or thereto, without the need for additional consideration.

20. Construction and Interpretation.

(a) Drafting. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

(b) Interpretation. Unless the context clearly indicates otherwise: (i) each definition includes the singular and the plural, (ii) each reference to any gender includes the masculine, feminine and neuter where appropriate, (iii) the words "include" and "including" and variations thereof are not terms of limitation, but rather are deemed followed by the words "without limitation," (iv) the words "hereof " "herein " "hereto " "hereby " "hereunder" and derivative or similar words refer to this Agreement in its entirety and not solely to any particular provision of this Agreement, (v) each reference in this Agreement to a particular Section or Exhibit means a Section of, or an Exhibit to, this Agreement, (vi) any reference to laws or statutes also refers to all rules and regulations promulgated thereunder, and (vii) any definition of or reference to any agreement, instrument, document, law, statute or regulation will refer to such agreement, instrument, document, statute or regulation as it may from time to time be amended, supplemented or otherwise modified.

(c) Headings. The headings contained in this Agreement are included only for purposes of convenience and will not affect the meaning, interpretation or construction of this Agreement.

21. Section 409A. To the extent applicable, it is intended that this Agreement comply with the provisions of Section 409A. For purposes of Section 409A, any payments or benefits provided under this Agreement will be separate payments and not one of a series of payments. Additionally, the following rules will apply to any obligation to reimburse an expense or provide an in-kind benefit that is nonqualified deferred compensation within the meaning of Section 409A: (i) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year; (ii) the reimbursement of an eligible expense must be made on or before the last day of the calendar year following the calendar year in which the expense was incurred; and (iii) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

22. Revocation. Employee acknowledges and agrees that he has been given 21 calendar days to consider the terms of this Agreement (unless the offer to enter into this Agreement is revoked by the Company prior to acceptance by Employee), although Employee may sign this Agreement sooner (and by doing so, Employee waives any portion of the remaining 21-day consideration period). Employee will have seven (7) calendar days from the date on which Employee signs this Agreement to revoke Employee's consent to the terms of this Agreement. Such revocation must be in writing and timely delivered to the Company in person or by next day courier in accordance with the requirements of Section 12. For the revocation to be effective, notice of such revocation must be received within such seven (7) calendar days referenced above. In the event of such revocation by Employee, this Agreement will not become effective and Employee will not have any rights under this Agreement. If Employee does not revoke this Agreement within such seven-day period, this Agreement will, on the eighth calendar day after the Agreement Date, become and will be deemed effective as of the Agreement Date.

23. Consultation with Attorney, Voluntary Agreement. Employee acknowledges that (a) the Company has advised Employee of Employee's right to consult with an attorney of Employee's

own choosing prior to executing this Agreement, and Employee has so consulted an attorney, (b) Employee has carefully read and fully understands all of the provisions of this Agreement, (c) Employee is entering into this Agreement, including the release set forth herein, knowingly, freely and voluntarily in exchange for good and valuable consideration and (d) in exchange for Employee's release and waiver of claims under the ADEA pursuant to Section 3, Employee is receiving consideration in addition to anything of value to which he was already entitled, as required by 29 U.S.C. *§* 626(f)(l)(D).

24. Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Signatures transmitted by facsimile or email will be deemed originals for purposes of this Agreement.

25. Sealed Instrument. The Parties acknowledge and agree that it is their intent that this Agreement is, and will be treated and construed as, a sealed instrument for all purposes of Georgia law, including the statute of limitations applicable to sealed instruments.

The Parties have executed this Agreement as of the Agreement Date.

EMPLOYEE:	**ON BEHALF OF ASBURY AUTOMOTIVE GROUP, INC.**:
/s/ John Hartman	/s/ Jed Milstein
John Hartman	Jed Milstein Senior Vice President, Chief Human Resources Officer
January 3, 2020	January 2, 2020
Date	Date

FIRST AMENDMENT TO MASTER LOAN AGREEMENT

THIS FIRST AMENDMENT TO MASTER LOAN AGREEMENT (this "Amendment") is entered into as of December 31, 2019, by and between ATLANTA REAL ESTATE HOLDINGS L.L.C., a Delaware limited liability company, ASBURY JAX FORD, LLC, a Delaware limited liability company, COGGIN CARS L.L.C., a Delaware limited liability company, WTY MOTORS, L.P., a Delaware limited partnership, Q AUTOMOTIVE BRANDON FL, LLC, a Delaware limited liability company, ASBURY ST. LOUIS M L.L.C., a Delaware limited liability company, ASBURY ATLANTA CHEV, LLC, a Delaware limited liability company, and ASBURY GEORGIA TOY, LLC, a Delaware limited liability company (each referred to herein individually and collectively as “Borrower”), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (together with its successors and assigns, “Lender”).

RECITALS

A. Borrower is currently indebted to Lender pursuant to the terms and conditions of that certain Master Loan Agreement between Borrower and Lender dated as of November 16, 2018, as amended from time to time (the "Loan Agreement").

B. Lender and Borrower have agreed to certain changes in the terms and conditions set forth in the Loan Agreement and have agreed to amend the Loan Agreement to reflect said changes.

C. All terms used but not defined herein shall have the meanings provided in the Loan Agreement.

NOW, THEREFORE, with the foregoing recitals incorporated by reference and made a part hereof, and intending to be legally bound, and for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **AMENDMENT TO LOAN AGREEMENT.**

1.1. The Loan Agreement is hereby amended by deleting the definition of “Applicable Margin” from Section 1.1 in its entirety and inserting the following new definition of “Applicable Margin” in lieu thereof:

> “‘Applicable Margin’ means as to any portion of any Loan that is a LIBOR Loan, the following percentages per annum, based on the Consolidated Total Lease Adjusted Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent of the Syndication Loan Agreement pursuant to the Syndication Loan Agreement:

If the Consolidated Total Lease Adjusted Leverage Ratio is less than 2.75 to 1.00, the Applicable Margin shall be 1.50% per annum.

If the Consolidated Total Lease Adjusted Leverage Ratio is less than 3.50 to 1 but greater than or equal to 2.75 to 1.00, the Applicable Margin shall be 1.75% per annum.

If the Consolidated Total Lease Adjusted Leverage Ratio is greater than or equal to 3.50 to 1, the Applicable Margin shall be 1.85% per annum.

Any increase or decrease in the Applicable Margin resulting from a change in the Consolidated Total Lease Adjusted Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered to the Administrative Agent of the Syndication Loan Agreement pursuant to the Syndication Loan Agreement; provided, however, that (i) if a Compliance Certificate is not delivered when due in accordance with the Syndication Loan Agreement, then the Applicable Margin shall be 1.85% as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered and shall remain in effect until the date on which such Compliance Certificate is delivered and (ii) the Applicable Margin in effect from the date hereof through the first Business Day of the calendar month immediately succeeding the date the Compliance Certificate with respect to the fiscal quarter ended December 31, 2019 is delivered (or, if not timely delivered, the date such compliance certificate is required to be delivered) shall be 1.85%."

1.2 The Loan Agreement is hereby amended by deleting the definition of "Draw Termination Date" from Section 1.1 in its entirety and inserting the following new definition of "Draw Termination Date" in lieu thereof:

"'Draw Termination Date" means June 30, 2020."

1.3 The Loan Agreement is hereby amended by adding the following new definitions to Section 1.1:

"'Administrative Agent of the Syndication Loan Agreement' means the Administrative Agent as defined in the Syndication Loan Agreement; provided, however, that if the Lender is no longer a party to the Syndication Loan Agreement, the 'Administrative Agent' means the Lender."

"'Compliance Certificate' means the Compliance Certificate delivered to the Administrative Agent of the Syndication Loan Agreement in accordance with the Syndication Loan Agreement; provided, however, that if the Lender is no longer a party to the Syndication Loan Agreement, the Compliance Certificate means a Compliance Certificate in substantially the same form and containing substantially

the same information as was included in the Compliance Certificate which was provided in accordance with the last Syndication Loan Agreement which included the Lender as a party thereto."

"'Consolidated Total Lease Adjusted Leverage Ratio' has the meaning assigned to in in the Syndication Loan Agreement; provided, however, that if the Lender is no longer a party to the Syndication Loan Agreement, "'Consolidated Total Lease Adjusted Leverage Ratio' means the definition thereof in the last Syndication Loan Agreement which included the Lender as a party thereto."

"'Syndication Loan Agreement' means that certain Third Amended and Restated Credit Agreement dated as of September 25, 2019 among Asbury Automotive Group, Inc., as a Borrower, and certain of its subsidiaries, as Vehicle Borrowers, Bank of America, N.A., as Administrative Agent, Revolving Swing Line Lender, New Vehicle Floorplan Swing Line Lender, Used Vehicle Floorplan Swing Line Lender and an L/C Issuer, and the other lenders party thereto, JPMorgan Chase Bank, N.A. and Wells Fargo Bank, N.A., as Co-Syndication Agents, Toyota Motor Credit Corporation and Mercedes-Benz Financial Services USA LLC, as Co-Documentation Agents, BOFA Securities, Inc., as Sole Lead Arranger and Sole Bookrunner, as extended, modified, amended, and/or restated from time to time."

