AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON DECEMBER 14, 2001
REGISTRATION NO. 333-
REGISTRATION NOS. 333- THROUGH 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Sonic Automotive, Inc.
(Exact Name of Registrant as Specified in its Charter)

<TABLE>
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<S>	<C>	<C>
Delaware	5511	56-2010790
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

</TABLE>

5401 East Independence Boulevard
P.O. Box 18747
Charlotte, North Carolina 28212
Telephone: (704) 532-3320
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Mr. Stephen K. Coss
Vice President and General Counsel
5401 East Independence Boulevard
P.O. Box 18747
Charlotte, North Carolina 28212
Telephone: (704) 532-3320
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

Brian T. Atkinson, Esq.
Thomas H. O'Donnell, Jr., Esq.
Moore & Van Allen PLLC
100 North Tryon Street, Suite 4700
Charlotte, North Carolina 28202-4003
Telephone: (704) 331-1000

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. [ ]

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

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

CALCULATION OF REGISTRATION FEE

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Title of each class of securities to be registered	Amount To be Registered(1)	Proposed Maximum Offering Price Per Unit(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
11% Senior Subordinated Notes due 2008, Series D	200,000	1,000	$200,000,000	$47,800
Guarantees of 11% Senior Subordinated Notes due 2008,Series D(2)(3)	--	--	--	--

(1) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(f)(1) of Regulation C of the Securities Act of 1933, as amended.

(2) Each Registrant other than Sonic Automotive, Inc. is a subsidiary of Sonic Automotive, Inc. and is guaranteeing payment of the notes. Pursuant to Rule 457(n) under the Securities Act of 1933, as amended, no registration fee is required with respect to the guarantees.

(3) No separate consideration will be received for the guarantees of the notes by the subsidiaries of Sonic Automotive, Inc.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective in such dates as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

TABLE OF ADDITIONAL REGISTRANTS

Subsidiary	State of Organization	IRS Employer ID No.
Autobahn, Inc	California	94-3124481
Capitol Chevrolet and Imports, Inc.	Alabama	63-1204447
Cobb Pontiac Cadillac, Inc	Alabama	63-1012553
FA Service Corporation	California	94-3285891
FAA Auto Factory, Inc.	California	94-3285893
FAA Beverly Hills, Inc.	California	95-4673054
FAA Capitol F, Inc.	California	94-3350030
FAA Capitol N, Inc.	California	64-3279958
FAA Concord H, Inc.	California	94-3264558
FAA Concord N, Inc.	California	94-3266151
FAA Concord T, Inc.	California	94-1730939
FAA Dublin N, Inc.	California	94-3267515
FAA Dublin VWD, Inc.	California	94-3267514

FAA Holding Corp.	California	94-3338764
FAA Las Vegas H, Inc.	Nevada	94-3330754
FAA Marin D, Inc.	California	94-3320521
FAA Marin F, Inc.	California	95-4746388
FAA Marin LR, Inc.	California	94-3345068
FAA Poway D, Inc.	California	94-3264557
FAA Poway G, Inc.	California	33-0792049
FAA Poway H, Inc.	California	94-3265895
FAA Poway T, Inc.	California	94-3266152
FAA San Bruno, Inc.	California	94-3264556
FAA Santa Monica V, Inc.	California	95-4746387
FAA Serramonte, Inc.	California	94-3264554
FAA Serramonte H, Inc.	California	94-3293588
FAA Serramonte L, Inc.	California	94-3264555
FAA Stevens Creek, Inc.	California	94-3264553
FAA Torrance CPJ, Inc.	California	98-4746385
FirstAmerica Automotive, Inc.	Delaware	88-0206732
Fort Mill Ford, Inc.	South Carolina	62-1289609
Franciscan Motors, Inc.	California	77-0112132
Freedom Ford, Inc.	Florida	59-2214873
Frontier Oldsmobile-Cadillac, Inc.	North Carolina	56-1621461
HMC Finance Alabama, Inc.	Alabama	56-2198417
Kramer Motors Incorporated	California	95-2092777
L Dealership Group, Inc.	Texas	94-1719069
Marcus David Corporation	North Carolina	56-1708384
Philpott Motors, Ltd.	Texas	76-0608365
Riverside Nissan, Inc.	Oklahoma	73-1079837
Royal Motor Company, Inc.	Alabama	63-1012554
Santa Clara Imported Cars, Inc.	California	94-1705756
Smart Nissan, Inc.	California	94-3256136
Sonic Automotive-Bondesen, Inc.	Florida	59-3552436
Sonic Automotive of Chattanooga, LLC	Tennessee	62-1708471
Sonic Automotive-Clearwater, Inc.	Florida	59-3501017
Sonic Automotive Collision Center of Clearwater, Inc.	Florida	59-3501024
Sonic Automotive F&I, LLC	Nevada	88-0444271
Sonic Automotive of Georgia, Inc.	Georgia	58-2399219
Sonic Automotive of Nashville, LLC	Tennessee	62-1708481
Sonic Automotive of Nevada, Inc.	Nevada	88-0378636
Sonic Automotive Servicing Company, LLC	Nevada	88-0443690

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Sonic Automotive of Tennessee, Inc.	Tennessee	62-1710960
Sonic Automotive of Texas, L.P.	Texas	78-0586658
Sonic Automotive West, LLC	Nevada	88-0444344
Sonic Automotive-1307 N. Dixie Hwy., NSB, Inc.	Florida	59-3523302
Sonic Automotive-1400 Automall Drive, Columbus, Inc	Ohio	31-1604259
Sonic Automotive-1455 Automall Drive, Columbus, Inc.	Ohio	31-1604276
Sonic Automotive-1495 Automall Drive, Columbus, Inc.	Ohio	31-1604281
Sonic Automotive-1500 Automall Drive, Columbus, Inc.	Ohio	31-1604285
Sonic Automotive-1720 Mason Ave., DB, Inc.	Florida	59-3523303
Sonic Automotive-1720 Mason Ave., DB, LLC	Florida	57-1072509
Sonic Automotive-1919 N. Dixie Hwy., NSB, Inc.	Florida	59-3523301
Sonic Automotive-21699 U.S. Hwy 19 N., Inc.	Florida	59-3501021
Sonic Automotive-241 Ridgewood Ave., HH, Inc.	Florida	59-3523304
Sonic Automotive 2424 Laurens Rd., Greenville, Inc.	South Carolina	58-2384994
Sonic Automotive-2490 South Lee Highway, LLC	Tennessee	62-1708486
Sonic Automotive 2752 Laurens Rd., Greenville, Inc.	South Carolina	58-2384996
Sonic Automotive-3401 N. Main, TX, L.P.	Texas	76-0586794
Sonic Automotive-3700 West Broad Street, Columbus, Inc.	Ohio	31-1604296
Sonic Automotive-3741 S. Nova Rd., PO, Inc.	Florida	59-3532504
Sonic Automotive-4000 West Broad Street, Columbus, Inc.	Ohio	31-1604301
Sonic Automotive-4701 I-10 East, TX, L.P.	Texas	76-0586659
Sonic Automotive-5221 I-10 East, TX, L.P.	Texas	76-0586795
Sonic Automotive 5260 Peachtree Industrial Blvd., LLC	Georgia	62-1716095
Sonic Automotive-5585 Peachtree Industrial Blvd., LLC	Georgia	58-2459799
Sonic Automotive-6008 N. Dale Mabry, FL, Inc.	Florida	59-3535965
Sonic Automotive-6025 International Drive, LLC	Tennessee	62-1708490
Sonic Automotive-9103 E. Independence, NC, LLC	North Carolina	56-2103562
Sonic-2185 Chapman Rd., Chattanooga, LLC	Tennessee	56-2126660
Sonic- Bethany H, Inc.	Oklahoma	73-1620712
Sonic - Buena Park H, Inc.	California	33-0978079
Sonic-Camp Ford, L.P.	Texas	76-0613472
Sonic - Capital Chevrolet, Inc.	Ohio	31-0743366
Sonic-Carrollton V, L.P.	Texas	75-2896744
Sonic-Classic Dodge, Inc.	Alabama	56-2139902
Sonic - Coast Cadillac, Inc.	California	95-4711579
Sonic-Development, LLC	North Carolina	56-2140030
Sonic - Fort Mill Chrysler Jeep, Inc.	South Carolina	56-2044964
Sonic - Fort Mill Dodge, Inc.	South Carolina	58-2285505
Sonic-FM Automotive, LLC	Florida	59-3535971
Sonic-FM , Inc.	Florida	65-0938819
Sonic-FM Nissan, Inc.	Florida	65-0938818
Sonic-FM VW, Inc.	Florida	65-0938821
Sonic-Fort Worth T, L.P	Texas	75-

2897202
Sonic-Freeland, Inc. ..... Florida 65-
0938812
Sonic-Global Imports, L.P. ..... Georgia 58-
2436174
Sonic-Glover, Inc. ..... Oklahoma 74-
2936323
Sonic - Harbor City H, Inc. ..... California 95-
4876347
Sonic - Houston V, L.P. ..... Texas 76-
0684038
Sonic-Integrity Dodge LV, LLC ..... Nevada 88-
0430677
Sonic - Lake Norman Chrysler Jeep, LLC ..... North Carolina 56-
2044997
Sonic - Lake Norman Dodge, LLC ..... North Carolina 56-
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Sonic-Las Vegas C East, LLC ..... Nevada 88-
0470273
Sonic-Las Vegas C West, LLC ..... Nevada 88-
0470284
Sonic-Lloyd Nissan, Inc. ..... Florida 59-
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Sonic-Lloyd Pontiac-Cadillac, Inc. ..... Florida 59-
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Sonic - LS Chevrolet, L.P. ..... Texas 76-
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Sonic - LS, LLC ..... Delaware Not
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Sonic-Manhattan Fairfax, Inc. ..... Virginia 52-
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Sonic-Manhattan Waldorf, Inc. ..... Maryland 52-
2172032
Sonic-Montgomery FLM, Inc. ..... Alabama 56-
2169250
Sonic-Newsome Chevrolet World, Inc. ..... South Carolina 57-
1077344
Sonic-Newsome of Florence, Inc. ..... South Carolina 57-
1077343
Sonic-North Charleston, Inc. ..... South Carolina 58-
2460639
Sonic-North Charleston Dodge, Inc. ..... South Carolina 58-
2479700
Sonic - Park Place A, L.P. ..... Texas 75-
2963437
Sonic Peachtree Industrial Blvd., L.P. ..... Georgia 56-
2089761
Sonic-Reading, L.P. ..... Texas 76-
0605765
Sonic-Richardson F, L.P. ..... Texas 75-
2901775
Sonic-Riverside, Inc. ..... Oklahoma 73-
1574888
Sonic-Riverside Auto Factory, Inc. ..... Oklahoma 73-
1591124
Sonic-Rockville Imports, Inc. ..... Maryland 52-
2172034
Sonic-Rockville Motors, Inc. ..... Maryland 52-
2172033
Sonic-Sam White Nissan, L.P. ..... Texas 76-
0597722
Sonic-Shottenkirk, Inc. ..... Florida 56-
3575773
Sonic-Stevens Creek B, Inc. ..... California 94-
2261540
Sonic-Superior Oldsmobile, LLC ..... Tennessee 56-
2122487
Sonic of Texas, Inc. ..... Texas 78-
0586661
Sonic Resources, Inc. ..... Nevada Not
applicable
Sonic-Volvo LV, LLC ..... Nevada 88-
0437180
Sonic - West Covina T, Inc. ..... California 95-
4876089
Sonic - West Reno Chevrolet, Inc. ..... Oklahoma 73-

1618268
Sonic-Williams Buick, Inc. ..... Alabama 63-
1213085
Sonic-Williams Cadillac, Inc. ..... Alabama 63-
1213084
Sonic-Williams Imports, Inc. ..... Alabama 63-
1213083
Sonic-Williams Motors, LLC ..... Alabama 63-
1213161
Speedway Chevrolet, Inc. ..... Oklahoma 73-
1590233
SRE Alabama-2, LLC ..... Alabama 56-
2202484
SRE Alabama-3, LLC ..... Alabama 56-
2206042
SRealEstate Arizona-1, LLC ..... Arizona 86-
0996112
SRealEstate Arizona-2, LLC ..... Arizona 88-
0468215
SRealEstate Arizona-3, LLC ..... Arizona 88-
0468217
SRealEstate Arizona-4, LLC ..... Arizona 88-
0468213
SRE Florida-1, LLC ..... Florida 58-
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SRE Florida-2, LLC ..... Florida 58-
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SRE Florida-3, LLC ..... Florida 58-
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SRE Georgia-1, L.P. ..... Georgia 58-
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SRE Georgia-2, L.P. ..... Georgia 58-
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SRE Georgia-3, L.P. ..... Georgia 58-
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SRE Holding, LLC ..... North Carolina 56-
2198745
SRE Nevada-1, LLC ..... Nevada 88-
0468209
SRE Nevada-2, LLC ..... Nevada 88-
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SRE Nevada-3, LLC ..... Nevada 88-
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SRE South Carolina-2, LLC ..... South Carolina 58-
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SRE Tennessee-1, LLC ..... Tennessee 56-
2200186
SRE Tennessee-2, LLC ..... Tennessee 56-
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SRE Tennessee-3, LLC ..... Tennessee 56-
2202479
SRE Texas-1, L.P. ..... Texas 74-
2962385
SRE Texas-2, L.P. ..... Texas 74-
2963860
SRE Texas-3, L.P. ..... Texas 74-
2963859
SRE Virginia-1, LLC ..... Virginia 52-
2252370
Stevens Creek Cadillac, Inc. ..... California 77-
0093380
Town and Country Chrysler-Plymouth-Jeep, LLC ..... Tennessee 62-
1708483
Town and Country Dodge of Chattanooga, LLC ..... Tennessee 62-
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Town and Country Ford, Incorporated ..... North Carolina 56-
0887416
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Town and Country Ford of Cleveland, LLC ..... Tennessee 62-
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Town and Country Jaguar, LLC ..... Tennessee 62-
1708491
Transcar Leasing, Inc. ..... California 94-
2713550
Village Imported Cars, Inc. ..... Maryland 52-
0896186
Windward, Inc. ..... Hawaii 94-
2659042
</TABLE>

The primary standard industrial classification of all of the additional registrants is 5511. The principal executive offices of all of the additional registrants is 5401 East Independence Boulevard, Charlotte, North Carolina 28212. Their telephone number is (704) 532-3320.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is declared effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

THIS PROSPECTUS IS SUBJECT TO COMPLETION,
DATED DECEMBER 14, 2001

PROSPECTUS

[SONIC LOGO]

Offer to Exchange All of Our Outstanding Registered 11% Senior Subordinated Notes Due 2008, Series B And Unregistered 11% Senior Subordinated Notes Due 2008, Series C For Registered 11% Senior Subordinated Notes Due 2008, Series D

We are offering to exchange all of our outstanding 11% Senior Subordinated Notes Due 2008, Series B and 11% Senior Subordinated Notes Due 2008, Series C for $200.0 million in aggregate principal amount of our 11% Senior Subordinated Notes Due 2008, Series D.

The Series B notes were issued in a registered offering on December 10, 1998. As of the date of this prospectus, there is $125.0 million in aggregate principal amount of Series B notes outstanding. The Series C notes were issued in a private offering on November 19, 2001. As of the date of this prospectus, there is $75.0 million in aggregate principal amount of Series C notes outstanding.

The terms of the Series B and Series C notes are identical in all material respects. The terms of the Series D notes will be identical in all material respects to the Series B and Series C notes.

When issued, the Series D notes will be registered under the Securities Act of 1933, as amended, and will contain no legends restricting their transfer. If all of the Series B and Series C notes are exchanged for Series D notes in this exchange offer, we will have a single series of registered notes outstanding with an aggregate principal amount of $200.0 million.

This offer expires at 5:00 p.m., New York City time, on _____, 2002, unless extended.

The exchange offer for the Series B notes is conditioned upon valid tenders of at least $50.0 million in aggregate principal amount of Series B notes. The exchange offer for the Series C notes is not subject to this condition. Validly tendered Series C notes will be exchanged regardless of the aggregate principal amount of Series B notes tendered for exchange.

You should carefully review the procedures for tendering Series B or Series C notes under the caption "The Exchange Offer" beginning on page 27 of this prospectus. If you do not comply with these procedures, we may not exchange your Series B or Series C notes for Series D notes.

If you currently hold Series B notes and fail to validly tender them, then you will continue to hold registered Series B notes, but the total principal amount of the Series B notes outstanding may be reduced by the exchange offer. This may reduce the liquidity of the Series B notes after the exchange offer.

If you currently hold Series C notes and fail to validly tender them, then you will continue to hold unregistered Series C notes and your ability to transfer them will be subject to transfer restrictions, which could adversely affect your ability to transfer Series C notes.

Although the Series D notes will be registered, we do not intend to list them on any securities exchange and, consequently, do not anticipate an active public market for the Series D notes.

BOTH ACCEPTANCE AND REJECTION OF THIS EXCHANGE OFFER INVOLVE RISKS. SOME OF THE RISKS ASSOCIATED WITH THE EXCHANGE OFFER AND AN INVESTMENT IN THE SERIES D NOTES OFFERED THROUGH THIS PROSPECTUS ARE DESCRIBED UNDER THE CAPTION "RISK FACTORS" BEGINNING ON PAGE 11 OF THIS PROSPECTUS. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE NOTES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL AND COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is , 2002

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WHERE YOU CAN FIND MORE INFORMATION ABOUT SONIC

This prospectus incorporates business and financial information about us that is not included or delivered with the document. This information is included in annual, quarterly and current reports, proxy statements and other information we file with the Securities and Exchange Commission (the "Commission"). You may read and copy these reports, proxy statements and other information at the Public Reference Room of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549. You may obtain information on the operation of the Commission's Public Reference Room in Washington, D.C. by calling the Commission at 1-800-SEC-0330. Copies may be obtained from the Commission upon payment of the prescribed fees. The Commission maintains an Internet web site that contains reports, proxy and information statements and other information regarding us and other registrants that file electronically with the Commission. The Commission's web site is http://www.sec.gov. Information that we file with the Commission may also be read and copied at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. We will provide upon request a free copy of any or all of the documents incorporated by reference in this prospectus (excluding exhibits to such documents unless such exhibits are specifically incorporated by reference) to anyone to whom we provide this prospectus. Written or telephone requests should be directed to Mr. Todd Atenhan, Director of Investor Relations, P.O. Box 18747, Charlotte, North Carolina 28218, Telephone (888) 766-4218. You must make your request for documents no later than five business days before you make your investment decision concerning our securities to obtain timely delivery of these documents. In addition, you must request this information by _____, 2002 or at least five business days in advance of the expiration of this exchange offer.

This prospectus is a part of a Registration Statement on Form S-4 filed with the Commission by Sonic. This prospectus does not contain all of the information set forth in the Registration Statement and the exhibits thereto. Statements about the contents of contracts or other documents contained in this prospectus or in any other filing to which we refer you are not necessarily complete. You should review the actual copy of such documents filed as an exhibit to the Registration Statement or such other filing. Copies of the Registration Statement and these exhibits may be obtained from the Commission as indicated above upon payment of the fees prescribed by the Commission.

We incorporate by reference into this prospectus the documents listed below and any future filings made with the Commission (including the exhibits filed therewith) under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, until we close this offering or it is otherwise terminated:

(1) Our Current Report on Form 8-K dated January 17, 2001;

(2) Our Annual Report on Form 10-K for the fiscal year ended December 31, 2000;

(3) Our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2001;

(4) Our Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2001;

(5) Our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2001;

(6) Our Definitive Proxy Statement dated April 4, 2001; and

(7) The description of our Class A common stock contained in our

Registration Statement on Form 8-A, as amended, filed with the Commission pursuant to the Securities Exchange Act of 1934, as amended.

The information incorporated by reference is considered to be part of this prospectus and information that we file later with the Commission will automatically update and supersede this information, as applicable.

Except as otherwise indicated, all references in this prospectus to "we," "us," "our," "our company" or "Sonic" means Sonic Automotive, Inc. and its subsidiaries.

You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities (1) in any jurisdiction where the offer or sale is not permitted, (2) where the person making the offer is not qualified to do so or (3) to any person who cannot legally be offered the securities. You should assume that the information appearing in this prospectus and the information incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and any related supplements or amendments contain statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are not historical facts, but only predictions and generally can be identified by use of statements that include words such as "believe," "expect," "anticipate," "intend," "plan," "foresee" or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Litigation Securities Reform Act of 1995, and we are including this statement for purposes of complying with these safe harbor provisions. These statements appear in a number of places in this prospectus and include statements regarding our intent, belief or current expectations, or those of our directors or officers, with respect to, among other things:

- our potential acquisitions;
- trends in our industry;
- our financing plans;
- the effect of the Internet on our business and our ability to implement our Internet business strategy;
- trends affecting our financial condition or results of operations; and
- our business and growth strategies.

You are cautioned that these forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. Among others, factors that could materially adversely affect actual results and performance include those risk factors contained herein and incorporated by reference, such as:

- local and regional economic conditions in the areas we serve;
- the level of consumer spending;
- our relationships with manufacturers;
- high competition;
- site selection and related traffic and demographic patterns;

- inventory management and turnover levels;
- the effect of the Internet on our business;
- realization of cost savings; and
- our success in integrating recent and potential future acquisitions, including integration of acquired information systems.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information included elsewhere or incorporated by reference in this prospectus. Because this is a summary, it does not include all of the information that may be important to you. You should read this entire prospectus and the documents that we incorporate by reference before deciding whether to participate in the exchange.

Sonic Automotive, Inc. is the second largest automotive retailer in the United States, as measured by total revenue, operating 156 dealership franchises and 29 collision repair centers in 25 metropolitan areas of the United States. We own and operate franchises for 29 different brands of cars and light trucks, providing comprehensive services including sales of both new and used cars and light trucks, replacement parts and vehicle maintenance, warranty, paint and repair services. We also arrange extended warranty contracts and financing and insurance, which we refer to as "F&I," for our automotive customers. Our growth in operations has been strategically focused on high growth metropolitan markets, predominantly in the Southeast, Southwest, Midwest and California, that on average are experiencing population growth that exceeds the national average.

Each of our dealership locations provides similar products and services, including (1) new car sales, (2) used car sales, (3) parts, service and collision repair and (4) F&I services. As compared to automotive manufacturers, we and other automobile retailers exhibit relatively low earnings volatility. This is primarily due to the differing expense structures between automotive manufacturers and retailers. For the nine months ended September 30, 2001, approximately 38% of our expenses, primarily rent and salaries, were fixed expenses. The majority of our variable expenses are variable, and relate to sales commissions and advertising which can be adjusted as demand patterns change. We believe the diversity of our revenue sources at our full service automotive dealerships and our flexible expense structure mitigate the effects of economic cycles and seasonal influences.

Our Class A common stock is traded on the New York Stock Exchange under the symbol "SAH." Our principal executive offices are located at 5401 East Independence Blvd., Charlotte, North Carolina 28212, telephone (704) 532-3320. We were incorporated in Delaware in 1997.

The Exchange Offer

On November 19, 2001, we privately placed $75.0 million of 11% Senior Subordinated Notes due 2008, Series C, which we refer to as Series C notes. We sold the Series C notes to the following initial purchasers:

- Merrill Lynch, Pierce, Fenner & Smith Incorporated; and
- Banc of America Securities LLC.

These initial purchasers then sold the Series C notes to qualified institutional investors.

At the time of the private placement of the Series C notes, we entered into a registration rights agreement with the initial purchasers of the Series C notes. Under the registration rights agreement, we agreed to offer to exchange registered Series D notes for all of our outstanding Series B and Series C notes. We agreed to commence this exchange offer on or before April 3, 2002 and to complete the exchange offer on or before May 3, 2002. If we do not complete this exchange offer on or before April 3, 2002, except under limited circumstances, we must pay liquidated damages to the holders of our Series C notes until the exchange offer is completed.

Securities to be exchanged (see page 27)	On July 31, 1998, we issued $125.0 million in aggregate principal amount of 11% Senior Subordinated Notes due 2008, Series A in a transaction exempt from the registration requirements of the Securities Act of 1933. On December 10, 1998, pursuant to a registered exchange offer, we exchanged all of the outstanding Series A notes for 11% Senior Subordinated Notes due 2008, Series B. The Series B notes are currently governed by the terms of an

	indenture dated as of July 11, 1998 and are identical in all material respects to the Series A notes. As of the date of this prospectus, there is $125.0 million in aggregate principal amount of Series B notes outstanding. On November 19, 2001, we issued $75.0 million in aggregate principal amount of 11% Senior Subordinated Notes due 2008, Series C in a transaction exempt from the registration requirements of the Securities Act of 1933. The Series C notes are currently governed by the terms of an indenture dated as of November 19, 2001 and are identical in all material respects to the Series B notes. As of the date of this prospectus, there is $75.0 million in aggregate principal amount of Series C notes outstanding.
The Exchange Offer (see page 27).....	We are offering to exchange all of our outstanding Series B notes and Series C notes for $200.0 million in aggregate principal amount of our registered 11% Senior Subordinated Notes due 2008, Series D. The terms of the Series D notes will be identical in all material respects to the Series B and Series C notes. The Series D notes will be governed by the terms of an indenture dated as of November 19, 2001.
Expiration date; extension of tender period; termination; and amendment (see pages 28 and 33)	This exchange offer will expire at 5:00 p.m. New York City time on _____,2002 unless we extend it. You must tender your outstanding Series B or Series C notes prior to _____, 2002 if you want to participate in the exchange offer. We may terminate the exchange offer in the event of circumstances described on page__under the caption "Exchange Offer". We have the right to amend any of the terms of the exchange offer subject to our obligations under the registration rights agreement.

Conditions for completion of the exchange offer (see page 33)...	The exchange offer is subject to various conditions. In particular, we are not obligated to, and will not, exchange Series D notes for Series B notes unless at least $50.0 million in aggregate principal amount of Series B notes are tendered for exchange (the "Minimum Exchange Condition"). All conditions must be satisfied or waived prior to the expiration of the exchange offer. We will not waive, or cause to be waived, the Minimum Exchange Condition.
Procedures for tendering Series B and Series C notes (see page 29)...	We issued the Series B and Series C notes as global securities. When we issued the Series B and Series C notes, we deposited them with U.S. Bank Trust National Association, as custodian. U.S. Bank Trust issued an uncertificated depository

interest in the Series B and Series C notes, which represent a 100% interest in the Series B and Series C notes, to The Depository Trust Corporation,which we refer to as DTC. Beneficial interests in the Series B and Series C notes, which direct or indirect participants in the DTC hold through uncertificated depository interests, are shown on records that the DTC maintains in book-entry form.

If you wish to participate in the exchange offer, you must transmit to U.S. Bank Trust National Association, which is the exchange agent, on or before the expiration of the exchange offer, either:

- a completed and signed letter of transmittal or a facsimile thereof, in accordance with the instructions contained in this prospectus and the letter of transmittal,and any other documents; or

- a computer-generated message transmitted by means of DTC's Automated Tender Offer Program system and forming a part of a confirmation of book-entry transfer in which you acknowledge and agree to be bound by the terms of the letter of transmittal. The exchange agent must also receive on or prior to the expiration of the exchange offer either:

  - a timely confirmation of book-entry transfer of your outstanding notes into the exchange agent's account at DTC, in accordance with the procedure for book-entry transfers; or

  - the documents necessary for compliance with the guaranteed delivery procedures.

Do not send letters of transmittal and certificates representing Series B and Series C notes to us or to DTC. Send these documents only to the exchange agent.

Procedures for tendering certificated Series B and Series C notes (see page 30).....

If you are a holder of book-entry interests in the Series B and Series C notes, you are entitled to receive, in limited circumstances, in exchange for your book-entry interests, certificated notes which are in equal principal amounts to your book-entry interests. No certificated notes are issued and outstanding as of the date of this prospectus. If you acquire certificated Series B and Series C notes prior to the expiration of the exchange offer, you must tender your certificated outstanding notes in accordance with the procedures described in this prospectus under the heading "The Exchange Offer - Procedures for Tendering -

	Certificated Series B and Series C Notes."
Procedures for tendering Series B and Series C notes held by a broker (see page 30).....	If you hold your Series B and Series C notes through a broker, do not complete the letter transmittal. Please contact your broker directly for instructions on how to participate in the exchange offer.
Guaranteed delivery procedures (see page 31).....	If you wish to tender your Series B and Series C notes and your Series B and Series C notes are not immediately available or you cannot timely deliver your Series B and Series C notes, the letter of transmittal or any other documents required by the letter of transmittal to the exchange agent, or you cannot complete the procedure for book-entry transfer, then on or prior to the expiration of the exchange offer you must tender your Series B and Series C notes according to the guaranteed delivery procedures set forth in "The Exchange Offer - Guaranteed Delivery Procedures."
Withdrawal (see page 32).....	Your tender of Series B or Series C notes pursuant to this exchange offer may be withdrawn at any time before the exchange offer expires. Withdrawals may not be rescinded. If you change your mind again, you may tender your Series B or Series C notes again by following the exchange offer procedures before the exchange offer expires.
Termination of certain rights of the Series C notes (see page 28).....	Pursuant to the registration rights agreement and the terms of the Series C notes, holders of Series C notes have certain rights pending the closing of the exchange offer. After the closing of the exchange offer, holders of Series C notes will not be entitled to these rights except in limited circumstances.
Accrued interest (see page 33).....	Interest on the Series D notes will accrue from the most recent interest payment date on which interest was paid on the Series B and Series C notes.

Resales of Series D notes (see page 31)....	Based on interpretations by the Commission staff, we believe holders of the Series D notes who are not broker-dealers, can offer for resale, resell and otherwise transfer the Series D notes without complying with the registration and prospectus delivery requirements of the Securities Act of 1933, as amended if: o you acquire the Series D notes in the ordinary course of your business; o you are not participating, do not intend to participate and have no arrangement or understanding with any person to participate, in the distribution of the Series D notes; and

- you are not an "affiliate" of Sonic, as defined in Rule 405 under of the Securities Act of 1933.

By executing the letter of transmittal related to this offering, or by agreeing to the terms of the letter of transmittal, you are representing to us that you satisfy each of these conditions. If you do not satisfy these conditions and you transfer the Series D notes without delivering a proper prospectus or without qualifying for an exemption from the registration requirements of the Securities Act of 1933, you may incur liability under the Securities Act of 1933.

Our belief that you can offer for resale, resell and otherwise transfer the Series D notes without complying with the registration and prospectus delivery requirements of the Securities Act of 1933 if you meet the conditions listed above is based on Commission staff interpretations given to other, unrelated issuers in other exchange offers. We will not seek an Commission staff interpretation in connection with our exchange offer. We cannot assure you that the Commission staff would make a similar interpretation with respect to our exchange offer and will not be responsible for or indemnify you against any liability you may incur under the Securities Act.

Delivery of Series D notes (see pages 29 and 33)..... We will deliver Series D notes by book-entry transfer as soon as reasonably practicable after acceptance of the Series B and Series C notes. If we do not accept any of your outstanding Series B or Series C notes for exchange, we will return them to you as promptly as practicable after the expiration or termination of the exchange offer without any expense to you.

No appraisal rights (see page 28)... No appraisal rights are available to holders of Series B or Series C notes in connection with the exchange offer. If you do not tender your Series B or Series C notes or we reject your tender, you will not be entitled to any further registration rights under the registration rights agreement, except under limited circumstances. Your unexchanged notes will, however, remain outstanding and entitled to the benefits of the indenture.

Prospectus delivery (see page 31).... All broker-dealers must comply with the registration and prospectus delivery requirements of the Securities Act of 1933. Each broker-dealer that receives registered notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of the registered notes. The letter of transmittal accompanying this prospectus

	states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. We have agreed that for a period of 180 days after consummating the exchange offer we will make this prospectus available to any broker-dealer for use in connection with any resale.
Material United States federal income tax considerations(see page 73).....	Your exchange of Series B or Series C notes for Series D notes should not be a taxable exchange for United States federal income tax purposes. You should not recognize any taxable gain or loss or any interest income as result of the exchange.
Exchange agent (see page 34).....	U.S. Bank Trust National Association
Risk factors (see page 11).....	You should consider carefully the matters described in the section entitled "Risk Factors," as well as the other information included in this prospectus and the documents to which we have referred you.
Legal limitation.....	We are not making any offer to sell, nor are we soliciting any offer to buy, securities in any jurisdiction in which the offer or sale is not permitted.

Summary of the Series D Notes

The following is a brief summary of certain terms of the Series D notes. For a more complete description of the terms of the notes, see "Description of Notes" in this prospectus.

Issuer.....	Sonic Automotive, Inc.
Notes offered	$200.0 million aggregate principal amount of 11% senior subordinated notes due 2008, Series D. The terms of these notes will be identical in all material respects to Series B and Series C notes.
Interest rate.....	The Series D notes will bear interest at a rate of 11% per annum.
Maturity	August 1, 2008.
Interest payment dates	February 1 and August 1, beginning August 1, 2002.
Guarantees.....	Each of our operating subsidiaries will guarantee the Series D notes. Future subsidiaries may also be required to guarantee the Series D notes.
Ranking	The Series D notes will be unsecured senior subordinated obligations and will be subordinated to our floor plan facilities, construction/mortgage facility, revolving facility and other senior indebtedness. The Series D notes will rank equally with our senior subordinated indebtedness and will rank senior to our subordinated indebtedness. Because the Series D notes are subordinated, in the event of bankruptcy, liquidation or dissolution and acceleration of or payment default on senior indebtedness, holders of the Series D notes will not receive any payment until holders of senior indebtedness have been paid in full. As of September 30, 2001, after giving pro forma effect to the sale of the Series C notes, our use of the net proceeds of that sale, and assuming that all Series B notes and Series C notes are exchanged for Series D notes, we would have

	had $253.6 million of debt which would have been senior or secured (excluding floor plan debt), no debt ranking pari passu to the Series D notes and $5.5 million of unsecured subordinated debt.
Optional redemption	We may redeem some or all of the Series D notes at any time on or after August 1, 2003 at the redemption prices described in the prospectus.
Change of control.....	When a change of control occurs, each holder of Series D notes may require us to repurchase some or all of its notes at a purhase price equal to 101% of the principal amount of the notes, plus accrued interest.
Covenants.....	The indenture governing the Series D notes will contain covenants that, among other things, will limit our ability and the ability of our subsidiaries to: o incur additional indebtedness, o pay dividends on, redeem or repurchase our capital stock,

o make investments

o create certain liens,

o sell assets,

o in the case of our restricted subsidiaries, make dividend or other payments to us,

o in the case of our subsidiaries, guarantee indebtedness or secure debt,

o engage in transactions with affiliates,

o create unrestricted subsidiaries and

o consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis.

These covenants are subject to important exceptions and qualifications, which are described under the heading "Description of Notes" in this prospectus.

Exchange offer; registration rights.....	Under a registration rights agreement executed as part of the sale of the Series C notes, we and the guarantors agreed to: o use our reasonable best efforts to file a registration statement within 60 days after the issue date of the Series C notes enabling holders of Series C notes and of the Series B notes to exchange their Series C notes or the Series B notes for publicly registered Series D notes with identical terms, o use our reasonable best efforts to cause the registration statement to become effective within 135 days after the issue date of the Series C notes, o use our reasonable best efforts to complete the exchange offer within 165 days after the issue date of the Series C notes and o file a shelf registration statement for the resale of the Series C notes if we cannot effect an exchange offer within the time periods listed above and in other circumstances. We will not complete the exchange offer until

	after our February 1, 2002 interest payment on the Series B and Series C notes. The interest rate on the Series C notes will increase if we do not comply with our obligations under the registration rights agreement. See "Exchange Offer."
Use of proceeds.....	We will not receive any proceeds from the exchange offer. We are conducting the exchange offer to satisfy our obligations under the registration rights agreement.

Summary Consolidated Financial and Operating Data

We have accounted for all of our dealership acquisitions using the purchase method of accounting and, as a result, we do not include in our financial statements the results of operations of acquired dealerships prior to the date they were acquired by us. The Summary Consolidated Financial and Operating Data of Sonic discussed below reflect the results of operations and financial position of each of our dealerships acquired prior to September 30, 2001. As a result of the effects of our acquisitions and other potential factors in the future, the Summary Consolidated Financial Data set forth below is not necessarily indicative of the results of operations and financial position of Sonic in the future or the results of operations and financial position that would have resulted had such acquisitions occurred at the beginning of the periods presented below. In accordance with accounting principles generally accepted in the United States of America, the summary consolidated financial and operating data has been retroactively restated to reflect Sonic's two-for-one common stock split that occurred on January 29, 1999. This summary consolidated financial and operating data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Sonic's consolidated financial statements and the related notes thereto, incorporated by reference in this prospectus.