2. **FULL FORCE AND EFFECT.** Except as specifically provided herein, all terms and conditions of the Loan Agreement remain in full force and effect, without waiver or modification. This Amendment and the Loan Agreement shall be read together, as one document.

3. **REAFFIRMATION.** Borrower hereby remakes all representations and warranties contained in the Loan Agreement and reaffirms all covenants set forth therein. Borrower further certifies that as of the date of this Amendment there exists no Event of Default as defined in the Loan Agreement, nor any condition, act or event which with the giving of notice or the passage of time or both would constitute any such Event of Default.

(remainder of page intentionally left blank; signatures on following page)

IN WITNESS WHEREOF, the parties have executed this First Amendment to Master Loan Agreement as of December 31, 2019.

Properties 1, 2, 3, 4, 10, 11 and 12	ATLANTA REAL ESTATE HOLDINGS L.L.C., a Delaware limited liability company By: /s/ Matthew Pettoni Name: Matthew Pettoni Title: Treasurer
Property 5	ASBURY JAX FORD, LLC, a Delaware limited liability company By: /s/ Matthew Pettoni Name: Matthew Pettoni Title: Treasurer
Property 6	COGGIN CARS L.L.C., a Delaware limited liability company By: /s/ Matthew Pettoni Name: Matthew Pettoni Title: Treasurer
Property 13	WTY MOTORS, L.P., a Delaware limited partnership By: Asbury Tampa Management L.L.C., its general partner By: /s/ Matthew Pettoni Name: Matthew Pettoni Title: Treasurer

[signatures continue on following page]

Property 14

Q AUTOMOTIVE BRANDON FL, LLC, a Delaware limited liability company

By: /s/ Matthew Pettoni
Name: Matthew Pettoni
Title: Treasurer

Property 7

ASBURY ST. LOUIS M L.L.C., a Delaware limited liability company

By: /s/ Matthew Pettoni
Name: Matthew Pettoni
Title: Treasurer

Property 9

ASBURY ATLANTA CHEV, LLC, a Delaware limited liability company

By: /s/ Matthew Pettoni
Name: Matthew Pettoni
Title: Treasurer

Property 8

ASBURY GEORGIA TOY, LLC, a Delaware limited liability company

By: /s/ Matthew Pettoni
Name: Matthew Pettoni
Title: Treasurer

Accepted in Winston-Salem, North Carolina:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ Chad McNeill
Name: Chad McNeill
Title: Senior Vice President

Exhibit 10.43

BANK OF AMERICA, N.A. **BOFA SECURITIES, INC.** One Bryant Park New York, New York 10036	**JPMORGAN CHASE BANK, N.A.** 383 Madison Avenue New York, NY 10179	**WELLS FARGO SECURITIES, LLC** **WELLS FARGO BANK, NATIONAL ASSOCIATION** 550 S. Tryon Street Charlotte, North Carolina 28202
SANTANDER BANK, N.A. 45 East 53rd Street, New York, New York 10022	**SUNTRUST ROBINSON HUMPHREY, INC.** **TRUIST BANK** 303 Peachtree Street Atlanta, GA 30308	**U.S. BANK NATIONAL ASSOCIATION** 461 Fifth Avenue, 7th Floor New York, New York 10017

CONFIDENTIAL

December 30, 2019

Asbury Automotive Group, Inc.
2905 Premiere Parkway, NW, Suite 300
Duluth, Georgia 30097
Attention: David W. Hult, President and Chief Executive Officer

Project Star
Amended and Restated Commitment Letter

Ladies and Gentlemen:

You have advised Bank of America, N.A. ("***Bank of America***"), BofA Securities, Inc. ("***BOFA***"), JPMorgan Chase Bank, N.A. ("***JPMorgan***"), Wells Fargo Securities, LLC ("***Wells Fargo Securities***"), Wells Fargo Bank, National Association ("***Wells Fargo Bank***"), Santander Bank, N.A. ("***Santander***"), SunTrust Robinson Humphrey, Inc. ("***STRH***") and Truist Bank (together with STRH, "***Truist***") and U.S. Bank National Association ("***USBNA***" and, together with Bank of America, BOFA, JPMorgan, Wells Fargo Securities, Wells Fargo Bank, Santander and Truist, "***we***", "***us***" or the "***Commitment Parties***") that Asbury Automotive Group, Inc. ("***you***" or the "***Company***") intends to enter into transactions pursuant to which it will acquire (the "***Acquisition***"), directly or indirectly, all or substantially all of the assets of a business previously identified to us by you as "Star" (the "***Target***"). You have further advised us that, in connection with the foregoing, you intend to consummate the other Transactions described in the Transaction Description attached hereto as Exhibit A (the "***Transaction Description***"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Transaction Description or the Summary of Principal Terms and Conditions attached hereto as Exhibit B (the "***Term Sheet***"; this commitment letter, the Transaction Description, the Term Sheet and the Summary of Additional Conditions attached hereto as Exhibit C, collectively, this "***Commitment Letter***").

Reference is made to the Amended and Restated Fee Letter dated the date hereof between you and us (the "***Fee Letter***").

The parties hereto acknowledge and agree that this Amended and Restated Commitment Letter supersedes and replaces in all respects the Commitment Letter dated December 11, 2019, among Bank of America, BOFA and you (the "***Existing Commitment Letter***).

1. Commitments.

In connection with the Transactions, each of the Commitment Parties listed on Annex I hereto (each, an "***Initial Lender***" and collectively, the "***Initial Lenders***"), severally and not jointly, is pleased to advise you of its commitment to provide the aggregate principal amount of the Bridge Facility indicated opposite their respective names in Annex I hereto, subject only to the satisfaction or waiver of the conditions set forth in the section entitled "Conditions to All Borrowings" in Exhibit B hereto and the conditions set forth in the Summary of Additional Conditions attached hereto as Exhibit C.

2. Titles and Roles.

It is agreed that (i) each of BOFA, JPMorgan, Wells Fargo Securities, Santander, STRH and USBNA will act as a joint lead arrangers and joint lead bookrunners for the Bridge Facility (collectively with any other lead arranger or bookrunner appointed in accordance with the terms hereof, the "***Lead Arrangers***") and (ii) Bank of America will act as administrative agent (in such capacity, the "***Administrative Agent***") for the Bridge Facility. It is further agreed that in any Information Materials (as defined below) and all other offering or marketing materials in respect of the Bridge Facility, BOFA shall have "left side" designation and shall appear on the top left and shall hold the leading role and responsibility customarily associated with such "top left" placement, JPMorgan shall appear immediately to BOFA's right, Wells Fargo Securities shall appear immediately to JPMorgan's right and Santander, STRH and USBNA shall appear immediately to the right of Wells Fargo Securities in alphabetical order. You agree that JPMorgan may perform its responsibilities hereunder through its affiliate, J.P. Morgan Securities LLC. You also agree that no other agents, co-agents, arrangers or bookrunners will be appointed and no other titles will be awarded in connection with the Bridge Facility unless you and we shall so agree.

3. Syndication.

The Lead Arrangers reserve the right, prior to or after the Closing Date (as defined below), to syndicate all or a portion of the Initial Lenders' respective commitments hereunder to a group of banks, financial institutions and other institutional lenders and investors (together with the Initial Lenders, the "***Lenders***") identified by the Lead Arrangers in consultation with you and reasonably acceptable to the Lead Arrangers and you (your consent not to be unreasonably withheld or delayed); *provided* that (a) we agree not to syndicate or participate out our commitments to Disqualified Lenders (as defined below), and (b) notwithstanding the Lead Arrangers' right to syndicate the Bridge Facility and receive commitments with respect thereto, (i) no Initial Lender shall be relieved, released or novated from its obligations hereunder (including, subject to the satisfaction of the conditions set forth herein, its obligation to fund the Bridge Facility on the date of the consummation of the Acquisition with the proceeds of the initial funding under the Bridge Facility (the date of such funding, the "***Closing Date***")) in connection with any syndication, assignment or participation of the Bridge Facility, including its commitments in respect thereof, until after the Closing Date

has occurred, (ii) no assignment or novation by any Initial Lender shall become effective as between you and such Initial Lender with respect to all or any portion of any Initial Lender's commitments in respect of the Bridge Facility until the initial funding of the Bridge Facility and (iii) unless you otherwise agree in writing, each Initial Lender shall retain exclusive control over all rights and obligations with respect to its commitments in respect of the Bridge Facility, including all rights with respect to consents, modifications, supplements, waivers and amendments, until after the Closing Date has occurred. For purposes of this Commitment Letter, the term "***Disqualified Lender***" shall mean (x) any entity separately identified in writing (i) prior to the date hereof on the "Disqualified Lender" list provided by you to us or (ii) after the date hereof in a supplement to the "Disqualified Lender" list provided the addition of such entity to such list is reasonably acceptable to the Lead Arrangers, (y) any entity reasonably determined by you to be a competitor of yours, the Target or any of their respective subsidiaries (each, a "***Competitor***"), in each case that is identified by name in writing on the "Disqualified Lender" list or in a supplement to the "Disqualified Lender" list provided to the Lead Arrangers from time to time after the date hereof and (z) in the case of the foregoing clauses (x) and (y), any affiliate of such entity, which affiliate is either (i) clearly identifiable as such based solely on the similarity of its name and is not a bona fide debt investment fund or (ii) identified as an affiliate in writing after the date hereof in a written supplement to the "Disqualified Lender" list and is not a bona fide debt investment fund; *provided* that any supplement to the "Disqualified Lender" list shall become effective three (3) business days after delivery to the Lead Arrangers, but which supplement shall not apply retroactively to disqualify any entities that have previously acquired a commitment or a participation in the Bridge Facility in accordance with the terms of this Commitment Letter or the Bridge Facility Documentation; *provided, further,* that no supplements shall be made to the "Disqualified Lender" list from and including the date of the launch of primary syndication of the Bridge Facility through and including the Syndication Date.