<TABLE>
<CAPTION>

	Year Ended December 31,			Nine Months Ended September 30,
<S>	<C>	<C>	<C>	<C>
	1998	1999	2000	2001
	(dollars and shares in thousands, except per share amounts)			
Income Statement Data:				
Revenues:				
Vehicle sales	$ 1,407,030	$ 2,903,868	$ 5,201,750	$ 3,968,319	$ 4,026,470
Parts, service and collision repair	162,660	364,184	687,975	513,920	581,153
Finance, insurance and other	34,011	82,771	162,751	125,362	139,802
Total revenues	1,603,701	3,350,823	6,052,476	4,607,601	4,747,425
Cost of sales	1,396,259	2,896,400	5,187,289	3,951,528	4,048,753
Gross profit	207,442	454,423	865,187	656,073	698,672
Selling, general and administrative expenses	150,130	326,914	633,356	473,745	527,009
Depreciation and amortization	4,607	11,699	22,714	17,344	19,384

Operating income.....	52,705	115,810	209,117	164,984	152,279
Interest expense, floor plan	14,096	22,536	47,108	34,012	30,188
Interest expense, other	9,395	21,586	42,244	31,200	26,989
Other income	426	1,286	107	109	120
Income before income taxes.....	29,640	72,974	119,872	99,881	95,222
Provision for income taxes.....	11,083	28,325	45,700	38,000	37,135
Net income.....	$ 18,557	$ 44,649	$ 74,172	$ 61,881	$ 58,087
Diluted net income per share	$ 0.74	$ 1.27	$ 1.69	$ 1.40	$ 1.40
Weighted average diluted common shares outstanding	24,970	35,248	43,826	44,257	41,511
Ratio of earnings to fixed charges (a).....	3.3x	3.4x	3.0x	3.2x	3.2x
Other Financial Data:					
EBITDA (b).....	$ 43,642	$ 106,259	$ 184,830	$ 148,425	$ 141,595
Capital expenditures.....	$ 4,335	$ 21,548	$ 73,171	$ 57,993	$ 30,909
Ratio of EBITDA to interest expense, other (b).....	4.6x	4.9x	4.4x	4.8x	5.2x
Margin Data:					
EBITDA margin (b).....	2.7%	3.2%	3.1%	3.2%	3.0%
Gross profit margin	12.9%	13.6%	14.3%	14.2%	14.7%
Balance Sheet Data (at end of period):					
Cash and cash equivalents	$ 51,834	$ 83,111	$ 109,325	$ 89,813	$ 103,431
Inventories	264,971	630,857	773,785	661,175	654,762
Total assets	576,103	1,501,102	1,789,248	1,654,071	1,689,314
Notes payable-- floor plan	228,158	517,575	684,718	540,950	557,301
Long-term debt (c).....	145,790	425,894	493,309	498,951	457,032
Stockholders' equity	142,429	402,573	450,922	443,304	489,919

</TABLE>

(a) Fixed charges is defined as interest (other than interest expense related to notes payable-floor plan) and such portion of rent expense determined to be representative of the interest factor. The ratio of earnings to fixed charges is calculated by adding fixed charges to income before income taxes and minority interest and dividing the sum by fixed charges.

(b) EBITDA is defined as earnings before interest (other than interest expense related to notes payable-floor plan), taxes, depreciation, and amortization. While EBITDA should not be construed as a substitute for operating income or as a better measure of liquidity than cash flows from operating activities, which are determined in accordance with accounting principles generally accepted in the United States of America, we have included it herein to provide additional information with respect to our ability to meet future debt service, capital expenditures and working capital requirements. These measures may not be comparable to similarly titled measures reported by other companies.

(c) Long-term debt, including current portion, includes the payable to our Chairman and the payable to our affiliates, which are subordinated to the Notes. See Sonic's Consolidated Financial Statements and the related notes incorporated by reference in this prospectus.

RISK FACTORS

Prospective investors should carefully consider and evaluate all of the information set forth in this prospectus, including the risk factors set forth below.

Failure to exchange your Series B or Series C notes may have adverse consequences to you.

If you do not exchange your Series B notes for Series D notes, then you will continue to hold registered notes, but the total principal amount of Series B notes outstanding may be reduced by the exchange offer. This may reduce the liquidity of the Series B notes after the exchange offer. We are not obligated to, and will not, exchange Series B notes for Series B notes unless at least $50.0 million in aggregate principal amount of Series B notes are tendered for exchange.

If you do not exchange your Series C notes for Series D notes in the exchange offer, your Series C notes will continue to be subject to the restrictions on transfer contained in the legend on the Series C notes. In general, the Series C notes may not be offered or sold unless they are registered under the Securities Act. However, you may offer or sell your Series C notes under an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. After the exchange offer is completed, you will not be entitled to any exchange or registration rights with respect to your Series C notes except under limited circumstances. The exchange offer for the Series C notes is not conditioned upon the tender of a minimum aggregate principal amount of Series B or Series C notes. Validly tendered Series C notes will be exchanged regardless of the aggregate principal amount of Series B notes tendered for exchange.

Issuance of the Series D notes in exchange for the Series B and Series C notes pursuant to the exchange offer will be made following the prior satisfaction, or waiver, of the conditions set forth in "The Exchange Offer - Conditions to the Exchange Offer" and only after timely receipt by the exchange agent of Series B or Series C notes, a properly completed and duly executed letter of transmittal and all other required documents. Therefore, holders of Series D notes desiring to tender their Series B or Series C notes in exchange for Series D notes should allow sufficient time to ensure timely delivery of all required documentation. Neither we, the exchange agent nor, any other person is under any duty to give notification of defects or irregularities with respect to the tenders of Series D notes for exchange. Series B or Series C notes that may be tendered in the exchange offer but which are not validly tendered will remain outstanding following the consummation of the exchange offer.

The Series D notes and the guarantees are subordinated to our senior indebtedness.

The payment of the principal of, premium, if any, and interest on the Series D notes will be subordinated to the prior payment in full of all of our existing and future senior indebtedness. In the event of a liquidation, dissolution, reorganization or any similar proceeding, our assets will be available to pay obligations on the Series D notes only after senior indebtedness has been paid in full. Therefore, there may not be sufficient assets to pay amounts due on all or any of the Series D notes.

In addition, we may not:

- pay principal of, premium, if any, interest on or any other amounts owing in respect of the Series D notes;
- make any deposit pursuant to defeasance provisions; or
- purchase, redeem or otherwise retire the Series D notes, if any senior indebtedness is not paid when due or any other default on senior indebtedness occurs and the maturity of such indebtedness is accelerated in accordance with its terms unless, in either case, the default has been cured or waived, any the acceleration has been rescinded or the senior indebtedness has been repaid in full.

Moreover, under certain circumstances, if any non-payment default exists with respect to senior indebtedness, we may not make any payments on the Series D notes for a specified time, unless such default is cured or waived, any acceleration of such indebtedness has been rescinded or such indebtedness has been repaid in full. See "Description of the Notes--Ranking."

The Series D notes and the guarantees will be unsecured senior

subordinated obligations and, as such, will be subordinated in right of payment with all of the other existing and future senior indebtedness incurred by us and certain of the guarantors and pari passu in right of payment to all of the existing and future senior subordinated indebtedness incurred by us. Certain of the guarantees may not be so subordinated. As of September 30, 2001, after giving effect to the sale of the Series C notes and application of the estimated net proceeds of that offering:

- we and the guarantors would have had $253.6 million of debt which is senior or secured and $125.0 million of debt ranking pari passu to the Series D notes or the guarantees, as the case may be;
- we would also have had approximately $5.5 million of indebtedness subordinated to the Series D notes; and
- the guarantors would also have had $557.3 million of secured floor plan indebtedness.

Our indebtedness is described in the footnotes to the unaudited financial statements contained in our most recent quarterly report on Form 10-Q which is incorporated by reference and under the heading "Recent Developments" appearing elsewhere in this prospectus. The Series D notes will not be secured by any of our assets or assets of the guarantors. Our floor plan indebtedness is secured by vehicle inventory and proceeds from the sale of that inventory. The indebtedness under our revolving facility is secured by:

- our pledge of all the capital stock, membership interests and partnership interests of all of our dealership subsidiaries (to the extent that such a pledge is permitted by the applicable manufacturer);

- guarantees by all of our subsidiaries that are, in turn, secured by a lien on all of the assets of these subsidiaries; and

- a lien on all of our other assets, except for real estate owned by us or our subsidiaries.

In the event of a default on the Series D notes or our bankruptcy, liquidation or reorganization, these assets will be available to satisfy the obligations with respect to the indebtedness secured thereby before any payment therefrom could be made on the Series D notes. Therefore, there may not be sufficient assets to pay amounts due on all or any of the Series D notes.

Since the total outstanding principal of the Series D notes will include the total outstanding principal amount of the Series B and Series C notes, you will experience an immediate dilution of your percentage of ownership of the notes outstanding.

If all of the outstanding Series B and Series C notes are exchanged for Series D notes, $200.0 million aggregate principal amount of Series D notes will be outstanding following the consummation of the exchange offer, and the Series D notes will be deemed to be a single series of notes outstanding under the indenture. As a result, any actions requiring the consent of each holder or the holders of a majority in outstanding principal amount of Series D notes under the indenture will therefore require the consent of each holder of Series D notes or the holders of a majority in aggregate principal amount of outstanding Series D notes, and, the current individual voting interest of each holder of Series B or Series C notes will accordingly be diluted.

We may not be able to purchase your Series D notes upon a change of control.

Upon the occurrence of specified change of control events, we are required to offer to purchase each Series D holder's notes at a price of 101% of their principal amount plus accrued interest. We may not have sufficient financial resources to purchase all of the Series D notes that holders may tender to us upon a change of control. In certain circumstances, our lenders also have the right to prohibit any purchases by us of the Series D notes, in which case we would be in default on the Series D notes.

Participants in the exchange offer must deliver a prospectus in connection with resales of the Series D notes.

Based on certain no-action letters issued by the staff of the Commission, we believe that you may offer for resale, resell or otherwise transfer the exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act of 1933. However, in some instances described in this prospectus under "Plan of Distribution," you will remain obligated to comply with the registration and prospectus delivery requirements of the Securities Act of 1933 to transfer your Series D notes. In these cases, if you transfer any Series D note without delivering a prospectus meeting the requirements of the Securities Act of 1933 or without an exemption from registration of your Series D notes under the Securities Act of 1933, you may incur liability under this act. We do not and will not assume, or indemnify you against, this liability.

We depend upon the operations of our subsidiaries.

The Series D notes are our obligations. As of September 30, 2001, substantially all of our consolidated assets were held by the guarantors and substantially all of our cash flow and net income were generated by the guarantors. Our ability to make interest and principal payments when due to holders of the Series D notes depends therefore upon the receipt of sufficient funds from our subsidiaries.

Courts interpreting state or federal fraudulent transfer laws may invalidate the guarantees.

Our obligations under the notes will be guaranteed by the guarantors. To the extent that a court were to find, pursuant to federal or state fraudulent transfer laws or otherwise, that:

- the guarantees were incurred by the guarantors with intent to hinder, delay or defraud any present or future creditor or the guarantors contemplated insolvency with a design to prefer one or more creditors to the exclusion in whole or in part of others; or
- a guarantor did not receive fair consideration or reasonably equivalent value for issuing its guarantee and the guarantor
- was insolvent,
- was rendered insolvent by reason of the issuance of the guarantee,

- was engaged or about to engage in a business or transaction for which the remaining assets of the guarantor constituted unreasonably small capital to carry on its business,
- intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they matured or
- was a defendant in an action for money damages or had a judgment for money damages docketed against it (in either case, if after final judgment, the judgment remained unsatisfied),

the court could avoid or subordinate the guarantee in favor of the guarantor's other creditors. Among other things, a legal challenge of a guarantee on fraudulent conveyance grounds may focus on the benefits, if any, realized by the guarantor as a result of our issuance of the notes. The measure of insolvency of the guarantor for these purposes will vary depending upon the law of the relevant jurisdiction. Generally, however, a company would be considered insolvent:

- if the sum of the company's debts, including contingent liabilities, is greater than all of the company's property at a fair valuation,

- if the present fair saleable value of the company's assets is less than the amount that will be required to pay its probable liability on its existing debts as they become absolute and mature or

- if the company could not pay its debts as they become due.

We cannot assure you what standards a court would apply to determine whether a guarantor was solvent at the relevant time. To the extent that a guarantee were to be avoided as a fraudulent conveyance or held unenforceable for any other reason, holders of the Series D notes would cease to have any claim in respect of the guarantor and would be creditors solely of ours and of the guarantors whose guarantees had not been avoided or held unenforceable. In this event, the claims of the holders of the Series D notes against the issuer of an invalid guarantee would be subject to the prior payment in full of all liabilities of the guarantor thereunder. There can be no assurance that, after providing for all prior claims, there would be sufficient assets to satisfy the claims of the holders of the Series D notes relating to the voided guarantees.

The guarantees may be released under certain circumstances upon resale, exchange or transfer by us of the stock of the related guarantor or all or substantially all of the assets of the guarantor to a non-affiliate. See "Description of Notes--Certain Covenants--Limitation on Issuances of Guarantees of and Pledges for Indebtedness."

To the extent that a court were to find that the issuance of the Series D notes violated federal or state fraudulent transfer or conveyance laws, in the manner described above with respect to the guarantors, the court could avoid or modify our obligations to holders of the Series D notes in favor of our other creditors. To the extent that the issuance of the Series D notes were to be avoided as a fraudulent conveyance or held unenforceable for any other reason, holders of the Series D notes would cease to have any claim against us and would be creditors solely of the guarantors whose guarantees had not been avoided or held unenforceable. In this event, the claims of the holders of the Series D notes against us would be subject to the prior payment in full of all of our

liabilities. We cannot assure you that, after providing for all prior claims, there would be sufficient assets to satisfy the claims of the holders of the Series D notes.

We do not expect a public market for the Series D notes to develop after completion of the exchange offer.

There currently is no trading market and there can be no assurance as to the liquidity of any market for the Series D notes that may develop, the ability of holders of the Series D notes to sell their Series D notes, or the prices at which holders of the Series D notes would be able to sell their Series D notes. If markets were to exist, the Series D notes could trade at prices higher or lower than the initial purchase prices you paid for either your series B or your Series C notes. Although Merrill Lynch, Pierce, Fenner & Smith Incorporated and Banc of America Securities LLC have informed us that they currently intend to make a market in the Series D notes, if issued, they are not obligated to do so, and they may discontinue any market making activities they engage in at any time without notice. Accordingly, there can be no assurance as to the development or liquidity of any market for the Series D notes if issued. The Series D notes will be eligible for trading in the PORTAL market. We do not intend to apply for listing of the Series D notes, if issued, on any securities exchange or for quotation on the National Association of Securities Dealers Automated Quotation System. We have agreed to file this registration statement with the Commission to an offer to exchange our Series B notes and the Series C notes for a single class of publicly traded Series D notes. We can provide no assurance that any holder of any Series B or Series C Notes will participate in the exchange offer. The failure of holders of Series B and C notes to participate in the exchange offer will have an adverse impact on the liquidity of the Series D notes

Our significant indebtedness could materially adversely affect our financial health and prevent us from fulfilling our financial obligations.

As of September 30, 2001, our total outstanding indebtedness was approximately $1,008.8 million, including the following:

- $312.4 million under a revolving credit agreement (the "Revolving Facility") with Ford Motor Credit Company ("Ford Motor Credit"), Chrysler Financial Company, LLC ("Chrysler Financial") and Toyota Motor Credit Corporation ("Toyota

Credit") with a borrowing limit of $600 million, subject to a borrowing base calculated on the basis of our receivables, inventory and equipment and a pledge of certain additional collateral by an affiliate of Sonic;

- $368.4 million under a standardized secured inventory floor plan facility (the "Ford Floor Plan Facility") with Ford Motor Credit;

- $115.6 million under a standardized secured floor plan facility (the "Chrysler Floor Plan Facility") with Chrysler Financial;

- $11.5 million under a standardized secured floor plan facility (the "Toyota Floor Plan Facility") with Toyota Credit;

- $61.8 million under a standardized secured floor plan facility (the "GMAC Floor Plan Facility" and together with the Ford Floor Plan Facility, the Toyota Floor Plan Facility and the Chrysler Floor Plan Facility, the "Floor Plan Facilities") with General Motors Acceptance Corporation ("GMAC");

- $121.5 million in 11% Senior Subordinated Notes due 2008 representing $125.0 million in aggregate principal amount less unamortized discount of approximately $3.5 million; and

- $17.6 million of other secured debt, including $10.7 million under a revolving real estate acquisition and new dealership construction line of credit (the "Construction Loan") and a related mortgage refinancing facility (the "Permanent Loan" and together with the Construction Loan, the "Mortgage Facility") with Ford Motor Credit.

As of September 30, 2001, we had approximately $229.2 million available for additional borrowings under the Revolving Facility, based on a borrowing base calculated on the basis of our receivables, inventory and equipment and certain additional collateral pledged by an affiliate of Sonic. We also had approximately $89.3 million available for additional borrowings under the Mortgage Facility for real estate acquisitions and new dealership construction. We also have significant additional capacity under the Floor Plan Facilities. In addition, the indentures relating to our senior subordinated notes and other debt instruments allow us to incur additional indebtedness, including secured indebtedness.

The degree to which we are leveraged could have important consequences to the holders of our securities, including the following:

- our ability to obtain additional financing for acquisitions, capital expenditures, working capital or general corporate purposes may be impaired in the future;
- a substantial portion of our current cash flow from operations must be dedicated to the payment of principal and interest on our senior subordinated notes, borrowings under the Revolving Facility and the Floor Plan Facilities and other indebtedness, thereby reducing the funds available to us for our operations and other purposes;
- some of our borrowings are and will continue to be at variable rates of interest, which exposes us to the risk of increased interest rates;
- the indebtedness outstanding under our credit facilities is secured by a pledge of substantially all the assets of our dealerships; and
- we may be substantially more leveraged than some of our competitors, which may place us at a relative competitive disadvantage and make us more vulnerable to changing market conditions and regulations.

In addition, our debt agreements contain numerous covenants that limit our discretion with respect to business matters, including mergers or acquisitions, paying dividends, incurring additional debt, making capital expenditures or disposing of assets.

Our future operating results depend on our ability to integrate our operations with recent acquisitions.

Our future operating results depend on our ability to integrate the operations of our recently acquired dealerships, as well as dealerships we acquire in the future, with our existing operations. In particular, we need to integrate our systems, procedures and structures, which can be difficult. Our growth strategy has focused on the pursuit of strategic acquisitions that either expand or complement our business. We acquired 19 dealerships in 1998, 72 during 1999, 11 in 2000 and 12 to date in 2001.

We cannot assure you that we will effectively and profitably integrate the operations of these dealerships without substantial costs, delays or operational or financial problems, including as a result of:

- the difficulties of managing operations located in geographic areas where we have not previously operated;
- the management time and attention required to integrate and manage newly acquired dealerships;
- the difficulties of assimilating and retaining employees; and
- the challenges of keeping customers.

These factors could have a material adverse effect on our financial condition and results of operations.

Risks associated with acquisitions may hinder our ability to increase revenues and earnings.

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

- incurring significantly higher capital expenditures and operating expenses;
- failing to assimilate the operations and personnel of the acquired dealerships;
- entering new markets with which we are unfamiliar;
- potential undiscovered liabilities at acquired dealerships;
- disrupting our ongoing business;
- diverting our limited management resources;

- failing to maintain uniform standards, controls and policies;

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

- causing increased expenses for accounting and computer systems, as well as integration difficulties; and

- failure to obtain a manufacturer's consent to the acquisition of one or more of its dealership franchises.

We may not adequately anticipate all of the demands that our growth will impose on our systems, procedures and structures, including our financial and reporting control systems, data processing systems and management structure. If we cannot adequately anticipate and respond to these demands, our business could be materially harmed.

Failure to retain qualified management personnel at any acquired dealership may increase the risk associated with integrating the acquired dealership.

Installing new computer systems has disrupted existing operations in the past as management and salespersons adjust to new technologies. We cannot assure you that we will overcome these risks or any other problems encountered with either our past or future acquisitions.

Automobile manufacturers exercise significant control over our operations and we are dependent on them to operate our business.

Each of our dealerships operates pursuant to a franchise agreement with the applicable automobile manufacturer or manufacturer authorized distributor. We are significantly dependent on our relationships with these manufacturers. Without a franchise agreement, we cannot obtain new vehicles from a manufacturer.

Vehicles manufactured by the following manufacturers accounted for the indicated approximate percentage of our new vehicle revenue for the nine months ended September 30, 2001:

Manufacturer	Percentage of Historical New Vehicle Revenues for the Nine Months Ended September 30, 2001
Ford	18.8%
Honda	13.1%
BMW	11.1%
Toyota	11.1%
General Motors	10.8%
Chrysler	8.6%
Nissan	5.3%
Lexus	5.3%

No other manufacturer accounted for more than five percent of our new vehicle sales during the first nine months of 2001. A significant decline in the sale of Ford, Honda, Chrysler, General Motors, BMW, Toyota, Nissan or Lexus new vehicles could have a material adverse effect on our revenue and profitability.

Manufacturers exercise a great degree of control over the operations of our dealerships. Each of our franchise agreements provides for termination or non-renewal for a variety of causes, including any unapproved change of ownership or management and other material breaches of the franchise agreements.

Manufacturers may also have a right of first refusal if we seek to sell dealerships. We believe that we will be able to renew at expiration all of our existing franchise agreements, other than our Oldsmobile and Plymouth franchise agreements. DaimlerChrysler phased out the Plymouth division on October 1, 2001 and General Motors is in the process of phasing out the Oldsmobile division. Neither of these actions will materially affect us.

- We cannot assure you that any of our existing franchise agreements will be renewed or that the terms and conditions of such renewals will be favorable to us.

- If a manufacturer is allowed under state franchise laws to terminate or decline to renew one or more of our significant franchise agreements, this action could have a material adverse effect on our results of operations.

- Actions taken by manufacturers to exploit their superior bargaining position in negotiating the terms of renewals of franchise agreements or otherwise could also have a material adverse effect on our results of operations.

- Manufacturers allocate their vehicles among dealerships generally based on the sales history of each dealership. Consequently, we also depend on the manufacturers to provide us with a desirable mix of popular new vehicles. These popular vehicles produce the highest profit margins and tend to be the most difficult to obtain from the manufacturers.

- Our dealerships depend on the manufacturers for certain sales incentives, warranties and other programs that are intended to promote and support dealership new vehicle sales. Manufacturers have historically made many changes to their incentive programs during each year. A reduction or discontinuation of a manufacturer's incentive programs may materially adversely affect our profitability. Some of these programs include:

  - customer rebates on new vehicles;

  - dealer incentives on new vehicles;

  - special financing or leasing terms;

  - warranties on new and used vehicles; and

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

Adverse conditions affecting one or more manufacturers may negatively impact our profitability.

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

- financial condition;

- marketing;

- vehicle design;

- production capabilities;

- management; and

- labor relations.

Nissan, Dodge (a Chrysler brand) and Volvo have had significant difficulty in the U.S. market in the recent past. If any of our manufacturers, particularly Ford, Honda, Chrysler, General Motors, BMW, Toyota, Nissan, or Lexus were unable to design, manufacture, deliver and market their vehicles successfully, the manufacturer's reputation and our ability to sell the manufacturer's vehicles could be adversely affected.

Events such as strikes and other labor actions by unions, or negative publicity concerning a particular manufacturer or vehicle model, may materially and adversely affect our results of operations. Similarly, the delivery of vehicles from manufacturers later than scheduled, which may occur particularly during periods when new products are being introduced, can reduce our sales. Although we have attempted to lessen our dependence on any one manufacturer by establishing dealer relationships with a number of different domestic and foreign automobile manufacturers, adverse conditions affecting manufacturers, Ford, Honda, Chrysler, General Motors, BMW, Toyota, Nissan or Lexus in particular, could have a material adverse effect on our results of operations. In the event of a strike, we may need to purchase inventory from other automobile dealers at prices higher than we would be required to pay to the affected manufacturer in order to carry an adequate level and mix of inventory. Consequently, strikes or other adverse labor actions could materially adversely affect our profitability.

Manufacturer stock ownership/issuance restrictions limit our ability to issue additional equity to meet our financing needs.

Standard automobile franchise agreements prohibit transfers of any ownership interests of a dealership and its parent and, therefore, often do not by their terms accommodate public trading of the capital stock of a dealership or its parent. Our manufacturers have agreed to permit trading in Sonic's Class A common stock. A number of manufacturers impose restrictions on the transferability of the Class A common stock.

- Honda may force the sale of our Honda or Acura franchises if (1) an

automobile manufacturer or distributor acquires securities having five percent or more of the voting power of Sonic's securities, (2) an individual or entity that has either a felony criminal record or a criminal record relating solely to dealings with an automobile manufacturer, distributor or dealership acquires securities having five percent or more of the voting power of Sonic's securities or (3) any individual or entity acquires securities having 20% or more of the voting power of Sonic's securities and Honda reasonably deems such acquisition to be detrimental to Honda's interests in any material respect.

- Ford may cause us to sell or resign from one or more of our Ford, Lincoln or Mercury franchises if any person or entity (other than O. Bruton Smith and any entity controlled by him) acquires or has a binding agreement to acquire securities having 50% or more of the voting power of Sonic's securities.

- General Motors and Infiniti may force the sale of their respective franchises if 20% of more of Sonic's voting securities are similarly acquired.

- Toyota may force the sale of one or more of Sonic's Toyota or Lexus dealerships if (1) an automobile manufacturer or distributor acquires securities, or the right to vote securities by proxy or voting agreement, having more than five percent of the voting power of Sonic's securities, (2) any individual or entity acquires securities, or the right to vote securities by proxy or voting agreement, having more than 20% of the voting power of Sonic's securities, (3) there is a material change in the composition of Sonic's Board of Directors that Toyota reasonably concludes will be materially incompatible with Toyota's interests or will have an adverse effect on Toyota's reputation or brands in the marketplace or the performance of Sonic or its Toyota and Lexus dealerships, (4) there occurs an extraordinary transaction whereby Sonic's stockholders immediately prior to such transaction own in the aggregate securities having less than a majority of

the voting power of Sonic or the successor entity, or (5) any individual or entity acquires control of Sonic, Sonic Financial Corporation or any Toyota or Lexus dealership owned by Sonic.

- Chrysler requires prior approval of any future sales that would result in a change in voting or managerial control of Sonic.

- Mercedes requires 60 days advance notice to approve any acquisition of 20% or more of Sonic's voting securities.

- Volkswagen has approved the sale of no more than 25% of the voting control of Sonic, and any future changes in ownership or transfers among Sonic's current stockholders that could affect the voting or managerial control of Sonic's Volkswagen franchise subsidiaries requires the prior approval of Volkswagen.

Other manufacturers may impose similar or more limiting restrictions.

Our lending arrangements also require that holders of Sonic's Class B common stock maintain voting control over Sonic. We are unable to prevent our stockholders from transferring shares of our common stock, including transfers by holders of the Class B common stock. If such transfer results in a change in control of Sonic, it could result in the termination or non-renewal of one or more of our franchise agreements and a default under our credit arrangements. Moreover, these issuance limitations may impede our ability to raise capital through additional equity offerings or to issue our stock as consideration for future acquisitions.

Manufacturers' restrictions on acquisitions could limit our future growth.

We are required to obtain the consent of the applicable manufacturer before the acquisition of any additional dealership franchises. We cannot assure you that manufacturers will grant such approvals, although the denial of such approval may be subject to certain state franchise laws.

Obtaining manufacturer consent for acquisitions could also take a significant amount of time. Obtaining manufacturer approval for our completed acquisitions has taken approximately three to five months. We believe that manufacturer approvals of subsequent acquisitions from manufacturers with which we have previously completed applications and agreements may take less time, although we cannot provide you with assurances to that effect. In addition, under an applicable franchise agreement or under state law, a manufacturer may have a right of first refusal to acquire a dealership in the event we seek to

acquire that dealership franchise.

If we experience delays in obtaining, or fail to obtain, manufacturer approvals for dealership acquisitions, our growth strategy could be materially adversely affected. In determining whether to approve an acquisition, the manufacturers may consider many factors, including:

- our management's moral character;
- the business experience of the post-acquisition dealership management;
- our financial condition;
- our ownership structure; and
- manufacturer-determined consumer satisfaction index scores.

In addition, a manufacturer may seek to limit the number of its dealerships that we may own, our national market share of that manufacturer's products or the number of dealerships we may own in a particular geographic area. These restrictions may not be enforceable under state franchise laws.

- Our framework agreement with Ford places the following restrictions on our ability to acquire Ford or Lincoln Mercury dealerships:
  - We may not acquire additional Ford or Lincoln Mercury dealerships unless we continue to satisfy Ford's requirement that 80% of our Ford dealerships meet Ford's performance criteria. Beyond that, we may not make an acquisition that would result in our owning Ford or Lincoln Mercury dealerships with sales exceeding five percent of the total Ford or total Lincoln Mercury retail sales of new vehicles in the United States for the preceding calendar year.

- We may not acquire additional Ford or Lincoln Mercury dealerships in a particular state if such an acquisition would result in our owning Ford or Lincoln Mercury dealerships with sales exceeding 5% of the total Ford or total Lincoln Mercury retail sales of new vehicles in that state for the preceding calendar year.
- We may not acquire additional Ford dealerships in a Ford-defined market area if such an acquisition would result in our owning more than one Ford dealership in a market having a total of three or less Ford dealerships or owning more than 25% of the Ford dealerships in a market having a total of four or more Ford dealerships. An identical market area restriction applies for Lincoln Mercury dealerships.

- Our framework agreement with Toyota limits the number of Toyota and Lexus dealerships that we may own on a national level, in each Toyota-defined geographic region or distributor area, and in each Toyota or Lexus-defined metropolitan market. Nationally, the limitations on Toyota dealerships owned by us are for specified time periods and are based on specified percentages of total Toyota unit sales in the United States. In Toyota-defined geographic regions or distributor areas, the limitations on Toyota dealerships owned by us are specified by the applicable Toyota regional limitations policy or distributor's policy in effect at such time. In Toyota-defined metropolitan markets, the limitations on Toyota dealerships owned by us are based on Toyota's metro markets limitation policy then in effect, which currently provides a limitation based on the total number of Toyota dealerships in the particular market. For Lexus, we may own no more than one Lexus dealership in any one Lexus-defined metropolitan market and no more than three Lexus dealerships nationally.

- Our framework agreement with Honda limits the number of Honda and Acura dealerships that we may own on a national level, in each Honda and Acura-defined geographic zone, and in each Honda-defined metropolitan market. Nationally, the limitations on Honda dealerships owned by us are based on specified percentages of total Honda unit sales in the United States. In Honda-defined geographic zones, the limitations on Honda dealerships owned by us are based on specified percentages of total Honda unit sales in each of 10 Honda-defined geographic zones. In Honda-defined metropolitan markets, the limitations on Honda dealerships owned by us are specified numbers of dealerships in each market, which numerical limits vary based mainly on the total number of Honda dealerships in a particular market. For Acura, we may own no more than (A) two Acura dealerships in a Honda-defined metropolitan market, (B) three Acura dealerships in any one of six Honda-defined geographic zones and (C) five Acura dealerships nationally. Honda also prohibits ownership of contiguous dealerships.

- Mercedes restricts any company from owning Mercedes dealerships with sales

of more than 3% of total sales of Mercedes vehicles in the U.S. during the previous calendar year.

- General Motors currently limits the maximum number of General Motors dealerships that we may acquire to 50% of the General Motors dealerships, by brand line, in a General Motors-defined geographic market area having multiple General Motors dealers.

- Subaru limits us to no more than two Subaru dealerships within certain designated market areas, four Subaru dealerships within its Mid-America region and 12 dealerships within Subaru's entire area of distribution.

- BMW currently prohibits publicly held companies from owning BMW dealerships representing more than 10% of all BMW sales in the U.S. or more than 50% of BMW dealerships in a given metropolitan market.

- Toyota, Honda and Mercedes also prohibit the coupling of a franchise with any other brand without their consent.

As a condition to granting their consent to our acquisitions, a number of manufacturers required additional restrictions. These agreements principally restrict:

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

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

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

In addition, manufacturer consent to our acquisitions may impose conditions, such as requiring facilities improvements by us at the acquired dealership.

If we are unable to comply with these restrictions, we generally:

- must sell the assets of the dealerships to the manufacturer or to a third party acceptable to the manufacturer; or

- terminate the dealership agreements with the manufacturer.

Other manufacturers may impose other and more stringent restrictions in connection with future acquisitions.

As of December 10, 2001, we owned the following number of franchises for the following manufacturers:

Manufacturer	Number of Franchises	Manufacturer	Number of Franchises
Chevrolet	13	Lexus	4
Honda	13	Lincoln	4
Ford	12	Mercedes	4
BMW	10	Hyundai	3
Cadillac	10	Isuzu	3
Nissan	10	Mitsubishi	3
Toyota	9	Kia	2
Volvo	9	Audi	2
Dodge	8	Infiniti	2
Chrysler	7	Pontiac	2
Jeep	6	Porsche	2
Mercury	5	GMC	1
Oldsmobile	4	Acura	1
Volkswagen	4	Land Rover	1
		Subaru	1

Our failure to meet a manufacturer's consumer satisfaction requirements may adversely affect our ability to acquire new dealerships and our profitability.

Many manufacturers attempt to measure customers' satisfaction with their sales and warranty service experiences through systems which vary from manufacturer to manufacturer, but which are generally known as customer satisfaction index, or CSI, scores. These manufacturers may use a dealership's CSI scores as a factor in evaluating applications for additional dealership acquisitions. The components of CSI have been modified by various manufacturers

from time to time in the past, and we cannot assure you that these components will not be further modified or replaced by different systems in the future. To date, we have not been materially adversely affected by these standards and have not been denied approval of any acquisition based on low CSI scores, except for Jaguar's refusal to approve our acquisition of a Chattanooga Jaguar franchise in 1997. However, we cannot assure you that we will be able to comply with these standards in the future. A manufacturer may refuse to consent to an acquisition of one of its franchises if it determines our dealerships do not comply with the manufacturer's CSI standards. This could materially adversely affect our acquisition strategy. In addition, we receive payments from the manufacturers based, in part, on CSI scores, which could be materially adversely affected if our CSI scores decline.

There are limitations on our financial resources available for acquisitions.

We intend to finance our acquisitions with cash generated from operations, through issuances of our stock or debt securities and through borrowings under credit arrangements.

- We cannot assure you that we will be able to obtain additional financing by issuing stock or debt securities.

- Using cash to complete acquisitions could substantially limit our operating or financial flexibility.

- If we are unable to obtain financing on acceptable terms, we may be required to reduce the scope of our presently anticipated expansion, which could materially adversely affect our growth strategy.

We estimate that as of September 30, 2001, we had approximately $229.2 million available for additional borrowings under the Revolving Facility, based on a borrowing base calculated on the basis of our receivables, inventory and equipment and a pledge of certain additional collateral by an affiliate of Sonic (which borrowing base was $541.6 million of the $600.0 million facility at September 30, 2001).

In addition, we are dependent to a significant extent on our ability to finance our inventory with "floor plan financing." Floor plan financing is how a dealership finances its purchase of new vehicles from a manufacturer. The dealership borrows money to buy a particular vehicle from the manufacturer and pays off the loan when it sells that particular vehicle, paying interest during this period. We must obtain new floor plan financing or obtain consents to assume existing floor plan financing in connection with our acquisition of dealerships.

Substantially all the assets of our dealerships are pledged to secure this floor plan indebtedness. In addition, substantially all the real property and assets of our subsidiaries that are constructing new dealerships are pledged under our Mortgage Facility with Ford Motor Credit. These pledges may impede our ability to borrow from other sources.

Finally, because Ford Motor Credit is associated with Ford, any deterioration of our relationship with one could adversely affect our relationship with the other. The same is true of our relationships with Chrysler and Chrysler Financial, GM and GMAC, and Toyota and Toyota Credit.

Although O. Bruton Smith, our Chairman and Chief Executive Officer, has previously facilitated our acquisition financing, we cannot assure you that he will be willing or able to assist in our financing needs in the future.

Mr. Smith initially guaranteed obligations under the Revolving Facility. Such obligations were further secured with a pledge of shares of common stock of Speedway Motorsports, Inc. ("SMI") owned by Sonic Financial Corporation ("SFC"), a corporation controlled by Mr. Smith having an estimated value at the time of the pledge of approximately $50.0 million (the "Revolving Pledge"). When the Revolving Facility's borrowing limit was increased to $75.0 million in 1997, Mr. Smith's personal guarantee of Sonic's obligations under the Revolving Facility was released, although the Revolving Pledge remained in place. Mr. Smith was also required by Ford Motor Credit to lend $5.5 million (the "Subordinated Smith Loan") to Sonic to increase our capitalization because the net proceeds from our November 1997 initial public offering were significantly less than expected. In August 1998, Ford Motor Credit released the Revolving Pledge. In November 1999, Ford Motor Credit further increased the borrowing limit under the Revolving Facility to $350.0 million subject to a borrowing base calculated on the basis of our receivables, inventory and equipment and a continuing pledge by SFC of five million shares of SMI common stock. Presently, the borrowing limit of the Revolving Facility is $600.0 million, subject to a similar borrowing base, including SFC's continuing pledge of SMI stock.

Before our acquisition of FirstAmerica Automotive, Inc. ("FirstAmerica") Mr. Smith guaranteed the obligations of FirstAmerica under FirstAmerica's new acquisition line of credit with Ford Motor Credit. FirstAmerica obtained this

new financing to enable it to complete its then pending acquisitions. The borrowing limit on this credit facility was approximately $138 million. Mr. Smith had guaranteed approximately $107 million of this amount, which guarantee was secured by a pledge of five million shares of SMI common stock owned by SFC. We assumed FirstAmerica's obligations to Ford Motor Credit under our Revolving Facility when we acquired FirstAmerica. Mr. Smith's secured guarantee in favor of Ford Motor Credit guaranteed a portion of our obligations under the Revolving Facility until August 2000. After August 2000, Mr. Smith did not provide a guarantee in favor of the Revolving Facility lenders, but SFC continues to pledge SMI stock as collateral. We cannot assure you that Mr. Smith will be willing or able to provide similar guarantees or credit support in the future to facilitate Sonic's future acquisitions.

Automobile retailing is a mature industry with limited growth potential in new vehicle sales, and our acquisition strategy will affect our revenues and earnings.

The United States automobile dealership industry is considered a mature industry in which minimal growth is expected in unit sales of new vehicles. As a consequence, growth in our revenues and earnings is likely to be significantly affected by our success in acquiring and integrating dealerships and the pace and size of such acquisitions.

High competition in automobile retailing reduces our profit margins on vehicle sales. Further, the use of the Internet in the car purchasing process could materially adversely affect us.

Automobile retailing is a highly competitive business with approximately 21,600 franchised automobile dealerships in the United States at the end of 2000. Our competition includes:

- Franchised automobile dealerships selling the same or similar makes of new and used vehicles that we offer in our markets and sometimes at lower prices than we offer. Some of these dealer competitors may be larger and have greater financial and marketing resources than we do;

- Other franchised dealers;

- Private market buyers and sellers of used vehicles;

- Used vehicle dealers;

- Internet-based vehicle brokers that sell vehicles obtained from franchised dealers directly to consumers;

- Service center chain stores; and

- Independent service and repair shops.