Without limiting your obligations to assist with syndication efforts as set forth herein, it is understood that the Initial Lenders' commitments hereunder are not conditioned upon the syndication of, or receipt of commitments in respect of, the Bridge Facility and in no event shall the commencement or successful completion of syndication of the Bridge Facility constitute a condition to the availability of the Bridge Facility on the Closing Date. The Lead Arrangers may commence syndication efforts promptly upon the execution of this Commitment Letter and as part of their syndication efforts, it is their intent to have Lenders commit to the Bridge Facility prior to the Closing Date (subject to the limitations set forth in the preceding paragraph). Until the earlier of Successful Syndication (as defined in the Fee Letter) and the 60th day after the Closing Date (such earlier date, the "***Syndication Date***"), you agree to actively assist the Lead Arrangers in seeking to complete a timely syndication that is reasonably satisfactory to us and you. Such assistance shall include, without limitation, (a) your using commercially reasonable efforts to ensure that any syndication efforts benefit from your existing lending and investment banking relationships, (b) direct contact between your senior management, on the one hand, and the proposed Lenders, on the other hand (and, to the extent practical and appropriate and not in contravention of the Acquisition Agreement, your using commercially reasonable efforts to ensure such contact between senior management of the Target, on the one hand, and the proposed Lenders, on the other hand), in all such cases at times and locations mutually agreed upon, (c) your assistance (including the use of commercially reasonable efforts to cause the Target to assist to the extent practical and appropriate and not in contravention of the Acquisition Agreement) in the preparation of the Information

Materials (as defined below), (d) using your commercially reasonable efforts to procure, at your expense, prior to the commencement of general syndication of the Bridge Facility, public ratings (but not specific ratings) for the Bridge Facility and the Notes from each of Standard & Poor's Ratings Services ("***S&P***") and Moody's Investors Service, Inc. ("***Moody's***"), and an updated public corporate credit rating and a public corporate family rating (but, in each case, not a specific rating) in respect of the Borrower after giving effect to the Transactions from each of S&P and Moody's, respectively, (e) the hosting, with the Lead Arrangers, of one in-person meeting of prospective Lenders at a time and location to be mutually agreed upon (and, to the extent reasonably necessary, additional telephonic meetings with prospective lenders at times to be mutually agreed upon), (f) your using commercially reasonable efforts to provide prior to the commencement of general syndication of the Bridge Facility (i) customary pro forma financial statements of the Borrower after giving effect to the Transactions (but excluding the impacts of any purchase accounting adjustments) and (ii) customary forecasts of consolidated financial statements of the Company for each quarter for the first twelve months following the Closing Date (collectively, the "***Projections***") and (g) at any time prior to the Syndication Date (but, for the avoidance of doubt, with respect to issuances of debt securities, only for so long as any commitments relating to the Bridge Facility are outstanding), there being no competing issues, offerings, placements or arrangements of debt securities or commercial bank or other credit facilities by or on behalf of you or any of your subsidiaries, and using commercially reasonably efforts to ensure that there are no competing issues, offerings, placements or arrangements of debt securities or commercial bank or other credit facilities by or on behalf of the Target or any of its subsidiaries, being offered, placed or arranged (other than the Notes or other Securities, any indebtedness of you, the Target or any of your or its respective subsidiaries permitted to be incurred or issued pursuant to the Acquisition Agreement and otherwise in the ordinary course of business consistent with past practice and any bank revolving facilities) without the consent of the Lead Arrangers (not to be unreasonably withheld, conditioned or delayed), if such issuance, offering, placement or arrangement would materially impair the primary syndication of the Bridge Facility (it being understood and agreed that the Target's, your and your and its respective subsidiaries' (i) deferred purchase price obligations, (ii) ordinary course working capital facilities, (iii) ordinary course capital leases, (iv) purchase money and equipment financings, (v) ordinary course floorplan financings and (vi) any other financing or refinancing transaction previously disclosed to the Lead Arrangers prior to the date of this Commitment Letter shall be permitted). For the avoidance of doubt, (x) you will not be required to provide any information to the extent the provision thereof would violate or waive any attorney-client or other privilege, constitute attorney work product or violate or contravene any law, rule or regulations, or any obligation of confidentiality (not created in contemplation hereof) binding on you, the Target or your or its respective subsidiaries or affiliates (provided that you agree to (i) use commercially reasonable efforts to obtain waivers of any such obligation of confidentiality and to otherwise provide such information that does not violate such obligations and (ii) notify us if any information is not being provided pursuant to this exception) and (y) the only financial statements that shall be required to be provided to the Lead Arrangers or the Initial Lenders in connection with the syndication of the Bridge Facility or otherwise shall be those required to be delivered pursuant to paragraphs 7 and 8 of Exhibit C hereto. Notwithstanding anything to the contrary contained in this Commitment Letter or the Fee Letter or any other letter agreement or undertaking concerning the financing of the Transactions to the contrary, your obligations to assist in syndication efforts as provided herein (including the obtaining of the ratings referenced above) shall not constitute a

condition to the commitments hereunder or the funding of the Bridge Facility on the Closing Date, and neither the commencement nor the completion of such syndication is a condition to the commitments hereunder or the funding of the Bridge Facility on the Closing Date.

The Lead Arrangers, in their capacities as such, will manage, in consultation with you, all aspects of any syndication of the Bridge Facility, including decisions as to the selection of institutions reasonably acceptable to you (your consent not to be unreasonably withheld or delayed) to be approached and when they will be approached, when their commitments will be accepted, which institutions will participate (subject to your consent rights set forth in the second preceding paragraph and excluding Disqualified Lenders), the allocation of the commitments among the Lenders and the amount and distribution of fees among the Lenders.

You hereby acknowledge that (a) the Lead Arrangers will make available Information (as defined below), Projections and other offering and marketing material and presentations, including confidential information memoranda to be used in connection with the syndication of the Bridge Facility (the "***Information Memorandum***") (such Information, Projections, other offering and marketing material and the Information Memorandum, collectively, with the Term Sheet, the "***Information Materials***") on a confidential basis to the proposed syndicate of Lenders by posting the Information Materials on Intralinks or SyndTrak Online or by similar electronic means and (b) certain of the Lenders may be "public side" Lenders (i.e., Lenders that do not wish to receive material non-public information ("***MNPI***") with respect to you, your affiliates, the Target or your or their respective securities and who may be engaged in investment and other market related activities with respect to you, the Target or your or its respective securities) (each, a "***Public Sider***" and each Lender that is not a Public Sider, a "***Private Sider***"). You will be solely responsible for the contents of the Information Materials and each of the Commitment Parties shall be entitled to use and rely upon the information contained therein without responsibility for independent verification thereof.

At the reasonable request of the Lead Arrangers, you agree to assist us in preparing an additional version of the Information Materials to be used in connection with the syndication of the Bridge Facility that consists exclusively of information that is publicly available and/or does not include MNPI with respect to you, the Target or any of your or its respective subsidiaries for the purpose of United States federal and state securities laws to be used by Public Siders. It is understood that in connection with your assistance described above, authorization letters from you will be included in any Information Materials that authorize the distribution thereof to prospective Lenders, represent that the additional version of the Information Materials does not include any MNPI and exculpate you, the Target, your and their respective affiliates with respect to any liability related to the misuse of the Information Materials or related offering and marketing materials by the recipients thereof and us and our respective affiliates with respect to any liability related to the use of the contents of the Information Materials or related offering and marketing materials by the recipients thereof. Before distribution of any Information Materials, you agree to use commercially reasonable efforts to identify that portion of the Information Materials that may be distributed to the Public Siders as "Public Information" as "PUBLIC". By marking Information Materials as "PUBLIC", you shall be deemed to have authorized the Commitment Parties and the proposed Lenders to treat such Information Materials as not containing any MNPI (it being understood that you shall not be under any obligation to mark the Information Materials "PUBLIC").

You acknowledge and agree that the following documents, without limitation, may be distributed to both Private Siders and Public Siders, unless you advise the Lead Arrangers in writing (including by email) within a reasonable time prior to their intended distribution (after you have been given a reasonable opportunity to review such documents) that such materials should only be distributed to Private Siders: (a) administrative materials prepared by the Lead Arrangers for prospective Lenders (such as a lender meeting invitation, bank allocation, if any, and funding and closing memoranda), (b) term sheets and notification of changes in the Bridge Facility's terms and conditions and (c) drafts and final versions of the Bridge Facility Documentation. If you advise us in writing (including by email), within a reasonable period of time prior to dissemination, that any of the foregoing should be distributed only to Private Siders, then Public Siders will not receive such materials without your consent.