Our financing and insurance, or "F&I", business and other related businesses, which provide higher contributions to our earnings than sales of new and used vehicles, are subject to strong competition from various financial institutions and other third parties. This competition is increasing as these products are now being marketed and sold over the Internet.

Gross profit margins on sales of new vehicles have been generally declining since 1986. We do not have any cost advantage in purchasing new vehicles from manufacturers, due to economies of scale or otherwise. We typically rely on advertising, merchandising, sales expertise, service reputation and dealership location to sell new vehicles. The following factors could have a significant impact on our business:

- The Internet has become a significant part of the sales process in our industry. Customers are using the Internet to compare pricing for cars and related F&I services, which may further reduce margins for new and used cars and profits for related F&I services. In addition, CarsDirect.com and others are selling vehicles over the Internet without the benefit of having a dealership franchise, although they must currently source their vehicles from a franchised dealer. CarsDirect.com is in an alliance with United Auto Group to facilitate their sourcing of vehicles. Also, AutoNation, Inc. is selling vehicles for its new car dealerships through its AutoNationDirect.com web site. If Internet new vehicle sales are allowed to be conducted without the involvement of franchised dealers, our business could be materially adversely affected. In addition, other franchise groups have aligned themselves with Internet car sellers or are spending significant sums on developing their own Internet capabilities, which could materially adversely affect our business.

- Our revenues and profitability could be materially adversely affected should manufacturers decide to enter the retail market directly .

- The increased popularity of short-term vehicle leasing also has resulted, as these leases expire, in a large increase in the number of late model vehicles available in the market, which puts added pressure on new and used vehicle margins.

- Some of our competitors may be capable of operating on smaller gross margins than we are, and the on-line auto brokers have been operating at a loss.

- As we seek to acquire dealerships in new markets, we may face increasingly significant competition as we strive to gain market share through acquisitions or otherwise. This competition includes other large dealer groups and dealer groups that have publicly traded equity.

Our franchise agreements do not grant us the exclusive right to sell a manufacturer's product within a given geographic area. Our revenues or profitability could be materially adversely affected if any of our manufacturers award franchises to others in the same markets where we operate, although certain state franchise laws may limit such activities by the manufacturers. A similar adverse effect could occur if existing competing franchised dealers increase their market share in our markets. Our gross margins may decline over time as we expand into markets where we do not have a leading position. These and other competitive pressures could materially adversely affect our results of operations.

The cyclical and local nature of automobile sales may adversely affect our profitability.

The automobile industry is cyclical and historically has experienced periodic downturns characterized by oversupply and weak demand. Many factors affect the industry, including general economic conditions and consumer confidence, fuel prices, the level of discretionary personal income, unemployment rates, interest rates and credit availability. We are in the midst of an industry and general economic slowdown that could materially adversely effect our business.

New and used vehicle sales substantially slowed immediately following the terrorist attacks of September 11, 2001. In response, certain manufacturers, especially of domestic brands, have introduced incentive programs, which have contributed to a significant increase in the pace of new vehicle sales in October and November. In addition, we have seen an increase in year over year used vehicle sales in October and November as well as an increase in sales of new vehicles whose manufacturers have not

offered similar incentive programs. We are not able to determine how long the manufacturers will continue to offer these aggressive incentive programs or how long the overall increase in demand will continue, but expect that, absent these incentive programs, vehicle sales may begin to slow again in December and continue slowing into 2002. In addition, we are not able to determine the long-term consequences the terrorist attacks and subsequent outbreaks of hostilities will have on general economic conditions, our industry, or Sonic.

Local economic, competitive and other conditions also affect the performance of dealerships. Our dealerships currently are located in the Atlanta, Baltimore, Birmingham, Charleston, Charlotte, Chattanooga, Columbia, Columbus, Dallas, Daytona Beach, Fort Myers, Greenville/Spartanburg, Houston, Las Vegas, Los Angeles, Mobile/Pensacola, Montgomery, Nashville, Oklahoma City, San Diego, San Francisco, San Jose/Silicon Valley, Tampa/Clearwater, Tulsa and Washington, D.C. markets. We intend to pursue acquisitions outside of these markets, but our operational focus is on our current markets. As a result, our results of operations depend substantially on general economic conditions and consumer spending habits in the Southeast and Northern California and, to a lesser extent, the Houston and Columbus markets. Sales in our Northern California market represented 20.6% of our sales for the nine months ended September 30, 2001. Our results of operations also depend on other factors, such as tax rates and state and local regulations specific to the states in which we currently operate. Sonic may not be able to expand geographically and any such expansion may not adequately insulate it from the adverse effects of local or regional economic conditions.

We can offer you no assurances that we will be able to continue executing our acquisition strategy without the costs of future acquisitions escalating.

Although there are many potential acquisition candidates that fit our acquisition criteria, we cannot assure you that we will be able to consummate any such transactions in the future or identify those candidates that would

result in the most successful combinations, or that future acquisitions will be able to be consummated at acceptable prices and terms. In addition, increased competition for acquisition candidates could result in fewer acquisition opportunities for us and higher acquisition prices. The magnitude, timing, pricing and nature of future acquisitions will depend upon various factors, including:

- the availability of suitable acquisition candidates;
- competition with other dealer groups for suitable acquisitions;
- the negotiation of acceptable terms;
- our financial capabilities;
- our stock price;
- the availability of skilled employees to manage the acquired companies; and
- general economic and business conditions.

We may be required to file applications and obtain clearances under applicable federal antitrust laws before completing an acquisition. These regulatory requirements may restrict or delay our acquisitions, and may increase the cost of completing acquisitions.

The operating condition of acquired businesses cannot be determined accurately until we assume control.

Although we conduct what we believe to be a prudent level of investigation regarding the operating condition of the businesses we purchase, in light of the circumstances of each transaction, an unavoidable level of risk remains regarding the actual operating condition of these businesses. Until we actually assume operating control of such business assets, we may not be able to ascertain the actual value of the acquired entity.

Potential conflicts of interest between Sonic and its officers could adversely affect our future performance.

O. Bruton Smith serves as the chairman and chief executive officer of SMI. Accordingly, Sonic competes with SMI for the management time of Mr. Smith. Under his employment agreement with Sonic, Mr. Smith is required to devote approximately 50% of his business time to our business. The remainder of his business time may be devoted to other entities, including SMI.

Sonic has in the past and will likely in the future enter into transactions with Mr. Smith, entities controlled by Mr. Smith or other affiliates of Sonic. We believe that all of our existing arrangements with affiliates are as favorable to us as if the arrangements were negotiated between unaffiliated parties, although the majority of such transactions have neither been

independently verified in that regard nor are likely to be so verified in the future. Potential conflicts of interest could arise in the future between Sonic and its officers or directors in the enforcement, amendment or termination of arrangements existing between them.

Under Delaware law generally, a corporate insider is precluded from acting on a business opportunity in his individual capacity if that opportunity is

(1) one which the corporation is financially able to undertake,

(2) is in the line of the corporation's business,

(3) is of practical advantage to the corporation, and

(4) is one in which the corporation has an interest or reasonable expectancy.

Accordingly, our corporate insiders are generally prohibited from engaging in new dealership-related business opportunities outside of Sonic unless a majority of Sonic's disinterested directors decide that such opportunities are not in our best interest.

Sonic's charter contains provisions providing that transactions between Sonic and its affiliates must be no less favorable to Sonic than would be available in similar transactions with an unrelated third party. Moreover, any such transactions involving aggregate payments in excess of $500,000 must be approved by a majority of Sonic's directors and a majority of Sonic's

independent directors. If not so approved, Sonic must obtain an opinion as to the financial fairness of the transaction to be issued by an investment banking or appraisal firm of national standing. In addition, the terms of the Revolving Facility and Sonic's existing senior subordinated notes restrict transactions with affiliates in a manner similar to Sonic's charter restrictions.

The loss of key personnel and limited management and personnel resources could adversely affect our operations and growth.

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

In addition, as we expand we may need to hire additional managers. The market for qualified employees in the industry and in the regions in which we operate, particularly for general managers and sales and service personnel, is highly competitive and may subject us to increased labor costs during periods of low unemployment. The loss of the services of key employees or the inability to attract additional qualified managers could have a material adverse effect on our results of operations. In addition, the lack of qualified management or employees employed by potential acquisition candidates may limit our ability to consummate future acquisitions.

Seasonality of the automotive retail business adversely affects first quarter revenues.

Our business is seasonal, with a disproportionate amount of revenues received generally in the second, third and fourth fiscal quarters.

Import product restrictions and foreign trade risks may impair our ability to sell foreign vehicles profitably.

Some of the vehicles and major components of vehicles we sell are manufactured in foreign countries. Accordingly, we are subject to the import and export restrictions of various jurisdictions and are dependent to some extent upon general economic conditions in, and political relations with, a number of foreign countries, particularly Germany, Japan and Sweden. Fluctuations in currency exchange rates may also adversely affect our sales of vehicles produced by foreign manufacturers. Imports into the United States may also be adversely affected by increased transportation costs and tariffs, quotas or duties.

Governmental regulation and environmental regulation compliance costs may adversely affect our profitability.

We are subject to a wide range of federal, state and local laws and regulations, such as local licensing requirements and consumer protection laws. The violation of these laws and regulations can result in civil and criminal penalties against us or in a cease and desist order against our operations if we are not in compliance. Our future acquisitions may also be subject to regulation, including antitrust reviews. We believe that we comply in all material respects with all laws and regulations applicable to our business, but future regulations may be more stringent and require us to incur significant additional costs.

Our facilities and operations are also subject to federal, state and local laws and regulations relating to environmental protection and human health and safety, including those governing wastewater discharges, air emissions, the operation and removal of underground and aboveground storage tanks, the use, storage, treatment, transportation, release, recycling and disposal of solid and hazardous materials and wastes and the cleanup of contaminated property or water. We may be required by these laws to pay the full amount of the costs of investigation and/or remediation of contaminated properties, even if we are not at fault for disposal of the materials or if such disposal was legal at the time. People who may be found liable under these laws and regulations include the present or former owner or operator of a contaminated property and companies that generated, transported, disposed of or arranged for the transportation or disposal of hazardous substances found at the property.

Our past and present business operations are subject to environmental laws and regulations governing the use, storage, handling, recycling and disposal of hazardous or toxic substances such as new and waste motor oil, oil filters, transmission fluid, antifreeze, freon, new and waste paint and lacquer thinner, batteries, solvents, lubricants, degreasing agents, gasoline and diesel fuels. We are also subject to laws and regulations relating to underground storage tanks that exist or used to exist at many of our properties. Like many of our competitors, we have incurred, and will continue to incur, capital and operating

expenditures and other costs in complying with such laws and regulations. In addition, soil and groundwater contamination exists at certain of our properties. We cannot assure you that our other properties have not been or will not become similarly contaminated. In addition, we could become subject to potentially material new or unforeseen environmental costs or liabilities because of our acquisitions.

Environmental laws and regulations, including those governing air emissions and underground storage tanks, could require compliance with new or more stringent standards that are imposed in the future. We cannot predict what other environmental legislation or regulations will be enacted in the future, how existing or future laws or regulations will be administered or interpreted or what environmental conditions may be found to exist in the future. Consequently, we may be required to make substantial expenditures in the future.

Concentration of voting power and antitakeover provisions of our charter, Delaware law and our dealer agreements may reduce the likelihood of any potential change of control of Sonic.

Sonic's common stock is divided into two classes with different voting rights. This dual class stock ownership allows the present holders of the Class B common stock to control Sonic. Holders of Class A common stock have one vote per share on all matters. Holders of Class B common stock have 10 votes per share on all matters, except that they have only one vote per share on any transaction proposed by the Board of Directors or a Class B common stockholder or otherwise benefiting the Class B common stockholders constituting a:

(1) "going private" transaction;

(2) disposition of substantially all of our assets;

(3) transfer resulting in a change in the nature of our business; or

(4) merger or consolidation in which current holders of common stock would own less than 50% of the common stock following such transaction.

The holders of Class B common stock currently hold less than a majority of Sonic's outstanding common stock, but a majority of Sonic's voting power. This may prevent or discourage a change of control of Sonic even if such action were favored by holders of Class A common stock.

Sonic's charter and bylaws make it more difficult for its stockholders to take corporate actions at stockholders' meetings. In addition, options under our 1997 Stock Option Plan become immediately exercisable on a change in control. Also, Delaware law makes it difficult for stockholders who have recently acquired a large interest in a company to consummate a business transaction with the company against its directors' wishes. Finally, restrictions imposed by our dealer agreements may impede or prevent any potential takeover bid. Generally, our franchise agreements allow the manufacturers the right to terminate the agreements upon a change of control of our company and impose restrictions upon the transferability of any significant percentage of our stock to any one person or entity who may be unqualified, as defined by the manufacturer, to own one of its dealerships. The inability of a person or entity to qualify with one or more of our manufacturers may prevent or seriously impede a potential takeover bid. These agreements, corporate documents and laws, as well as provisions of our lending arrangements creating an event of default on a change in control, may have the effect of delaying or preventing a change in control or preventing stockholders from realizing a premium on the sale of their shares upon an acquisition of Sonic.

New accounting pronouncements on business combinations and goodwill could affect future earnings.

In July 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 141: Business Combinations. SFAS 141 prohibits the pooling-of-interests method of accounting and requires the use of the purchase method of accounting for all business combinations initiated after June 30, 2001. In addition, SFAS 141

provides additional guidance regarding the measurement and recognition of goodwill and other acquired intangible assets. The provisions of this standard became effective beginning July 1, 2001. For acquisitions after this, we are required to classify certain intangible assets, such as franchise rights granted from automobile manufacturers, as intangible assets apart from goodwill.

In July 2001, the FASB also issued SFAS No. 142: Goodwill and Other Intangible Assets. Among other things, SFAS 142 no longer permits the amortization of goodwill, but requires that the carrying amount of goodwill be reviewed and reduced against operations if it is found to be impaired. This review must be performed on at least an annual basis, but must also be performed

upon the occurrence of an event or circumstance that indicates a possible reduction in value. SFAS 142 does require the amortization of intangible assets other than goodwill over their useful economic lives, unless the useful economic life is determined to be indefinite. These intangible assets are required to be reviewed for impairment in accordance with SFAS 144: Accounting for Impairment or Disposal of Long-Lived Assets. Intangible assets that are determined to have an indefinite economic life may not be amortized and must be reviewed for impairment in accordance with the terms of SFAS 142. The provisions of SFAS 142 become effective for us beginning January 1, 2002; however, goodwill and other intangible assets determined to have an indefinite useful life acquired in business combinations completed after June 30, 2001 will not be amortized. Early adoption and retroactive application is not permitted for Sonic. While we are currently evaluating the provisions of SFAS 142, we have not yet determined its full impact on our consolidated financial statements. As of December 31, 2000, the carrying amount of goodwill was $668.8 million and represented 37.4% of total assets and 148.3% of total stockholders' equity. As of September 30, 2001, the carrying amount of goodwill was $689.2 million and represented 40.8% of total assets and 140.7% of total stockholders' equity.

In August 2001, the FASB issued SFAS No. 144: Accounting for the Impairment or Disposal of Long-Lived Assets. SFAS 144 establishes a single accounting model for assets to be disposed of by sale whether previously held and used or newly acquired. SFAS 144 is effective for fiscal years beginning after December 15, 2001. We are currently evaluating the provisions of SFAS 144 and have not yet determined the impact on our consolidated financial statements.

THE EXCHANGE OFFER

Background and Reasons for the Exchange Offer

We issued the Series B notes on December 10, 1998 in exchange for $125.0 million of Series A notes.

On November 19, 2001, we privately placed $75.0 million of Series C notes. Simultaneously with the sale of the Series C notes, we entered into a registration rights agreement with the initial purchasers of the Series C notes--Merrill Lynch, Pierce, Fenner & Smith Incorporated and Banc of America Securities LLC. Under this registration rights agreement, we agreed to file this registration statement regarding the exchange of all of the outstanding Series B and Series C notes for Series D notes. The terms of the Series D notes will be identical in all material respects to the Series B and Series C notes. We also agreed to use our reasonable best efforts to cause this registration statement to become effective with the Commission. The summary herein of certain provisions of the registration rights agreement does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the registration rights agreement.

Under the registration rights agreement we agreed, for the benefit of the holders of the Series C notes, at our cost, to use our reasonable best efforts

(a) to file with the Commission this registration statement with respect to the exchange offer for the Series D notes on or before January 18, 2002,

(b) to cause the exchange offer registration statement to be declared effective under the Securities Act on or before April 3, 2002,

(c) to keep the exchange offer registration statement effective until the closing of this exchange offer, and

(d) to cause the exchange offer to be consummated on or before May 3, 2002.

Promptly after this registration statement has been declared effective, we will offer the Series D notes in exchange for surrender of the Series B notes and the Series C notes. We will keep the exchange offer open for not less than 30 days (or longer if required by applicable law) after the date notice of the exchange offer is mailed to the holders of the Series B notes and the Series C notes. For each Series B note and Series C note validly tendered to us pursuant to the exchange offer and not withdrawn by the holder thereof, the holder of each Series B note or Series C note will receive a Series D note having a principal amount equal to that of the tendered Series B note or Series C note; provided that no Series B note will be exchanged pursuant to the exchange offer unless at least $50 million in aggregate face value of the Series B notes are tendered and not withdrawn. We can provide no assurance that any Series B notes will be exchanged in this exchange offer. Interest on each Series D note will accrue from the last date on which interest was paid on the tendered Series B note or Series C note in exchange therefor. We will not complete the exchange offer until after our February 1, 2002 interest payment on the Series B and Series C notes.

If any changes in law or the applicable interpretations of the staff of the Commission do not permit us to effect this exchange offer, or if for any other reason this registration statement is not declared effective by April 3, 2002 the exchange offer is not consummated by May 3, 2002, or upon the request of any of the initial purchasers, or if a holder of the Series C notes is not permitted by applicable law to participate in the exchange offer or elects to participate in the exchange offer but does not receive fully tradable Series D notes pursuant to the exchange offer, we will, in lieu of effecting the registration of the Series D notes pursuant to this registration statement and at our cost,

(a) as promptly as practicable, file with the Commission a shelf registration statement covering resales of the Series C notes,

(b) use our reasonable best efforts to cause the shelf registration statement to be declared effective under the Securities Act on or before May 3, 2002 and

(c) use our reasonable best efforts to keep effective the shelf registration statement for a period of two years after its effective date (or for such shorter period that will terminate when all of the Series C notes covered by the shelf registration statement have been sold pursuant thereto or cease to be outstanding).

If we file a shelf registration statement, we will provide to each holder of the Series C notes copies of the prospectus which is a part of the shelf registration statement, notify each such holder when the shelf registration statement for the Series C notes has become effective and take certain other actions as are required to permit unrestricted resales of the Series C notes. A holder of Series C notes who sells Series C notes pursuant to the shelf registration statement generally will be required to be named as a selling security holder in the related prospectus and to deliver the prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with such sales and will be bound by the provisions of the registration rights agreement which are applicable to such a holder (including certain indemnification obligations).

In the event that (a) the exchange offer registration statement is not filed with the Commission on or prior to January 18, 2002, (b) the exchange offer registration statement is not declared effective on or prior to April 3, 2002, (c) the exchange offer is not consummated or a shelf registration statement is not declared effective, in either case, on or prior to May 3, 2002 or (d) the shelf registration statement is declared effective but shall thereafter become unusable for more than 30 days in the aggregate of any 12 consecutive month period (each such event referred to in clauses (a) through (d) above, a "Registration Default"), the interest rate borne by the Series C notes shall be increased by one-quarter of one percent per annum upon the occurrence of each Registration Default, which increased rate will further increase by one quarter of one percent each 90-day period that such additional interest continues to accrue under any Registration Default, with an aggregate maximum increase in the interest rate equal to one percent per annum. Following the cure of all Registration Defaults, the accrual of additional interest will cease and the interest rate will revert to the original rate.

The form and terms of the Series D notes are identical in all material respects to the form and terms of the Series B and Series C notes. The Series D notes, like the Series B notes, will be registered under the Securities Act. The Series C notes are not currently registered under the Securities Act. As a result, the Series D notes issued in the exchange offer will not bear legends restricting their transfer and will not contain the registration rights and liquidated damage provisions contained in the Series C notes. The Series C notes provide that, if this registration statement relating to the exchange offer had not been filed by January 18, 2002, declared effective by April 3, 2002, and the exchange offer is not consummated by May 3, 2002 except under limited circumstances, we will pay liquidated damages on the Series C notes. Upon the completion of the exchange offer, you will not be entitled to any liquidated damages on your Series C notes or any further registration rights under the registration rights agreement, except under limited circumstances. The exchange offer is not extended to holders of Series B or Series C notes in any jurisdiction where the exchange offer does not comply with the securities or blue sky laws of that jurisdiction.

In this section entitled "The Exchange Offer," the term "holder" means:

- any person in whose name the Series B or Series C notes are registered on our books;
- any other person who has obtained a properly completed bond power from the registered holder; or
- any person whose Series B or Series C notes are held of record by DTC and who wants to deliver these Series B or Series C notes by book-entry

transfer at DTC.

Terms of the Exchange Offer

We are offering to exchange up to $200.0 million total principal amount of Series D notes for the same aggregate principal amount of Series B and Series C notes. The Series B and Series C notes must be tendered properly and not withdrawn on or before expiration of the exchange offer, as described below. In exchange for Series B and Series C notes properly tendered and accepted, we will issue a like total principal amount of up to $200.0 million in Series D notes.

The exchange offer and withdrawal rights expire at 5:00 p.m., New York City time, on _____, February __, 2002. We may extend this deadline for any reason. We refer to the last day on which tenders will be accepted, whether on February __, 2002 or any later date to which the exchange offer may be extended, as the "Expiration Date." You may tender all, some or none of your Series B or Series C notes.

The exchange offer is for the Series B notes is conditioned upon the valid tender of at least $50.0 million in aggregate principal amount of Series B notes. The exchange offer for the Series C notes is not conditioned upon holders tendering a minimum principal amount of Series B or Series C notes. As of the date of this prospectus, there is $125.0 million aggregate principal amount of Series B notes outstanding and $75.0 million aggregate principal amount of Series C notes outstanding.

You do not have any appraisal or dissenters' rights in the exchange offer. If you do not tender Series B or Series C notes or you tender Series B or Series C notes that we do not accept, your Series B or Series C notes will remain outstanding. Any Series B or Series C notes that remain outstanding after completion of the exchange offer will be entitled to the benefits of the indenture under which they were issued. The Series D notes will be entitled to the benefits of the indenture under which they will be issued. The Series C notes will not, however, be entitled to any further registration rights under the registration rights agreement, except under limited circumstances. See the section entitled "Risk Factors--Failure to exchange your Series B or Series C notes may have adverse consequences to you" for more information regarding notes outstanding after the exchange offer.

After the expiration date, we will return to you as soon as reasonably practicable any tendered Series B or Series C notes that we did not accept for exchange.

You will not have to pay brokerage commissions or fees or transfer taxes for exchanging your Series B or Series C notes if you follow the instructions in the letter of transmittal. We will pay the charges and expenses, other than those taxes described below, in the exchange offer. See "--Fees and Expenses" below for further information regarding fees and expenses.

Neither we nor any of our officers or directors make any recommendation as to whether you should tender your Series B or Series C notes in the exchange offer. You must make your own decision after reading this prospectus and the documents

incorporated by reference, including the discussion entitled "Risk Factors" beginning on page 11, and consulting with your advisors based on your own financial position and requirements.

We have the right, in accordance with applicable law, at any time:

- to delay the acceptance of the Series B or Series C notes;
- to terminate the exchange offer if we determine that any of the conditions to the exchange offer has not occurred or has not been satisfied or waived;
- to extend the expiration date of the exchange offer and keep all outstanding notes tendered other than those notes properly withdrawn; and
- to waive any condition or amend the terms of the exchange offer.

If we materially change the terms of the exchange offer, or if we waive a material condition of the exchange offer, we will promptly distribute a prospectus supplement to you disclosing the change or waiver. We also will extend the exchange offer as required by Rule 14e-1 under the Securities Exchange Act of 1934.

If we exercise any of the rights listed above, we will promptly give oral or written notice of the action to the exchange agent, and we will issue a release to appropriate news agencies. In the case of an extension, an announcement will be made no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date.

Acceptance of Series B or Series C notes for Exchange; Issuance of Series D notes

If all the conditions to the exchange offer are met or waived, we will accept for exchange any and all Series B or Series C notes that are validly tendered and not withdrawn prior to 5:00 p.m., New York City time, on the expiration date. We will issue $1,000 principal amount at maturity of registered Series D notes in exchange for each $1,000 principal amount at maturity of Series B or Series C notes accepted in the exchange offer. Series B and Series C notes may be tendered only in minimum denominations of $1,000 principal amount. As of the date of this prospectus, an aggregate of $125.0 million in principal amount at maturity of the Series B notes are outstanding and an aggregate of $75.0 million in principal amount at maturity of the Series C notes are outstanding. This prospectus, together with the accompanying letter of transmittal, is first being sent on or about January __, 2002, to the nominee of the DTC and to others believed to have beneficial ownership in the Series B and Series C notes.

We will be deemed to have exchanged Series B or Series C notes validly tendered and not withdrawn when we give oral or written notice to the exchange agent of our acceptance. The exchange agent is an agent for us for receiving tenders of Series B or Series C notes, letters of transmittal and related documents. The exchange agent is also an agent for tendering holders for receiving Series B and Series C notes, letters of transmittal and related documents and transmitting Series D notes to validly tendering holders. If for any reason, we:

- delay the acceptance or exchange of any Series B or Series C notes;
- extend the exchange offer; or
- are unable to accept or Series D notes,

then the exchange agent may, on our behalf and subject to Rule 14e-1(c) under the Exchange Act, retain tendered Series B and Series C notes. Notes that the exchange agent retains may not be withdrawn, except according to the withdrawal procedures outlined below in the section entitled "--Withdrawal Rights."

In tendering Series B or Series C notes, you must represent and warrant in the letter of transmittal or in an agent's message, which is described below, that:

- you have full power and authority to tender, exchange, sell, assign and transfer Series B or Series C notes;
- we will acquire good, marketable and unencumbered title to the tendered Series B or Series C notes, free and clear of all liens, restrictions, charges and other encumbrances; and
- the Series B or Series C notes tendered for exchange are not subject to any adverse claims or proxies.

You also must represent, warrant and agree that you will, upon request, execute and deliver any additional documents that we or the exchange agent request to complete the exchange, sale, assignment and transfer of the Series B or Series C notes.

Procedures for Tendering Book-Entry Interests

The Series B and Series C notes were issued as global securities. Beneficial interests in the global securities, held by direct or indirect participants in DTC, are shown on, and transfers of these interests are effected only through, records maintained in book-entry form by DTC with respect to its participants.

If you hold your Series B or Series C notes in the form of book-entry interests and you wish to tender your Series B or Series C notes for exchange pursuant to the exchange offer, you must transmit to the exchange agent on or prior to the expiration date either:

- a written or facsimile copy of a properly completed and duly executed letter of transmittal, including all other documents required by the letter of transmittal, to the exchange agent at the address set forth on the back of cover of this prospectus; or

- a computer-generated message transmitted by means of DTC's Automated Tender Offer Program system and received by the exchange agent, in which you acknowledge and agree to be bound by the terms of the letter of transmittal.

In addition, in order to deliver Series B or Series C notes held in the form of book-entry interests:

- the exchange agent must receive a confirmation of the book-entry transfer of these notes into the exchange agent's account at DTC on

or prior to the expiration date; or
- you must comply with the guaranteed delivery procedures described below.

Certificated Series B and Series C Notes

Only registered holders of certificated Series B or Series C notes may tender those notes in the exchange offer. If your Series B or Series C notes are certificated notes and you wish to tender those notes for exchange pursuant to the exchange offer, you must transmit to the exchange agent on or prior to the expiration date, a written or facsimile copy of a properly completed and duly executed letter of transmittal, including all other required documents, to the address set forth on the back cover of this prospectus. In addition, in order to validly tender your certificated Series B or Series C notes:

- the certificates representing your Series B or Series C notes must be received by the exchange agent on or prior to the expiration date; or
- you must comply with the guaranteed delivery procedures described below.

Series B and Series C Notes Held Through a Broker

If you hold your Series B or Series C notes through a broker, do not use the letter of transmittal to direct the tender of your Series B or Series C notes. You should contact your broker directly for instructions on how to participate in the exchange offer. Your broker must notify the DTC and cause it to transfer the notes into the exchange agent's account in accordance with DTC procedures. The broker must also ensure that the exchange agent receives a computer-generated message transmitted by means of DTC's Automated Tender Offer Program system, in which you acknowledge and agree to be bound by the terms of the letter of transmittal before the exchange offer expires.

Procedures Applicable to All Holders

Delivery of required documents by whatever method you choose is at your sole risk. Delivery is complete when the exchange agent actually receives the items to be delivered. You should not deliver any of the required documents to DTC or us. Delivery of documents to DTC in accordance with its procedures or to us does not constitute delivery to the exchange agent. If delivery is by mail, we recommend registered mail, return receipt requested, properly insured, or an overnight delivery service. In all cases, you should allow sufficient time to ensure timely delivery.

If you validly tender Series B or Series C notes and you do not withdraw the tender on or prior to the expiration date, you will have made an agreement with us in accordance with the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal.

Signature Guarantees

You do not need to endorse certificates for the Series B or Series C notes or provide signature guarantees on the letter of transmittal unless:

(1) someone other than the registered holder tenders the certificate; or

(2) you complete the box entitled "Special Issuance Instructions" or "Special Delivery Instructions" in the letter of transmittal.

In the case of (1) or (2) above, you must sign your Series B or Series C note or provide a properly executed bond power. The signature on the bond power and on the letter of transmittal must be guaranteed by an eligible institution. An eligible institution is a member of the S.T.A.M.P. Medallion program, and generally includes a registered national securities exchange or a member of

the National Association of Securities Dealers, Inc., a commercial bank or a trust company having an office or a correspondent in the United States. Most banks, brokerage firms and financial institutions are eligible institutions.

Guaranteed Delivery Procedures

If you wish to tender your Series B or Series C notes but your notes are not immediately available, or time will not permit your notes or other required documentation to reach the exchange agent on or before the expiration date, or the procedure for book-entry transfer cannot be completed on a timely basis, you may still tender your Series B or Series C notes if:

- the tender is made through an eligible institution;
- the exchange agent receives from the eligible institution on or before the expiration of the exchange offer, a properly completed and duly executed notice of guaranteed delivery, substantially in the form provided by us; and

- the exchange agent receives the certificates for all physically tendered Series B or Series C notes, in proper form for transfer, or a book-entry confirmation, as the case may be, and a properly completed letter of transmittal and all other documents required by the letter of transmittal, within three NYSE trading days after the date of execution of the notice of guaranteed delivery.

You may deliver the notice of guaranteed delivery by hand, telegram or mail to the exchange agent and you must include a guarantee by an eligible institution in the form set forth in the notice.

Determination of Validity

We will resolve all questions regarding the form of documents, validity, eligibility, time of receipt and acceptance for exchange of any tendered Series B or Series C notes. Our resolution of these questions as well as our interpretation of the terms and conditions of the exchange offer, including the letter of transmittal, is final and binding on all parties. A tender of Series B or Series C notes is invalid until all irregularities have been cured or waived. Neither we nor the exchange agent or any other person is under any obligation to give notice of any irregularities in tenders, and they are not liable for failing to give any such notice. We reserve the absolute right, in our sole and absolute discretion, to reject any tenders determined to be in improper form or unlawful. We also reserve the absolute right to waive any of the conditions of the exchange offer or any condition or irregularity in the tender of Series B or Series C by any holder. We need not waive similar conditions or irregularities in the case of other holders.

If any letter of transmittal, endorsement, bond power, power of attorney, or any other document required by the letter of transmittal is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, that person must indicate that capacity when signing. In addition, unless waived by us, the person must submit proper evidence satisfactory to us, in our sole discretion, of his or her authority to so act.

Resales of Series D notes

We are exchanging the Series B and Series C notes for Series D notes in reliance upon the position of the staff of the Commission, set forth in interpretive letters to third parties in other similar transactions. We will not seek our own interpretive letter. As a result, we cannot assure you that the staff will take the same position on this exchange offer as it did in interpretive letters to other parties. Based on the staff's letters to other parties, we believe that holders of Series D notes, other than broker-dealers, can offer their Series D notes for resale, resell and otherwise transfer the Series D notes without delivering a prospectus to prospective purchasers. However, you must acquire the Series D notes in the ordinary course of business and have no intention of engaging in a distribution of the Series D notes, as a "distribution" is defined by the Securities Act.

If you are an "affiliate" of us or you intend to distribute Series D notes, within the meaning of the Securities Act, or if you are a broker-dealer who purchased Series B or Series C notes from us to resell pursuant to Rule 144A or any other available exemption under the Securities Act, you:

- cannot rely on the staff's interpretations in the above mentioned interpretive letters;
- cannot tender Series B or Series C notes in the exchange offer; and
- must comply with the registration and prospectus delivery requirements of the Securities Act to transfer the Series B or Series C notes, unless the sale is exempt.

In addition, if you are a broker-dealer who acquired Series B or Series C notes for your own account as a result of market-making or other trading activities and you exchange the Series B or Series C notes for Series D notes, you must deliver a prospectus with any resales of the Series D notes.

If you want to exchange your Series B or Series C notes for Series D notes, you will be required to affirm that you:

- are not an "affiliate" of us;
- are acquiring the Series D notes in the ordinary course of your business;
- have no arrangement or understanding with any person to participate in a distribution of the Series D notes, within the meaning of the Securities Act; and
- are not a broker-dealer, are not engaged in, and do not intend to engage in, a distribution of the Series D notes, within the meaning of the Securities Act.

In addition, we may require you to provide information regarding the number of "beneficial owners" of the Series B or Series C notes within the meaning of Rule 13d-3 under the Exchange Act. Each broker-dealer that receives Series D notes for its own account must acknowledge that it acquired the Series B or Series C notes for its own account as the result of market-making activities or other trading activities. Each broker-dealer must further agree that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of Series D notes. By making this acknowledgment and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" under the Securities Act. Based on the staff's position in interpretive letters issued to third parties, we believe that broker-dealers who acquired Series B or Series C notes for their own accounts as a result of market-making activities or other trading activities may fulfill their prospectus delivery requirements with respect to the Series D notes with a prospectus meeting the requirements of the Securities Act. Accordingly, a broker-dealer may use this prospectus to satisfy such requirements. We have agreed that a broker-dealer may use this prospectus for a period ending 180 days after the expiration date of the exchange offer. You should read the section entitled "Plan of Distribution" for further information about the use of this prospectus by broker-dealers. A broker-dealer intending to use this prospectus in the resale of Series D notes must notify us, on or prior to the expiration date, that it is a participating broker-dealer. This notice may be given in the letter of transmittal or may be delivered to the exchange agent. Any participating broker-dealer who is an "affiliate" of us may not rely on the staff's interpretive letters and must comply with the registration and prospectus delivery requirements of the Securities Act when reselling Series D notes.

Each participating broker-dealer exchanging Series B or Series C notes for Series D notes agrees that, upon receipt of notice from us:

(a) that any statement contained or incorporated by reference in this prospectus makes the prospectus untrue in any material respect;
(b) that this prospectus omits to state a material fact necessary to make the statements contained or incorporated by reference in this prospectus, in light of the circumstances under which they were made, not misleading; or
(c) of the occurrence of other events specified in the registration rights agreement,

the participating broker-dealer will suspend the sale of Series D notes. Each participating broker-dealer agrees not to resell the Series D notes until:

(1) we have amended or supplemented this prospectus to correct the misstatement or omission and we furnish copies of the amended or supplemented prospectus to the participating broker-dealer; or
(2) we give notice that the sale of the Series D notes may be resumed.

If we give notice suspending the sale of Series D notes, it shall extend the 180-day period during which this prospectus may be used by a participating broker-dealer by the number of days between the date we give notice of suspension and the date participating broker-dealers receive copies of the amended or supplemented prospectus or the date we give notice resuming the sale of Series D notes.

Withdrawal Rights

You can withdraw tenders of Series B or Series C notes at any time on or before the expiration date.

For a withdrawal to be effective, you must deliver a written, telegraphic, telex or facsimile transmission of a notice of withdrawal or an agent's message to the appropriate exchange agent on or before the expiration date. The notice of withdrawal must specify the name of the person tendering the Series B or Series C notes to be withdrawn, the total principal amount of Series B or Series C notes withdrawn and the name of the registered holder of the Series B or Series C notes if different from the name of the person tendering the Series B or Series C notes. If you delivered Series B or Series C notes to the exchange agent, you must submit the serial numbers of the Series B or Series C notes to be withdrawn, and the signature on the notice of withdrawal must be guaranteed by an eligible institution, except in the case of Series B or Series C notes tendered for the account of an eligible institution. If you tendered Series B or Series C notes as a book-entry transfer, the notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawal of Series B or Series C notes. You must deliver the notice of withdrawal to the exchange agent by written, telegraphic, telex or facsimile transmission, or by an agent's message. You may

not rescind withdrawals of tender. Series B or Series C notes properly withdrawn may again be tendered at any time on or before the expiration date.

We will determine all questions regarding the validity, form and eligibility of withdrawal notices. Our determination will be final and binding on all parties. Neither we nor the exchange agent or any other person is under any obligation to give notice of any irregularities in withdrawals, and they are not liable for failing to give any such notice. Withdrawn Series B or Series C notes will be returned to you after withdrawal as soon as reasonably practicable.

Interest on Series D notes

The Series D notes will bear interest at a rate of 11% per annum. Interest is payable semi-annually on February 1 and August 1 of each year. Holders of Series D notes will receive interest from the date of initial issuance of the Series D notes, plus an amount equal to the accrued but unpaid interest on the Series B or Series C notes exchanged for the Series D notes. Interest on the Series B or Series C notes accepted for exchange will cease to accrue upon issuance of the Series D notes.

Extension of Tender Period; Termination; Amendment

We expressly reserve the right, in our sole discretion, for any reason, including the non-satisfaction of any of the conditions for completion described below, to extend the period of time during which the exchange offer is open or to amend the terms of the exchange offer in any respect. In any of these cases, we will make a public announcement of the extension or amendment promptly.

If we materially change the terms of or information concerning the exchange offer, we will extend the exchange offer. The Commission has stated that, as a general rule, it believes that an offer should remain open for a minimum of five business days from the date that notice of the material change is first given. The length of time the exchange offer must remain open will depend on the particular facts and circumstances.

If any of the conditions indicated in the next section have not been met, we reserve the right, in our sole discretion, so long as Series B or Series C notes have not been accepted for exchange, to delay the acceptance of any Series B or Series C notes or to terminate the exchange offer and not accept for exchange any Series B or Series C notes.

If we extend the exchange offer, are delayed in accepting any Series B or Series C notes or are unable to accept for exchange any Series B or Series C notes under the exchange offer for any reason, then, without affecting our rights under the exchange offer, the exchange agent may, on our behalf, retain all Series B or Series C notes tendered. These notes may not be withdrawn except as provided in the section entitled "Withdrawal Rights" on page 35. Our reservation of the right to delay acceptance of any Series B or Series C notes is subject to applicable law, which requires that we pay the consideration offered or return the Series B or Series C notes deposited promptly after the termination or withdrawal of the exchange offer.

We will issue a press release or other public announcement no later than 9:00 a.m., New York City time, on the next business day following any extension, amendment, non-acceptance or termination of the previously scheduled expiration date.

Conditions to the Exchange Offer

We may not accept Series B notes for exchange unless at least $50.0 million in aggregate principal amount of Series B notes are validly tendered. The exchange offer for the Series C notes is not subject to this condition. We may not accept Series B or Series C notes for exchange and may terminate or not complete the exchange offer at any time prior to the expiration of the exchange offer if:

- the staff of the Commission no longer allows the Series D notes to be offered for resale, resold and otherwise transferred by holders without compliance with the registration and prospectus delivery provisions of the Securities Act;
- a governmental body passes any law, statute, rule or regulation which prohibits or prevents the exchange offer;
- the Commission or any state securities authority issues a stop order suspending the effectiveness of the registration statement or initiates or threatens to initiate a proceeding to suspend the effectiveness of the registration statement; or
- we are unable to obtain any governmental approval that is necessary to complete the exchange offer.

If we reasonably believe that any of the above conditions has occurred, we may:

- terminate the exchange offer and as promptly as practicable return

all tendered Series B or Series C notes;

- extend the exchange offer;

- waive the unsatisfied condition and, subject to any requirement to extend the period of time during which the exchange offer is open, complete the exchange offer; or

- amend the terms of the exchange offer in any respect.

These conditions are solely for our benefit. We may assert these conditions with respect to all or any portion of the exchange offer regardless of the circumstances giving rise to them. We may waive any condition in whole or in part at any time in our discretion. Our failure to exercise our rights under any of the above conditions does not represent a waiver of these rights. Each right is an ongoing right that may be asserted at any time. All conditions must be satisfied or waived prior to the expiration of the exchange offer. Any determination by us concerning the conditions described above will be final and binding on all parties.

Exchange Agent

We appointed U.S. Bank Trust National Association as exchange agent for the exchange offer. You should direct questions and requests for assistance, requests for additional copies of this prospectus or of the letter of transmittal and requests for a notice of guaranteed delivery to the following address for the exchange agent:

U.S. Bank Trust National Association
U.S. Bank Trust Center
180 East Fifth Street
St. Paul, Minnesota 55101
Attn: Specialized Finance Group
(800) 934-6802 (telephone)
(651) 244-1537 (facsimile)

If you deliver letters of transmittal or any other required documents to an address or facsimile number other than those listed above, your tender is invalid.

Fees and Expenses

We will pay the exchange agent reasonable and customary fees for its services and reasonable out-of-pocket expenses. We will also pay brokerage houses and other custodians, nominees and fiduciaries their reasonable out-of-pocket expenses for sending copies of this prospectus and related documents to holders of Series B or Series C notes, and for handling or tendering for their customers.

We will pay the transfer taxes for the exchange of the Series B or Series C notes in the exchange offer. If, however, Series D notes are delivered to or issued in the name of a person other than the registered holder, or if a transfer tax is imposed for any reason other than for the exchange of Series B or Series C notes in the exchange offer, then the tendering holder will pay the transfer taxes. If a tendering holder does not submit satisfactory evidence of payment of taxes or exemption from taxes with the letter of transmittal, the taxes will be billed directly to the tendering holder.

We will not make any payment to brokers, dealers or other nominees soliciting acceptances in the exchange offer.

Accounting Treatment

The Series D notes will be recorded at the same carrying value as the Series B or Series C notes. Accordingly, we will not recognize any gain or loss on the exchange for accounting purposes.

SELECTED CONSOLIDATED FINANCIAL DATA

The selected consolidated income statement data for the years ended December 31, 1998, 1999 and 2000 and the selected consolidated balance sheet data as of December 31, 1999 and 2000 are derived from Sonic's audited financial statements which are incorporated by reference. The selected consolidated income statement data for the years ended December 31, 1996 and 1997 and the selected consolidated balance sheet data as of December 31, 1996, 1997 and 1998 are derived from Sonic's audited consolidated financial statements, none of which are included in or incorporated by reference in this prospectus. The selected consolidated balance sheet data as of September 30, 2000 is derived from Sonic's unaudited consolidated financial statements, which are not included in or incorporated by reference in this prospectus. The selected consolidated income statement data for the nine months ended September 30, 2000 and 2001 and the

selected consolidated balance sheet data as of September 30, 2001 are derived from Sonic's unaudited consolidated financial statements which are incorporated by reference in this prospectus. In the opinion of management, these unaudited financial consolidated statements reflect all adjustments necessary for a fair presentation of Sonic's results of operations and financial condition. All such adjustments are of a normal recurring nature. The results for interim periods are not necessarily indicative of the results to be expected for the entire fiscal year. In accordance with accounting principles generally accepted in the United States of America, the selected consolidated financial data has been retroactively restated to reflect Sonic's two-for-one common stock split that occurred on January 29, 1999. This selected consolidated financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements and related notes incorporated by reference herein.

We have accounted for all of our dealership acquisitions using the purchase method of accounting and, as a result, we do not include in our financial statements the results of operations of these dealerships prior to the date they were acquired by us. The selected consolidated financial data of Sonic discussed below reflect the results of operations and financial positions of each of our dealerships acquired prior to September 30, 2001. As a result of the effects of our acquisitions and other potential factors in the future, the historical consolidated financial information described in selected consolidated financial data is not necessarily indicative of the results of operations and financial position of Sonic in the future or the results of operations and financial position that would have resulted had such acquisitions occurred at the beginning of the periods presented in the selected consolidated financial data.

<TABLE>
<CAPTION>

	Year Ended December 31,					Nine Months Ended September 30,	
	1996	1997	1998	1999	2000	2000	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Income Statement Data	(dollars and shares in thousands except per share amounts)						
Revenues:							
New vehicles	$233,979	$343,941	$962,939	$1,968,514	$3,522,049	$2,682,696	$2,770,064
Used vehicles	68,054	85,132	324,740	684,560	1,249,188	962,392	936,990
Wholesale vehicles	25,641	38,785	119,351	250,794	430,513	323,231	319,416
Total vehicles	327,674	467,858	1,407,030	2,903,868	5,201,750	3,968,319	4,026,470
Parts, service, and collision repair	42,075	57,537	162,660	364,184	687,975	513,920	581,153
Finance and insurance	7,118	10,606	34,011	82,771	162,751	125,362	139,802
Total revenues	376,867	536,001	1,603,701	3,350,823	6,052,476	4,607,601	4,747,425
Cost of sales	332,122	473,003	1,396,259	2,896,400	5,187,289	3,951,528	4,048,753
Gross profit	44,745	62,998	207,442	454,423	865,187	656,073	698,672
Selling, general and administrative expenses	32,602	46,770	150,130	326,914	633,356	473,745	527,009
Depreciation and amortization	1,076	1,322	4,607	11,699	22,714	17,344	19,384
Operating income	11,067	14,906	52,705	115,810	209,117	164,984	152,279

Other income and expense:							
Interest expense, floor plan	5,968	8,007	14,096	22,536	47,109	34,012	30,188
Interest expense, other	433	1,199	9,395	21,586	42,243	31,200	26,989
Other income	355	298	426	1,286	107	109	120
Total other expense, net	6,046	8,908	23,065	42,836	89,245	65,103	57,057
Income before income taxes and minority interest	5,021	5,998	29,640	72,974	119,872	99,881	95,222
Provision for income taxes	1,924	2,249	11,083	28,325	45,700	38,000	37,135
Income before minority interest	3,097	3,749	18,557	44,649	74,172	61,881	58,087
Minority interest in earnings of subsidiary	114	47	--	--	--	--	--
Net income	$ 2,983	$ 3,702	$ 18,557	$ 44,649	$ 74,172	$ 61,881	$ 58,087
Diluted net income per share	N/A	$ 0.27	$ 0.74	$ 1.27	$ 1.69	$ 1.40	$ 1.40
Weighted average number of diluted shares outstanding	N/A	13,898	24,970	35,248	43,826	44,257	41,511
Ratio of earnings to fixed charges (a)							
Consolidated Balance Sheet Data:	7.3x	4.1x	3.3x	3.4x	3.0x	3.2x	3.2x
Cash and cash equivalents	$ 6,679	$ 18,304	$ 51,834	$ 83,111	$ 109,325	$ 89,813	$ 103,431
Inventories	71,550	156,514	264,971	630,857	773,785	661,175	654,762
Total assets	110,976	291,450	576,103	1,501,102	1,789,248	1,654,0710	1,689,314
Notes payable-floor plan	63,893	133,236	228,158	517,575	684,718	540,950	557,301
Long-term debt (b)	6,719	49,653	145,790	425,894	493,309	498,951	457,032
Total liabilities	84,367	207,085	433,674	1,098,529	1,338,326	1,210,767	1,199,395
Minority interest	314	---	---	---	---	--	--
Stockholders' equity	26,295	84,365	142,429	402,573	450,922	443,304	489,919

</TABLE>

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(a) Fixed charges is defined as interest (other than interest expense related to notes payable-floor plan) and such portion of rent expense determined to be representative of the interest factor (33%). The ratio of earnings to fixed charges is calculated by adding fixed charges to income before income taxes and minority interest and dividing the sum by fixed charges.

(b) Long-term debt includes current maturities of long-term debt, the payable to our affiliates and the payable to Sonic's Chairman. See Sonic's Consolidated Financial Statements and related notes incorporated by reference in this prospectus.

DESCRIPTION OF NOTES

The Series D notes will be issued under an Indenture (the "Indenture"), dated as of November 19, 2001, among Sonic, the Guarantors and U.S. Bank Trust National Association (the "Trustee"). The Series C notes were issued under the same Indenture. The Series B notes were issued under an indenture, dated as of July 1, 1998, among Sonic, the Guarantors and U.S. Bank Trust National Association. The terms of the Series B, Series C and Series D notes include

those stated in their respective indentures and those made a part of their respective indentures by reference to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). Parenthetical references to "Section" mean the applicable section of the Indenture. For definitions of certain capitalized terms used in this Description of Notes, see "-Certain Definitions."

The following is a summary of the material provisions of the Indenture governing the Series D notes and does not purport to be complete or to describe all of the provisions of the Indenture that may be important to you. Where we refer to particular provisions of the Indenture, including the definitions of certain terms, such references are qualified in their entirety by reference to the provisions of the Indenture and those terms made a part of the Indenture by reference to the Trust Indenture Act. A copy of the Indenture is an exhibit to the registration statement of which this prospectus is a part. In this description, the word "company" refers only to Sonic Automotive, Inc. and not to its subsidiaries, and the word "Note" refers only to the Series D notes.

The form and terms of the Series B notes and the Series D notes are identical in all material respects. The form and terms of the Series C and Series D notes are identical, except that:

- the Series D notes have been registered under the Securities Act and, therefore, will not bear legends restricting transfers; and

- holders of Series D notes will not be, and upon consummation of the exchange offer, holders of the Series C notes will no longer be, entitled to rights under the registration rights agreement, except in limited circumstances described elsewhere in this prospectus.

Principal, Maturity and Interest

The Indenture provides that up to $200.0 million in aggregate principal amount of notes may be outstanding at any one time. There is an aggregate of $125.0 million of Series B notes and $75.0 million of Series C notes currently outstanding. The Series B and Series C notes will be cancelled once they are exchanged for Series D notes. Consequently, if all of the Series B and Series C notes participate in the exchange offer, there will be an aggregate of $200.0 million of Series D notes outstanding following the exchange offer.

The Series D notes will mature on August 1, 2008, and will be unsecured senior subordinated obligations of the Company. As described in "Exchange Offer" we have agreed to exchange all of our $125.0 million outstanding Series B notes and all of our $75.0 million of outstanding Series C notes for $200 million of Series D notes. The exchange offer will not be completed until after our February 1, 2002 interest payment on the Series B and Series C notes. Each Note will bear interest at the rate of 11% per annum from the date of its issuance or from the most recent interest payment date to which interest has been paid, payable semiannually in arrears on February 1 and August 1 in each year, commencing August 1, 2002, to the person in whose name the Note (or any predecessor Note) is registered at the close of business on the January 15 or July 15 next preceding such interest payment date. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. (Sections 202, 301 and 309) For U.S. federal income tax purposes, you may elect to amortize the excess of your purchase price for a Note over the Note's principal amount using a constant yield method and treat the amortized portion of such excess allocable to a taxable year as a reduction to interest income on the Note included in the taxable year. Any election to amortize such excess generally will be applicable to all notes you hold at the beginning of the first taxable year to which the election applies and to notes you thereafter acquire, and is irrevocable without the consent of the Internal Revenue Service. We encourage you to consult your own tax advisor concerning the foregoing.

Issuance and Methods of Receiving Payments on the Series D notes

Principal of, premium, if any, and interest on the Series D notes will be payable, and the Series D notes will be exchangeable and transferable, at the office or agency of the Company in The City of New York maintained for such purposes (which initially will be the corporate trust office of the Trustee); provided, however, that payment of interest may be made at the option of the Company by check mailed to the person entitled thereto as shown on the security register. (Sections 301, 305 and 1002) The Series D notes will be issued only in fully registered form without coupons, in denominations of $1,000 and any integral multiple thereof. (Section 302) No service charge will be made for any registration of transfer, exchange or redemption of Series D notes, except in certain circumstances for any tax or other governmental charge that may be imposed in connection therewith. (Section 305)

Subsidiary Guarantees

Payment of the Series D notes will be guaranteed by the Guarantors jointly and severally, fully and unconditionally, on a senior subordinated basis. The

Guarantors are comprised of all of the direct and indirect Restricted Subsidiaries of the Company on the Issue Date. Substantially all of the Company's operations are conducted through its subsidiaries. In addition, if any Restricted Subsidiary of the Company becomes a guarantor or obligor in respect of any other Indebtedness of the Company or any of the Restricted Subsidiaries, the Company shall cause such Restricted Subsidiary to enter into a supplemental indenture pursuant to which such Restricted Subsidiary shall agree to guarantee the Company's obligations under the Series D notes. If the Company defaults in payment of the principal of, premium, if any, or interest on the Series D notes, each of the Guarantors will be unconditionally, jointly and severally obligated to duly and punctually pay the same. Certain of the Subsidiary Guarantees may not be so subordinated.

The obligations of each Guarantor under its Guarantee are limited to the maximum amount which, after (1) giving effect to all other contingent and fixed liabilities of such Guarantor, and (2) giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Guarantee or pursuant to its contribution obligations under the Indenture, will result in the obligations of such Guarantor under its Guarantee not constituting a fraudulent conveyance or fraudulent transfer under federal or state law. Each Guarantor that makes a payment or distribution under its Guarantee shall be entitled to a contribution from any other Guarantor in a pro rata amount based on the net assets of each Guarantor determined in accordance with GAAP.

Notwithstanding the foregoing, in certain circumstances a Guarantee of a Guarantor may be released pursuant to the provisions of subsection (c) under "-- Certain Covenants -- Limitation on Issuances of Guarantees of and Pledges for Indebtedness Restricted Subsidiaries." The Company also may, at any time, cause a Restricted Subsidiary to become a Guarantor by executing and delivering a supplemental indenture providing for the guarantee of payment of the Series D notes by such Restricted Subsidiary on the basis provided in the Indenture.

Optional Redemption

The Series D notes will be subject to redemption at any time on or after August 1, 2003, at the option of the Company, in whole or in part, on not less than 30 nor more than 60 days' prior notice, in amounts of $1,000 or an integral multiple thereof, at the following redemption prices (expressed as percentages of the principal amount), if redeemed during the 12-month period beginning August 1 of the years indicated below:

Year	Redemption Price
2003	105.500%
2004	103.667%
2005	101.833%

and thereafter at 100% of the principal amount, in each case, together with accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

If less than all of the Series D notes are to be redeemed, the Trustee shall select the Series D notes or portions of them to be redeemed in compliance with the requirements of the principal national security exchange, if any, on which the Series D notes are listed. If the Series D notes are not so listed, the Trustee shall select them on a pro rata basis, by lot or by any other method the Trustee shall deem fair and reasonable; provided, that Series D notes redeemed in part shall be redeemed only in integral multiples of $1,000 (subject to the procedures of The Depository Trust Company or any other Depositary). (Sections 203, 1101, 1104, 1105 and 1107)

Sinking Fund

The Series D notes will not be entitled to the benefit of any sinking fund.

Purchase of Series D notes Upon a Change of Control

General

If a Change of Control shall occur at any time, then each holder of Series D notes shall have the right to require that the Company purchase such holder's Series D notes in whole or in part in integral multiples of $1,000, at a purchase price (the

"Change of Control Purchase Price") in cash in an amount equal to 101% of the principal amount of such Series D notes, plus accrued and unpaid interest, if any, to the date of purchase (the "Change of Control Purchase Date"), pursuant to the offer described below (the "Change of Control Offer") and in

accordance with the other procedures set forth in the Indenture.

Procedure

Within 30 days of any Change of Control, the Company shall notify the Trustee and give written notice of the Change of Control to each holder of Series D notes, by first-class mail, postage prepaid, at his address appearing in the security register. The notice will state, among other things,

(1) that a Change of Control has occurred and the date of the event;

(2) the circumstances and relevant facts regarding the Change of Control (including, but not limited to, information with respect to pro forma historical income, cash flow and capitalization after giving effect to such Change of Control);

(3) the purchase price and the purchase date which shall be fixed by the Company on a business day no earlier than 30 days nor later than 60 days from the date such notice is mailed, or such later date as is necessary to comply with requirements under the Exchange Act;

(4) that any Note not tendered will continue to accrue interest;

(5) that, unless the Company defaults in the payment of the Change of Control Purchase Price, any Series D notes accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest after the Change of Control Purchase Date; and

(6) certain other procedures that a holder of Series D notes must follow to accept a Change of Control Offer or to withdraw such acceptance. (Section 1014)

Stipulations

If a Change of Control Offer is made, there can be no assurance that the Company will have available funds sufficient or be able to obtain financing to pay the Change of Control Purchase Price for all or any of the Series D notes that might be delivered by holders of the Series D notes seeking to accept the Change of Control Offer. See "--Ranking." The failure of the Company to make or consummate the Change of Control Offer or pay the Change of Control Purchase Price when due will give the Trustee and the holders of the Series D notes the rights described under "--Events of Default." The Series B notes have a similar repurchase requirement upon a Change of Control.

In addition to the obligations of the Company under the Indenture with respect to the Series D notes in the event of a Change of Control, all of the Company's Indebtedness under our floor plan facilities, the revolving facility and the construction/mortgage facility also contain an event of default upon a Change of Control as defined therein which obligates the Company to repay amounts outstanding under such indebtedness upon an acceleration of the Indebtedness issued thereunder. In addition, a Change of Control could result in a termination or nonrenewal of one or more of the Company's franchise agreements or its agreements with the Manufacturers.

The term "all or substantially all" as used in the definition of "Change of Control" has not been interpreted under New York law, the governing law of the Indenture, to represent a specific quantitative test. As a consequence, in the event the holders of the Series D notes elected to exercise their rights under the Indenture and the Company elected to contest such election, there could be no assurance as to how a court interpreting New York law would interpret the phrase.

The existence of a holder's right to require the Company to repurchase the holder's Series D notes upon a Change of Control may deter a third party from acquiring the Company in a transaction which constitutes a Change of Control.

The provisions of the Indenture will not afford holders of the Series D notes the right to require the Company to repurchase the Series D notes in the event of a highly leveraged transaction or certain transactions with the Company's management or its Affiliates, including a reorganization, restructuring, merger or similar transaction (including, in certain circumstances, an acquisition of the Company by management or its affiliates) involving the Company that may adversely affect holders of the Series D notes, if such transaction is a transaction defined as a Change of Control. A transaction involving the Company's management or its Affiliates, or a transaction involving a recapitalization of the Company, will result in a Change of Control if it is the type of transaction specified by such definition.

The Company will comply with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws or regulations in connection with a Change of Control Offer.

Ranking

General

The payment of the principal of, premium, if any, and interest on, the Series D notes will be subordinated, as set forth in the Indenture, in right of payment, to the prior payment in full of all Senior Indebtedness. The Series D notes will be senior subordinated indebtedness of the Company ranking pari passu with all other existing and future senior subordinated indebtedness of the Company and senior to all existing and future Subordinated Indebtedness of the Company.

Payment Stoppages

Upon the occurrence of any default in the payment of any Designated Senior Indebtedness beyond any applicable grace period and after the receipt by the Trustee from a representative of holders of any Designated Senior Indebtedness (collectively, a "Senior Representative") of written notice of such default, no payment (other than payments previously made or set aside pursuant to the provisions described under "--Defeasance or Covenant Defeasance of Indenture") or distribution of any assets of the Company or any Subsidiary of any kind or character (excluding certain permitted equity interests or subordinated securities) may be made on account of the principal of, premium, if any, or interest on, the Series D notes or on account of the purchase, redemption, defeasance or other acquisition of or in respect of, the Series D notes unless and until such default shall have been cured or waived or shall have ceased to exist or such Designated Senior Indebtedness shall have been discharged or paid in full after which the Company shall resume making any and all required payments in respect of the Series D notes, including any missed payments.

Upon the occurrence and during the continuance of any non-payment default with respect to any Designated Senior Indebtedness pursuant to which the maturity thereof may then be accelerated immediately (a "Non-payment Default") and after the receipt by the Trustee and the Company from a Senior Representative of written notice of such Non-payment Default, no payment (other than payments previously made or set aside pursuant to the provisions described under "--Defeasance or Covenant Defeasance of Indenture") or distribution of any assets of the Company of any kind of character (excluding certain permitted equity interests or subordinated securities) may be made by the Company or any Subsidiary on account of the principal of, premium, if any, or interest on, the Series D notes or on account of the purchase, redemption, defeasance or other acquisition of, or in respect of, the Series D notes for the period specified below (the "Payment Blockage Period").

The Payment Blockage Period shall commence upon the receipt of notice of the Non-payment Default by the Trustee and the Company from a Senior Representative and shall end on the earliest of:

(i) the 179th day after such commencement;

(ii) the date on which such Non-payment Default (and all other Non-payment Defaults as to which notice is given after such Payment Blockage Period is initiated) is cured, waived or ceases to exist or on which such Designated Senior Indebtedness is discharged or paid in full; or

(iii) the date on which such Payment Blockage Period (and all Non-payment Defaults as to which notice is given after such Payment Blockage Period is initiated) shall have been terminated by written notice to the Company or the Trustee from the Senior Representative initiating such Payment Blockage Period.

After the occurrence of any of the dates set forth in clauses (i), (ii) or (iii), the Company will promptly resume making any and all required payments in respect of the Series D notes, including any missed payments. In no event will a Payment Blockage Period extend beyond 179 days from the date of the receipt by the Company and the Trustee of the notice initiating such Payment Blockage Period (such 179-day period referred to as the "Initial Period"). Any number of notices of Non-payment Defaults may be given during the Initial Period; provided that during any period of 365 consecutive days only one Payment Blockage Period, during which payment of principal of, premium, if any, or interest on, the Series D notes may not be made, may commence and the duration of such period may not exceed 179 days. No Non-payment Default with respect to Designated Senior Indebtedness that existed or was continuing on the date of the commencement of any Payment Blockage Period will be, or can be, made the basis for the commencement of a second Payment Blockage Period, whether or not within a period of 365 consecutive days, unless such default has been cured or waived for a period of not less than 90 consecutive days.

If the Company fails to make any payment on the Series D notes when due or within any applicable grace period, whether or not on account of the payment blockage provisions referred to above, such failure would constitute an Event of Default under the Indenture and would enable the holders of the Series D notes

to accelerate the maturity thereof. See "-- Events of Default."

The Indenture will provide that in the event of any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relative to the Company or its assets, or liquidation, dissolution or other winding up of the Company, whether voluntary or involuntary, or whether or not involving insolvency or bankruptcy, or any assignment for the benefit of creditors or other marshaling of assets or liabilities of the Company, all Senior Indebtedness must be paid in full before any payment or distribution, excluding distributions of certain

permitted equity interests or subordinated securities, is made on account of the principal of, premium, if any, or interest on the Series D notes or on account of the purchase, redemption, defeasance or other acquisition of or in respect of the Series D notes (other than payments previously made pursuant to the provisions described under "--Defeasance or Covenant Defeasance of Indenture").

Liquidation/Insolvency

By reason of such subordination, in the event of liquidation or insolvency, creditors of the Company who are holders of Senior Indebtedness may recover more, ratably, than the holders of the Series D notes. Funds which would be otherwise payable to the holders of the Series D notes will be paid to the holders of the Senior Indebtedness to the extent necessary to pay the Senior Indebtedness in full and the Company may be unable to meet its obligations fully with respect to the Series D notes.

Guarantees

Each Guarantee of a Guarantor will be an unsecured senior subordinated obligation of such Guarantor, ranking pari passu with, or senior in right of payment to, all other existing and future Indebtedness of such Guarantor that is expressly subordinated to Senior Guarantor Indebtedness. The Indebtedness evidenced by the Guarantees will be subordinated to Senior Guarantor Indebtedness to substantially the same extent as the Series D notes are subordinated to Senior Indebtedness and during any period when payment on the Series D notes is blocked by Designated Senior Indebtedness, payment on the Guarantees is similarly blocked. However, certain of the Subsidiary Guarantors may not be so subordinated.

Related Definitions

"Senior Indebtedness" means the principal of, premium, if any, and interest (including interest, to the extent allowable, accruing after the filing of a petition initiating any proceeding under any state, federal or foreign bankruptcy law) on any Indebtedness of the Company (other than as otherwise provided in this definition), whether outstanding on July 31, 1998 or thereafter created, incurred or assumed, and whether at any time owing, actually or contingent, unless, in the case of any particular Indebtedness, the instrument creating or evidencing the same or pursuant to which the same is outstanding expressly provides that such Indebtedness shall not be senior in right of payment to the Series D notes. Notwithstanding the foregoing, "Senior Indebtedness" shall (x) include the Floor Plan Facility and the Revolving Facility to the extent the Company is a party to them and (y) not include

(i) Indebtedness evidenced by the Series D notes, the Series B notes or the Series C notes;

(ii) Indebtedness that is subordinate or junior in right of payment to any Indebtedness of the Company;

(iii) Indebtedness which when incurred and without respect to any election under Section 1111(b) of Title 11 United States Code, is without recourse to the Company;

(iv) Indebtedness which is represented by Redeemable Capital Stock;

(v) any liability for foreign, federal, state, local or other taxes owed or owing by the Company to the extent such liability constitutes Indebtedness;

(vi) Indebtedness of the Company to a Subsidiary or any other Affiliate of the Company or any of such Affiliate's Subsidiaries;

(vii) to the extent it might constitute Indebtedness, amounts owing for goods, materials or services purchased in the ordinary course of business or consisting of trade accounts payable owed or owing by the Company, and amounts owed by the Company for compensation to employees or services rendered to the Company;

(viii) that portion of any Indebtedness which at the time of issuance is issued in violation of the Indenture; and

(ix) Indebtedness evidenced by any guarantee of any Subordinated Indebtedness or Pari Passu Indebtedness.

"Designated Senior Indebtedness" means (i) all Senior Indebtedness under the Floor Plan Facility or the Revolving Facility and (ii) any other Senior Indebtedness which at the time of determination has an aggregate principal amount outstanding of at least $25 million and which is specifically designated in the instrument evidencing such Senior Indebtedness or the agreement under which such Senior Indebtedness arises as "Designated Senior Indebtedness" by the Company.

"Senior Guarantor Indebtedness" means the principal of, premium, if any, and interest (including interest, to the extent allowable, accruing after the filing of a petition initiating any proceeding under any state, federal or foreign bankruptcy law) on any Indebtedness of any Guarantor (other than as otherwise provided in this definition), whether outstanding on July 31, 1998 or

thereafter created, incurred or assumed, and whether at any time owing, actually or contingent, unless, in the case of any particular Indebtedness, the instrument creating or evidencing the same or pursuant to which the same is outstanding expressly provides that such Indebtedness shall not be senior in right of payment to any Guarantee. Notwithstanding the foregoing, "Senior Guarantor Indebtedness" shall (x) include the Floor Plan Facility and the Revolving Facility to the extent any Guarantor is a party thereto and (y) not include

(i) Indebtedness evidenced by the Guarantees or the Guarantees with respect to the Series B notes and Series C notes;

(ii) Indebtedness that is subordinated or junior in right of payment to any Indebtedness of any Guarantor;

(iii) Indebtedness which when incurred and without respect to any election under Section 1111(b) of Title 11 United States Code, is without recourse to any Guarantor;

(iv) Indebtedness which is represented by Redeemable Capital Stock;

(v) any liability for foreign, federal, state, local or other taxes owed or owing by any Guarantor to the extent such liability constitutes Indebtedness;

(vi) Indebtedness of any Guarantor to a Subsidiary or any other Affiliate of the Company or any of such Affiliate's Subsidiaries;

(vii) to the extent it might constitute Indebtedness, amounts owing for goods, materials or services purchased in the ordinary course of business or consisting of trade accounts payable owed or owing by such Guarantor, and amounts owed by such Guarantor for compensation to employees or services rendered to such Guarantor;

(viii) that portion of any Indebtedness which at the time of issuance is issued in violation of the Indenture; and

(ix) Indebtedness evidenced by any guarantee of any Subordinated Indebtedness or Pari Passu Indebtedness.

Limitation on Future Indebtedness

The Indenture will limit, but not prohibit, the incurrence by the Company and its Subsidiaries of additional Indebtedness. It will prohibit the incurrence by the Company of Indebtedness that is subordinated in right of payment to any Senior Indebtedness of the Company and senior in right of payment to the Series B, Series C or Series D notes.

Certain Covenants

The Indenture contains, among others, the following covenants:

Limitation on Indebtedness. The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, create, issue, incur, assume, guarantee or otherwise in any manner become directly or indirectly liable for the payment of or otherwise incur, contingently or otherwise (collectively, "incur"), any Indebtedness (including any Acquired Indebtedness), unless such Indebtedness is incurred by the Company or any Guarantor or constitutes Acquired Indebtedness of a Restricted Subsidiary and, in each case, the Company's Consolidated Fixed Charge Coverage Ratio for the most recent four full fiscal

quarters for which financial statements are available immediately preceding the incurrence of such Indebtedness taken as one period is at least equal to or greater than 2.00:1. (Section 1008)

Notwithstanding the foregoing, the Company and, to the extent specifically set forth below, the Restricted Subsidiaries may incur each and all of the following (collectively, the "Permitted Indebtedness"):

(i) Indebtedness of the Company and the Guarantors under the Revolving Facility, including any refinancing (as defined below) thereof, in an aggregate principal amount at any one time outstanding, not to exceed the greater of (a) $75 million or (b) 20% of the Company's Consolidated Tangible Assets, in any case under the Revolving Facility (including any refinancing thereof) or in respect of letters of credit thereunder;

(ii) Indebtedness of the Company and the Guarantors under any Inventory Facility;

(iii) Indebtedness of the Company pursuant to the Series B and Series C notes and Indebtedness of any Guarantor pursuant to a Guarantee of the Series B and Series C notes;

(iv) Indebtedness of the Company or any Restricted Subsidiary outstanding on July 31 1998, listed on a schedule to the B Indenture and not otherwise referred to in this definition of "Permitted Indebtedness";

(v) Indebtedness of the Company owing to a Restricted Subsidiary; provided that any Indebtedness of the Company owing to a Restricted Subsidiary that is not a Guarantor is made pursuant to an intercompany note in the form attached to the Indenture and is unsecured and is subordinated in right of payment from and after such time as the Series D notes shall become due and payable (whether at Stated Maturity, acceleration or otherwise) to the payment and performance of the Company's obligations under the Series D notes; provided, further, that any disposition, pledge or transfer of any such Indebtedness to a Person (other than a disposition, pledge or transfer to a Restricted Subsidiary) shall be deemed to be an incurrence of such Indebtedness by the Company or other obligor not permitted by this clause (v);

(vi) Indebtedness of a Wholly Owned Restricted Subsidiary owing to the Company or another Wholly Owned Restricted Subsidiary; provided that any such Indebtedness is made pursuant to an intercompany note in the form attached to the Indenture; provided, further, that (a) any disposition, pledge or transfer of any such Indebtedness to a Person (other than a disposition, pledge or transfer to the Company or a Wholly Owned Restricted Subsidiary) shall be deemed to be an incurrence of such Indebtedness by the obligor not permitted by this clause (vi), and (b) any transaction pursuant to which any Wholly Owned Restricted Subsidiary, which has Indebtedness owing to the Company or any other Wholly Owned Restricted Subsidiary, ceases to be a Wholly Owned Restricted Subsidiary shall be deemed to be the incurrence of Indebtedness by such Wholly Owned Restricted Subsidiary that is not permitted by this clause (vi);

(vii) guarantees of any Restricted Subsidiary made in accordance with the provisions of "-- Limitation on Issuances of Guarantees of and Pledges for Indebtedness";

(viii) obligations of the Company or any Guarantor entered into in the ordinary course of business (a) pursuant to Interest Rate Agreements designed to protect the Company or any Restricted Subsidiary against fluctuations in interest rates in respect of Indebtedness of the Company or any Restricted Subsidiary as long as such obligations do not exceed the aggregate principal amount of such Indebtedness then outstanding, (b) under any Currency Hedging Agreements, relating to (i) Indebtedness of the Company or any Restricted Subsidiary and/or (ii) obligations to purchase or sell assets or properties, in each case, incurred in the ordinary course of business of the Company or any Restricted Subsidiary; provided, however, that such Currency Hedging Agreements do not increase the Indebtedness or other obligations of the Company or any Restricted Subsidiary outstanding other than as a result of fluctuations in foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder or (c) under any Commodity Price Protection Agreements which do not increase the amount of Indebtedness or other obligations of the Company or any Restricted Subsidiary

outstanding other than as a result of fluctuations in commodity prices or by reason of fees, indemnities and compensation payable thereunder;

(ix) Indebtedness of the Company or any Restricted Subsidiary represented by Capital Lease Obligations or Purchase Money Obligations or other Indebtedness incurred or assumed in connection with the acquisition or development of real or personal, movable or immovable, property in each case incurred for the purpose of financing or refinancing all or any part of the purchase price or cost of construction or improvement of property used in the business of the Company, in an aggregate principal amount pursuant to this clause (ix) not to exceed $20 million outstanding at any time; provided that the principal amount of any Indebtedness permitted under this clause (ix) did not in each case at the time of incurrence exceed the Fair Market Value, as determined by the Company in good faith, of the acquired or constructed asset or improvement so financed;

(x) obligations arising from agreements by the Company or a Restricted Subsidiary to provide for indemnification, customary purchase price closing adjustments, earn-outs or other similar obligations, in each case, incurred in connection with the acquisition or disposition of any business or assets of a Restricted Subsidiary;

(xi) Indebtedness evidenced by letters of credit in the ordinary course of business to support the Company's or any Restricted Subsidiary's insurance or self-insurance obligations for workers' compensation and other similar insurance coverages;

(xii) any renewals, extensions, substitutions, refundings, refinancings or replacements (collectively, a "refinancing") of any Indebtedness described in clauses (iii) and (iv) of this definition of "Permitted Indebtedness," including any successive refinancings so long as the borrower under such refinancing is the Company or, if not the Company, the same as the borrower of the Indebtedness being refinanced and the aggregate principal amount of Indebtedness represented thereby (or if such Indebtedness provides for an

amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the maturity thereof, the original issue price of such Indebtedness plus any accreted value attributable thereto since the original issuance of such Indebtedness) does not exceed the initial principal amount of such Indebtedness plus the lesser of (I) the stated amount of any premium or other payment required to be paid in connection with such a refinancing pursuant to the terms of the Indebtedness being refinanced or (II) the amount of premium or other payment actually paid at such time to refinance the Indebtedness, plus, in either case, the amount of expenses of the Company incurred in connection with such refinancing and (A) in the case of any refinancing of Indebtedness that is Subordinated Indebtedness, such new Indebtedness is made subordinated to the Series D notes at least to the same extent as the Indebtedness being refinanced and (B) in the case of Pari Passu Indebtedness or Subordinated Indebtedness, as the case may be, such refinancing does not reduce the Average Life to Stated Maturity or the Stated Maturity of such Indebtedness; and

(xiii) Indebtedness of the Company and its Restricted Subsidiaries or any Guarantor in addition to that described in clauses (i) through (xii) above, and any renewals, extensions, substitutions, refinancings or replacements of such Indebtedness, so long as the aggregate principal amount of all such Indebtedness shall not exceed $10 million outstanding at any one time in the aggregate.