4. Information.

You hereby represent and warrant that (with respect to Information and Projections relating to the Target and its subsidiaries, to your knowledge) (a) all written information and written data, other than the Projections, estimates, forecasts, budgets and other forward looking information and other than information of a general economic or industry specific nature (the "***Information***"), that has been or will be made available to any Commitment Party by you or, at your direction, by any of your representatives on your behalf in connection with the transactions contemplated hereby, when taken as a whole, is or will be, when furnished, correct in all material respects and does not or will not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made (after giving effect to all supplements and updates thereto) and (b) the Projections estimates, forecasts, budgets and other forward looking information contained in the Information Memorandum will be prepared in good faith based upon assumptions that are believed by you to be reasonable at the time such Projections are so furnished; it being understood that the Projections are as to future events and are not to be viewed as facts, the Projections are subject to significant uncertainties and contingencies, many of which are beyond your control, that no assurance can be given that any particular Projections will be realized and that actual results during the period or periods covered by any such Projections may differ significantly from the projected results and such differences may be material. You agree that, if at any time prior to the later of the Syndication Date and the Closing Date, you become aware that any of the representations and warranties in the preceding sentence would be incorrect in any material respect if the Information and the Projections contained in the Information Memorandum were being furnished, and such representations were being made, at such time, then you will (or, prior to the Closing Date, with respect to the Information and such Projections relating to the Target and its subsidiaries, will use commercially reasonable efforts to) promptly supplement the Information and such Projections such that (with respect to Information and Projections relating to the Target and its subsidiaries, to your knowledge) such representations and warranties are correct in all material respects under those circumstances. The accuracy of the foregoing representation and covenant, whether or not cured, shall not be a condition to the obligations of the Initial Lenders hereunder or the funding of the Bridge Facility on the Closing Date. In arranging and syndicating the Bridge Facility, each of the Commitment Parties will be entitled to use and rely on the Information and the

Projections contained in the Information Memorandum without responsibility for independent verification thereof.

5. Fees.

As consideration for the commitments of the Initial Lenders hereunder and for the agreement of the Lead Arrangers to perform the services described herein, you agree to pay (or cause to be paid) the fees set forth in the Term Sheet and in the Fee Letter, if and to the extent due and payable. Once paid, such fees shall not be refundable except as otherwise agreed in writing.

6. Conditions.

The commitments of the Initial Lenders hereunder to fund the Bridge Facility on the Closing Date and the agreements of the Lead Arrangers to perform the services described herein are subject solely to satisfaction or waiver of the conditions set forth in the Summary of Additional Conditions attached hereto as Exhibit C, and upon satisfaction (or waiver by all Commitment Parties) of such conditions, the initial funding of the Bridge Facility shall occur; it being understood and agreed that there are no other conditions (implied or otherwise) to the commitments hereunder, and there will be no other conditions (implied or otherwise) under the Bridge Facility Documentation to the funding of the Bridge Facility on the Closing Date, including compliance with the terms of this Commitment Letter, the Fee Letter or the Bridge Facility Documentation.

Notwithstanding anything in this Commitment Letter (including each of the exhibits attached hereto), the Fee Letter, the Bridge Facility Documentation or any other letter agreement or other undertaking concerning the financing of the Transactions to the contrary, (i) the only representations relating to you, the Target, your and its respective subsidiaries and your and their respective businesses the making and accuracy of which shall be a condition to the availability and funding of the Bridge Facility on the Closing Date shall be (A) such of the representations made by the Target in the Acquisition Agreement as are material to the interests of the Lenders, but only to the extent that you or any of your affiliates have the right to terminate your obligations under the Acquisition Agreement or to decline to consummate the Acquisition as a result of a breach of such representations in the Acquisition Agreement without liability to you (to such extent, the “***Specified Acquisition Agreement Representations***”) and (B) the Specified Representations (as defined below) and (ii) the terms of the Bridge Facility Documentation shall be in a form such that they do not impair the availability or funding of the Bridge Facility on the Closing Date if the conditions set forth in the Summary of Additional Conditions attached hereto as Exhibit C are satisfied. For purposes hereof, “***Specified Representations***” means the representations and warranties relating to corporate status, organizational power and authority to enter into the Bridge Facility Documentation, due authorization, execution, delivery and enforceability of the Bridge Facility Documentation (in each case, as they relate to entering into and performance of the Bridge Facility Documentation), no conflicts with applicable laws, charter documents or material agreements (other than consents that have been obtained) (in each case, as they relate to entering into and performance of the Bridge Facility Documentation), solvency (in scope consistent with the solvency certificate to be delivered pursuant to Exhibit C), absence of litigation with respect to the Bridge Facility or the Notes, Federal Reserve margin regulations, the U.S.A. Patriot Act, Office of Foreign Assets Control, Foreign Corrupt Practices Act, the Investment Company Act and the status of the Bridge Facility as senior

debt, and, to the extent clause (b) of the “Market Flex” provisions in the Fee Letter is exercised, the creation, validity, priority and perfection of the security interests granted in the intended collateral (it being understood that to the extent any security interest in the intended collateral is not provided on the Closing Date after your use of commercially reasonable efforts to do so, the provision of such perfected security interest(s) shall not constitute a condition precedent to the availability of the Bridge Facility on the Closing Date but shall be required to be delivered no later than ninety (90) days after the date on which clause (b) of the “Market Flex” provisions in the Fee Letter is exercised pursuant to arrangements to be mutually agreed). This paragraph, and the provisions herein, shall be referred to as the “***Certain Funds Provisions***”.

For the avoidance of doubt, compliance by you and/or your affiliates with the terms and conditions of this Commitment Letter, the Fee Letter and the Bridge Facility Documentation (other than the conditions set forth in the Summary of Additional Conditions attached hereto as Exhibit C) is not a condition to the Initial Lenders’ commitments to fund the Bridge Facility hereunder on the terms set forth herein.

7. Indemnity and Expense Reimbursement.

To induce the Commitment Parties to enter into this Commitment Letter and the Fee Letter and to proceed with the documentation of the Bridge Facility, you agree (a) to indemnify and hold harmless each Commitment Party, their respective affiliates and the respective officers, directors, employees, agents, advisors and other representatives of each of the foregoing (each, an “***Indemnified Person***”), from and against any and all losses, claims, damages and liabilities of any kind or nature and reasonable and documented or invoiced out-of-pocket fees and expenses, joint or several, to which any such Indemnified Person may become subject to the extent arising out of, resulting from or in connection with, this Commitment Letter (including the Term Sheet), the Fee Letter, the Transactions or any related transaction contemplated hereby, the Bridge Facility or any use of the proceeds thereof or any claim, litigation, investigation or proceeding (including any inquiry or investigation) relating to any of the foregoing (any of the foregoing, a “***Proceeding***”), regardless of whether any such Indemnified Person is a party thereto, IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF THE INDEMNIFIED PERSON, whether or not such Proceedings are brought by you, your equity holders, affiliates, creditors or any other third person, and to reimburse each such Indemnified Person upon demand for any reasonable and documented or invoiced out-of-pocket legal expenses of one firm of counsel for all such Indemnified Persons, taken as a whole and, if necessary, of a single local counsel in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions) for all such Indemnified Persons, taken as a whole, and, solely in the case of a conflict of interest, one additional counsel in each applicable material jurisdiction to each group of similarly affected Indemnified Persons or other reasonable and documented or invoiced out-of-pocket fees and expenses incurred in connection with investigating or defending any of the foregoing; *provided* that the foregoing indemnity will not, as to any Indemnified Person, apply to losses, claims, damages, liabilities or related expenses to the extent that they have resulted from (i) the willful misconduct, bad faith or gross negligence of such Indemnified Person or any of such Indemnified Person’s Related Indemnified Parties (as determined by a court of competent jurisdiction in a final and non-appealable

decision), (ii) a material breach of the obligations of such Indemnified Person or any of such Indemnified Person's controlled affiliates under this Commitment Letter, the Term Sheet, the Fee Letter or the Bridge Facility Documentation (as determined by a court of competent jurisdiction in a final and non-appealable decision), or (iii) disputes between and among Indemnified Persons to the extent such disputes do not arise from any act or omission of you or any of your affiliates (other than claims against an Indemnified Person acting in its capacity as an agent or arranger or similar role under the Bridge Facility); *provided further* that such Indemnified Person shall promptly repay you all expense reimbursements previously made pursuant to this paragraph to the extent that such Indemnified Person is finally determined not to be entitled to indemnification hereunder as contemplated by the preceding proviso and (b) whether or not the Closing Date occurs, to reimburse each Commitment Party from time to time, upon presentation of a summary statement, for all reasonable and documented or invoiced out-of-pocket expenses, syndication expenses, travel expenses and reasonable fees, disbursements and other charges of such counsel to the Commitment Parties identified in the Term Sheet and of a single local counsel to the Commitment Parties in each appropriate jurisdiction and of such other counsel retained with your prior written consent (such consent not to be unreasonably withheld or delayed), in each case incurred in connection with the Bridge Facility and the preparation, negotiation and enforcement of this Commitment Letter, the Fee Letter, the Bridge Facility Documentation and any security arrangements in connection therewith (collectively, the "***Expenses***"). As used herein, "***Related Indemnified Party***" means, with respect to any Indemnified Person, (1) any controlling person or controlled affiliate of such Indemnified Person, (2) the respective directors, officers or employees of such Indemnified Person or any of its controlling persons or controlled affiliates and (3) the respective agents of such Indemnified Person or any of its controlling persons or controlled affiliates, in the case of this clause (3), acting on behalf of, or at the express instructions of, such Indemnified Person, controlling person or such controlled affiliate; *provided* that each reference to a controlling person, controlled affiliate, director, officer or employee in this sentence pertains to a controlling person, controlled affiliate, director, officer or employee involved in the negotiation or syndication of this Commitment Letter and the Bridge Facility. The foregoing provisions in this paragraph shall be superseded in each case, to the extent covered thereby, by the applicable provisions contained in the Bridge Facility Documentation upon execution thereof and thereafter shall have no further force and effect.