For purposes of determining compliance with this "Limitation on Indebtedness" covenant, in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness permitted by this covenant, the Company in its sole discretion shall classify such item of Indebtedness and only be required to include the amount of such Indebtedness as one of such types.

Limitation on Restricted Payments. (a)The Company will not, and will not cause or permit any Restricted Subsidiary to, directly or indirectly:

(i) declare or pay any dividend on, or make any distribution to holders of, any shares of the Company's Capital Stock (other than

dividends or distributions payable solely in shares of its Qualified Capital Stock or in options, warrants or other rights to acquire shares of such Qualified Capital Stock);

(ii) purchase, redeem, defease or otherwise acquire or retire for value, directly or indirectly, the Company's Capital Stock or any Capital Stock of any Affiliate of the Company, including any Subsidiary of the Company (other than Capital Stock of any Wholly Owned Restricted Subsidiary of the Company), or options, warrants or other rights to acquire such Capital Stock;

(iii) make any principal payment on, or repurchase, redeem, defease, retire or otherwise acquire for value, prior to any scheduled principal payment, sinking fund payment or maturity, any Subordinated Indebtedness;

(iv) declare or pay any dividend or distribution on any Capital Stock of any Restricted Subsidiary to any Person (other than:

(a) to the Company or any of its Wholly Owned Restricted Subsidiaries; or

(b) dividends and distributions made by a Restricted Subsidiary:

(1) organized as a partnership, limited liability company or similar pass-through entity to the holders of its Capital Stock in amounts sufficient to satisfy the tax liabilities arising from their ownership of such Capital Stock; or

(2) on a pro rata basis to all stockholders of such Restricted Subsidiary); or

(v) make any Investment in any Person (other than any Permitted Investments)

(any of the foregoing actions described in clauses (i) through (v), other than any such action that is a Permitted Payment (as defined below), collectively, "Restricted Payments") (the amount of any such Restricted Payment, if other than cash, shall be the Fair Market Value of the assets proposed to be transferred, as determined by the board of directors of the Company, whose determination shall be conclusive and evidenced by a board resolution), unless

(1) immediately before and immediately after giving effect to such proposed Restricted Payment on a pro forma basis, no Default or Event of Default shall have occurred and be continuing and such Restricted Payment shall not be an event which is, or after notice or lapse of time or both, would be, an "event of default" under the terms of any Indebtedness of the Company or its Restricted Subsidiaries;

(2) immediately before and immediately after giving effect to such Restricted Payment on a pro forma basis, the Company could incur $1.00 of additional Indebtedness (other than Permitted Indebtedness) under the provisions described under "-- Limitation on Indebtedness;" and

(3) after giving effect to the proposed Restricted Payment, the aggregate amount of all such Restricted Payments declared or made after July 31, 1998 and all Designation Amounts does not exceed the sum of:

(A) $5 million;

(B) 50% of the aggregate Consolidated Net Income of the Company accrued on a cumulative basis during the period beginning on the first day of the Company's fiscal quarter during which July 31, 1998 fell and ending on the last day of the Company's last fiscal quarter during which such date fell ending prior to the date of the Restricted Payment, or, if such aggregate cumulative Consolidated Net Income shall be a loss, minus 100% of such loss;

(C) the aggregate Net Cash Proceeds received after July 31, 1998 by the Company either (x) as capital contributions in the form of common equity to the Company or (y) from the issuance or sale (other than to any of its Subsidiaries) of Qualified Capital Stock of the Company or any options, warrants or rights to purchase such Qualified Capital Stock of the Company (except, in each case, to the extent such proceeds are used to purchase, redeem or otherwise retire Capital Stock or Subordinated

Indebtedness as set forth below in clause (ii) or (iii) of paragraph (b) below) (and excluding the Net Cash Proceeds from the issuance of Qualified Capital Stock financed, directly or indirectly, using funds borrowed from the Company or any Subsidiary until and to the extent such borrowing is repaid);

(D) the aggregate Net Cash Proceeds received after July 31, 1998, by the Company (other than from any of its Subsidiaries) upon the exercise of any options, warrants or rights to purchase Qualified Capital Stock of the Company (and excluding the Net Cash Proceeds from the exercise of any options, warrants or rights to purchase Qualified Capital Stock financed, directly or indirectly, using funds borrowed from the Company or any Subsidiary until and to the extent such borrowing is repaid);

(E) the aggregate Net Cash Proceeds received after July 31, 1998, by the Company from the conversion or exchange, if any, of debt securities or Redeemable Capital Stock of the Company or its Restricted Subsidiaries into or for Qualified Capital Stock of the Company plus, to the extent such debt securities or Redeemable Capital Stock were issued after July 31, 1998, upon the conversion or exchange of such debt securities or Redeemable Capital Stock, the aggregate of Net Cash Proceeds from their original issuance (and excluding the Net Cash Proceeds from the conversion or exchange of debt securities or Redeemable Capital Stock financed, directly or indirectly, using funds borrowed from the Company or any Subsidiary until and to the extent such borrowing is repaid); and

(F)(a) in the case of the disposition or repayment of any Investment constituting a Restricted Payment made after July 31, 1998, an amount (to the extent not included in Consolidated Net Income) equal to the lesser of the return of capital with respect to such Investment and the initial amount of such Investment, in either case, less the cost of the disposition of such Investment and net of taxes, and (b) in the case of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary (as long as the designation of such Subsidiary as an Unrestricted Subsidiary was deemed a Restricted Payment), the Fair Market Value of the Company's interest in such Subsidiary provided that such amount shall not in any case exceed the amount of the Restricted Payment deemed made at the time the Subsidiary was designated as an Unrestricted Subsidiary.

(b) Notwithstanding the foregoing, and in the case of clauses (ii) through (iv) below, so long as no Default or Event of Default is continuing or would arise therefrom, the foregoing provisions shall not prohibit the following actions (each of clauses (i) through (iv) and (viii) being referred to as a "Permitted Payment"):

(i) the payment of any dividend within 60 days after the date of declaration thereof, if at such date of declaration such payment was permitted by the provisions of paragraph (a) of this Section and such payment shall have been deemed to have been paid on such date of declaration and shall not have been deemed a "Permitted Payment" for purposes of the calculation required by paragraph (a) of this Section;

(ii) the repurchase, redemption, or other acquisition or retirement for value of any shares of any class of Capital Stock of the Company in exchange for, including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares or scrip, or out of the Net Cash Proceeds of a substantially concurrent issuance and sale for cash (other than to a Subsidiary) of, other shares of Qualified Capital Stock of the Company; provided that the Net

Cash Proceeds from the issuance of such shares of Qualified Capital Stock are excluded from clause (3)(C) of paragraph (a) of this Section;

(iii) the repurchase, redemption, defeasance, retirement or acquisition for value or payment of principal of any Subordinated Indebtedness or Redeemable Capital Stock in exchange for, or in an amount not in excess of the Net Cash Proceeds of, a substantially concurrent issuance and sale for cash (other than to any Subsidiary of the Company) of any Qualified Capital Stock of the Company, provided that the Net Cash Proceeds from the issuance of such shares of Qualified Capital Stock are excluded from clause (3)(C) of paragraph

(a) of this Section;

(iv) the repurchase, redemption, defeasance, retirement, refinancing, acquisition for value or payment of principal of any Subordinated Indebtedness (other than Redeemable Capital Stock) (a "refinancing") through the substantially concurrent issuance of new Subordinated Indebtedness of the Company, provided that any such new Subordinated Indebtedness

(1) shall be in a principal amount that does not exceed the principal amount so refinanced (or, if such Subordinated Indebtedness provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration thereof, then such lesser amount as of the date of determination), plus the lesser of (I) the stated amount of any premium or other payment required to be paid in connection with such a refinancing pursuant to the terms of the Indebtedness being refinanced or (II) the amount of premium or other payment actually paid at such time to refinance the Indebtedness, plus, in either case, the amount of expenses of the Company incurred in connection with such refinancing;

(2) has an Average Life to Stated Maturity greater than the remaining Average Life to Stated Maturity of the Series D notes;

(3) has a Stated Maturity for its final scheduled principal payment later than the Stated Maturity for the final scheduled principal payment of the Series D notes; and

(4) is expressly subordinated in right of payment to the Series D notes at least to the same extent as the Subordinated Indebtedness to be refinanced;

(v) the purchase, redemption, or other acquisition or retirement for value of any class of Capital Stock of the Company from employees, former employees, directors or former directors of the Company or any Subsidiary pursuant to the terms of the agreements pursuant to which such Capital Stock was acquired in an amount not to exceed $1.0 million in the aggregate in any calendar year;

(vi) the repurchase, redemption or other acquisition or retirement for value of Capital Stock of the Company issued pursuant to acquisitions by the Company to the extent required by or needed to comply with the requirements of any of the Manufacturers with which the Company or a Restricted Subsidiary is a party to a franchise agreement;

(vii) the repurchase, redemption, defeasance, retirement or acquisition for value or payment of principal on the Smith Subordinated Loan; and

(viii) the payment of the contingent purchase price of an acquisition to the extent such payment would be deemed a Restricted Payment. (Section 1009)

Limitation on Transactions with Affiliates. The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, enter into any transaction or series of related transactions (including, without limitation, the sale, purchase, exchange or lease of assets, property or services) with or for the benefit of any Affiliate of the Company (other than the Company or a Wholly Owned Restricted Subsidiary) unless such transaction or series of related transactions is entered into in good faith and in writing and

(a) such transaction or series of related transactions is on terms that are no less favorable to the Company or such Restricted Subsidiary, as the case may be, than those that would be available in a comparable transaction in arm's-length dealings with an unrelated third party;

(b) with respect to any transaction or series of related transactions involving aggregate value in excess of $500,000 the Company delivers either an officers' certificate to the Trustee certifying that such transaction or series of related transactions complies with clause (a) above or such transaction or series of related transactions is approved by a majority of the Disinterested Directors of the board of directors of the Company, or in the event there is only one Disinterested Director, by such Disinterested Director; and

(c) with respect to any transaction or series of related transactions involving aggregate value in excess of $1 million, either (i) such transaction or series of related transactions has been approved by a majority of the Disinterested Directors of the board of directors of the Company, or in the event there is only one Disinterested Director, by such Disinterested Director, or (ii) the Company delivers to the Trustee a written opinion of an investment banking firm of national standing or other recognized independent expert with experience appraising the terms and conditions of the type of transaction or series of related transactions for which an opinion is required stating that the transaction or series of related transactions is fair to the Company or such Restricted Subsidiary from a financial point of view;

provided, however, that this provision shall not apply to:

(i) compensation and employee benefit arrangements with any officer or director of the Company, including under any stock option or stock incentive plans, entered into in the ordinary course of business;

(ii) any transaction permitted as a Restricted Payment pursuant to the covenant described in "--Limitation on Restricted Payments";

(iii) the payment of customary fees to directors of the Company and its Restricted Subsidiaries;

(iv) any transaction with any officer or member of the Board of Directors of the Company involving indemnification arrangements; and

(v) loans or advances to officers of the Company in the ordinary course of business not to exceed $1 million in any calendar year. (Section 1010)

Limitation on Liens. The Company will not, and will not cause or permit any Restricted Subsidiary to, directly or indirectly, (1) create, incur or affirm any Lien of any kind securing any Pari Passu Indebtedness or Subordinated Indebtedness, including any assumption, guarantee or other liability with respect thereto by any Restricted Subsidiary, upon any property or assets (including any intercompany notes) of the Company or any Restricted Subsidiary owned on July 31, 1998 or acquired after July 31, 1998, or (2) assign or convey any right to receive any income or profits from such liens, unless the Series D notes or a Guarantee in the case of Liens of a Guarantor are directly secured equally and ratably with (or, in the case of Subordinated Indebtedness, prior or senior thereto, with the same relative priority as the Series D notes shall have with respect to such Subordinated Indebtedness) the obligation or liability secured by such Lien except for Liens:

(A) securing any Indebtedness which became Indebtedness pursuant to a transaction permitted under "--Consolidation, Merger, Sale of Assets" or securing Acquired Indebtedness which was created prior to (and not created in connection with, or in contemplation of) the incurrence of such Pari Passu Indebtedness or Subordinated Indebtedness (including any assumption, guarantee or other liability with respect thereto by any Restricted Subsidiary) and which Indebtedness is permitted under the provisions of "-- Limitation on Indebtedness"; or

(B) securing any Indebtedness incurred in connection with any refinancing, renewal, substitutions or replacements of any such Indebtedness described in clause (A), so long as the aggregate principal amount of Indebtedness represented thereby (or if such Indebtedness provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the maturity thereof, the original issue price of such Indebtedness plus any accreted value attributable thereto since the original issuance of such Indebtedness) is not increased by such refinancing by an amount greater than the lesser of:

(i) the stated amount of any premium or other payment required to be paid in connection with such a refinancing pursuant to the terms of the Indebtedness being refinanced; or

(ii) the amount of premium or other payment actually paid at such time to refinance the Indebtedness, plus, in either case, the amount of expenses of the Company incurred in connection with such refinancing,

provided, however, that in the case of clauses (A) and (B), any such Lien only extends to the assets that were subject to such Lien securing such Indebtedness prior to the related acquisition by the Company or its Restricted Subsidiaries. Notwithstanding the foregoing, any Lien securing the Series D notes granted pursuant to this covenant shall be automatically and

unconditionally released and discharged upon the release by the holders of the Pari Passu Indebtedness or Subordinated Indebtedness described above of their Lien on the property or assets of the Company or any Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness), at such time as the holders of all such Pari Passu Indebtedness or

Subordinated Indebtedness also release their Lien on the property or assets of the Company or such Restricted Subsidiary, or upon any sale, exchange or transfer to any Person not an Affiliate of the Company of the property or assets secured by such Lien, or of all of the Capital Stock held by the Company or any Restricted Subsidiary in, or all or substantially all the assets of, any Restricted Subsidiary creating such Lien. (Section 1011)

Limitation on Sale of Assets. (a) The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, consummate an Asset Sale unless (i) at least 80% of the consideration from such Asset Sale consists of:

(A) cash or Cash Equivalents,

(B) the assumption of Senior Indebtedness or Senior Guarantor Indebtedness by the party acquiring the assets from the Company of any Restricted Subsidiary,

(C) Replacement Assets or

(D) a combination of any of the foregoing; and

(ii) the Company or such Restricted Subsidiary receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the shares or assets subject to such Asset Sale (as determined by the board of directors of the Company and evidenced in a board resolution); provided that any notes or other obligations received by the Company or any such Restricted Subsidiary from any transferee of assets from the Company or such Restricted Subsidiary that are converted by the Company or such Restricted Subsidiary into cash at Fair Market Value within 30 days after receipt shall be deemed to be cash for purposes of this provision.

(b) If:

(A) all or a portion of the Net Cash Proceeds of any Asset Sale are not required to be applied to repay permanently any Senior Indebtedness or Senior Guarantor Indebtedness then outstanding as required by the terms thereof; or

(B) the Company determines not to apply such Net Cash Proceeds to the permanent prepayment of such Senior Indebtedness or Senior Guarantor Indebtedness; or

(C) if no such Senior Indebtedness or Senior Guarantor Indebtedness is then outstanding, then the Company or a Restricted Subsidiary may within 365 days of the Asset Sale invest the Net Cash Proceeds in Replacement Assets. The amount of such Net Cash Proceeds not used or invested within 365 days of the Asset Sale as set forth in this paragraph constitutes "Excess Proceeds."

(c) When the aggregate amount of Excess Proceeds exceeds $10 million or more, the Company will apply the Excess Proceeds to the repayment of the Series D notes and any other Pari Passu Indebtedness outstanding with similar provisions requiring the Company to make an offer to purchase such Indebtedness with the proceeds from any Asset Sale as follows:

(A) the Company will make an offer to purchase (an "Offer") from all holders of the Series D notes in accordance with the procedures set forth in the Indenture in the maximum principal amount (expressed as a multiple of $1,000) of Series D notes that may be purchased out of an amount (the "Note Amount") equal to the product of such Excess Proceeds multiplied by a fraction, the numerator of which is the outstanding principal amount of the Series D notes, and the denominator of which is the sum of the outstanding principal amount of the Series D notes and such Pari Passu Indebtedness (subject to proration in the event such amount is less than the aggregate Offered Price (as defined herein) of all Series D notes tendered); and

(B) to the extent required by such Pari Passu Indebtedness to permanently reduce the principal amount of such Pari Passu Indebtedness, the Company will make an offer to purchase or otherwise repurchase or redeem Pari Passu Indebtedness (a "Pari Passu Offer") in an amount (the "Pari Passu Debt Amount") equal to the excess of the

Excess Proceeds over the Note Amount. However, in no event will the Company be required to make a Pari Passu Offer in a Pari Passu Debt Amount exceeding the principal amount of such Pari Passu Indebtedness plus the amount of any premium required to be paid to repurchase such Pari Passu Indebtedness. The offer price for the Series D notes will be payable in cash in an amount equal to 100% of the principal amount of the Series D notes plus accrued and unpaid interest, if any, to the date (the "Offer Date") such Offer is consummated (the "Offered Price"), in accordance with the procedures set forth in the Indenture. To the extent that the aggregate Offered Price of the Series D notes tendered pursuant to the Offer is less than the Note Amount relating thereto or the aggregate amount of Pari Passu Indebtedness that is purchased in a Pari Passu Offer is less than the Pari Passu Debt

Amount, the Company may use any remaining Excess Proceeds for general corporate purposes. If the aggregate principal amount of Series D notes and Pari Passu Indebtedness surrendered by holders thereof exceeds the amount of Excess Proceeds, the Trustee shall select the Series D notes to be purchased on a pro rata basis. Upon the completion of the purchase of all the Series D notes tendered pursuant to an Offer and the completion of a Pari Passu Offer, the amount of Excess Proceeds, if any, shall be reset at zero.

(d) If the Company becomes obligated to make an Offer pursuant to clause (c) above, the Series D notes and the Pari Passu Indebtedness shall be purchased by the Company, at the option of the holders thereof, in whole or in part in integral multiples of $1,000, on a date that is not earlier than 30 days and not later than 60 days from the date the notice of the Offer is given to holders, or such later date as may be necessary for the Company to comply with the requirements under the Exchange Act.

(e) The Indenture will provide that the Company will comply with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws or regulations in connection with an Offer. (Section 1012)

Limitation on Issuances of Guarantees of and Pledges for Indebtedness. (a) The Company will not cause or permit any Restricted Subsidiary, other than a Guarantor, directly or indirectly, to secure the payment of any Senior Indebtedness of the Company and the Company will not, and will not permit any Restricted Subsidiary to, pledge any intercompany notes representing obligations of any Restricted Subsidiary (other than a Guarantor) to secure the payment of any Senior Indebtedness unless in each case such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for a guarantee of payment of the Series D notes by such Restricted Subsidiary. The guarantee shall be on the same terms as the guarantee of the Senior Indebtedness (if a guarantee of Senior Indebtedness is granted by any such Restricted Subsidiary) except that the guarantee of the Series D notes need not be secured and shall be subordinated to the claims against such Restricted Subsidiary in respect of Senior Indebtedness to the same extent as the Series D notes are subordinated to Senior Indebtedness of the Company under the Indenture.

(b) The Company will not cause or permit any Restricted Subsidiary (which is not a Guarantor), directly or indirectly, to guarantee, assume or in any other manner become liable with respect to any Indebtedness of the Company or any Restricted Subsidiary unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for a Guarantee of the Series D notes on the same terms as the guarantee of such Indebtedness except that

(A) such guarantee need not be secured unless required pursuant to "--Limitation on Liens,"

(B) if such Indebtedness is by its terms Senior Indebtedness, any such assumption, guarantee or other liability of such Restricted Subsidiary with respect to such Indebtedness shall be senior to such Restricted Subsidiary's Guarantee of the Series D notes to the same extent as such Senior Indebtedness is senior to the Series D notes and

(C) if such Indebtedness is by its terms expressly subordinated to the Series D notes, any such assumption, guarantee or other liability of such Restricted Subsidiary with respect to such Indebtedness shall be subordinated to such Restricted Subsidiary's Guarantee of the Series D notes at least to the same extent as such Indebtedness is subordinated to the Series D notes.

(c) Notwithstanding the foregoing, any Guarantee by a Restricted Subsidiary of the Series D notes shall provide by its terms that it (and all Liens securing the same) shall be automatically and unconditionally released and discharged upon (i) any sale, exchange or transfer, to any Person not an

Affiliate of the Company, of all of the Company's Capital Stock in, or all or substantially all the assets of, such Restricted Subsidiary, which transaction is in compliance with the terms of the Indenture and pursuant to which transaction such Subsidiary is released from all guarantees, if any, by it of other Indebtedness of the Company or any Restricted Subsidiaries or (ii) the release by the holders of the Indebtedness of the Company of their security interest or their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness), at such time as (A) no other Indebtedness of the Company has been secured or guaranteed by such Restricted Subsidiary, as the case may be, or (B) the holders of all such other Indebtedness which is secured or guaranteed by such Restricted Subsidiary also release their security interest in or guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness). (Section 1013)

Limitation on Senior Subordinated Indebtedness. The Company will not, and will not permit or cause any Guarantor to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise in any manner become directly or indirectly liable for or with respect to or otherwise permit to exist any Indebtedness that is subordinate in right of payment to any Indebtedness of the Company or such Guarantor, as the case may be, unless such Indebtedness is also pari passu with the Series D notes or the Guarantee of such Guarantor or subordinated in right of payment to the Series D notes or such Guarantee at least to the same extent as the Series D notes or such Guarantee are subordinated in right of payment to Senior Indebtedness or Senior Indebtedness of such Guarantor, as the case may be, as set forth in the Indenture. (Section 1017)

Limitation on Subsidiary Preferred Stock. The Company will not permit

(a) any Restricted Subsidiary of the Company to issue, sell or transfer any Preferred Stock, except for (i) Preferred Stock issued or sold to, held by or transferred to the Company or a Wholly Owned Restricted Subsidiary, and (ii) Preferred Stock issued by a Person prior to the time

(A) such Person becomes a Restricted Subsidiary,

(B) such Person merges with or into a Restricted Subsidiary or

(C) a Restricted Subsidiary merges with or into such Person;

provided that such Preferred Stock was not issued or incurred by such Person in anticipation of the type of transaction contemplated by subclause (A), (B) or (C) or

(b) any Person (other than the Company or a Wholly Owned Restricted Subsidiary) to acquire Preferred Stock of any Restricted Subsidiary from the Company or any Restricted Subsidiary, except, in the case of clause (a) or (b), upon the acquisition of all the outstanding Capital Stock of such Restricted Subsidiary in accordance with the terms of the Indenture. (Section 1015)

Limitation on Dividends and Other Payment Restrictions Affecting Subsidiaries. The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to

(i) pay dividends or make any other distribution on its Capital Stock or any other interest or participation in or measured by its profits,

(ii) pay any Indebtedness owed to the Company or any other Restricted Subsidiary,

(iii) make any Investment in the Company or any other Restricted Subsidiary or

(iv) transfer any of its properties or assets to the Company or any other Restricted Subsidiary, except for:

(a) any encumbrance or restriction pursuant to an agreement in effect on July 31, 1998;

(b) any encumbrance or restriction, with respect to a Restricted Subsidiary that was not a Restricted Subsidiary of the Company on July 31, 1998, in existence at the time such Person becomes a Restricted Subsidiary of the Company and not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary, provided that such encumbrances and restrictions are not applicable to the Company or any Restricted Subsidiary or the properties or assets of the Company or any Restricted Subsidiary other than such Subsidiary which is becoming a Restricted Subsidiary;

(c) customary provisions contained in an agreement that has been entered into for the sale or other disposition of all or substantially all of the Capital Stock or assets of a Restricted Subsidiary; provided however that the restrictions are applicable only to such Restricted Subsidiary or assets;

(d) any encumbrance or restriction existing under or by reason of applicable law;

(e) customary provisions restricting subletting or assignment of any lease governing any leasehold interest of any Restricted Subsidiary;

(f) covenants in franchise agreements with Manufacturers customary for franchise agreements in the automobile retailing industry;

(g) any encumbrance or restriction contained in any Purchase Money Obligations for property to the extent such restriction or encumbrance restricts the transfer of such property;

(h) any encumbrances or restrictions in security agreements securing Indebtedness (other than Subordinated Indebtedness) of a Guarantor (including any Inventory Facility (to the extent that such Liens are otherwise incurred in accordance with "-- Limitation on Liens") that restrict the transfer of property subject to such agreements, provided that any such encumbrance or restriction is released to the extent the underlying Lien is released or the related Indebtedness is repaid; and

(i) any encumbrance or restriction existing under any agreement that extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (a) and (b), or in this clause (i), provided that

the terms and conditions of any such encumbrances or restrictions are no more restrictive in any material respect than those under or pursuant to the agreement evidencing the Indebtedness so extended, renewed, refinanced or replaced. (Section 1016)

Limitation on Unrestricted Subsidiaries. The Company may designate after the Issue Date any Subsidiary as an "Unrestricted Subsidiary" under the Indenture (a "Designation") only if:

(a) no Default shall have occurred and be continuing at the time of or after giving effect to such Designation;

(b) the Company would be permitted to make an Investment (other than a Permitted Investment) at the time of Designation (assuming the effectiveness of such Designation) pursuant to the first paragraph of "-- Limitation on Restricted Payments" above in an amount (the "Designation Amount") equal to the greater of (1) the net book value of the Company's interest in such Subsidiary calculated in accordance with GAAP or (2) the Fair Market Value of the Company's interest in such Subsidiary as determined in good faith by the Company's board of directors;

(c) the Company would be permitted under the Indenture to incur $1.00 of additional Indebtedness (other than Permitted Indebtedness) pursuant to the covenant described under "-- Limitation on Indebtedness" at the time of such Designation (assuming the effectiveness of such Designation);

(d) such Unrestricted Subsidiary does not own any Capital Stock in any Restricted Subsidiary of the Company which is not simultaneously being designated an Unrestricted Subsidiary;

(e) such Unrestricted Subsidiary is not liable, directly or indirectly, with respect to any Indebtedness other than Unrestricted Subsidiary Indebtedness, provided that an Unrestricted Subsidiary may provide a Guarantee for the Series D notes; and

(f) such Unrestricted Subsidiary is not a party to any agreement, contract, arrangement or understanding at such time with the Company or any Restricted Subsidiary unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company or, in the event such condition is not satisfied, the value of such agreement, contract, arrangement or understanding to such Unrestricted Subsidiary shall be deemed a Restricted Payment.

In the event of any such Designation, the Company shall be deemed to have made an Investment constituting a Restricted Payment pursuant to the covenant "-- Limitation on Restricted Payments" for all purposes of the Indenture in the Designation Amount.

The Indenture will also provide that the Company shall not and shall not cause or permit any Restricted Subsidiary to at any time (x) provide credit support for, or subject any of its property or assets, other than the Capital Stock of any Unrestricted Subsidiary, to the satisfaction of, any Indebtedness of any Unrestricted Subsidiary, including any undertaking, agreement or instrument evidencing such Indebtedness, (other than Permitted Investments in Unrestricted Subsidiaries) or (y) be directly or indirectly liable for any Indebtedness of any Unrestricted Subsidiary. For purposes of the foregoing, the Designation of a Subsidiary of the Company as an Unrestricted Subsidiary shall be deemed to be the Designation of all of the Subsidiaries of such Subsidiary.

The Company may revoke any Designation of a Subsidiary as an Unrestricted Subsidiary (a "Revocation") if:

(a) no Default shall have occurred and be continuing at the time of and after giving effect to such Revocation;

(b) all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately following such Revocation would, if incurred at such time, have been permitted to be incurred for all purposes of the Indenture; and

(c) unless such redesignated Subsidiary shall not have any Indebtedness outstanding (other than Indebtedness that would be Permitted Indebtedness), immediately after giving effect to such proposed Revocation, and after giving pro forma effect to the incurrence of any such Indebtedness of such redesignated Subsidiary as if such Indebtedness was incurred on the date of the Revocation, the Company could incur $1.00 of additional Indebtedness (other than Permitted Indebtedness) pursuant to the covenant described under "--Limitation on Indebtedness."

All Designations and Revocations must be evidenced by a resolution of the board of directors of the Company delivered to the Trustee certifying compliance with the foregoing provisions. (Section 1018)

Provision of Financial Statements. Whether or not the Company is subject to Section 13(a) or 15(d) of the Exchange Act, the Company and each Guarantor (to the extent such Guarantor would be required if subject to Section 13(a) or 15(d) of the Exchange Act) will, to the extent permitted under the Exchange Act, file with the Commission the annual reports, quarterly reports and other documents which the Company and such Guarantor would have been required to file with the Commission pursuant to Sections 13(a) or 15(d) if the Company or such Guarantor were so subject. The documents are to be filed with the Commission on or prior to the date (the "Required Filing Date") by which the Company and such Guarantor would have been

required so to file such documents if the Company and such Guarantor were so subject. The Company will also in any event (x) within 15 days of each Required Filing Date

(i) transmit by mail to all holders, as their names and addresses appear in the security register, without cost to such holders; and

(ii) file with the Trustee copies of the annual reports, quarterly reports and other documents which the Company and such Guarantor would have been required to file with the Commission pursuant to Sections 13(a) or 15(d) of the Exchange Act if the Company and such Guarantor were subject to either of such Sections; and

(y) if filing such documents by the Company and such Guarantor with the Commission is not permitted under the Exchange Act, promptly upon written request and payment of the reasonable cost of duplication and delivery, supply copies of such documents to any prospective holder at the Company's cost.

If any Guarantor's financial statements would be required to be included in the financial statements filed or delivered pursuant to the Indenture if the Company were subject to Section 13(a) or 15(d) of the Exchange Act, the Company shall include such Guarantor's financial statements in any filing or delivery pursuant to the Indenture. The Indenture also provides that, so long as any of the Series C notes remain outstanding, the Company will make available to any prospective purchaser of Series C notes or beneficial owner of Series C notes in connection with any sale thereof the information required by Rule 144A(d)(4) under the Securities Act, until such time as the Company has either exchanged the Series C notes for Series D notes or until such time as the holders thereof have disposed of such Series C notes pursuant to an effective registration statement under the Securities Act. (Section 1019)

Additional Covenants. The Indenture also contains covenants with respect to the following matters:

(i) payment of principal, premium and interest;

(ii) maintenance of an office or agency in The City of New York;

(iii) arrangements regarding the handling of money held in trust;

(iv) maintenance of corporate existence;

(v) payment of taxes and other claims;

(vi) maintenance of properties; and

(vii) maintenance of insurance.

Consolidation, Merger, Sale of Assets

The Company

The Company will not, in a single transaction or through a series of related transactions, (1) consolidate with or merge with or into any other Person; (2) sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets to any Person or group of Persons; or (3) permit any of its Restricted Subsidiaries to enter into any such transaction or series of related transactions if such transaction or series of related transactions, in the aggregate, would result in a sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Company and its Restricted Subsidiaries on a Consolidated basis to any other Person or group of Persons, unless at the time and after giving effect thereto:

(i) either (a) the Company will be the continuing corporation (in the case of a consolidation or merger involving the Company) or (b) the Person (if other than the Company) formed by such consolidation or into which the Company is merged or the Person which acquires by sale, assignment, conveyance, transfer, lease or disposition all or substantially all of the properties and assets of the Company and its Restricted Subsidiaries on a Consolidated basis (the "Surviving Entity") will be a corporation duly organized and validly existing under the laws of the United States of America, any state thereof or the District of Columbia and such Person expressly assumes, by a supplemental indenture, in a form reasonably satisfactory to the Trustee, all the obligations of the Company under the Series D notes, the Indenture and the Registration Rights Agreement (as that term is defined under "Exchange Offer; Registration Rights"), as the case may be, and the Series D notes, the Indenture and the Registration Rights Agreement will remain in full force and effect as so supplemented;

(ii) the Indenture and the Registration Rights Agreement will remain in full force and effect as so supplemented;

(iii) immediately before and immediately after giving effect to such transaction on a pro forma basis (and treating any Indebtedness not previously an obligation of the Company or any of its Restricted Subsidiaries which becomes the obligation of the Company or any of its Restricted Subsidiaries as a result of such transaction as having been incurred at the time of such transaction), no Default or Event of Default will have occurred and be continuing;

(iv) immediately before and immediately after giving effect to such transaction on a pro forma basis (on the assumption that the transaction occurred on the first day of the four-quarter period for which financial statements are available ending immediately prior to the consummation of such transaction with the appropriate adjustments with respect to the transaction being included in such pro forma calculation), the Company (or the Surviving Entity if the Company is not the continuing obligor under the Indenture) could incur $1.00 of additional Indebtedness (other than Permitted Indebtedness) under the provisions of "-- Certain Covenants -- Limitation on Indebtedness;"

(v) at the time of the transaction, each Guarantor, if any, unless it is the other party to the transactions described above, will have by supplemental indenture confirmed that its Guarantee shall apply to such Person's obligations under the Indenture and under the Series D notes;

(vi) at the time of the transaction if any of the property or assets of the Company or any of its Restricted Subsidiaries would thereupon become subject to any Lien, the provisions of "-- Certain Covenants

-- Limitation on Liens" are complied with; and

(vii) at the time of the transaction the Company or the Surviving Entity will have delivered, or caused to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an officers' certificate and an opinion of counsel, each to the effect that such consolidation, merger, transfer, sale, assignment, conveyance, transfer, lease or other transaction and the supplemental indenture in respect thereof comply with the Indenture and that all conditions precedent therein provided for relating to such transaction have been complied with. (Section 801)

The Guarantors

Each Guarantor will not, and the Company will not permit a Guarantor to, in a single transaction or through a series of related transactions, (1) consolidate with or merge with or into any other Person (other than the Company or any Guarantor); (2) sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets on a Consolidated basis to any Person or group of Persons (other than the Company or any Guarantor); or (3) permit any of its Restricted Subsidiaries to enter into any such transaction or series of transactions if such transaction or series of transactions, in the aggregate, would result in a sale assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Guarantor and its Restricted Subsidiaries on a Consolidated basis to any other Person or group of Persons (other than the Company or any Guarantor), unless at the time and after giving effect thereto:

(i) either (a) the Guarantor will be the continuing corporation, in the case of a consolidation or merger involving the Guarantor or (b) the Person (if other than the Guarantor) formed by such consolidation or into which such Guarantor is merged or the Person which acquires by sale, assignment, conveyance, transfer, lease or disposition all or substantially all of the properties and assets of the Guarantor and its Restricted Subsidiaries on a Consolidated basis (the "Surviving Guarantor Entity") is duly organized and validly existing under the laws of the United States of America, any state thereof or the District of Columbia and such Person expressly assumes, by a supplemental indenture, in a form reasonably satisfactory to the Trustee, all the obligations of such Guarantor under its Guarantee of the Series D notes, the Indenture and the Registration Rights Agreement and such Guarantee, Indenture and Registration Rights Agreement will remain in full force and effect;

(ii) immediately before and immediately after giving effect to such transaction on a pro forma basis, no Default or Event of Default will have occurred and be continuing; and

(iii) at the time of the transaction such Guarantor or the Surviving Guarantor Entity will have delivered, or caused to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an officers' certificate and an opinion of counsel, each to the effect that such consolidation, merger, transfer, sale, assignment, conveyance, lease or other transaction and the supplemental indenture in respect thereof comply with the Indenture and that all conditions precedent therein provided for relating to such transaction have been complied with.

However, the foregoing limitations do not apply to any Guarantor whose Guarantee of the Series D notes is unconditionally released and discharged in accordance with paragraph (c) under the provisions of " -- Certain Covenants -- Limitation on Issuances of Guarantees of and Pledges for Indebtedness." (Section 801)

In the event of any transaction (other than a transfer by lease or a sale of substantially all of the assets of the Company or a Guarantor that results in the sale, assignment, conveyance, transfer or other disposition of assets constituting or accounting for less than 95% of the consolidated assets, revenues or Consolidated Net Income (Loss) of the Company or such Guarantor, as the

case may be) described in and complying with the conditions listed in the two immediately preceding subsections in which the Company or any Guarantor, as the case may be, is not the continuing corporation, the successor Person formed or remaining or to which such transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company or such Guarantor, as the case may be, under the Indenture, the Series D notes and/or the related Guarantees, as the case may be, and the Company or any Guarantor, as the case may be, shall be discharged from all obligations and covenants under the Indenture and the Series D notes or its Guarantee, as the case may be.

(Section 802)

Events of Default

An Event of Default will occur under the Indenture if:

(1) there shall be a default in the payment of any interest on any Note when it becomes due and payable, and such default shall continue for a period of 30 days, whether or not prohibited by the subordination provisions of the Indenture;

(2) there shall be a default in the payment of the principal of (or premium, if any, on) any Note at its Maturity (upon acceleration, optional or mandatory redemption if any, required repurchase or otherwise), whether or not prohibited by the subordination provisions of the Indenture;

(3) (a) there shall be a default in the performance, or breach, of any covenant or agreement of the Company or any Guarantor under the Indenture or any Guarantee (other than a default in the performance, or breach, of a covenant or agreement which is specifically dealt with in clause (1), (2) or in clause (b), (c) or (d) of this clause (3)) and such default or breach shall continue for a period of 60 days after written notice (30 days in the case of a default in the covenants described under "-- Certain Covenants -- Limitation on Indebtedness" or "-- Limitation on Restricted Payments") has been given, by certified mail, (x) to the Company by the Trustee or (y) to the Company and the Trustee by the holders of at least 25% in aggregate principal amount of the outstanding Series D notes;

(b) there shall be a default in the performance or breach of the provisions described in "--Consolidation, Merger, Sale of Assets";

(c) the Company shall have failed to consummate an Offer in accordance with the provisions of "--Certain Covenants-- Limitation on Sale of Assets"; or

(d) the Company shall have failed to consummate a Change of Control Offer in accordance with the provisions of "--Purchase of Series D notes Upon a Change of Control";

(4) one or more defaults, individually or in the aggregate, shall have occurred under any of the agreements, indentures or instruments under which the Company or any Restricted Subsidiary then has outstanding Indebtedness in excess of $20 million in principal amount, individually or in the aggregate, and either (a) such default results from the failure to pay such Indebtedness at its stated final maturity or (b) such default or defaults resulted in the acceleration of the maturity of such Indebtedness;

(5) any Guarantee shall for any reason cease to be, or shall for any reason be asserted in writing by any Guarantor or the Company not to be, in full force and effect and enforceable in accordance with its terms, except to the extent contemplated by the Indenture and any such Guarantee;

(6) one or more final judgments, orders or decrees (not subject to appeal) of any court or regulatory or administrative agency for the payment of money in excess of $20 million, either individually or in the aggregate (exclusive of any portion of any such payment covered by insurance, if and to the extent the insurer has acknowledged in writing its liability therefor), shall be rendered against the Company, any Guarantor or any Subsidiary or any of their respective properties and shall not be discharged or fully binded and there shall have been a period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of an appeal or otherwise, shall not be in effect;

(7) any holder or holders of at least $20 million in aggregate principal amount of Indebtedness of the Company, any Guarantor or any Restricted Subsidiary after a default under such Indebtedness shall notify the Trustee of the intended sale or disposition of any assets of the Company, any Guarantor or any Subsidiary that have been pledged to or for the benefit of such holder or holders to secure such Indebtedness or shall commence proceedings, or take any action, including by way of set-off, to retain in satisfaction of such Indebtedness or to collect on, seize, dispose of or apply in satisfaction of Indebtedness, assets of the Company, any Guarantor or any Restricted Subsidiary, including funds on deposit or held pursuant to lock-box and other similar arrangements;

(8) there shall have been the entry by a court of competent jurisdiction of (a) a decree or order for relief in respect of the Company or any Significant Restricted Subsidiary in an involuntary case or proceeding under any applicable Bankruptcy Law or (b) a decree or order:

(i) adjudging the Company or any Significant Restricted Subsidiary bankrupt or insolvent;

(ii) seeking reorganization, arrangement, adjustment or composition of or in respect of the Company or any Significant Restricted Subsidiary under any applicable federal or state law;

(iii) appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or any Significant Restricted Subsidiary or of any substantial part of their respective properties; or

(iv) ordering the winding up or liquidation of their respective affairs, and any such decree or order for relief shall continue to be in effect, or any such other decree or order shall be unstayed and in effect, for a period of 60 consecutive days; or

(9) (a) the Company or any Significant Restricted Subsidiary commences a voluntary case or proceeding under any Applicable Bankruptcy Law or any other case or proceeding to be adjudicated bankrupt or insolvent,

(b) the Company or any Significant Restricted Subsidiary consents to the entry of a decree or order for relief in respect of the Company or such Significant Restricted Subsidiary in an involuntary case or proceeding under any applicable Bankruptcy Law or to the commencement of any bankruptcy or insolvency case or proceeding against it,

(c) the Company or any Significant Restricted Subsidiary files a petition or answer or consent seeking reorganization or relief under any applicable federal or state law,

(d) the Company or any Significant Restricted Subsidiary

(i) Consents to the filing of such petition or the appointment of, or taking possession by, a custodian, Receiver, liquidator, assignee, trustee, sequestrator or similar official of the Company or such Significant Restricted Subsidiary or of any substantial part of their respective properties,

(ii) makes an assignment for the benefit of creditors or

(iii) admits in writing its inability to pay its debts generally as they become due or

(e) the Company or any Significant Restricted Subsidiary takes any corporate action in furtherance of any such actions in this paragraph (9). (Section 501)

Result of Events of Default

If an Event of Default (other than as specified in clauses (8) and (9) of the prior paragraph) shall occur and be continuing with respect to the Indenture, the Trustee or the holders of not less than 25% in aggregate principal amount of the Series D notes then outstanding may, and the Trustee at the request of such holders shall, declare all unpaid principal of, premium, if any, and accrued interest on all Series D notes to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by the holders of the Series D notes). Upon any such declaration, such principal, premium, if any, and interest shall become due and payable immediately. If an Event of Default specified in clause (8) or (9) of the prior paragraph occurs and is continuing, then all the Series D notes shall ipso facto become and be due and payable immediately in an amount equal to the principal amount of the Series D notes, together with accrued and unpaid interest, if any, to the date the Series D notes become due and payable, without any declaration or other act on the part of the Trustee or any holder. Thereupon, the Trustee may, at its discretion, proceed to protect and enforce the rights of the holders of Series D notes by appropriate judicial proceedings.

After a declaration of acceleration, but before a judgment or decree for payment of the money due has been obtained by the Trustee, the holders of a majority in aggregate principal amount of Series D notes outstanding by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if:

(a) the Company has paid or deposited with the Trustee a sum sufficient to pay

(i) all sums paid or advanced by the Trustee under the Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel,

(ii) all overdue interest on all Series D notes then outstanding;

(iii) the principal of and premium, if any, on any Series D notes then outstanding which have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Series D notes and

(iv) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate borne by the Series D notes;

(b) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction, and

(c) all Events of Default, other than the non-payment of principal of, premium, if any, and interest on the Series D notes which have become due solely by such declaration of acceleration, have been cured or waived as provided in the Indenture. No such rescission shall affect any subsequent default or impair any right consequent thereon. (Section 502)

Waiver of Default by Noteholders

The holders of not less than a majority in aggregate principal amount of the Series D notes outstanding may on behalf of the holders of all outstanding Series D notes waive any past default under the Indenture and its consequences, except a default (i) in the payment of the principal of, premium, if any, or interest on any Note, which may only be waived with the consent of each holder of Series D notes affected or (ii) in respect of a covenant or provision which under the Indenture cannot be modified or amended without the consent of the holder of each Note affected by such modification or amendment. (Section 513)

Legal Rights of Noteholders

No holder of any of the Series D notes has any right to institute any proceedings with respect to the Series D notes, the Indenture or any remedy thereunder, unless

(1) the holders of at least 25% in aggregate principal amount of the outstanding Series D notes have made written request, and offered reasonable indemnity, to the Trustee to institute such proceeding as Trustee under the Series D notes and the Indenture;

(2) the Trustee has failed to institute such proceeding within 15 days after receipt of such notice; and

(3) the Trustee, within such 15-day period, has not received directions inconsistent with such written request by holders of a majority in aggregate principal amount of the outstanding Series D notes.

Such limitations do not, however, apply to a suit instituted by a holder of a Note for the enforcement of the payment of the principal of, premium, if any, or interest on such Note on or after the respective due dates expressed in such Note.

Notice to and Action of Trustees

The Company is required to notify the Trustee within five business days of the occurrence of any Default. The Company is required to deliver to the Trustee, on or before a date not more than 60 days after the end of each fiscal quarter and not more than 120 days after the end of each fiscal year, a written statement as to compliance with the Indenture, including whether or not any Default has occurred. (Section 1020) The Trustee is under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the holders of the Series D notes unless such holders offer to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred thereby. (Section 603)

The Trust Indenture Act contains limitations on the rights of the Trustee, should it become a creditor of the Company or any Guarantor, if any, to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. The Trustee is permitted to engage in other transactions, provided that if it acquires any conflicting interest it must eliminate such conflict upon the occurrence of an Event of Default or else resign.

Defeasance or Covenant Defeasance of Indenture

The Company may, at its option and at any time, elect to have the obligations of the Company, any Guarantor and any other obligor upon the Series D notes discharged with respect to the outstanding Series D notes ("defeasance"). Such defeasance means that the Company, any such Guarantor and any other obligor under the Indenture shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Series D notes, except for

(i) the rights of holders of such outstanding Series D notes to receive payments in respect of the principal of, premium, if any, and

interest on such Series D notes when such payments are due,

(ii) the Company's obligations with respect to the Series D notes concerning issuing temporary Series D notes, registration of Series D notes, mutilated, destroyed, lost or stolen Series D notes, and the maintenance of an office or agency for payment and money for security payments held in trust,

(iii) the rights, powers, trusts, duties and immunities of the Trustee and

(iv) the defeasance provisions of the Indenture.

In addition, the Company may, at its option and at any time, elect to have the obligations of the Company and any Guarantor released with respect to certain covenants that are described in the Indenture ("covenant defeasance") and thereafter any omission

to comply with such obligations shall not constitute a Default or an Event of Default with respect to the Series D notes. In the event covenant defeasance occurs, certain events (not including non-payment, bankruptcy and insolvency events) described under "Events of Default" will no longer constitute an Event of Default with respect to the Series D notes. (Sections 401, 402 and 403)

In order to exercise either defeasance or covenant defeasance,

(i) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the holders of the Series D notes, cash in United States dollars, U.S. Government Obligations (as defined in the Indenture), or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants or a nationally recognized investment banking firm, to pay and discharge the principal of, premium, if any, and interest on the outstanding Series D notes on the Stated Maturity (or on any date after August 1, 2003 (such date being referred to as the "Defeasance Redemption Date"), if at or prior to electing either defeasance or covenant defeasance, the Company has delivered to the Trustee an irrevocable notice to redeem all of the outstanding Series D notes on the Defeasance Redemption Date);

(ii) in the case of defeasance, the Company shall have delivered to the Trustee an opinion of independent counsel in the United States stating that (A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since July 1, 1998, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such opinion of independent counsel in the United States shall confirm that, the holders of the outstanding Series D notes will not recognize income, gain or loss for federal income tax purposes as a result of such defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred;

(iii) in the case of covenant defeasance, the Company shall have delivered to the Trustee an opinion of independent counsel in the United States to the effect that the holders of the outstanding Series D notes will not recognize income, gain or loss for federal income tax purposes as a result of such covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;

(iv) no Default or Event of Default shall have occurred and be continuing on the date of such deposit or insofar as clauses (8) or (9) under the first paragraph under "-- Events of Default" are concerned, at any time during the period ending on the 91st day after the date of deposit (other than a Default which results from the borrowing of amounts to finance the defeasance and which borrowing does not result in a breach or violation of, or constitute a default, under any other material agreement or instrument to which the Company or any Restricted Subsidiary is a party or to which it is bound);

(v) such defeasance or covenant defeasance shall not cause the Trustee for the Series D notes to have a conflicting interest as defined in the Indenture in violation of and for purposes of the Trust Indenture Act with respect to any other securities of the Company or any Guarantor;

(vi) such defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a Default under, the Indenture or any other material agreement or instrument to which the Company, any Guarantor or any Restricted Subsidiary is a party or by which it is bound;

(vii) such defeasance or covenant defeasance shall not result in the trust arising from such deposit constituting an investment company within the meaning of the Investment Company Act of 1940, as amended, unless such trust shall be registered under such Act or exempt from registration thereunder;

(viii) the Company will have delivered to the Trustee an opinion of independent counsel in the United States to the effect that (assuming that no holder of any Series D notes would be considered an insider of the Company under any applicable bankruptcy or insolvency law) after the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally;

(ix) the Company shall have delivered to the Trustee an officers' certificate stating that the deposit was not made by the Company with the intent of preferring the holders of the Series D notes or any Guarantee over the other creditors of the Company or any Guarantor with the intent of defeating, hindering, delaying or defrauding creditors of the Company, any Guarantor or others;

(x) no event or condition shall exist that would prevent the Company from making payments of the principal of, premium, if any, and interest on the Series D notes on the date of such deposit or at any time ending on the 91st day after the date of such deposit; and

(xi) the Company will have delivered to the Trustee an officers' certificate and an opinion of independent counsel, each stating that all conditions precedent provided for relating to either the defeasance or the covenant defeasance, as the case may be, have been complied with.(Section 404)

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the Series D notes as expressly provided for in the Indenture) as to all outstanding Series D notes under the Indenture when

(a) either (i) all such Series D notes theretofore authenticated and delivered (except lost, stolen or destroyed Series D notes which have been replaced or paid or Series D notes whose payment has been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust as provided for in the Indenture) have been delivered to the Trustee for cancellation or (ii) all Series D notes not theretofore delivered to the Trustee for cancellation

(x) have become due and payable,

(y) will become due and payable at their Stated Maturity within one year, or

(z) are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company; and the Company or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust an amount in United States dollars sufficient to pay and discharge the entire Indebtedness on the Series D notes not theretofore delivered to the Trustee for cancellation, including the principal of, premium, if any, and accrued interest on such Series D notes at such Maturity, Stated Maturity or redemption date;

(b) the Company or any Guarantor has paid or caused to be paid all other sums payable under the Indenture by the Company and any Guarantor; and

(c) the Company has delivered to the Trustee an officers' certificate and an opinion of independent counsel in form and substance

reasonably satisfactory to the Trustee each stating that (i) all conditions precedent under the Indenture relating to the satisfaction and discharge of such Indenture have been complied with and (ii) such satisfaction and discharge will not result in a breach or violation of, or constitute a default under, the Indenture or any other material agreement or instrument to which the Company, any Guarantor or any Restricted Subsidiary is a party or by which the Company, any Guarantor or any Restricted Subsidiary is bound. (Section 1201)

Modifications and Amendments

With Noteholder Consent

Modifications and amendments of the Indenture may be made by the Company, each Guarantor, if any, and the Trustee with the consent of the holders of at least a majority in aggregate principal amount of the Series D notes then outstanding; provided, however, that no such modification or amendment may, without the consent of the holder of each outstanding Note affected thereby:

(i) change the Stated Maturity of the principal of, or any installment of interest on, or change to an earlier date any redemption date of, or waive a default in the payment of the principal of, premium, if any, or interest on, any such Note or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or change the coin or currency in which the principal of any such Note or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date);

(ii) amend, change or modify the obligation of the Company to make and consummate an Offer with respect to any Asset Sale or Asset Sales in accordance with "--Certain Covenants -- Limitation on Sale of Assets" or the obligation of the Company to make and consummate a Change of Control Offer in the event of a Change of Control in accordance with "--Purchase of Series D notes Upon a Change of Control," including, in each case, amending, changing or modifying any definitions relating thereto, but only to the extent such definitions relate thereto;

(iii) reduce the percentage in principal amount of such outstanding Series D notes, the consent of whose holders is required for any such supplemental indenture, or the consent of whose holders is required for any waiver or compliance with certain provisions of the Indenture;

(iv) modify any of the provisions relating to supplemental indentures requiring the consent of holders or relating to the waiver of past defaults or relating to the waiver of certain covenants, except to increase the percentage of such outstanding Series D notes required for any such actions or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the holder of each such Note affected thereby;

(v) except as otherwise permitted under "--Consolidation, Merger, Sale of Assets," consent to the assignment or transfer by the Company or any Guarantor of any of its rights and obligations under the Indenture; or

(vi) amend or modify any of the provisions of the Indenture in any manner which subordinates the Series D notes issued under the Indenture in right of payment to any other Indebtedness of the Company or which subordinates any Guarantee in right of payment to any other Indebtedness of the Guarantor issuing such Guarantee. (Section 902)

Without Noteholder Consent

Notwithstanding the foregoing, without the consent of any holders of the Series D notes, the Company, any Guarantor, any other obligor under the Series D notes and the Trustee may modify or amend the Indenture:

(a) to evidence the succession of another Person to the Company or a Guarantor or any other obligor upon the Series D notes, and the assumption by any such successor of the covenants of the Company or such Guarantor or obligor in the Indenture and in the Series D notes and in any Guarantee in accordance with "-- Consolidation, Merger, Sale of Assets;"

(b) to add to the covenants of the Company, any Guarantor or any other obligor upon the Series D notes for the benefit of the holders of the Series D notes or to surrender any right or power conferred upon the Company or any Guarantor or any other obligor upon the Series D notes, as applicable, in the Indenture, in the Series D

notes or in any Guarantee;

(c) to cure any ambiguity, or to correct or supplement any provision in the Indenture or in any supplemental indenture, the Series D notes or any Guarantee which may be defective or inconsistent with any other provision in the Indenture, the Series D notes or any Guarantee or to make any other provisions with respect to matters or questions arising under the Indenture, the Series D notes or any Guarantee; provided that, in each case, such provisions shall not adversely affect the interest of the holders of the Series D notes;

(d) to comply with the requirements of the Commission in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act;

(e) to add a Guarantor under the Indenture;

(f) to evidence and provide the acceptance of the appointment of a successor Trustee under the Indenture; or

(g) to mortgage, pledge, hypothecate or grant a security interest in favor of the Trustee for the benefit of the holders of the Series D notes as additional security for the payment and performance of the Company's and any Guarantor's obligations under the Indenture, in any property, or assets, including any of which are required to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Trustee pursuant to the Indenture or otherwise. (Section 901)

The holders of a majority in aggregate principal amount of the Series D notes outstanding may waive compliance with certain restrictive covenants and provisions of the Indenture. (Section 1021)

Governing Law

The Indenture, the Series D notes and any Guarantee will be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to the conflicts of law principles thereof.

Concerning the Trustee

The Indenture contains certain limitations on the rights of the Trustee, should it become a creditor of the Company, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the Commission for permission to continue as Trustee with such conflict or resign as Trustee. (Sections 608 and 611)

The holders of a majority in principal amount of the then outstanding Series D notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions.

The Indenture provides that in case an Event of Default occurs, which has not been cured, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any holder of Series D notes unless such holder shall have offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense. (Sections 512, 601 and 603)

Certain Definitions

"Acquired Indebtedness" means Indebtedness of a Person:

(i) existing at the time such Person becomes a Restricted Subsidiary or

(ii) assumed in connection with the acquisition of assets from such Person, in each case, other than Indebtedness incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary or such acquisition, as the case may be.

Acquired Indebtedness shall be deemed to be incurred on the date of the related acquisition of assets from any Person or the date the acquired Person becomes a Restricted Subsidiary, as the case may be.

"Affiliate" means, with respect to any specified Person:

(i) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person;

(ii) any other Person that owns, directly or indirectly, five percent or more of such specified Person's Capital Stock or any officer or director of any such specified Person or other Person or, with respect to any natural Person, any person having a relationship with such Person by blood, marriage or adoption not more remote than first cousin; or

(iii) any other Person, five percent or more of the Voting Stock of which is beneficially owned or held directly or indirectly by such specified Person.

For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Asset Sale" means any sale, issuance, conveyance, transfer, lease or other disposition, including, without limitation, by way of merger, consolidation or sale and leaseback transaction (collectively, a "transfer"), directly or indirectly, in one or a series of related transactions, of:

(i) any Capital Stock of any Restricted Subsidiary (other than directors' qualifying shares and transfers of Capital Stock required by a Manufacturer to the extent the Company does not receive cash or Cash Equivalents for such Capital Stock);

(ii) all or substantially all of the properties and assets of any division or line of business of the Company or any Restricted Subsidiary; or

(iii) any other properties or assets of the Company or any Restricted Subsidiary other than in the ordinary course of business.

For the purposes of this definition, the term "Asset Sale" shall not include any transfer of properties and assets:

(A) that is governed by the provisions described under "--Consolidation, Merger, Sale of Assets,"

(B) that is by the Company to any Wholly Owned Restricted Subsidiary, or by any Restricted Subsidiary to the Company or any Wholly Owned Restricted Subsidiary in accordance with the terms of the Indenture,

(C) that is of obsolete equipment,

(D) that consists of defaulted receivables for collection or any sale, transfer or other disposition of defaulted receivables for collection, or

(E) the Fair Market Value of which in the aggregate does not exceed $2.5 million in any transaction or series of related transactions.

"Average Life to Stated Maturity" means, as of the date of determination with respect to any Indebtedness, the quotient obtained by dividing (i) the sum of the products of (a) the number of years from the date of determination to the date or dates of each successive scheduled principal payment of such Indebtedness multiplied by (b) the amount of each such principal payment by (ii) the sum of all such principal payments.

"B Indenture" means the Indenture, dated as of July 1,1998, among the Company, the Trustee and the other parties thereto providing for the issuance of the Series B notes in aggregate principal amount of $125 million as such indenture has been and may be amended from time to time.

"Bankruptcy Law" means Title 11, United States Bankruptcy Code of 1978, as amended, or any similar United States federal or state law or foreign law relating to bankruptcy, insolvency, receivership, winding up, liquidation, reorganization or relief of debtors or any amendment to, succession to or change in any such law.

"Capital Lease Obligation" of any Person means any obligation of such Person and its Subsidiaries on a Consolidated basis under any capital lease of real or personal property which, in accordance with GAAP, is required to be

recorded as a capitalized lease obligation.

"Capital Stock" of any Person means any and all shares, interests, participations, or other equivalents, however designated, of such Person's capital stock or other equity interests whether now outstanding or issued after the Issue Date, partnership interests (whether general or limited), any other interest or participation that confers on a Person that right to receive a share of the profits and losses of, or distributions of assets of (other than a distribution in respect of Indebtedness), the issuing Person and any rights (other than debt securities convertible into Capital Stock), warrants or options exchangeable for or convertible into such Capital Stock.

"Cash Equivalents" means

(i) marketable direct obligations, maturing not more than one year after the date of acquisition, issued by the United States of America, or an instrumentality or agency thereof, and guaranteed fully as to principal, premium, if any, and interest by the United States of America,

(ii) any certificate of deposit, maturing not more than one year after the date of acquisition, issued by a commercial banking institution that is a member of the Federal Reserve System and that has combined capital and surplus and undivided profits of not less than $500 million, whose debt has a rating, at the time as of which any investment therein is made, of "P-1" (or higher) according to Moody's Investors Service, Inc. ("Moody's") or any successor rating agency or "A-1" (or higher) according to Standard Poor's Rating Group, a division of McGraw Hill, Inc. ("S&P"), or any successor rating agency,

(iii) commercial paper, maturing not more than 180 days after the date of acquisition, issued by a corporation (other than an Affiliate or Subsidiary of the Company) organized and existing under the laws of the United States of America with a rating, at the time as of which any investment therein is made, of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P and

(iv) any money market deposit accounts issued or offered by a domestic commercial bank having capital and surplus in excess of $500 million; provided that the short term debt of such commercial bank has a rating, at the time of Investment, of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P.

"Change of Control" means the occurrence of any of the following events:

(i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than Permitted Holders, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a Person shall be deemed to have beneficial ownership of all shares that such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of the total outstanding Voting Stock of the Company;

(ii) during any period of two consecutive years, individuals who at the beginning of such period constituted the board of directors of the Company (together with any new directors whose election to such board or whose nomination for election by the stockholders of the Company was approved by a vote of 66 2/3% of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved), cease for any reason to constitute a majority of such board of directors then in office;

(iii) the Company consolidates with or merges with or into any Person or sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of its assets to any Person, or any Person consolidates with or merges into or with the Company, in any such event pursuant to a transaction in which the outstanding Voting Stock of the Company is converted into or exchanged for cash, securities or other property, other than any such transaction where:

(A) the outstanding Voting Stock of the Company is changed into or exchanged for (x) Voting Stock of the surviving corporation which is not Redeemable Capital Stock or (y) cash, securities and other property (other than Capital Stock of the surviving corporation) in

an amount which could be paid by the Company as a Restricted Payment as described under "-- Certain Covenants -- Limitation on Restricted Payments" (and such amount shall be treated as a Restricted Payment subject to the provisions in the Indenture described under "-- Certain Covenants -- Limitation on Restricted Payments"); and

(B) immediately after such transaction, no "person" or "group," other than Permitted Holders, is the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person shall be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, more than 35% of the total outstanding Voting Stock of the surviving corporation; or

(iv) the Company is liquidated or dissolved or adopts a plan of liquidation or dissolution other than in a transaction which complies with the provisions described under "-- Consolidation, Merger, Sale of Assets."

For purposes of this definition, any transfer of an equity interest of an entity that was formed for the purpose of acquiring voting stock of the Company will be deemed to be a transfer of such portion of such voting stock as corresponds to the portion of the equity of such entity that has been so transferred.

"Class A Common Stock" means the Company's Class A common stock, par value $.01 per share, or any successor common stock thereto.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or if at any time after the execution of the Indenture such Commission is not existing and performing the duties now assigned to it under the Securities Act, Exchange Act and Trust Indenture Act then the body performing such duties at such time.

"Commodity Price Protection Agreement" means any forward contract, commodity swap, commodity option or other similar financial agreement or arrangement relating to, or the value which is dependent upon, fluctuations in commodity prices.

"Company" means Sonic Automotive, Inc., a corporation incorporated under the laws of Delaware, until a successor Person shall have become such pursuant to the applicable provisions of the Indenture, and thereafter "Company" shall mean such successor Person.

"Consolidated Fixed Charge Coverage Ratio" of any Person means, for any period, the ratio of:

(a) the sum of Consolidated Net Income (Loss), and in each case to the extent deducted in computing Consolidated Net Income (Loss) for such period, Consolidated Interest Expense, Consolidated Income Tax Expense and Consolidated Non-cash Charges for such period, of such Person and its Restricted Subsidiaries on a Consolidated basis, all determined in accordance with GAAP, less all noncash items increasing Consolidated Net Income for such period and less all cash payments during such period relating to noncash charges that were added back to Consolidated Net Income in determining the Consolidated Fixed Charge Coverage Ratio in any prior period to

(b) the sum of Consolidated Interest Expense for such period and cash and noncash dividends paid on any Preferred Stock of such Person during such period, in each case after giving pro forma effect to

(i) the incurrence of the Indebtedness giving rise to the need to make such calculation and (if applicable) the application of the net proceeds therefrom, including to refinance other Indebtedness, as if such Indebtedness was incurred, and the application of such proceeds occurred, on the first day of such period;

(ii) the incurrence, repayment or retirement of any other Indebtedness by the Company and its Restricted Subsidiaries since the first day of such period as if such Indebtedness was incurred, repaid or retired at the beginning of such period (except that, in making such computation, the amount of Indebtedness under any revolving credit facility shall be computed based upon the average daily balance of such Indebtedness during such period);

(iii) in the case of Acquired Indebtedness or any acquisition occurring at the time of the incurrence of such Indebtedness, the related acquisition, assuming such acquisition had been consummated on the first day of such period; and

(iv) any acquisition or disposition by the Company and its Restricted Subsidiaries of any company or any business or any assets out of the ordinary course of business, whether by merger, stock purchase or sale or asset purchase or sale, or any related repayment of Indebtedness, in each case since the first day of such period, assuming such acquisition or disposition had been consummated on the first day of such period;

provided that

(i) in making such computation, the Consolidated Interest Expense attributable to interest on any Indebtedness computed on a pro forma basis and (A) bearing a floating interest rate shall be computed as if the rate in effect on the date of computation had been the applicable rate for the entire period and (B) which was not outstanding during the period for which the computation is being made but which bears, at the option of such Person, a fixed or floating rate of interest, shall be computed by applying at the option of such Person either the fixed or floating rate and

(ii) in making such computation, the Consolidated Interest Expense of such Person attributable to interest on any Indebtedness under a revolving credit facility computed on a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period.

"Consolidated Income Tax Expense" of any Person means, for any period, the provision for federal, state, local and foreign income taxes of such Person and its Consolidated Restricted Subsidiaries for such period as determined in accordance with GAAP.

"Consolidated Interest Expense" of any Person means, without duplication, for any period, the sum of

(a) the interest expense of such Person and its Restricted Subsidiaries for such period, on a Consolidated basis (other than interest expense under any Inventory Facility), including, without limitation,

(i) amortization of debt discount,

(ii) the net costs associated with Interest Rate Agreements, Currency Hedging Agreements and Commodity Price Protection Agreements (including amortization of discounts),

(iii) the interest portion of any deferred payment obligation,

(iv) all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers acceptance financing and

(v) accrued interest, plus

(b) (i) the interest component of the Capital Lease Obligations paid, accrued and/or scheduled to be paid or accrued by such Person and its Restricted Subsidiaries during such period and (ii) all capitalized interest of such Person and its Restricted Subsidiaries; plus

(c) the interest expense under any Guaranteed Debt of such Person and any Restricted Subsidiary to the extent not included under clause (a)(iv) above, whether or not paid by such Person or its Restricted Subsidiaries.

"Consolidated Net Income (Loss)" of any Person means, for any period, the Consolidated net income (or loss) of such Person and its Restricted Subsidiaries for such period on a Consolidated basis as determined in accordance with GAAP,

adjusted, to the extent included in calculating such net income (or loss), by excluding, without duplication,

(i) all extraordinary gains or losses net of taxes (less all fees and expenses relating thereto),

(ii) the portion of net income (or loss) of such Person and its Restricted Subsidiaries on a Consolidated basis allocable to minority interests in unconsolidated Persons or Unrestricted Subsidiaries to the extent that cash dividends or distributions have not actually been received by such Person or one of its Consolidated Restricted Subsidiaries,

(iii) net income (or loss) of any Person combined with such Person or any of its Restricted Subsidiaries on a "pooling of interests" basis attributable to any period prior to the date of combination,

(iv) any gain or loss, net of taxes, realized upon the termination of any employee pension benefit plan,

(v) gains or losses, net of taxes (less all fees and expenses relating thereto), in respect of dispositions of assets other than in the ordinary course of business,

(vi) the net income of any Restricted Subsidiary to the extent that the declaration of dividends or similar distributions by that Restricted Subsidiary of that income is not at the time permitted, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders,

(vii) any restoration to net income of any contingency reserve, except to the extent provision for such reserve was made out of income accrued at any time following July 31, 1998, or

(viii) any net gain arising from the acquisition of any securities or extinguishment, under GAAP, of any Indebtedness of such Person.

"Consolidated Non-cash Charges" of any Person means, for any period, the aggregate depreciation, amortization and other non-cash charges of such Person and its subsidiaries on a Consolidated basis for such period, as determined in accordance with GAAP, excluding any non-cash charge which requires an accrual or reserve for cash charges for any future period.

"Consolidated Tangible Assets" of any Person means (a) all amounts that would be shown as assets on a Consolidated balance sheet of such Person and its Restricted Subsidiaries prepared in accordance with GAAP, less (b) the amount thereof constituting goodwill and other intangible assets as calculated in accordance with GAAP.

"Consolidation" means, with respect to any Person, the consolidation of the accounts of such Person and each of its subsidiaries if and to the extent the accounts of such Person and each of its subsidiaries would normally be consolidated with those of such Person, all in accordance with GAAP. The term "Consolidated" shall have a similar meaning.

"Currency Hedging Agreements" means one or more of the following agreements which shall be entered into by one or more financial institutions: foreign exchange contracts, currency swap agreements or other similar agreements or arrangements designed to protect against the fluctuations in currency values.

"Default" means any event which is, or after notice or passage of any time or both would be, an Event of Default.

"Disinterested Director" means, with respect to any transaction or series of related transactions, a member of the board of directors of the Company who does not have any material direct or indirect financial interest in or with respect to such transaction or series of transactions.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"Series D notes" means the 11% Senior Subordinated Notes due 2008, Series D issued in the Exchange Offer.

"Fair Market Value" means, with respect to any asset or property, the sale value that would be obtained in an arm's-length free market transaction between an informed and willing seller under no compulsion to sell and an informed and

willing buyer under no compulsion to buy. Fair Market Value shall be determined by the board of directors of the Company acting in good faith and shall be evidenced by a resolution of the board of directors.

"Floor Plan Facility" means an agreement from Ford Motor Credit Company, or any other bank or asset-based lender pursuant to which the Company or any Restricted Subsidiary incurs Indebtedness all of the net proceeds of which are used to purchase, finance or refinance vehicles and/or vehicle parts and supplies to be sold in the ordinary course of business of the Company and its Restricted Subsidiaries and which may not be secured except by a Lien that does not extend to or cover any property other than the property of the dealership(s) which use the proceeds of the Floor Plan Facility.

"Generally Accepted Accounting Principles" or "GAAP" means generally accepted accounting principles in the United States, consistently applied, which (i) for the purpose of determining compliance with the covenants contained in the Indenture were in effect as of July 31,1998 and (ii) for purposes of complying with the reporting requirements contained in the Indenture are in effect from time to time.

"Guarantee" means the guarantee by any Guarantor of the Company's Indenture Obligations.

"Guaranteed Debt" of any Person means, without duplication, all Indebtedness of any other Person referred to in the definition of Indebtedness guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement:

(i) to pay or purchase such Indebtedness or to advance or supply funds for the payment or purchase of such Indebtedness,

(ii) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Indebtedness or to assure the holder of such Indebtedness against loss,

(iii) to supply funds to, or in any other manner invest in, the debtor (including any agreement to pay for property or services without requiring that such property be received or such services be rendered),

(iv) to maintain working capital or equity capital of the debtor, or otherwise to maintain the net worth, solvency or other financial condition of the debtor or to cause such debtor to achieve certain levels of financial performance or

(v) otherwise to assure a creditor against loss;

provided that the term "guarantee" shall not include endorsements for collection or deposit, in either case in the ordinary course of business.

"Guarantor" means any Subsidiary which is a guarantor of the Series D notes, including any Person that is required to execute a guarantee of the Series D notes pursuant to " -- Certain Covenants -- Limitation on Liens" or "--Limitation on Issuance of Guarantees of and Pledges for Indebtedness" covenant until a successor replaces such party pursuant to the applicable provisions of the Indenture and, thereafter, shall mean such successor.

"Indebtedness" means, with respect to any Person, without duplication,

(i) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services, excluding any trade payables and other accrued current liabilities arising in the ordinary course of business, but including, without limitation, all obligations, contingent or otherwise, of such Person in connection with any letters of credit issued under letter of credit facilities, acceptance facilities or other similar facilities,

(ii) all obligations of such Person evidenced by bonds, notes, debentures or other similar instruments,

(iii) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even if the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), but excluding trade payables arising in the ordinary course of business,

(iv) all obligations of such Person under Interest Rate Agreements, Currency Hedging Agreements or Commodity Price Protection Agreements of such Person,

(v) all Capital Lease Obligations of such Person,

(vi) all Indebtedness referred to in clauses (i) through (v) above of other Persons and all dividends of other Persons, the payment of which is secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien, upon or with respect to property, including, without limitation, accounts and contract rights owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness,

(vii) all Guaranteed Debt of such Person,

(viii) all Redeemable Capital Stock issued by such Person valued at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued and unpaid dividends,

(ix) Preferred Stock of any Restricted Subsidiary of the Company which is not a Guarantor and

(x) any amendment, supplement, modification, deferral, renewal, extension, refunding or refinancing of any liability of the types referred to in clauses (i) through (ix) above.

For purposes hereof, the "maximum fixed repurchase price" of any Redeemable Capital Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Redeemable Capital Stock as if such Redeemable

Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Redeemable Capital Stock, such Fair Market Value to be determined in good faith by the board of directors of the issuer of such Redeemable Capital Stock.

"Indenture Obligations" means the obligations of the Company and any other obligor under the Indenture or under the Series D notes, including any Guarantor, to pay principal of, premium, if any, and interest when due and payable, and all other amounts due or to become due under or in connection with the Indenture, the Series D notes and the performance of all other obligations to the Trustee and the holders under the Indenture and the Series D notes, according to the respective terms thereof.

"Interest Rate Agreements" means one or more of the following agreements which shall be entered into by one or more financial institutions: interest rate protection agreements (including, without limitation, interest rate swaps, caps, floors, collars and similar agreements) and/or other types of interest rate hedging agreements from time to time.

"Inventory Facility" means any Floor Plan Facility or any other agreement, including pursuant to a commercial paper program, pursuant to which the Company or any Restricted Subsidiary incurs Indebtedness, the net proceeds of which are used to purchase, finance or refinance vehicles and/or vehicle parts and supplies to be sold in the ordinary course of business of the Company and its Restricted Subsidiaries and which may not be secured except by a Lien that does not extend to or cover any property other than the property of the dealership(s) which use the proceeds of the Inventory Facility.

"Investment" means, with respect to any Person, directly or indirectly, any advance, loan, including guarantees, or other extension of credit or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase, acquisition or ownership by such Person of any Capital Stock, bonds, notes, debentures or other securities issued or owned by any other Person and all other items that would be classified as investments on a balance sheet prepared in accordance with GAAP.

"Issue Date" means the original issue date of the Series D notes under the Indenture.

"Lien" means any mortgage or deed of trust, charge, pledge, lien (statutory or otherwise), privilege, security interest, assignment, deposit, arrangement, easement, hypothecation, claim, preference, priority or other encumbrance upon or with respect to any property of any kind (including any conditional sale, capital lease or other title retention agreement, any leases in the nature thereof, and any agreement to give any security interest), real or personal, movable or immovable, now owned or hereafter acquired. A Person will be deemed to own subject to a Lien any property which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Capitalized Lease Obligation or other title retention agreement.

"Manufacturer" means a vehicle manufacturer which is a party to a dealership franchise agreement with the Company or any Restricted Subsidiary.

"Maturity" means, when used with respect to the Series D notes, the date on which the principal of the Series D notes becomes due and payable as therein provided or as provided in the Indenture, whether at Stated Maturity, the Offer Date or the redemption date and whether by declaration of acceleration, Offer in respect of Excess Proceeds, Change of Control Offer in respect of a Change of Control, call for redemption or otherwise.

"Net Cash Proceeds" means

(a) with respect to any Asset Sale by any Person, the proceeds from that sale (without duplication in respect of all Asset Sales) in the form of cash or Temporary Cash Investments including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed of for, cash or Temporary Cash Investments (except to the extent that such obligations are financed or sold with recourse to the Company or any Restricted Subsidiary) net of

(i) brokerage commissions and other reasonable fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale,

(ii) provisions for all taxes payable as a result of such Asset Sale,

(iii) payments made to retire Indebtedness where payment of such Indebtedness is secured by the assets or properties the subject of such Asset Sale,

(iv) amounts required to be paid to any Person (other than the Company or any Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale and

(v) appropriate amounts to be provided by the Company or any Restricted Subsidiary, as the case may be, as a reserve, in accordance with GAAP, against any liabilities associated with such Asset Sale and retained by the

Company or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as reflected in an officers' certificate delivered to the Trustee and

(b) with respect to any issuance or sale of Capital Stock or options, warrants or rights to purchase Capital Stock, or debt securities or Capital Stock that have been converted into or exchanged for Capital Stock as referred to under "-- Certain Covenants -- Limitation on Restricted Payments," the proceeds of such issuance or sale in the form of cash or Temporary Cash Investments including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed of for, cash or Temporary Cash Investments (except to the extent that such obligations are financed or sold with recourse to the Company or any Restricted Subsidiary), net of attorney's fees, accountant's fees and brokerage, consultation, underwriting and other fees and expenses actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"Pari Passu Indebtedness" means (a) any Indebtedness of the Company that is pari passu in right of payment to the Series D notes, including without limitation, the Series B notes, and (b) with respect to any Guarantee, Indebtedness which ranks pari passu in right of payment to such Guarantee, including, without limitation, the Guarantees with respect to the Series B notes.