Notwithstanding any other provision of this Commitment Letter, (i) no Indemnified Person shall be liable for any damages arising from the use by others of information or other materials obtained through internet, electronic, telecommunications or other information transmission systems, except to the extent that such damages have resulted from the willful misconduct or gross negligence of such Indemnified Person or any of such Indemnified Person's controlled affiliates or any Related Indemnified Party as determined by a final, non-appealable judgment of a court of competent jurisdiction and (ii) without in any way limiting the indemnification obligations set forth above, none of us, you, the Target or any Indemnified Person shall be liable for any indirect, special, punitive or consequential damages (including, without limitation, any loss of profits, business or anticipated savings) in connection with this Commitment Letter, the Fee Letter, the Transactions (including the Bridge Facility and the use of proceeds thereunder), or with respect to any activities related to the Bridge Facility, including the preparation of this Commitment Letter, the Fee Letter and the Bridge Facility Documentation.

You shall not be liable for any settlement of any Proceeding effected without your written consent (which consent shall not be unreasonably withheld or delayed), but if settled with your written consent or if there is a final and non-appealable judgment by a court of competent jurisdiction in any such Proceeding, you agree to indemnify and hold harmless each Indemnified Person from and against any and all losses, claims, damages, liabilities and expenses by reason of such settlement or judgment in accordance with the other provisions of this Section 7.

You shall not, without the prior written consent of any Indemnified Person (which consent shall not be unreasonably withheld or delayed), effect any settlement of any pending or threatened proceedings in respect of which indemnity could have been sought hereunder by such Indemnified Person unless such settlement (i) includes an unconditional release of such Indemnified Person in form and substance reasonably satisfactory to such Indemnified Person from all liability or claims that are the subject matter of such proceedings and (ii) does not include any statement as to or any admission of fault, culpability, wrongdoing or a failure to act by or on behalf of any Indemnified Person.

8. Sharing of Information, Absence of Fiduciary Relationships, Affiliate Activities.

You acknowledge that the Commitment Parties and their affiliates may be providing debt financing, equity capital or other services (including, without limitation, financial advisory services) to other persons in respect of which you, the Target and your and its respective affiliates may have conflicting interests regarding the transactions described herein and otherwise. None of the Commitment Parties or their affiliates will use confidential information obtained from you by virtue of the transactions contemplated by this Commitment Letter or their other relationships with you in connection with the performance by them or their affiliates of services for other persons, and none of the Commitment Parties or their affiliates will furnish any such information to such other persons, except to the extent permitted below. You also acknowledge that none of the Commitment Parties or their affiliates has any obligation to use in connection with the transactions contemplated by this Commitment Letter, or to furnish to you, confidential information obtained by them from other persons.

As you know, certain of the Commitment Parties may be full service securities firms engaged, either directly or through their affiliates, in various activities, including securities trading, commodities trading, investment management, financing and brokerage activities and financial planning and benefits counseling for both companies and individuals. In the ordinary course of these activities, certain of the Commitment Parties and their respective affiliates may actively engage in commodities trading or trade the debt and equity securities (or related derivative securities) and financial instruments (including bank loans and other obligations) of you, the Target and other companies which may be the subject of the arrangements contemplated by this Commitment Letter for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and financial instruments. Certain of the Commitment Parties or their affiliates may also co-invest with, make direct investments in, and invest or co-invest client monies in or with funds or other investment vehicles managed by other parties, and such funds or other investment vehicles may trade or make investments in securities and financial instruments of

you, the Target or other companies which may be the subject of the arrangements contemplated by this Commitment Letter or engage in commodities trading with any thereof.

The Commitment Parties and their respective affiliates may have economic interests that conflict with those of you or the Target. You agree that the Commitment Parties will act under this Commitment Letter as independent contractors and that nothing in this Commitment Letter or the Fee Letter will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Commitment Parties and you, the Target, your and its respective equity holders or your and their respective affiliates. You acknowledge and agree that (i) the transactions contemplated by this Commitment Letter and the Fee Letter are arm's-length commercial transactions between the Commitment Parties and, if applicable, their affiliates, on the one hand, and you, on the other, (ii) in connection therewith and with the process leading to such transaction each Commitment Party and its applicable affiliates (as the case may be) is acting solely as a principal and not as agent or fiduciary of you, the Target, your and its respective management, equity holders, creditors, affiliates or any other person, (iii) the Commitment Parties and their applicable affiliates (as the case may be) have not assumed an advisory or fiduciary responsibility or any other obligation in favor of you or your affiliates with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether the Commitment Parties or any of their respective affiliates have advised or are currently advising you or the Target on other matters) except the obligations expressly set forth in this Commitment Letter and the Fee Letter and (iv) you have consulted your own legal and financial advisors to the extent you deemed appropriate. You further acknowledge and agree that you are responsible for making your own independent judgment with respect to such transactions and the process leading thereto. Please note that the Commitment Parties are not providing any tax, accounting or legal advice in any jurisdiction. You agree that you will not claim that the Commitment Parties or their applicable affiliates, as the case may be, have rendered advisory services of any nature or respect, or owe a fiduciary or similar duty to you or your affiliates, in connection with such transaction or the process leading thereto.

In addition, you and we acknowledge that BOFA has been retained by the Company as a financial advisor (in such capacity, the "***Buy-Side Financial Advisor***") to the Company in connection with the Transactions. Each party hereto agrees to such retention, and further agrees not to assert any claim any such party might allege based on any actual or potential conflicts of interest that might be asserted to arise or result from, on the one hand, the engagement of the Buy-Side Financial Advisor and, on the other hand, our and our affiliates' relationships with you as described and referred to herein.

You acknowledge that certain of the Commitment Parties may receive a benefit, including without limitation, a discount, credit or other accommodation, from any counsel based on the fees such counsel may receive on account of their relationship with us including, without limitation, fees paid pursuant hereto.

9. Confidentiality.

You agree that you will not disclose, directly or indirectly, the Fee Letter and the contents thereof or this Commitment Letter, the Term Sheet, the other exhibits and attachments hereto and the contents of each thereof, or the activities of any Commitment Party pursuant hereto or thereto,

to any person or entity without prior written approval of the Lead Arrangers (such approval not to be unreasonably withheld or delayed), except (a) to you and your officers, directors, agents, employees, attorneys, accountants, advisors, controlling persons or equity holders on a confidential and need-to-know basis, (b) if the Commitment Parties consent in writing to such proposed disclosure or (c) in any legal, judicial or administrative proceeding or as otherwise required by applicable law, rule or regulation (including, the Commitment Letter (but not the Fee Letter, other than the aggregate fee amount, unless required by the Securities and Exchange Commission or other regulatory agency or in any other legal, judicial or administrative proceeding, in which case you shall provide only a version redacted in a customary manner, unless an unredacted version is specifically requested or required, in which case an unredacted version may be provided), without limitation, any applicable rules of any national securities exchange and/or applicable federal securities laws in connection with any Securities and Exchange Commission filing relating to the Acquisition) or as requested by a governmental and/or regulatory authority (in which case you agree, to the extent permitted by law, rule or regulation, to inform us promptly thereof prior to such disclosure); *provided* that (i) you may disclose this Commitment Letter and the contents hereof and the Fee Letter and the contents thereof on a redacted basis, with such redaction to be reasonably acceptable to the Lead Arrangers, to the Target (including any shareholder representative), its subsidiaries and their respective officers, directors, agents, employees, attorneys, accountants, advisors, or controlling persons or equity holders, on a confidential and need-to-know basis, (ii) you may disclose the Commitment Letter and its contents (but not the Fee Letter) in any syndication or other marketing materials in connection with the Bridge Facility or in connection with any required public filing relating to the Transactions (it being acknowledged that you may disclose the fees in the Fee Letter to the extent set forth in clause (iv) below), (iii) you may disclose the Term Sheet and the contents thereof, to potential Lenders and to rating agencies in connection with obtaining ratings for the Borrower and the Bridge Facility and the Notes or other Securities, (iv) you may disclose the aggregate fee amount contained in the Fee Letter as part of Projections, pro forma information or a generic disclosure of aggregate sources and uses related to fee amounts related to the Transactions to the extent customary or required in offering and marketing materials for the Bridge Facility or in any required public filing relating to the Transactions and (v) (to the extent portions thereof have been redacted in a customary manner (including the portions thereof addressing fees payable to the Commitment Parties and/or the Lenders and economic flex terms)) you may disclose the Fee Letter and the contents thereof to the Target (including any shareholder representative), its subsidiaries and their respective officers, directors, agents, employees, attorneys, accountants, advisors, or controlling persons or equity holders, on a confidential and need-to-know basis.

The Commitment Parties and their affiliates will use all confidential information provided to them or such affiliates by or on behalf of you hereunder or in connection with the Acquisition and the related Transactions solely for the purpose of providing the services which are the subject of this Commitment Letter and shall treat confidentially all such information and shall not publish, disclose or otherwise divulge, such information; *provided* that nothing herein shall prevent any Commitment Party and their affiliates from disclosing any such information (a) pursuant to the order of any court or administrative agency or in any pending legal, judicial or administrative proceeding, or otherwise as required by applicable law, rule or regulation or compulsory legal process based on the advice of counsel (in which case the Commitment Parties agree (except with

respect to any audit or examination conducted by bank accountants or any regulatory authority exercising examination or regulatory authority), to the extent practicable and not prohibited by applicable law, rule or regulation, to inform you promptly thereof prior to disclosure), (b) upon the request or demand of any regulatory authority having jurisdiction over the Commitment Parties or any of their respective affiliates (in which case the Commitment Parties agree (except with respect to any audit or examination conducted by bank accountants or any regulatory authority exercising examination or regulatory authority), to the extent practicable and not prohibited by applicable law, to inform you promptly thereof prior to disclosure), (c) to the extent that such information becomes publicly available other than by reason of improper disclosure by such Commitment Party or any of its affiliates or any related parties thereto in violation of any confidentiality obligations owing to you, the Target or any of your or its respective affiliates (including those set forth in this paragraph), (d) to the extent that such information is received by such Commitment Party or any of its affiliates from a third party that is not, to such Commitment Party's knowledge, violating any contractual or fiduciary confidentiality obligations owing to you, the Target or any of your or its respective affiliates or related parties, (e) to the extent that such information is independently developed, without the use of any confidential information, by the Commitment Parties or and of their affiliates, (f) to such Commitment Party's affiliates and to its and their respective directors, officers, employees, legal counsel, independent auditors, professionals and other experts or agents who need to know such information in connection with the Transactions and who are informed of the confidential nature of such information and are or have been advised of their obligation to keep information of this type confidential, (g) to potential or prospective Lenders, participants or assignees and to any direct or indirect contractual counterparty to any swap or derivative transaction relating to you or any of your subsidiaries, in each case who agree to be bound by the terms of this paragraph (or language substantially similar to this paragraph); *provided* that the disclosure of any such information to any Lenders or prospective Lenders or participants or prospective participants referred to above shall be made subject to the acknowledgment and acceptance by such Lender or prospective Lender or participant or prospective participant that such information is being disseminated on a confidential basis (on substantially the terms set forth in this paragraph or as is otherwise reasonably acceptable to you and each Commitment Party, including, without limitation, as agreed in any Information Materials or other marketing materials) in accordance with the standard syndication processes of such Commitment Party or customary market standards for dissemination of such type of information, or (h) for purposes of enforcing its rights hereunder and in the Fee Letter in any legal proceedings and for purposes of establishing a defense in any legal proceedings. The Commitment Parties' and their affiliates', if any, obligations under this paragraph shall terminate automatically and be superseded by the confidentiality provisions in the definitive documentation relating to the Bridge Facility upon the initial funding thereunder. The provisions of this paragraph shall otherwise terminate on the second anniversary of the date of the Existing Commitment Letter.

With your written consent (not to be unreasonably withheld), at the Commitment Parties' own expense, the Commitment Parties may place advertisements in financial and other newspapers and periodicals or on a home page or similar place for dissemination of information on the Internet or worldwide web as the Commitment Parties may choose, and circulate similar promotional materials, after the closing of the transactions in the form of a "tombstone", "case study" or otherwise, containing information customarily included in such advertisements and materials, including (i) the names of the Borrower and its affiliates (or any of them), (ii) the Commitment Parties and their

affiliates' titles and roles in connection with the transactions, and (iii) the amount, type and closing date of such transactions.

10. Miscellaneous.

This Commitment Letter and the commitments hereunder shall not be assignable by any party hereto (other than by you, on or after the Closing Date, to another entity, so long as such entity is newly formed under the laws of Delaware and is, or will be, owned by you after giving effect to the Transactions and shall (directly or through a wholly-owned subsidiary) own the Borrower or be the successor to the Borrower), without the prior written consent of each other party hereto (such consent not to be unreasonably withheld or delayed) (and any attempted assignment without such consent shall be null and void). This Commitment Letter and the commitments hereunder are intended to be solely for the benefit of the parties hereto (and Indemnified Persons) and are not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto (and Indemnified Persons to the extent expressly set forth herein). Subject to the limitations set forth in Section 3 above, the Commitment Parties reserve the right to employ the services of their affiliates or branches in providing services contemplated hereby and to allocate, in whole or in part, to their affiliates or branches certain fees payable to the Commitment Parties in such manner as the Commitment Parties and their affiliates or branches may agree in their sole discretion and, to the extent so employed, such affiliates and branches shall be entitled to the benefits and protections afforded to, and subject to the provisions governing the conduct of, the Commitment Parties hereunder. This Commitment Letter may not be amended or any provision hereof waived or modified except by an instrument in writing signed by each of the Commitment Parties and you. This Commitment Letter may be executed in any number of counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this Commitment Letter by facsimile transmission or other electronic transmission (i.e., a "pdf" or "tif") shall be effective as delivery of a manually executed counterpart hereof. This Commitment Letter (including the exhibits hereto), together with the Fee Letter, supersede all prior understandings, whether written or oral, among us with respect to the Bridge Facility and sets forth the entire understanding of the parties hereto with respect thereto. THIS COMMITMENT LETTER AND THE FEE LETTER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK; *PROVIDED*, *HOWEVER*, THAT (A) THE INTERPRETATION OF THE DEFINITION OF "MATERIAL ADVERSE EFFECT" (AS DEFINED IN THE ACQUISITION AGREEMENT) (AND WHETHER OR NOT A MATERIAL ADVERSE EFFECT HAS OCCURRED), (B) THE DETERMINATION OF THE ACCURACY OF ANY SPECIFIED ACQUISITION AGREEMENT REPRESENTATION AND WHETHER AS A RESULT OF ANY INACCURACY THEREOF YOU AND ANY OF YOUR AFFILIATES HAVE THE RIGHT TO TERMINATE YOUR AND ITS OBLIGATIONS THEREUNDER OR TO DECLINE TO CONSUMMATE THE ACQUISITION WITHOUT LIABILITY TO YOU AND (C) THE DETERMINATION OF WHETHER THE ACQUISITION HAS BEEN CONSUMMATED IN ACCORDANCE WITH THE TERMS OF THE ACQUISITION AGREEMENT SHALL, IN EACH CASE, BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS, REGARDLESS OF THE LAWS THAT MIGHT OTHERWISE GOVERN UNDER APPLICABLE PRINCIPLES OF CONFLICTS OF LAWS THEREOF.

Each of the parties hereto agrees that (i) this Commitment Letter is a binding and enforceable agreement with respect to the subject matter contained herein (it being understood and agreed that the availability and funding of the Bridge Facility is subject to conditions precedent), including the good faith negotiation of the Bridge Facility Documentation by the parties hereto in a manner consistent with this Commitment Letter and (ii) the Fee Letter is a legally valid and binding agreement of the parties thereto with respect to the subject matter set forth therein. Promptly following the execution of this Commitment Letter and Fee Letter, the parties hereto shall proceed with the negotiation in good faith of the Bridge Facility Documentation for purposes of executing and delivering the Bridge Facility Documentation substantially simultaneously with the consummation of the Acquisition.

EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY OR ON BEHALF OF ANY PARTY RELATED TO OR ARISING OUT OF THIS COMMITMENT LETTER, THE EXISTING COMMITMENT LETTER, THE FEE LETTER OR THE EXISTING FEE LETTER OR THE PERFORMANCE OF SERVICES HEREUNDER OR THEREUNDER.

Each of the parties hereto hereby irrevocably and unconditionally (a) submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York County, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Commitment Letter, the Existing Commitment Letter, the Fee Letter, the Existing Fee Letter or the transactions contemplated hereby or thereby, or for recognition or enforcement of any judgment, and agrees that all claims in respect of any such action or proceeding shall only be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court, (b) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Commitment Letter, the Existing Commitment Letter, the Fee Letter, the Existing Fee Letter or the transactions contemplated hereby in any such New York State or in any such Federal court, (c) 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 and (d) agrees that a final judgment in any such suit, 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. Each of the parties hereto agrees that service of process, summons, notice or document by registered mail addressed to you or us at the addresses set forth above shall be effective service of process for any suit, action or proceeding brought in any such court.