"Permitted Holders" means:

(i) Mr. O. Bruton Smith or Mr. William S. Egan and their respective guardians, conservators, committees, or attorneys-in-fact;

(ii) lineal descendants of Mr. Smith or Mr. Egan (in either case, a "Descendant") and their respective guardians, conservators, committees or attorneys-in-fact; and

(iii) each "Family Controlled Entity," as defined herein. The term "Family Controlled Entity" means

(a) any not-for-profit corporation if at least 80% of its board of directors is composed of Mr. Smith, Mr. Egan and/or Descendants;

(b) any other corporation if at least 80% of the value of its outstanding equity is owned by a Permitted Holder;

(c) any partnership if at least 80% of the value of the partnership interests are owned by a Permitted Holder;

(d) any limited liability or similar company if at least 80% of the value of the company is owned by a Permitted Holder; and

(e) any trusts created for the benefit of any of the persons listed in clauses (i) or (ii) of this definition.

"Permitted Investment" means:

(i) Investments in any Wholly Owned Restricted Subsidiary or any Person which, as a result of such Investment, (a) becomes a Wholly Owned Restricted Subsidiary or (b) is merged or consolidated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or any Wholly Owned Restricted Subsidiary;

(ii) Indebtedness of the Company or a Restricted Subsidiary described under clauses (v), (vi) and (vii) of the definition of "Permitted Indebtedness;"

(iii) Investments in any of the Series B, Series C or Series D notes, as the case may be; provided, however, that the aggregate amount of such Investments shall not exceed $125 million;

(iv) Temporary Cash Investments;

(v) Investments acquired by the Company or any Restricted Subsidiary in connection with an Asset Sale permitted under "--Certain Covenants -- Limitation on Sale of Assets" to the extent such Investments are non-cash proceeds as permitted under such covenant;

(vi) any Investment to the extent the consideration therefor consists of Qualified Capital Stock of the Company or any Restricted Subsidiary;

(vii) Investments representing Capital Stock or obligations issued to the Company or any Restricted Subsidiary in the ordinary course of the good faith settlement of claims against any other Person by reason of a composition or readjustment of debt or a reorganization of any debtor or any Restricted Subsidiary;

(viii) prepaid expenses advanced to employees in the ordinary course of business or other loans or advances to employees in the ordinary course of business not to exceed $1 million in the aggregate at any one time outstanding;

(ix) Investments in existence on July 31, 1998; and

(x) in addition to the Investments described in clauses (i) through (ix) above, Investments in an amount not to exceed $10 million in the aggregate at any one time outstanding.

In connection with any assets or property contributed or transferred to any Person as an Investment, such property and assets shall be equal to the Fair Market Value at the time of Investment.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Preferred Stock" means, with respect to any Person, any Capital Stock of any class or classes, however designated, which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over the Capital Stock of any other class in such Person.

"Purchase Money Obligation" means any Indebtedness secured by a Lien on assets related to the business of the Company and any additions and accessions thereto, which are purchased by the Company at any time after July 31, 1998; provided that

(i) the security agreement or conditional sales or other title retention contract pursuant to which the Lien on such assets is created (collectively a "Purchase Money Security Agreement") shall be entered into within 90 days after the purchase or substantial completion of the construction of such assets and shall at all times be confined solely to the assets so purchased or acquired, any additions and accessions thereto and any proceeds therefrom,

(ii) at no time shall the aggregate principal amount of the outstanding Indebtedness secured thereby be increased, except in connection with the purchase of additions and accessions thereto and except in respect of fees and other obligations in respect of such Indebtedness and

(iii) (A) the aggregate outstanding principal amount of Indebtedness secured thereby (determined on a per asset basis in the case of any additions and accessions) shall not at the time such Purchase Money Security Agreement is entered into exceed 100% of the purchase price to the Company of the assets subject thereto or

(B) the Indebtedness secured thereby shall be with recourse solely to the assets so purchased or acquired, any additions and accessions thereto and any proceeds therefrom.

"Qualified Capital Stock" of any Person means any and all Capital Stock of such Person other than Redeemable Capital Stock.

"Redeemable Capital Stock" means any Capital Stock that, either by its terms or by the terms of any security into which it is convertible or exchangeable or otherwise,

(1) is or upon the happening of an event or passage of time would be, required to be redeemed prior to the final Stated Maturity of the principal of the Series D notes,

(2) is redeemable at the option of the holder thereof at any time prior to such final Stated Maturity (other than upon a change of control of the Company in circumstances where the holders of the Series D notes would have similar rights), or

(3) is convertible into or exchangeable for debt securities at any time prior to any such Stated Maturity at the option of the holder thereof.

"Replacement Assets" means properties and assets (other than cash or any Capital Stock or other security) that will be used in a business of the Company or its Restricted Subsidiaries existing on July 31, 1998 or in business reasonably related thereto.

"Restricted Subsidiary" means any Subsidiary of the Company that has not been designated by the board of directors of the Company by a board resolution delivered to the Trustee as an Unrestricted Subsidiary pursuant to and in compliance with the covenant described under "-- Certain Covenants -- Limitation on Unrestricted Subsidiaries."

"Revolving Facility" means the Credit Agreement among the Company, the Guarantors and Ford Motor Credit Company, dated as of December 15, 1997, as such agreement, in whole or in part, may have been or may be amended, renewed, extended, substituted, refinanced, restructured, replaced, supplemented or otherwise modified from time to time, including, without limitation, any successive renewals, extensions, substitutions, refinancings, restructurings, replacements, supplementations or other modifications of the foregoing.

"Securities Act" means the Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"Significant Restricted Subsidiary" means, at any particular time, any Restricted Subsidiary that, together with the Restricted Subsidiaries of such Restricted Subsidiary (i) accounted for more than five percent of the Consolidated revenues of the Company and its Restricted Subsidiaries for their most recently completed fiscal year or (ii) is or are the owner(s) of more than five percent of the Consolidated assets of the Company and its Restricted

Subsidiaries as at the end of such fiscal year, all as calculated in accordance with GAAP and as shown on the Consolidated financial statements of the Company and its Restricted Subsidiaries for such fiscal year.

"Smith Subordinated Loan" means the subordinated loan from O. Bruton Smith to the Company in the principal amount of $5.5 million in existence on the Issue Date.

"Stated Maturity" means, when used with respect to any Indebtedness or any installment of interest thereon, the dates specified in such Indebtedness as the fixed date on which the principal of such Indebtedness or such installment of interest, as the case may be, is due and payable.

"Subordinated Indebtedness" means Indebtedness of the Company or a Guarantor subordinated in right of payment to the Series D notes or the Guarantee of such Guarantor, as the case may be.

"Subsidiary" of a Person means:

(i) any corporation more than 50% of the outstanding voting power of the Voting Stock of which is owned or controlled, directly or indirectly, by such Person or by one or more other Subsidiaries of such Person, or by such Person and one or more other Subsidiaries of such Person,

(ii) any limited partnership of which such Person or any Subsidiary of such Person is a general partner, or

(iii) any other Person in which such Person, or one or more other Subsidiaries of such Person, or such Person and one or more other Subsidiaries, directly or indirectly, has more than 50% of the outstanding partnership or similar interests or has the power, by contract or otherwise, to direct or cause the direction of the policies, management and affairs thereof.

"Temporary Cash Investments" means:

(i) any evidence of Indebtedness, maturing not more than one year after the date of acquisition, issued by the United States of America, or an instrumentality or agency thereof, and guaranteed fully as to principal, premium, if any, and interest by the United States of America;

(ii) any certificate of deposit, maturing not more than one year after the date of acquisition, issued by, or time deposit of, a commercial banking institution that is a member of the Federal Reserve System and that has combined capital and surplus and undivided profits of not less than $500 million, whose debt has a rating, at the time as of which any investment therein is made, of "P-1" (or higher) according to Moody's or any successor rating agency or "A-1" (or higher) according to S&P or any successor rating agency;

(iii) commercial paper, maturing not more than one year after the date of acquisition, issued by a corporation (other than an Affiliate or Subsidiary of the Company) organized and existing under the laws of the United States of America with a rating, at the time as of which any investment therein is made, of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P and

(iv) any money market deposit accounts issued or offered by a domestic commercial bank having capital and surplus in excess of $500 million; provided that the short term debt of such commercial bank has a rating, at the time of Investment, of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended, or any successor statute.

"Unrestricted Subsidiary" means any Subsidiary of the Company (other than a Guarantor) designated as such pursuant to and in compliance with the covenant described under "-- Certain Covenants -- Limitation on Unrestricted Subsidiaries."

"Unrestricted Subsidiary Indebtedness" of any Unrestricted Subsidiary means Indebtedness of such Unrestricted Subsidiary

(i) as to which neither the Company nor any Restricted Subsidiary is directly or indirectly liable (by virtue of the Company or any such Subsidiary being the primary obligor on, guarantor of, or otherwise liable in any respect to, such Indebtedness), except Guaranteed Debt of the Company or any Restricted Subsidiary to any Affiliate, in which case (unless the incurrence of such Guaranteed Debt resulted in a Restricted Payment at the time of incurrence) the Company shall be deemed to have made a Restricted Payment equal to the principal amount of any such Indebtedness to the extent guaranteed at the time such Affiliate is designated an Unrestricted Subsidiary and

(ii) which, upon the occurrence of a default with respect thereto, does not result in, or permit any holder of any Indebtedness of the Company or any Subsidiary to declare, a default on such Indebtedness of the Company or any Subsidiary or cause the payment thereof to be accelerated or payable prior to its Stated Maturity; provided that notwithstanding the foregoing any Unrestricted Subsidiary may guarantee the Series D notes.

"Voting Stock" means Capital Stock of the class or classes pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of such Person (irrespective of whether or not at the time Capital Stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

"Wholly Owned Restricted Subsidiary" means a Restricted Subsidiary all the Capital Stock of which (other than directors' qualifying shares and shares of Capital Stock of a Restricted Subsidiary which a Manufacturer requires to be held by another Person and which Capital Stock, together with any related contractual arrangements, has no significant economic value with respect to distributions of profits or losses in ordinary circumstances) is owned by the Company or another Wholly Owned Restricted Subsidiary (other than directors' qualifying shares).

Book-Entry Delivery and Form

The Series D notes will be issued only in fully registered form, without interest coupons, in denominations of $1,000 and integral multiples thereof. The Series D notes will not be issued in bearer form.

Global Notes

The Series D notes initially will be represented by one or more Series D notes in registered, global form without interest coupons (collectively, the "Global Note"). The Global Notes will be deposited upon issuance with the Trustee as custodian for The Depository Trust Company ("DTC"), in New York, New York, and registered in the name of DTC or its nominee, in each case for credit to an account of a direct or indirect participant in DTC as described below.

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. In addition, transfer of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants, which may change from time to time. Beneficial interests in the Global Notes may not be exchanged for Series D notes in certificated form except in the limited circumstances described below. See "-- Exchanges of Book-Entry Notes for Certificated Notes."

Initially, the Trustee will act as Paying Agent and Registrar. The Series D notes may be presented for registration of transfer and exchange at the offices of the Registrar.

Exchange of Book-Entry Notes for Certificated Notes

A beneficial interest in a Global Note may not be exchanged for a Note in certificated form unless:

(i) DTC (x) notifies the Company that it is unwilling or unable to continue as depositary for the Global Note or (y) has ceased to be a clearing agency registered under the Exchange Act, and in either case the Company thereupon fails to appoint a successor depositary;

(ii) the Company, at its option, notifies the Trustee in writing that it elects to cause the issuance of the Series D notes in certificated form; or

(iii) there shall have occurred and be continuing an Event of Default or any event which after notice or lapse of time or both would be an Event of Default with respect to the

In all cases, certificated Notes delivered in exchange for any Global Note or beneficial interests in such Global Note will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depositary, in accordance with its customary procedures. Any certificated Note issued in exchange for an interest in a Global Note will bear the legend restricting transfers that is borne by such Global Note. Any such exchange will be effected through the DWAC system and an appropriate adjustment will be made in the records of the registrar of the Series D notes to reflect a decrease in the principal amount of the relevant Global Note.

Certain Book-Entry Procedures for Global Notes

The following description of the operations and procedures of DTC are provided solely as a matter of convenience. These operations and procedures are solely within the control of the DTC settlement system and are subject to changes by them. The Company takes no responsibility for these operations and procedures and urges investors to contact the system or their participants directly to discuss these matters.

DTC has advised the Company that DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the "Participants") and to facilitate the clearance and settlement of transactions in those securities between Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the initial purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the "Indirect Participants"). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

DTC has also advised the Company that, pursuant to procedures established by it:

(1) upon deposit of the Global Notes, DTC will credit the accounts of Participants designated by the initial purchasers with portions of the principal amount of the Global Notes; and

(2) ownership of these interests in the Global Notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interest in the Global Notes).

Investors in the Global Notes who are Participants in DTC's system may hold their interests therein directly through DTC. Investors in the Global Notes who are not Participants may hold their interests therein indirectly through organizations which are Participants in such system. All interests in a Global Note may be subject to the procedures and requirements of DTC. The laws of some states require that certain Persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such Persons will be limited to that extent. Because DTC can act only on behalf of Participants, which in turn act on behalf of Indirect Participants, the ability of a Person having beneficial interests in a Global Note to pledge such interests to Persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, owners of interests in the Global Notes will not have Series D notes registered in their names, will not receive physical delivery of Series D notes in certificated form and will not be considered the registered owners or "Holders" thereof under the Indenture for any purpose.

Payments in respect of the principal of, and interest and premium on a Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered Holder under the Indenture. Under the terms of the Indenture, the Company and the Trustee will treat the Persons in whose names the notes, including the Global Notes, are registered as the owners thereof for the purpose of receiving payments and for all other purposes. Consequently, neither the Company, the Guarantors, the Trustee nor any agent of the Company, the Guarantors or the Trustee has or will have any responsibility or liability for:

(1) any aspect of DTC's records or any Participant's or Indirect

Participant's records relating to or payments made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes; or

(2) any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

DTC has advised the Company that its current practice, upon receipt of any payment in respect of securities such as the notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date unless DTC has reason to believe it will not receive payment on such payment date. Each relevant Participant is credited with an

amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the Participants and the Indirect Participants to the beneficial owners of Series D notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the Trustee, the Company or the Guarantors. None of the Company, the Guarantors nor the Trustee will be liable for any delay by DTC or any of its Participants in identifying the beneficial owners of the notes; and the Company, the Guarantors and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Transfers between Participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds.

DTC has advised the Company that it will take any action permitted to be taken by a holder of Series D notes only at the direction of one or more Participants to whose account DTC has credited the interests in the Global Notes and only in respect of such portion of the aggregate principal amount of the notes as to which such Participant or Participants has or have given such direction. However, if there is an Event of Default under the Series D notes, DTC reserves the right to exchange the Global Notes for legended notes in certificated form, and to distribute such notes to its Participants.

Although DTC has agreed to the foregoing procedures to facilitate transfers of interests in the Global Notes among participants in DTC, it is under no obligation to perform or to continue to perform such procedures, and may discontinue such procedures at any time. None of the Company, the Guarantors, the Trustee or any of their respective agents will have any responsibility for the performance by DTC or its respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Same Date Settlement and Payment

The Company will make payments in respect of the Series D notes represented by the Global Notes (including principal, premium, if any and interest) by wire transfer of immediately available funds to the accounts specified by the Global Note Holder. The Company will make all payments of principal, interest and premium, with respect to Certificated Notes by wire transfer of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a check to each such holder's registered address. The Series D notes represented by the Global Notes are expected to be eligible to trade in the PORTAL market and to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in such notes will, therefore, be required by DTC to be settled in immediately available funds. The Company expects that secondary trading in any Certificated Notes will also be settled in immediately available funds.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary of the material U.S. federal income tax consequences associated with the exchange of Series B or Series C notes for Series D notes issued in the exchange offer. The discussion is based upon the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations, judicial authorities, published positions of the Internal Revenue Service (the "IRS") and other applicable authorities, all as in effect on the date hereof and all of which are subject to change or differing interpretations (possibly with retroactive effect). The discussion does not address all of the tax consequences that may be relevant to a particular holder or to certain holders subject to special treatment under U.S. federal income tax laws (including, but not limited

to, certain financial institutions, partnerships or other pass-through entities, insurance companies, broker-dealers and persons holding their notes as part of a "straddle," "hedge," or "conversion transaction"). This discussion is limited to persons that hold their Series B, Series C or Series D notes as capital assets. We have not sought, and do not intend to seek, a ruling from the IRS regarding the matters discussed herein. Our counsel has not rendered any legal opinion regarding any tax consequences relating to us or to an investor in the Series D notes.

The exchange of Series B or Series C notes for Series D notes issued in the exchange offer should not be treated as an "exchange" for U.S. federal income tax purposes because the Series D notes issued in the exchange offer should not be considered to differ materially in kind or extent from the Series B or Series C notes. Rather, the Series D notes issued in the exchange offer received by a holder should be treated as a continuation of the Series B or Series C notes in the hands of such holder. As a result there should be no U.S. federal income tax consequences to holders exchanging Series B or Series C notes for Series D notes issued in the exchange offer, and any exchanging holder of Series B or Series C notes should have the same tax basis and holding period in, and income in respect of, the Series D notes as such holder had in the Series B or Series C notes immediately prior to the exchange.

Perspective holders of the Series D notes being issued in the exchange offer are urged to consult their tax advisors concerning the particular tax consequences of exchanging such holders' Series B or Series C notes for the Series D notes being issued in the exchange offer, including the applicability and effect of any state, local or foreign income and other tax laws.

PLAN OF DISTRIBUTION

Each broker-dealer that receives Series D notes for its own account for Series B or Series C notes pursuant to this exchange offer, must acknowledge that it will deliver a prospectus in connection with any resale of Series D notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Series D notes received in exchange for Series B or Series C notes where the Series B or Series C notes we acquired as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the expiration date, we will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resales. In addition, we agreed for a period of 180 days from November 8, 2001, the date of the offering memorandum distributed in connection with the sale of the Series C notes, not to directly or indirectly offer, sell, grant any options to purchase or otherwise dispose of any debt securities other than in connection with this exchange offer, except for borrowings under our existing floor plan facilities, construction/mortgage facility and revolving facility.

We will not receive any proceeds from any sale of Series D notes by broker-dealers. Series D notes received by broker-dealers for their own account pursuant to this exchange offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the Series D notes or a combination of these methods of resale, at market prices prevailing at the time of resale, at prices related to prevailing market prices or at negotiated prices. Any resale may be made directly to purchasers or to or through broker or dealers who receive compensation in the form of commissions or concessions from a broker-dealer and/or the purchasers of Series D notes. Any broker-dealer that resells Series D notes that were received by it for its own account pursuant to this exchange offer and any broker or dealer that participates in a distribution of the Series D notes may be deemed to be an "underwriter" within the meaning of the Securities Act of 1933, and any profit on any such resale of Series D notes and any commissions or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act of 1933. The letter of transmittal states that by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act of 1933.

LEGAL MATTERS

The validity of the Series D notes being offered hereby will be passed upon for Sonic by Moore & Van Allen PLLC, Charlotte, North Carolina.

EXPERTS

The consolidated financial statements incorporated in this prospectus by reference from Sonic Automotive, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2000 have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, which is incorporated herein by reference, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

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[SONIC LOGO]

Offer to Exchange All of Our Outstanding
Registered 11% Senior Subordinated Notes Due 2008, Series B
And
Unregistered 11% Senior Subordinated Notes Due 2008, Series C
For
Registered 11% Senior Subordinated Notes Due 2008, Series D

PROSPECTUS

All certificates for Series B or Series C notes being tendered, executed Letters of Transmittal and any other required documents should be sent to the Exchange Agent at the address below or tendered pursuant to DTC's Automated Tender Offer Program.

All questions and requests for assistance and requests for additional copies of the prospectus, the Letter of Transmittal and any other required documents should be directed to the Exchange Agent.

The Exchange Agent for the Exchange Offer is:

U.S. Bank Trust National Association
U.S. Bank Trust Center
180 East Fifth Street

St. Paul, Minnesota 55101
Attn: Specialized Finance Group
(800) 934-6802 (telephone)
(651) 244-1537 (facsimile)

You should confirm deliveries sent by facsimile.

(Originals of all documents submitted by facsimile should be sent promptly by registered or certified mail, or by hand delivery or overnight courier)

_____, 2002

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. Indemnification of directors and officers.

The Company's Bylaws effectively provide that the Company shall, to the full extent permitted by Section 145 of the General Corporation Law of the State of Delaware, as amended from time to time ("Section 145"), indemnify all persons whom it may indemnify pursuant thereto. In addition, the Company's Certificate of Incorporation eliminates personal liability of its directors to the full extent permitted by Section 102(b)(7) of the General Corporation Law of the State of Delaware, as amended from time to time ("Section 102(b)(7)").

Section 145 permits a corporation to indemnify its directors and officers against expenses (including attorney's fees), judgments, fines and amounts paid in settlements actually and reasonably incurred by them in connection with any action, suit or proceeding brought by a third party if such directors or officers acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reason to believe their conduct was unlawful. In a derivative action, indemnification may be made only for expenses actually and reasonably incurred by directors and officers in connection with the defense or settlement of an action or suit and only with respect to a matter as to which they shall have acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made if such person shall have been adjudged liable to the corporation, unless and only to the extent that the court in which the action or suit was brought shall determine upon application that the defendant officers or directors are reasonably entitled to indemnity for such expenses despite such adjudication of liability.

Section 102(b)(7) provides that a corporation may eliminate or limit that personal liability of a director to the corporation or its stockholders for

monetary damages for breach of fiduciary duty as a director, provided that such provision shall not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith of which involve intentional misconduct or a knowing violation of law, (iii) for willful or negligent conduct in paying dividends or repurchasing stock out of other than lawfully available funds or (iv) for any transaction from which the director derived an improper personal benefit. No such provision shall eliminate or limit the liability of a director for any act or omission occurring prior to the date when such provision becomes effective.

The Company maintains insurance against liabilities under the Securities Act of 1933 for the benefit of its officers and directors.

Section 4(b) of the Registration Rights Agreement (filed as Exhibit 4.1 to this Registration Statement) provides that the holders of the Series B and Series C Notes covered by this Registration Statement severally and not jointly will indemnify and hold harmless the Company, the Guarantors, and their respective officers, directors, partners, employees, representatives and agents from and against any loss, liability, claim, damage or expense caused by any untrue statement or omission, or alleged untrue statement or omission, in the Registration Statement, in the Prospectus or in any amendment or supplement thereto, in each case to the extent that the statement or omission was made in reliance upon and in conformity with written information furnished to the Company by the holders of the Series B and Series C Notes covered by this Registration Statement expressly for use therein, provided, however, that no such holder of the Series B and Series C Notes shall be liable for any claims hereunder in excess of the amount of net proceeds received by such holder of the Series B and Series C Notes from the sale of Registrable Securities pursuant to such Registration Statement.

Item 21. Exhibits and Financial Statement Schedules.

Exhibit No.	Description
4.1	Specimen Certificate representing Class A Common Stock (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-1 (Reg. No. 333-33295) (the "Form S-1")).
4.2	Form of 11% Senior Subordinated Note due 2008, Series B (incorporated by reference to Exhibit 4.3 to Sonic's Registration Statement on Form S-4 (Reg. No. 333-64397 and 333-64397-001 through 333-64397-044) (the "Form S-4")).

4.3	Indenture dated as of July 1, 1998 among Sonic, as issuer, the subsidiaries of Sonic named therein, as guarantors, and U.S. Bank Trust National Association, as trustee (the "Trustee"), relating to the 11% Senior Subordinated Notes due 2008 (incorporated by reference to Exhibit 4.2 to the Form S-4).
4.4	First Supplemental Indenture dated as of December 31, 1999 among Sonic, as issuer, the subsidiaries of Sonic named therein, as guarantors and additional guarantors, and the Trustee, relating to the 11% Senior Subordinated Notes due 2008 (incorporated by reference to Exhibit 4.2a to the 1999 Form 10-K).
4.5	Second Supplemental Indenture dated as of September 15, 2000 among Sonic, as issuer, the subsidiaries of Sonic named therein, as guarantors and additional guarantors, and the Trustee, relating to the 11% Senior Subordinated Notes due 2008 (incorporated by reference to Exhibit 4.4 to Sonic's Quarterly Report on Form 10-Q for the quarter ended September 30, 2000 (the "September 30, 2000 Form 10-Q")).
4.6	Third Supplemental Indenture dated as of March 31, 2001 among Sonic, as issuer, the subsidiaries of Sonic named therein, as guarantors and additional guarantors, and the Trustee, relating to the 11% Senior Subordinated Notes due 2008 (incorporated by reference to Exhibit 4.6 to Sonic's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001).
4.7	Fourth Supplemental Indenture dated as of November 19, 2001 among Sonic, as issuer, the subsidiaries of Sonic named therein, as guarantors and additional guarantors, and the Trustee, relating to the 11% Senior Subordinated Notes due 2008.
4.8	Registration Rights Agreement dated as of June 30, 1997 among Sonic, O. Bruton Smith, Bryan Scott Smith, William S. Egan and Sonic Financial Corporation (incorporated by reference to Exhibit 4.2 to the Form S-1).

4.9 Form of 11% Senior Subordinated Note due 2008, Series D.

4.10 Indenture dated as of November 19, 2001 among Sonic, as issuer, the subsidiaries of Sonic named therein, as guarantors, and U.S. Bank Trust National Association, as trustee (the "Trustee"), relating to the 11% Senior Subordinated Notes due 2008.

4.11 Registration Rights Agreement dated as of November 19, 2001 among Sonic, the Guarantors named therein and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Banc of America Securities LLC.

4.12 Purchase Agreement dated as of November 8, 2001 between Sonic Automotive, Inc., the Guarantors named therein and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith, Incorporated and Banc of America Securities LLC.

4.13 Subordination Agreement dated as of November 19, 2001 between O. Bruton Smith and U.S. Bank Trust National Association.

5.1** Opinion of Moore & Van Allen PLLC regarding the validity of the securities being registered.

23.1 Consent of Deloitte & Touche LLP.

23.2 Consent of Moore & Van Allen PLLC (included in Exhibit 5.1).

24.1 Power of Attorney (included on signature page hereto).

25.1 Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of U.S. Bank Trust National Association.

99.1 Form of Letter of Transmittal.

99.2 Notice of Guaranteed Delivery.

** To be filed by amendment.

Item 22. Undertakings.

Each of the undersigned Registrants hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of such Registrant's annual report pursuant to section 13(a) or section 15 (d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrants pursuant to the foregoing provisions, or otherwise, each of the Registrants has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by a Registrant of expenses incurred or paid by a director, officer or controlling person of such Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, such Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

Each of the undersigned Registrants hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Item 4, 10(b), 11 or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

Each of the undersigned Registrants hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on December 14, 2001.

SONIC AUTOMOTIVE, INC.

By: /s/ Theodore M. Wright

Theodore M. Wright
Vice President, Treasurer and
Chief Financial Officer

POWER OF ATTORNEY

Each of the undersigned directors and officers of Registrant, by his execution hereof, hereby constitutes and appoints B. Scott Smith, Theodore M. Wright and Stephen K. Coss, and each of them with full power of substitution, as his or her true and lawful attorneys-in-fact and agents, to do any and all acts and things for him or her, and in his or her name, place and stead, to execute and sign any and all pre-effective and post-effective amendments to such Registration Statement and any additional registration statement pursuant to Rule 462(b) under the Securities Act of 1933, and file the same, together with all exhibits and schedules thereto and all other documents in connection therewith, with the Commission and with such state securities authorities as may be appropriate, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as the undersigned might or could do in person, and hereby ratifying and confirming all the acts of said attorneys-in-fact and agents, or any of them, which they may lawfully do in the premises or cause to be done by virtue hereof.

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

<TABLE>
<CAPTION>

Signature	Title	Date
/s/ O. Bruton Smith O. Bruton Smith	Chairman, Chief Executive Officer and Director (principal executive officer)	December 14, 2001
/s/ Thomas A. Price Thomas A. Price	Vice Chairman and Director	December 14, 2001
/s/ B. Scott Smith B. Scott Smith	President, Chief Operating Officer and Director	December 14, 2001
/s/ Theodore M. Wright Theodore M. Wright	Chief Financial Officer (principal financial and accounting officer), Vice President, Treasurer and Director	December 14, 2001
/s/ Jeffrey C. Rachor Jeffrey C. Rachor	Executive Vice President of Retail Operations and Director	December 14, 2001
/s/ William R. Brooks William R. Brooks	Director	December 14, 2001
/s/ William P. Benton William P. Benton	Director	December 14, 2001

</TABLE>

/s/ William I. Belk	Director	December 14, 2001

William I. Belk		
/s/ H. Robert Heller	Director	December 14, 2001
H. Robert Heller		
/s/ Maryann N. Keller	Director	December 14, 2001
Maryann N. Keller		

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on December 14, 2001.

AUTOBAHN, INC.
CAPITOL CHEVROLET AND IMPORTS, INC.
COBB PONTIAC CADILLAC, INC.
FA SERVICE CORPORATION
FAA AUTO FACTORY, INC.
FAA BEVERLY HILLS, INC.
FAA CAPITOL F, INC.
FAA CONCORD H, INC.
FAA CONCORD N, INC.
FAA DUBLIN N, INC.
FAA DUBLIN VWD, INC.
FAA HOLDING CORP.
FAA MARIN D, INC.
FAA MARIN F, INC.
FAA MARIN LR, INC.
FAA POWAY D, INC.
FAA POWAY G, INC.
FAA POWAY H, INC.
FAA SANTA MONICA V, INC.
FAA SERRAMONTE H, INC.
FAA SERRAMONTE, INC.
FAA STEVENS CREEK, INC.
FAA TORRANCE CPJ, INC.
FORT MILL FORD, INC.
FRANCISCAN MOTORS, INC.
FRONTIER OLDSMOBILE-CADILLAC, INC.
HMC FINANCE ALABAMA, INC.
KRAMER MOTORS INCORPORATED
L DEALERSHIP GROUP, INC.
MARCUS DAVID CORPORATION
RIVERSIDE NISSAN, INC.
ROYAL MOTOR COMPANY, INC.
SANTA CLARA IMPORTED CARS, INC.
SMART NISSAN, INC.
SONIC AUTOMOTIVE - 1400 AUTOMALL DRIVE, COLUMBUS, INC.
SONIC AUTOMOTIVE - 1455 AUTOMALL DRIVE, COLUMBUS, INC.
SONIC AUTOMOTIVE - 1495 AUTOMALL DRIVE, COLUMBUS, INC.
SONIC AUTOMOTIVE - 1500 AUTOMALL DRIVE, COLUMBUS, INC.
SONIC AUTOMOTIVE - 3700 WEST BROAD STREET, COLUMBUS, INC.
SONIC AUTOMOTIVE - 4000 WEST BROAD STREET, COLUMBUS, INC.
SONIC AUTOMOTIVE 2424 LAURENS RD., GREENVILLE, INC.
SONIC AUTOMOTIVE 2752 LAURENS RD., GREENVILLE, INC.
Sonic - Bethany H, Inc.
SONIC - BUENA PARK H, INC.
SONIC - CAPITAL CHEVROLET, INC.
SONIC - CLASSIC DODGE, INC.
Sonic - Coast Cadillac, Inc.
SONIC - FORT MILL CHRYSLER JEEP, INC.

SONIC - FORT MILL DODGE, INC.
SONIC - GLOVER, INC.
SONIC - HARBOR CITY H, INC.

SONIC - MANHATTAN FAIRFAX, INC.
SONIC - MANHATTAN WALDORF, INC.
SONIC - MONTGOMERY FLM, INC.
SONIC - NEWSOME CHEVROLET WORLD, INC.
SONIC - NEWSOME OF FLORENCE, INC.
SONIC - NORTH CHARLESTON, INC.
SONIC - NORTH CHARLESTON DODGE, INC.
SONIC - RIVERSIDE, INC.
SONIC - RIVERSIDE AUTO FACTORY, INC.
SONIC - ROCKVILLE IMPORTS, INC.
SONIC - ROCKVILLE MOTORS, INC.
SONIC - STEVENS CREEK B, INC.
SONIC - WEST COVINA T, INC.
SONIC - WEST RENO CHEVROLET, INC.
SONIC - WILLIAMS BUICK, INC.
SONIC - WILLIAMS CADILLAC, INC.
SONIC - WILLIAMS IMPORTS, INC.
SPEEDWAY CHEVROLET, INC.
STEVENS CREEK CADILLAC, INC.
TOWN AND COUNTRY FORD, INCORPORATED
TRANSCAR LEASING, INC.
VILLAGE IMPORTED CARS, INC.
WINDWARD, INC.

By: /s/ Theodore M. Wright

Theodore M. Wright
Vice President and Treasurer

POWER OF ATTORNEY

Each of the undersigned directors and officers of the above named Registrants, by his execution hereof, hereby constitutes and appoints B. Scott Smith, Theodore M. Wright and Stephen K. Coss, and each of them, with full power of substitution, as his or her true and lawful attorneys-in-fact and agents, to do any and all acts and things for him or her, and in his or her name, place and stead, to execute and sign any and all pre-effective and post-effective amendments to such Registration Statement and any additional registration statement pursuant to Rule 462(b) under the Securities Act of 1933, and file the same, together with all exhibits and schedules thereto and all other documents in connection therewith, with the Commission and with such state securities authorities as may be appropriate, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as the undersigned might or could do in person, and hereby ratifying and confirming all the acts of said attorneys-in-fact and agents, or any of them, which they may lawfully do in the premises or cause to be done by virtue hereof.

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

<TABLE>
<CAPTION>

Signature	Title	Date
<S>	<C>	<C>
/s/ O. Bruton Smith O. Bruton Smith	President and Director (principal executive officer)	December 14, 2001
/s/ B. Scott Smith B. Scott Smith	Vice President and Director	December 14, 2001
/s/ Theodore M. Wright Theodore M. Wright	Vice President, Treasurer, and Director	December 14, 2001

</TABLE>

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on December 14, 2001.

FIRSTAMERICA AUTOMOTIVE, INC.

By: /s/ Theodore M. Wright

Theodore M. Wright
Vice President and Treasurer

POWER OF ATTORNEY

Each of the undersigned directors and officers of the above named Registrants, by his execution hereof, hereby constitutes and appoints B. Scott Smith, Theodore M. Wright and Stephen K. Coss, and each of them, with full power of substitution, as his or her true and lawful attorneys-in-fact and agents, to do any and all acts and things for him or her, and in his or her name, place and stead, to execute and sign any and all pre-effective and post-effective amendments to such Registration Statement and any additional registration statement pursuant to Rule 462(b) under the Securities Act of 1933, and file the same, together with all exhibits and schedules thereto and all other documents in connection therewith, with the Commission and with such state securities authorities as may be appropriate, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as the undersigned might or could do in person, and hereby ratifying and confirming all the acts of said attorneys-in-fact and agents, or any of them, which they may lawfully do in the premises or cause to be done by virtue hereof.

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

<TABLE>
<CAPTION>

Signature	Title	Date
<S>	<C>	<C>
/s/ O. Bruton Smith O. Bruton Smith	Chairman, Chief Executive Officer and Director (principal executive officer)	December 14, 2001
/s/ B. Scott Smith B. Scott Smith	President and Director	December 14, 2001
/s/ Theodore M. Wright Theodore M. Wright	Vice President, Treasurer, and Director	December 14, 2001

</TABLE>

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on December 14, 2001.

FREEDOM FORD, INC.
SONIC AUTOMOTIVE - BONDESEN, INC.
SONIC AUTOMOTIVE - CLEARWATER, INC.
SONIC AUTOMOTIVE COLLISION CENTER OF CLEARWATER, INC.
SONIC AUTOMOTIVE - 1307 N. DIXIE HWY., NSB, INC.
SONIC AUTOMOTIVE - 1720 MASON AVE., DB, INC.
SONIC AUTOMOTIVE - 1919 N. DIXIE HWY., NSB, INC.
SONIC AUTOMOTIVE - 21699 U.S. HWY 19 N., INC.
SONIC AUTOMOTIVE - 241 RIDGEWOOD AVE., HH, INC.
SONIC AUTOMOTIVE - 6008 N. DALE MABRY, FL, INC.
SONIC - FM, INC.
SONIC - FM NISSAN, INC.
SONIC - FM VW, INC.
SONIC - FREELAND, INC.
SONIC - LLOYD NISSAN, INC.
SONIC - LLOYD PONTIAC - CADILLAC, INC.
SONIC - SHOTTENKIRK, INC.

By: /s/ Theodore M. Wright
Theodore M. Wright
Vice President and Treasurer

POWER OF ATTORNEY

Each of the undersigned directors and officers of the above named Registrants, by his execution hereof, hereby constitutes and appoints B. Scott

Smith, Theodore M. Wright and Stephen K. Coss, and each of them, with full power of substitution, as his or her true and lawful attorneys-in-fact and agents, to do any and all acts and things for him or her, and in his or her name, place and stead, to execute and sign any and all pre-effective and post-effective amendments to such Registration Statement and any additional registration statement pursuant to Rule 462(b) under the Securities Act of 1933, and file the same, together with all exhibits and schedules thereto and all other documents in connection therewith, with the Commission and with such state securities authorities as may be appropriate, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as the undersigned might or could do in person, and hereby ratifying and confirming all the acts of said attorneys-in-fact and agents, or any of them, which they may lawfully do in the premises or cause to be done by virtue hereof.