We hereby notify you that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “***PATRIOT Act***”) and the requirements of 31 C.F.R. § 1010.230 (the “***Beneficial Ownership Regulation***”), each of us and each of the Lenders may be required to obtain, verify and record information that identifies the Borrower and the Guarantors, which information may include their names, addresses, tax identification numbers and other information that will allow each of us and the Lenders to identify the Borrower and the Guarantors in accordance with the PATRIOT Act or the Beneficial Ownership Regulation, as applicable. This notice is given in accordance with the requirements of the PATRIOT Act and is effective for each of us and the Lenders.

The indemnification, compensation (if applicable), reimbursement (if applicable), jurisdiction, governing law, venue, waiver of jury trial, syndication, waiver of fiduciary duty, waiver of conflicts and confidentiality provisions contained herein and in the Fee Letter shall remain in full force and effect regardless of whether the Bridge Facility Documentation shall be executed and delivered and notwithstanding the termination or expiration of this Commitment Letter or the Initial Lenders' commitments hereunder; *provided* that your obligations under this Commitment Letter (other than your obligations with respect to (a) assistance to be provided in connection with the syndication thereof (including supplementing and/or correcting Information and Projections) prior to the Syndication Date and (b) confidentiality) shall automatically terminate and be superseded by the provisions of the Bridge Facility Documentation upon the initial funding thereunder, and you shall automatically be released from all liability in connection therewith at such time.

Section headings used herein are for convenience of reference only and are not to affect the construction of, or to be taken into consideration in interpreting, this Commitment Letter.

Please indicate your acceptance of the terms of the Bridge Facility set forth in this Commitment Letter and the Fee Letter by returning to us executed counterparts of this Commitment Letter and the Fee Letter not later than 5:00 p.m. (New York City time) on December 31, 2019, whereupon the undertakings of the parties with respect to the Bridge Facility shall become effective to the extent and in the manner provided hereby. This offer shall terminate with respect to the Bridge Facility if not so accepted by you at or prior to that time. Thereafter, we agree to hold our commitment available for you until the earliest of (i) after execution of the Acquisition Agreement and prior to the consummation of the Transactions, the termination of the Acquisition Agreement in accordance with its terms, (ii) the consummation of the Acquisition with or without the funding of the Bridge Facility, (iii) 11:59 p.m., New York City time, on April 15, 2020; provided that such date pursuant to this clause (iii) (A) may be extended by the Company upon written notice to the Lead Arrangers to the extent the "Closing Date Deadline" (as defined in the Acquisition Agreement) is extended in accordance with Section 8.1(c) of the Acquisition Agreement as in effect on the date of the Existing Commitment Letter and (B) shall in no event be later than April 30, 2020 (such earliest date, the "***Expiration Date***") and (iv) the date of a Bridge Facility Reduction (as hereinafter defined) such that the amount outstanding under the Bridge Facility is $0. Upon the occurrence of any of the events referred to in the preceding sentence, this Commitment Letter and the commitments of each of the Commitment Parties hereunder and the agreement of the Lead Arrangers to provide the services described herein shall automatically terminate unless the Commitment Parties shall, in their discretion, agree to an extension in writing.

THE WRITTEN AGREEMENT (WHICH INCLUDES THE TERM SHEET) AND THE FEE LETTER REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[Remainder of this page intentionally left blank]

We are pleased to have been given the opportunity to assist you in connection with the financing for the Transactions.

Very truly yours,
BANK OF AMERICA, N.A.

By /s/ Aashish Dhakad
Name: Aashish Dhakad
Title: Managing Director

BOFA SECURITIES, INC.

By /s/ Aashish Dhakad
Name: Aashish Dhakad
Title: Managing Directo

JPMORGAN CHASE BANK, N.A.

By /s/ Gene Riego De Dios
Name: Gene Riego De Dios
Title: Executive Director

WELLS FARGO SECURITIES, LLC

By /s/ Jonathan Ingram
Name: Jonathan Ingram
Title: Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION

By /s/ Chad McNeill
Name: Chad McNeill
Title: Senior Vice-President

SANTANDER BANK, N.A.

By /s/ Jin Greland
Name: Jin Greland
Title: SVP

SUNTRUST ROBINSON HUMPHREY, INC.

By /s/ Keith Roberts
Name: Keith Roberts
Title: Managing Director

TRUIST BANK

By /s/ Sheryl Kerley
Name: Sheryl Kerley
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION

By /s/ Katherine Taylor
Name: Katherine Taylor
Title: Vice President

Accepted and agreed to as of
the date first above written:

ASBURY AUTOMOTIVE GROUP, INC.

By /s/ Mathew Pettoni___________
Name: Mathew Pettoni
Title: VP of Finance & Treasurer

[Signature Page to Project Star Amended & Restated Commitment Letter]

Exhibit 21

Entity Name	Domestic State	Foreign Qualification
AF Motors, L.L.C.	DE	FL
ANL, L.P.	DE	FL
Arkansas Automotive Services, L.L.C.	DE	AR
Asbury AR Niss L.L.C.	DE	AR
Asbury Arlington MB, LLC	DE	TX
Asbury Atlanta AC L.L.C.	DE	GA
Asbury Atlanta AU L.L.C.	DE	GA
Asbury Atlanta BM L.L.C.	DE	GA
Asbury Atlanta CHEV, LLC	DE	GA
Asbury Atlanta Chevrolet L.L.C.	DE	
Asbury Atlanta Ford, LLC	DE	GA
Asbury Atlanta Hon L.L.C.	DE	GA
Asbury Atlanta Hund L.L.C.	DE	GA
Asbury Atlanta Inf L.L.C.	DE	GA
Asbury Atlanta Infiniti L.L.C.	DE	GA
Asbury Atlanta Jaguar L.L.C.	DE	GA
Asbury Atlanta K L.L.C.	DE	GA
Asbury Atlanta Lex L.L.C.	DE	GA
Asbury Atlanta Nis II, LLC	DE	GA
Asbury Atlanta Nis L.L.C.	DE	GA
Asbury Atlanta Toy 2 L.L.C.	DE	GA
Asbury Atlanta Toy L.L.C.	DE	GA
Asbury Atlanta VB L.L.C.	DE	GA
Asbury Atlanta VL L.L.C.	DE	GA
Asbury Austin JLR, LLC	DE	TX
Asbury Automotive Arkansas Dealership Holdings L.L.C.	DE	AR, MS
Asbury Automotive Arkansas L.L.C.	DE	AR, MS
Asbury Automotive Atlanta II L.L.C.	DE	GA
Asbury Automotive Atlanta L.L.C.	DE	GA
Asbury Automotive Brandon, L.P.	DE	FL
Asbury Automotive Central Florida, L.L.C.	DE	FL
Asbury Automotive Deland, L.L.C.	DE	FL
Asbury Automotive Fresno L.L.C.	DE	
Asbury Automotive Group L.L.C.	DE	CT, FL
Asbury Automotive Jacksonville GP L.L.C.	DE	FL
Asbury Automotive Jacksonville, L.P.	DE	FL
Asbury Automotive Management L.L.C.	DE	GA
Asbury Automotive Mississippi L.L.C.	DE	MS
Asbury Automotive North Carolina Dealership Holdings L.L.C.	DE	NC
Asbury Automotive North Carolina L.L.C.	DE	NC, SC, VA
Asbury Automotive North Carolina Management L.L.C.	DE	NC
Asbury Automotive North Carolina Real Estate Holdings L.L.C.	DE	NC, SC, VA
Asbury Automotive Oregon L.L.C.	DE	
Asbury Automotive Southern California L.L.C.	DE	

Asbury Automotive St. Louis II L.L.C.	DE	MO
Asbury Automotive St. Louis, L.L.C.	DE	MO
Asbury Automotive Tampa GP L.L.C.	DE	FL
Asbury Automotive Tampa, L.P.	DE	FL
Asbury Automotive Texas L.L.C.	DE	TX
Asbury Automotive Texas Real Estate Holdings L.L.C.	DE	TX
Asbury Automotive West, LLC	DE	
Asbury CH MOTORS L.L.C.	DE	FL
Asbury CO CDJR, LLC	DE	CO
Asbury CO SUB, LLC	DE	CO
Asbury Dallas BEN, LLC	DE	TX
Asbury Dallas KAR, LLC	DE	TX
Asbury Dallas MAS, LLC	DE	TX
Asbury Dallas MB, LLC	DE	TX
Asbury Dallas MCL, LLC	DE	TX
Asbury Dallas POR, LLC	DE	TX
Asbury Dallas RR, LLC	DE	TX
Asbury Dallas VOL, LLC	DE	TX
Asbury Deland Hund, LLC	DE	FL
Asbury Deland Imports 2, L.L.C.	DE	FL
Asbury DFW JLR, LLC	DE	TX
Asbury Fort Worth MB, LLC	DE	TX
Asbury Fresno Imports L.L.C.	DE	
Asbury Ft. Worth Ford, LLC	DE	TX
Asbury Georgia TOY, LLC	DE	GA
Asbury Grapevine LEX, LLC	DE	TX
Asbury IN CBG, LLC	DE	IN
Asbury IN CDJ, LLC	DE	IN
Asbury In Chev, LLC	DE	IN
Asbury In Ford, LLC	DE	IN
Asbury In Hon, LLC	DE	IN
Asbury IN TOY, LLC	DE	IN
Asbury Indy Chev, LLC	DE	IN
Asbury Jax AC, LLC	DE	FL
Asbury Jax Ford, LLC	DE	FL
Asbury Jax Holdings, L.P.	DE	FL
Asbury Jax Hon L.L.C.	DE	FL
Asbury Jax K L.L.C.	DE	FL
Asbury Jax Management L.L.C.	DE	FL
Asbury Jax VW L.L.C.	DE	FL
Asbury Management Services, LLC	DE	AZ, AR, FL, GA, IN, MS, MO, NC, OH, PA, SC, TN, TX, VA
Asbury MS CHEV L.L.C.	DE	IN, MS
Asbury MS Gray-Daniels L.L.C.	DE	MS
Asbury No Cal Niss L.L.C.	DE	
Asbury Plano LEX, LLC	DE	TX

Asbury Sacramento Imports L.L.C.	DE	
Asbury SC JPV L.L.C.	DE	SC
Asbury SC Lex L.L.C.	DE	SC
Asbury SC Toy L.L.C.	DE	SC
Asbury So Cal DC L.L.C.	DE	
Asbury So Cal Hon L.L.C.	DE	
Asbury So Cal Niss L.L.C.	DE	
Asbury South Carolina Real Estate Holdings L.L.C.	DE	SC
Asbury St. Louis Cadillac L.L.C.	DE	MO
Asbury St. Louis FSKR, L.L.C.	DE	MO
Asbury St. Louis Lex L.L.C.	DE	MO
Asbury St. Louis LR L.L.C.	DE	MO
Asbury St. Louis M L.L.C.	DE	MO
Asbury Tampa Management L.L.C.	DE	FL
Asbury Texas D FSKR, L.L.C.	DE	TX
Asbury Texas H FSKR, L.L.C.	DE	TX
Asbury TX Auction, LLC	DE	TX
Asbury-Deland Imports, L.L.C.	DE	FL
Atlanta Real Estate Holdings L.L.C.	DE	GA
Avenues Motors, Ltd.	FL	
Bayway Financial Services, L.P.	DE	FL
BFP Motors L.L.C.	DE	FL
C & O Properties, Ltd.	FL	
Camco Finance II L.L.C.	DE	NC, SC, VA
CFP Motors L.L.C.	DE	FL
CH Motors L.L.C.	DE	FL
CHO Partnership, Ltd.	FL	
CK Chevrolet L.L.C.	DE	FL
CK Motors LLC	DE	FL
CN Motors L.L.C.	DE	FL
Coggin Automotive Corp.	FL	
Coggin Cars L.L.C.	DE	FL
Coggin Chevrolet L.L.C.	DE	FL
Coggin Management, L.P.	DE	FL
CP-GMC Motors L.L.C.	DE	FL
Crown Acura/Nissan, LLC	NC	
Crown CHH L.L.C.	DE	NC
Crown CHO L.L.C.	DE	NC
Crown CHV L.L.C.	DE	NC
Crown FDO L.L.C.	DE	NC
Crown FFO Holdings L.L.C.	DE	NC
Crown FFO L.L.C.	DE	NC
Crown GAC L.L.C.	DE	NC
Crown GBM L.L.C.	DE	NC
Crown GCA L.L.C.	DE	NC
Crown GDO L.L.C.	DE	NC

Crown GHO L.L.C.	DE	NC
Crown GNI L.L.C.	DE	NC
Crown GPG L.L.C.	DE	NC
Crown GVO L.L.C.	DE	NC
Crown Honda, LLC	NC	
Crown Motorcar Company L.L.C.	DE	VA
Crown PBM L.L.C.	DE	
Crown RIA L.L.C.	DE	VA
Crown RIB L.L.C.	DE	VA
Crown SJC L.L.C.	DE	SC
Crown SNI L.L.C.	DE	SC
CSA Imports L.L.C.	DE	FL
Escude-NN L.L.C.	DE	MS
Escude-NS L.L.C.	DE	MS
Escude-T L.L.C.	DE	MS
Florida Automotive Services L.L.C.	DE	FL
HFP Motors L.L.C.	DE	FL
JC Dealer Systems, LLC	DE	FL
KP Motors L.L.C.	DE	FL
McDavid Austin-Acra L.L.C.	DE	TX
McDavid Frisco-Hon L.L.C.	DE	TX
McDavid Grande L.L.C.	DE	TX
McDavid Houston-Hon, L.L.C.	DE	TX
McDavid Houston-Niss, L.L.C.	DE	TX
McDavid Irving-Hon, L.L.C.	DE	TX
McDavid Outfitters, L.L.C.	DE	TX
McDavid Plano-Acra, L.L.C.	DE	TX
Mid-Atlantic Automotive Services, L.L.C.	DE	NC, SC, VA
Mississippi Automotive Services, L.L.C.	DE	MS
Missouri Automotive Services, L.L.C.	DE	MO
NP FLM L.L.C.	DE	AR
NP MZD L.L.C.	DE	AR
NP VKW L.L.C.	DE	AR
Plano Lincoln-Mercury, Inc.	DE	TX
Precision Computer Services, Inc.	FL	
Precision Enterprises Tampa, Inc.	FL	
Precision Infiniti, Inc.	FL	
Precision Motorcars, Inc.	FL	
Precision Nissan, Inc.	FL	
Premier NSN L.L.C.	DE	AR
Premier Pon L.L.C.	DE	AR
Prestige Bay L.L.C.	DE	AR
Prestige Toy L.L.C.	DE	AR
Q Automotive Brandon FL, LLC	DE	FL
Q Automotive Cumming GA, LLC	DE	GA
Q Automotive Ft. Myers FL, LLC	DE	FL

Q Automotive Group L.L.C.	DE	FL
Q Automotive Holiday FL, LLC	DE	FL
Q Automotive Jacksonville FL, LLC	DE	FL
Q Automotive Kennesaw GA, LLC	DE	GA
Q Automotive Orlando FL, LLC	DE	FL
Q Automotive Tampa FL, LLC	DE	FL
Southern Atlantic Automotive Services, L.L.C.	DE	GA, SC
Tampa Hund, L.P.	DE	FL
Tampa Kia, L.P.	DE	FL
Tampa LM, L.P.	DE	
Tampa Mit, L.P.	DE	
Texas Automotive Services, L.L.C.	DE	TX
Thomason Auto Credit Northwest, Inc.	OR	
Thomason Dam L.L.C.	DE	
Thomason Frd L.L.C.	DE	
Thomason Hund L.L.C.	DE	
Thomason Pontiac-GMC L.L.C.	DE	
WMZ Motors, L.P.	DE	
WTY Motors, L.P.	DE	FL

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

1) Registration Statement (Form S-8 No. 333-231518) of Asbury Automotive Group, Inc.,
2) Registration Statement (Form S-8 No. 333-221146) of Asbury Automotive Group, Inc.,
3) Registration Statement (Form S-8 No. 333-165136) of Asbury Automotive Group, Inc.,
4) Registration Statement (Form S-8 No. 333-105450) of Asbury Automotive Group, Inc.,
5) Registration Statement (Form S-8 No. 333-115402) of Asbury Automotive Group, Inc.,
6) Registration Statement (Form S-8 No. 333-84646) of Asbury Automotive Group, Inc.; and
7) Registration Statement (Form S-3 No. 333-123505) of Asbury Automotive Group, Inc.

of our reports dated March 2, 2020, with respect to the consolidated financial statements of Asbury Automotive Group, Inc. and the effectiveness of internal control over financial reporting of Asbury Automotive Group, Inc. included in this Annual Report (Form 10-K) of Asbury Automotive Group, Inc. for the year ended December 31, 2019.

/s/ Ernst & Young LLP

Atlanta, Georgia
March 2, 2020

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULE 13a-14(a)/15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David W. Hult, certify that:

1. I have reviewed this Annual Report on Form 10-K of Asbury Automotive Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ David W. Hult

David W. Hult
Chief Executive Officer
March 2, 2020

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULE 13a-14(a)/15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, William F. Stax, certify that:

1. I have reviewed this Annual Report on Form 10-K of Asbury Automotive Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ William F. Stax

William F. Stax
Interim Principal Financial Officer
March 2, 2020

Exhibit 32.1

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

In connection with the Annual Report of Asbury Automotive Group, Inc. (the "Company") on Form 10-K for the year ended December 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David W. Hult, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

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

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

/s/ David W. Hult

David W. Hult
Chief Executive Officer
March 2, 2020

Exhibit 32.2

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

In connection with the Annual Report of Asbury Automotive Group, Inc. (the "Company") on Form 10-K for the year ended December 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William F. Stax, Interim Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

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

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

/s/ William F. Stax

William F. Stax
Interim Principal Financial Officer
March 2, 2020