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

<TABLE>
<CAPTION>

Signature	Title	Date
<S>	<C>	<C>
/s/ O. Bruton Smith O. Bruton Smith	Director	December 14, 2001
/s/ B. Scott Smith B. Scott Smith	President and Director (principal executive officer)	December 14, 2001
/s/ Theodore M. Wright Theodore M. Wright	Vice President, Treasurer, and Director	December 14, 2001

</TABLE>

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on December 14, 2001.

SONIC AUTOMOTIVE - 9103 E. INDEPENDENCE, NC, LLC
SONIC DEVELOPMENT, LLC
SONIC - LAKE NORMAN CHRYSLER JEEP, LLC
SONIC - LAKE NORMAN DODGE, LLC
SONIC - WILLIAMS MOTORS, LLC
SRE HOLDING, LLC
On behalf of itself and the following entities as sole member of
SRE ALABAMA-2, LLC
SRE ALABAMA-3, LLC
SREALESTATE ARIZONA-1, LLC
SREALESTATE ARIZONA-2, LLC
SREALESTATE ARIZONA-3, LLC
SREALESTATE ARIZONA-4, LLC
SRE FLORIDA-1, LLC
SRE FLORIDA-2, LLC
SRE FLORIDA-3, LLC
SRE NEVADA-1, LLC
SRE NEVADA-2, LLC
SRE NEVADA-3, LLC
SRE SOUTH CAROLINA-2, LLC
SRE TENNESSEE-1, LLC
SRE TENNESSEE-2, LLC
SRE TENNESSEE-3, LLC
SRE VIRGINIA-1, LLC
By: Sonic Automotive, Inc., sole member

By: /s/ Theodore M. Wright
Theodore M. Wright
Vice President and Treasurer

POWER OF ATTORNEY

Each of the undersigned managers and officers of the above named

Registrants, by his execution hereof, hereby constitutes and appoints B. Scott Smith, Theodore M. Wright and Stephen K. Coss, and each of them, with full power of substitution, as his or her true and lawful attorneys-in-fact and agents, to do any and all acts and things for him or her, and in his or her name, place and stead, to execute and sign any and all pre-effective and post-effective amendments to such Registration Statement and any additional registration statement pursuant to Rule 462(b) under the Securities Act of 1933, and file the same, together with all exhibits and schedules thereto and all other documents in connection therewith, with the Commission and with such state securities authorities as may be appropriate, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as the undersigned might or could do in person, and hereby ratifying and confirming all the acts of said attorneys-in-fact and agents, or any of them, which they may lawfully do in the premises or cause to be done by virtue hereof.

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

<TABLE>
<CAPTION>

Signature	Title	Date
<S>	<C>	<C>
/s/ O. Bruton Smith O. Bruton Smith	President and Manager (principal executive officer)	December 14, 2001
/s/ B. Scott Smith B. Scott Smith	Vice President and Manager	December 14, 2001
/s/ Theodore M. Wright Theodore M. Wright	Vice President, Treasurer, and Manager	December 14, 2001

</TABLE>

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on December 14, 2001.

SONIC AUTOMOTIVE - 1720 MASON AVE., DB, LLC
SONIC - FM AUTOMOTIVE, LLC
By: Sonic Automotive, Inc., sole member

By: /s/ Theodore M. Wright
Theodore M. Wright
Vice President and Treasurer

POWER OF ATTORNEY

Each of the undersigned managers and officers of the above named Registrants, by his execution hereof, hereby constitutes and appoints B. Scott Smith, Theodore M. Wright and Stephen K. Coss, and each of them, with full power of substitution, as his or her true and lawful attorneys-in-fact and agents, to do any and all acts and things for him or her, and in his or her name, place and stead, to execute and sign any and all pre-effective and post-effective amendments to such Registration Statement and any additional registration statement pursuant to Rule 462(b) under the Securities Act of 1933, and file the same, together with all exhibits and schedules thereto and all other documents in connection therewith, with the Commission and with such state securities authorities as may be appropriate, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as the undersigned might or could do in person, and hereby ratifying and confirming all the acts of said attorneys-in-fact and agents, or any of them, which they may lawfully do in the premises or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the

capacities and on the date indicated:

Signature	Title	Date
/s/ O. Bruton Smith O. Bruton Smith	Manager	December 14, 2001
/s/ B. Scott Smith B. Scott Smith	President and Manager (principal executive officer)	December 14, 2001
/s/ Theodore M. Wright Theodore M. Wright	Vice President, Treasurer, and Manager	December 14, 2001

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on December 14, 2001.

SONIC AUTOMOTIVE OF GEORGIA, INC.
On behalf of itself and the following entities as General Partner:
SONIC - GLOBAL IMPORTS, L.P.
SONIC PEACHTREE INDUSTRIAL BLVD., L.P.
On behalf of itself and the following entities as a Member
SONIC AUTOMOTIVE - 5260 PEACHTREE INDUSTRIAL BLVD., LLC
SONIC AUTOMOTIVE - 5585 PEACHTREE INDUSTRIAL BLVD., LLC
SRE GEORGIA-1, L.P.
SRE GEORGIA-2, L.P.
SRE GEORGIA-3, L.P.

By: /s/ Theodore M. Wright
Theodore M. Wright
Vice President and Treasurer

POWER OF ATTORNEY

Each of the undersigned directors and officers of the above named Registrants, by his execution hereof, hereby constitutes and appoints B. Scott Smith, Theodore M. Wright and Stephen K. Coss, and each of them, with full power of substitution, as his or her true and lawful attorneys-in-fact and agents, to do any and all acts and things for him or her, and in his or her name, place and stead, to execute and sign any and all pre-effective and post-effective amendments to such Registration Statement and any additional registration statement pursuant to Rule 462(b) under the Securities Act of 1933, and file the same, together with all exhibits and schedules thereto and all other documents in connection therewith, with the Commission and with such state securities authorities as may be appropriate, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as the undersigned might or could do in person, and hereby ratifying and confirming all the acts of said attorneys-in-fact and agents, or any of them, which they may lawfully do in the premises or cause to be done by virtue hereof.

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

Signature	Title	Date
/s/ O. Bruton Smith O. Bruton Smith	President (principal executive officer)	December 14, 2001

/s/ B. Scott Smith B. Scott Smith	Vice President and Director	
/s/ Theodore M. Wright Theodore M. Wright	Vice President, Treasurer, and Director	December 14, 2001
Peggy McFarland	Assistant Secretary, Assistant Treasurer and Director	December 14, 2001

</TABLE>

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on December 14, 2001.

SONIC OF TEXAS, INC.
On behalf of itself and the following entities as General Partner:
PHILPOTT MOTORS, LTD.
SONIC AUTOMOTIVE OF TEXAS, L.P.
SONIC AUTOMOTIVE - 3401 N. MAIN, TX, L.P.
SONIC AUTOMOTIVE - 4701 I-10 EAST, TX, L.P.
SONIC AUTOMOTIVE - 5221 I-10 EAST, TX, L.P.
SONIC - CAMP FORD, L.P.
SONIC -CARROLLTON V, L.P.
SONIC - FORT WORTH T, L.P.
SONIC - HOUSTON V, L.P.
SONIC - LUTE RILEY, L.P.
SONIC - PARK PLACE A, L.P.
SONIC - READING, L.P.
SONIC - RICHARDSON F, L.P.
SONIC - SAM WHITE NISSAN, L.P.
SRE TEXAS-1, L.P.
SRE TEXAS-2, L.P.
SRE TEXAS-3, L.P.
On behalf of the following entities as a Member:
SONIC - LS, LLC
On behalf of itself and the following entity as General Partner:
SONIC - LS CHEVROLET, L.P.

By: /s/ Theodore M. Wright
Theodore M. Wright
Vice President and Treasurer

POWER OF ATTORNEY

Each of the undersigned directors and officers of the above named Registrants, by his execution hereof, hereby constitutes and appoints B. Scott Smith, Theodore M. Wright and Stephen K. Coss, and each of them, with full power of substitution, as his or her true and lawful attorneys-in-fact and agents, to do any and all acts and things for him or her, and in his or her name, place and stead, to execute and sign any and all pre-effective and post-effective amendments to such Registration Statement and any additional registration statement pursuant to Rule 462(b) under the Securities Act of 1933, and file the same, together with all exhibits and schedules thereto and all other documents in connection therewith, with the Commission and with such state securities authorities as may be appropriate, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as the undersigned might or could do in person, and hereby ratifying and confirming all the acts of said attorneys-in-fact and agents, or any of them, which they may lawfully do in the premises or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the

capacities and on the date indicated:

Signature	Title	Date
/s/ O. Bruton Smith O. Bruton Smith	President (principal executive officer)	December 14, 2001
/s/ B. Scott Smith B. Scott Smith	Vice President and Director	December 14, 2001
/s/ Theodore M. Wright Theodore M. Wright	Vice President, Treasurer, and Director	December 14, 2001
Roger A. Elswick	Assistant Secretary, Assistant Treasurer and Director	December 14, 2001

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on December 14, 2001.

SONIC - VOLVO LV, LLC
On behalf of itself and the following entity as a Member
SONIC AUTOMOTIVE SERVICING COMPANY, LLC

By: /s/ Theodore M. Wright
Theodore M. Wright
Vice President and Treasurer

POWER OF ATTORNEY

Each of the undersigned managers and officers of the above named Registrants, by his execution hereof, hereby constitutes and appoints B. Scott Smith, Theodore M. Wright and Stephen K. Coss, and each of them, with full power of substitution, as his or her true and lawful attorneys-in-fact and agents, to do any and all acts and things for him or her, and in his or her name, place and stead, to execute and sign any and all pre-effective and post-effective amendments to such Registration Statement and any additional registration statement pursuant to Rule 462(b) under the Securities Act of 1933, and file the same, together with all exhibits and schedules thereto and all other documents in connection therewith, with the Commission and with such state securities authorities as may be appropriate, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as the undersigned might or could do in person, and hereby ratifying and confirming all the acts of said attorneys-in-fact and agents, or any of them, which they may lawfully do in the premises or cause to be done by virtue hereof.

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

Signature	Title	Date
/s/ O. Bruton Smith O. Bruton Smith	Chief Executive Officer (principal executive officer)	December 14, 2001
/s/ B. Scott Smith B. Scott Smith	President and Manager	December 14, 2001

/s/ Theodore M. Wright Theodore M. Wright	Vice President, Treasurer and Manager	December 14, 2001
/s/ Jeffrey C. Rachor Jeffrey C. Rachor	Manager	December 14, 2001

</TABLE>

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on December 14, 2001.

SONIC - INTEGRITY DODGE LV, LLC
SONIC - LAS VEGAS C EAST, LLC
SONIC - LAS VEGAS C WEST, LLC

By: /s/ Theodore M. Wright
Theodore M. Wright
Vice President and Treasurer

POWER OF ATTORNEY

Each of the undersigned managers and officers of the above named Registrants, by his execution hereof, hereby constitutes and appoints B. Scott Smith, Theodore M. Wright and Stephen K. Coss, and each of them, with full power of substitution, as his or her true and lawful attorneys-in-fact and agents, to do any and all acts and things for him or her, and in his or her name, place and stead, to execute and sign any and all pre-effective and post-effective amendments to such Registration Statement and any additional registration statement pursuant to Rule 462(b) under the Securities Act of 1933, and file the same, together with all exhibits and schedules thereto and all other documents in connection therewith, with the Commission and with such state securities authorities as may be appropriate, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as the undersigned might or could do in person, and hereby ratifying and confirming all the acts of said attorneys-in-fact and agents, or any of them, which they may lawfully do in the premises or cause to be done by virtue hereof.

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

<TABLE>
<CAPTION>

Signature	Title	Date
<S>	<C>	<C>
/s/ O. Bruton Smith O. Bruton Smith	Chief Executive Officer (principal executive officer)	December 14, 2001
/s/ B. Scott Smith B. Scott Smith	President and Manager	December 14, 2001
/s/ Theodore M. Wright Theodore M. Wright	Vice President, Treasurer and Manager	December 14, 2001
/s/ Jeffrey C. Rachor Jeffrey C. Rachor	Manager	December 14, 2001

</TABLE>

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North

Carolina, on December 14, 2001.

SONIC AUTOMOTIVE OF TENNESSEE, INC.
On behalf of itself and the following entities as Member:
SONIC AUTOMOTIVE OF CHATTANOOGA, LLC
SONIC AUTOMOTIVE OF NASHVILLE, LLC
SONIC AUTOMOTIVE - 2490 SOUTH LEE HIGHWAY, LLC
SONIC AUTOMOTIVE - 6025 INTERNATIONAL DRIVE, LLC
SONIC - 2185 CHAPMAN ROAD, CHATTANOOGA, LLC
SONIC - SUPERIOR OLDSMOBILE, LLC
TOWN AND COUNTRY CHRYSLER-PLYMOUTH-JEEP, LLC
TOWN AND COUNTRY DODGE OF CHATTANOOGA, LLC
TOWN AND COUNTRY FORD OF CLEVELAND, LLC
TOWN AND COUNTRY JAGUAR, LLC

By: /s/ Theodore M. Wright

Theodore M. Wright
Vice President and Treasurer

POWER OF ATTORNEY

Each of the undersigned directors and officers of the above named Registrants, by his execution hereof, hereby constitutes and appoints B. Scott Smith, Theodore M. Wright and Stephen K. Coss, and each of them, with full power of substitution, as his or her true and lawful attorneys-in-fact and agents, to do any and all acts and things for him or her, and in his or her name, place and stead, to execute and sign any and all pre-effective and post-effective amendments to such Registration Statement and any additional registration statement pursuant to Rule 462(b) under the Securities Act of 1933, and file the same, together with all exhibits and schedules thereto and all other documents in connection therewith, with the Commission and with such state securities authorities as may be appropriate, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as the undersigned might or could do in person, and hereby ratifying and confirming all the acts of said attorneys-in-fact and agents, or any of them, which they may lawfully do in the premises or cause to be done by virtue hereof.

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

<TABLE>
<CAPTION>

Signature	Title	Date
<S>	<C>	<C>
/s/ B. Scott Smith B. Scott Smith	President, Chief Executive Officer and Director (principal executive officer)	December 14, 2001
/s/ Theodore M. Wright Theodore M. Wright	Vice President, Treasurer and Director	December 14, 2001
/s/ Jeffrey C. Rachor Jeffrey C. Rachor	Director	December 14, 2001

</TABLE>

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on December 14, 2001.

SONIC AUTOMOTIVE - 3741 S. NOVA RD., PO, INC.

By: /s/ Theodore M. Wright

Theodore M. Wright
Vice President and Treasurer

POWER OF ATTORNEY

Each of the undersigned directors and officers of the above named Registrants, by his execution hereof, hereby constitutes and appoints B. Scott Smith, Theodore M. Wright and Stephen K. Coss, and each of them, with full power of substitution, as his or her true and lawful attorneys-in-fact and agents, to do any and all acts and things for him or her, and in his or her name, place and stead, to execute and sign any and all pre-effective and post-effective amendments to such Registration Statement and any additional registration statement pursuant to Rule 462(b) under the Securities Act of 1933, and file the same, together with all exhibits and schedules thereto and all other documents in connection therewith, with the Commission and with such state securities authorities as may be appropriate, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as the undersigned might or could do in person, and hereby ratifying and confirming all the acts of said attorneys-in-fact and agents, or any of them, which they may lawfully do in the premises or cause to be done by virtue hereof.

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

<TABLE>
<CAPTION>

Signature	Title	Date
<S>	<C>	<C>
/s/ B. Scott Smith B. Scott Smith	President and Director (principal executive officer)	December 14, 2001
/s/ Theodore M. Wright Theodore M. Wright	Vice President, Treasurer and Director	December 14, 2001
/s/ Jeffrey C. Rachor Jeffrey C. Rachor	Director	December 14, 2001

</TABLE>

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on December 14, 2001.

FAA CAPITOL N, INC.
FAA CONCORD T, INC.
FAA POWAY T, INC.
FAA SAN BRUNO, INC.
FAA SERRAMONTE L, INC.

By: /s/ Theodore M. Wright

Theodore M. Wright
Vice President and Treasurer

POWER OF ATTORNEY

Each of the undersigned directors and officers of the above named Registrants, by his execution hereof, hereby constitutes and appoints B. Scott Smith, Theodore M. Wright and Stephen K. Coss, and each of them, with full power of substitution, as his or her true and lawful attorneys-in-fact and agents, to do any and all acts and things for him or her, and in his or her name, place and stead, to execute and sign any and all pre-effective and post-effective amendments to such Registration Statement and any additional registration statement pursuant to Rule 462(b) under the Securities Act of 1933, and file the same, together with all exhibits and schedules thereto and all other documents in connection therewith, with the Commission and with such state securities authorities as may be appropriate, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as the undersigned might or could do in person, and

hereby ratifying and confirming all the acts of said attorneys-in-fact and agents, or any of them, which they may lawfully do in the premises or cause to be done by virtue hereof.

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

<TABLE>
<CAPTION>

Signature	Title	Date
<S>	<C>	<C>
/s/ O. Bruton Smith O. Bruton Smith	President and Director (principal executive officer)	December 14, 2001
/s/ B. Scott Smith B. Scott Smith	Vice President and Director	December 14, 2001
/s/ Theodore M. Wright Theodore M. Wright	Vice President, Treasurer, and Director	December 14, 2001
/s/ Thomas A. Price Thomas A. Price	Vice President and Director	December 14, 2001

</TABLE>

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on December 14, 2001.

FAA LAS VEGAS H, INC.

By: /s/ Theodore M. Wright
Theodore M. Wright
Vice President and Treasurer

POWER OF ATTORNEY

Each of the undersigned directors and officers of the above named Registrants, by his execution hereof, hereby constitutes and appoints B. Scott Smith, Theodore M. Wright and Stephen K. Coss, and each of them, with full power of substitution, as his or her true and lawful attorneys-in-fact and agents, to do any and all acts and things for him or her, and in his or her name, place and stead, to execute and sign any and all pre-effective and post-effective amendments to such Registration Statement and any additional registration statement pursuant to Rule 462(b) under the Securities Act of 1933, and file the same, together with all exhibits and schedules thereto and all other documents in connection therewith, with the Commission and with such state securities authorities as may be appropriate, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as the undersigned might or could do in person, and hereby ratifying and confirming all the acts of said attorneys-in-fact and agents, or any of them, which they may lawfully do in the premises or cause to be done by virtue hereof.

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

<TABLE>
<CAPTION>

Signature	Title	Date
<S>	<C>	<C>
/s/ O. Bruton Smith O. Bruton Smith	Chairman, Chief Executive Officer and Director (principal executive officer)	December 14, 2001

/s/ Theodore M. Wright Theodore M. Wright	Vice President, Treasurer, and Director	December 14, 2001
David Plummer	Assistant Secretary, Assistant Treasurer and Director	December 14, 2001

</TABLE>

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on December 14, 2001.

SONIC AUTOMOTIVE OF NEVADA, INC.
On behalf of itself and the following entities as Member:
SONIC AUTOMOTIVE OF CHATTANOOGA, LLC
SONIC AUTOMOTIVE OF NASHVILLE, LLC
SONIC AUTOMOTIVE - 2490 SOUTH LEE HIGHWAY, LLC
SONIC AUTOMOTIVE - 6025 INTERNATIONAL DRIVE, LLC
SONIC - 2185 CHAPMAN ROAD, CHATTANOOGA, LLC
SONIC - SUPERIOR OLDSMOBILE, LLC
TOWN AND COUNTRY CHRYSLER-PLYMOUTH-JEEP, LLC
TOWN AND COUNTRY DODGE OF CHATTANOOGA, LLC
TOWN AND COUNTRY FORD OF CLEVELAND, LLC
TOWN AND COUNTRY JAGUAR, LLC

By: /s/ Theodore M. Wright
Theodore M. Wright
Vice President and Treasurer

POWER OF ATTORNEY

Each of the undersigned directors and officers of the above named Registrants, by his execution hereof, hereby constitutes and appoints B. Scott Smith, Theodore M. Wright and Stephen K. Coss, and each of them, with full power of substitution, as his or her true and lawful attorneys-in-fact and agents, to do any and all acts and things for him or her, and in his or her name, place and stead, to execute and sign any and all pre-effective and post-effective amendments to such Registration Statement and any additional registration statement pursuant to Rule 462(b) under the Securities Act of 1933, and file the same, together with all exhibits and schedules thereto and all other documents in connection therewith, with the Commission and with such state securities authorities as may be appropriate, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as the undersigned might or could do in person, and hereby ratifying and confirming all the acts of said attorneys-in-fact and agents, or any of them, which they may lawfully do in the premises or cause to be done by virtue hereof.

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

<TABLE>
<CAPTION>

Signature	Title	Date
<S>	<C>	<C>
/s/ O. Bruton Smith O. Bruton Smith	Chief Executive Officer and Director (principal executive officer)	December 14, 2001
/s/ Theodore M. Wright Theodore M. Wright	Vice President, Treasurer, and Director	December 14, 2001

	Assistant Secretary, Assistant Treasurer and Director	December 14, 2001
- ---------- David Plummer		

</TABLE>

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on December 14, 2001.

SONIC RESOURCES, INC.

By: /s/ Theodore M. Wright

Theodore M. Wright
Vice President and Treasurer

POWER OF ATTORNEY

Each of the undersigned directors and officers of the above named Registrants, by his execution hereof, hereby constitutes and appoints B. Scott Smith, Theodore M. Wright and Stephen K. Coss, and each of them, with full power of substitution, as his or her true and lawful attorneys-in-fact and agents, to do any and all acts and things for him or her, and in his or her name, place and stead, to execute and sign any and all pre-effective and post-effective amendments to such Registration Statement and any additional registration statement pursuant to Rule 462(b) under the Securities Act of 1933, and file the same, together with all exhibits and schedules thereto and all other documents in connection therewith, with the Commission and with such state securities authorities as may be appropriate, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as the undersigned might or could do in person, and hereby ratifying and confirming all the acts of said attorneys-in-fact and agents, or any of them, which they may lawfully do in the premises or cause to be done by virtue hereof.

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

<TABLE>
<CAPTION>

Signature	Title	Date
<S>	<C>	<C>
/s/ B. Scott Smith - ---------- B. Scott Smith	President and Director (principal executive officer)	December 14, 2001
/s/ Theodore M. Wright - ---------- Theodore M. Wright	Vice President, Treasurer, and Director	December 14, 2001
- ---------- David Plummer	Assistant Secretary, Assistant Treasurer and Director	December 14, 2001

</TABLE>

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on December 14, 2001.

SONIC AUTOMOTIVE F&I, LLC
SONIC AUTOMOTIVE WEST, LLC

By: /s/ Theodore M. Wright

Theodore M. Wright
Vice President and Treasurer

POWER OF ATTORNEY

Each of the undersigned managers and officers of the above named Registrants, by his execution hereof, hereby constitutes and appoints B. Scott Smith, Theodore M. Wright and Stephen K. Coss, and each of them, with full power of substitution, as his or her true and lawful attorneys-in-fact and agents, to do any and all acts and things for him or her, and in his or her name, place and stead, to execute and sign any and all pre-effective and post-effective amendments to such Registration Statement and any additional registration statement pursuant to Rule 462(b) under the Securities Act of 1933, and file the same, together with all exhibits and schedules thereto and all other documents in connection therewith, with the Commission and with such state securities authorities as may be appropriate, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as the undersigned might or could do in person, and hereby ratifying and confirming all the acts of said attorneys-in-fact and agents, or any of them, which they may lawfully do in the premises or cause to be done by virtue hereof.

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

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Signature	Title	Date
<S>	<C>	<C>
/s/ O. Bruton Smith O. Bruton Smith	Chief Executive Officer (principal executive officer)	December 14, 2001
/s/ Theodore M. Wright Theodore M. Wright	Vice President, Treasurer, and Manager	December 14, 2001
/s/ Gail M. Syfert Gail M. Syfert	Assistant Secretary, Assistant Treasurer and Manager	December 14, 2001
David Plummer	Assistant Secretary, Assistant Treasurer and Manager	December 14, 2001

</TABLE>

EXHIBIT INDEX

Exhibit No.	Description
4.1	Specimen Certificate representing Class A Common Stock (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-1 (Reg. No. 333-33295) (the "Form S-1")).
4.2	Form of 11% Senior Subordinated Note due 2008, Series B (incorporated by reference to Exhibit 4.3 to Sonic's Registration Statement on Form S-4 (Reg. No. 333-64397 and 333-64397-001 through 333-64397-044) (the "Form S-4")).
4.3	Indenture dated as of July 1, 1998 among Sonic, as issuer, the subsidiaries of Sonic named therein, as guarantors, and U.S. Bank Trust National Association, as trustee (the "Trustee"), relating to the 11% Senior Subordinated Notes due 2008 (incorporated by reference to Exhibit 4.2 to the Form S-4).
4.4	First Supplemental Indenture dated as of December 31, 1999 among Sonic, as issuer, the subsidiaries of Sonic named therein, as guarantors and additional guarantors, and the Trustee, relating to the 11% Senior Subordinated Notes due 2008 (incorporated by reference to Exhibit 4.2a to the 1999 Form 10-K).
4.5	Second Supplemental Indenture dated as of September 15, 2000 among Sonic, as issuer, the subsidiaries of Sonic named therein, as guarantors and additional guarantors, and the

	Trustee, relating to the 11% Senior Subordinated Notes due 2008 (incorporated by reference to Exhibit 4.4 to Sonic's Quarterly Report on Form 10-Q for the quarter ended September 30, 2000 (the "September 30, 2000 Form 10-Q")).
4.6	Third Supplemental Indenture dated as of March 31, 2001 among Sonic, as issuer, the subsidiaries of Sonic named therein, as guarantors and additional guarantors, and the Trustee, relating to the 11% Senior Subordinated Notes due 2008 (incorporated by reference to Exhibit 4.6 to Sonic's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001).
4.7	Fourth Supplemental Indenture dated as of November 19, 2001 among Sonic, as issuer, the subsidiaries of Sonic named therein, as guarantors and additional guarantors, and the Trustee, relating to the 11% Senior Subordinated Notes due 2008.
4.8	Registration Rights Agreement dated as of June 30, 1997 among Sonic, O. Bruton Smith, Bryan Scott Smith, William S. Egan and Sonic Financial Corporation (incorporated by reference to Exhibit 4.2 to the Form S-1).
4.9	Form of 11% Senior Subordinated Note due 2008, Series D.
4.10	Indenture dated as of November 19, 2001 among Sonic, as issuer, the subsidiaries of Sonic named therein, as guarantors, and U.S. Bank Trust National Association, as trustee (the "Trustee"), relating to the 11% Senior Subordinated Notes due 2008.
4.11	Registration Rights Agreement dated as of November 19, 2001 among Sonic, the Guarantors named therein and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner and Smith Incorporated and Banc of America LLC.
4.12	Purchase Agreement dated as of November 8, 2001 between Sonic Automotive, Inc., the Guarantors named therein and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith, Incorporated and Banc of America Securities LLC.
4.13	Subordination Agreement dated as of November 19, 2001 between O. Bruton Smith and U.S. Bank Trust National Association.
5.1**	Opinion of Moore & Van Allen PLLC regarding the validity of the securities being registered.
23.1	Consent of Deloitte & Touche LLP.)
23.2	Consent of Moore & Van Allen PLLC (included in Exhibit 5.1).
24.1	Power of Attorney (included on signature page hereto).
25.1	Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of U.S. Bank Trust National Association.
99.1	Form of Letter of Transmittal.
99.2	Notice of Guaranteed Delivery.

** To be filed by amendment

Exhibit 4.7

FOURTH SUPPLEMENTAL INDENTURE

This FOURTH SUPPLEMENTAL INDENTURE dated as of November 19, 2001 (this "Supplemental Indenture") is by and among:

SONIC - HOUSTON V, L.P., a Texas limited partnership
SONIC RESOURCES, INC., a Nevada corporation
SONIC - HARBOR CITY H, INC., a California corporation
SONIC - WEST COVINA T, INC., a California corporation
SONIC - BUENA PARK H, INC., a California corporation
SONIC - WEST RENO CHEVROLET, INC., an Oklahoma corporation
LAWRENCE MARSHALL CHEVROLET, L.P., a Texas limited partnership
LAWRENCE MARSHALL CHEVROLET, LLC, a Delaware limited liability company
SONIC - BETHANY H, INC., an Oklahoma corporation

(hereinafter referred to collectively as the "Guaranteeing Subsidiaries"), SONIC AUTOMOTIVE, INC., a Delaware corporation, (the "Company"), the other Guarantors (as listed on the signature page of the Indenture referred to below) (the "Guarantors") and U.S. BANK TRUST NATIONAL ASSOCIATION, as trustee under the Indenture referred to below (the "Trustee").

WITNESSETH

WHEREAS, the Company and the Guarantors have heretofore executed and delivered to the Trustee an Indenture dated as of July 1, 1998, as supplemented by (i) the First Supplemental Indenture dated as of December 31, 1999, (ii) the Second Supplemental Indenture dated as of September 15, 2000, and (iii) the Third Supplemental Indenture dated as of March 31, 2001, among the parties listed on the signature pages hereto, (as supplemented, the "Indenture") providing for the issuance in an aggregate principal amount of up to $125,000,000 of the Company's 11% Senior Subordinated Notes due 2008 (the "Notes"); and

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

WHEREAS, each Guaranteeing Subsidiary is a wholly-owned direct or indirect subsidiary of the Company; and

WHEREAS, pursuant to Section 901(e) of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture to add the Guaranteeing Subsidiaries pursuant to the requirements of Section 1013 of the Indenture; and

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, each of the Guaranteeing

Subsidiaries and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

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

Section 2. Agreement to Guarantee. Each of the Guaranteeing Subsidiaries hereby agrees as follows (notwithstanding anything to the contrary in this Supplemental Indenture, such agreements of the Guaranteeing Subsidiaries shall be construed as identical to those agreements made by the Guarantors under the Indenture, and the obligations and rights of the Guaranteeing Subsidiaries hereunder shall be no more and no less than those of the Guarantors under the Indenture):

(a) Guaranteeing Subsidiaries' Guarantee. Along with the Guarantors named in the Indenture and in accordance with Article Thirteen of the Indenture and this Section 2, to guarantee absolutely, fully, unconditionally and irrevocably, jointly and severally with each other and with each other Person that may become a Guarantor under the Indenture, to the Trustee and the Holders, as if the Guaranteeing Subsidiaries were the principal debtor, the punctual payment and performance when due of all Indenture Obligations (which for purposes of this Guarantee shall also be deemed to include all commissions, fees, charges, costs and other expenses (including reasonable legal fees and disbursements of one counsel) arising out of or incurred by the Trustee or the

Holders in connection with the enforcement of this Guarantee).

(b) Continuing Guarantee; No Right of Set-Off; Independent Obligations.

(i) This Guarantee by the Guaranteeing Subsidiaries shall be a continuing guarantee of the payment and performance of all Indenture Obligations and shall remain in full force and effect until the payment in full of all of the Indenture Obligations and shall apply to and secure any ultimate balance due or remaining unpaid to the Trustee or the Holders. This Guarantee by the Guaranteeing Subsidiaries shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or from time to time of any sum of money for the time being due or remaining unpaid to the Trustee or the Holders. Each Guaranteeing Subsidiary, jointly and severally, covenants and agrees to comply with all obligations, covenants, agreements and provisions applicable to it in the Indenture as if named as a Guarantor therein including those set forth in Article Eight of the Indenture. Without limiting the generality of the foregoing, each Guaranteeing Subsidiaries' liability shall extend to all amounts which constitute part of the Indenture Obligations and would be owed by the Company under the Indenture and the Securities but for the fact that they are unenforceable, reduced, limited, impaired, suspended or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Company.

(ii) Each Guaranteeing Subsidiary, jointly and severally, hereby guarantees that the Indenture Obligations will be paid to the Trustee without set-off or counterclaim or other reduction whatsoever (whether for taxes, withholding or otherwise) in lawful currency of the United States of America.

(iii) Each Guaranteeing Subsidiary, jointly and severally, guarantees that the Indenture Obligations shall be paid strictly in accordance with their terms regardless of any law,

regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the holders of the Securities.

(iv) Each Guaranteeing Subsidiary's liability to pay or perform or cause the performance of the Indenture Obligations under this Guarantee shall arise forthwith after demand for payment or performance by the Trustee has been given to the Guarantors in the manner prescribed in Section 106 of the Indenture.

(v) Except as provided in the Indenture, the provisions of Article Thirteen of the Indenture and this Section 2 cover all agreements between the parties hereto relative to this Guarantee and none of the parties shall be bound by any representation, warranty or promise made by any Person relative thereto or hereto, which is not embodied therein or herein; and it is specifically acknowledged and agreed that this Guarantee has been delivered by each Guaranteeing Subsidiary free of any conditions whatsoever and that no representations, warranties or promises have been made to any Guaranteeing Subsidiary affecting its liabilities hereunder, and that the Trustee shall not be bound by any representations, warranties or promises now or at any time hereafter made by the Company to any Guaranteeing Subsidiary.

(vi) This Guarantee is a guarantee of payment, performance and compliance and not of collectibility and is in no way conditioned or contingent upon any attempt to collect from or enforce performance or compliance by the Company or upon any event or condition whatsoever.

(vii) The obligations of the Guaranteeing Subsidiaries set forth herein constitute the full recourse obligations of the Guaranteeing Subsidiaries enforceable against them to the full extent of all their assets and properties.

(viii) This Guarantee shall be subordinated to the claims against the Guarantor to the same extent as the Securities are subordinated to Senior Indebtedness.

(c) Guarantee Absolute. The obligations of the Guaranteeing Subsidiaries hereunder are independent of the obligations of the Company under the Securities and the Indenture and a separate action or actions may be brought and prosecuted against any Guaranteeing Subsidiary whether or not an action or proceeding is brought against the Company and whether or not the Company is joined in any such action or proceeding. The liability of the Guaranteeing Subsidiaries hereunder is irrevocable, absolute and unconditional and (to the extent permitted by law) the liability and obligations of the Guaranteeing Subsidiaries hereunder shall not be released, discharged, mitigated, waived, impaired or affected in whole or in part by:

(i) any defect or lack of validity or enforceability in respect of any Indebtedness or other obligation of the Company or any other Person under the Indenture or the Securities, or any agreement or instrument relating to any of the foregoing;

(ii) any grants of time, renewals, extensions, indulgences, releases, discharges or modifications which the Trustee or the Holders may extend to, or make with, the Company, any Guarantor, any Guaranteeing Subsidiary or any other Person, or any change in the time, manner or place of payment of, or

in any other term of, all or any of the Indenture Obligations, or any other amendment or waiver of, or any consent to or departure from, the Indenture or the Securities, including any increase or decrease in the Indenture Obligations;

(iii) the taking of security from the Company, any Guarantor, any Guaranteeing Subsidiary or any other Person, and the release, discharge or alteration of, or other dealing with, such security;

(iv) the occurrence of any change in the laws, rules, regulations or ordinances of any jurisdiction by any present or future action of any governmental authority or court amending, varying, reducing or otherwise affecting, or purporting to amend, vary, reduce or otherwise affect, any of the Indenture Obligations and the obligations of any Guaranteeing Subsidiary hereunder;

(v) the abstention from taking security from the Company, any Guarantor, any Guaranteeing Subsidiary or any other Person or from perfecting, continuing to keep perfected or taking advantage of any security;

(vi) any loss, diminution of value or lack of enforceability of any security received from the Company, any Guarantor, any Guaranteeing Subsidiary or any other Person, and including any other guarantees received by the Trustee;

(vii) any other dealings with the Company, any Guarantor, any Guaranteeing Subsidiary or any other Person, or with any security;

(viii) the Trustee's or the Holders' acceptance of compositions from the Company, any Guarantor or any Guaranteeing Subsidiary;

(ix) the application by the Holders or the Trustee of all monies at any time and from time to time received from the Company, any Guarantor, any Guaranteeing Subsidiary or any other Person on account of any indebtedness and liabilities owing by the Company, any Guarantor or any Guaranteeing Subsidiary to the Trustee or the Holders, in such manner as the Trustee or the Holders deems best and the changing of such application in whole or in part and at any time or from time to time, or any manner of application of collateral, or proceeds thereof, to all or any of the Indenture Obligations, or the manner of sale of any collateral;

(x) the release or discharge of the Company, any Guarantor or any Guaranteeing Subsidiary of the Securities or of any Person liable

directly as surety or otherwise by operation of law or otherwise for the Securities, other than an express release in writing given by the Trustee, on behalf of the Holders, of the liability and obligations of any Guaranteeing Subsidiary hereunder;

(xi) any change in the name, business, capital structure or governing instrument of the Company, any Guarantor or any Guaranteeing Subsidiary or any refinancing or restructuring of any of the Indenture Obligations;

(xii) the sale of the Company's, any Guarantor's or any Guaranteeing Subsidiary's business or any part thereof,

(xiii) subject to Section 1314 of the Indenture, any merger or consolidation, arrangement or reorganization of the Company, any Guarantor or any Guaranteeing Subsidiary, any Person resulting from the merger or consolidation of the Company, any Guarantor or any Guaranteeing Subsidiary with any other Person or any other successor to such Person or merged or consolidated Person or any other change in the corporate existence, structure or ownership of the Company, any Guarantor or any Guaranteeing Subsidiary or any change in the corporate relationship among the Company, any Guarantor and any Guaranteeing Subsidiary, or any termination of such relationship;

(xiv) the insolvency, bankruptcy, liquidation, winding-up, dissolution, receivership, arrangement, readjustment, assignment for the benefit of creditors or distribution of the assets of the Company or its assets or any resulting discharge of any obligations of the Company (whether voluntary or involuntary) or of any Guarantor (whether voluntary or involuntary) or any Guaranteeing Subsidiary (whether voluntary or involuntary) or the loss of corporate existence;

(xv) subject to Section 1314 of the Indenture, any arrangement or plan of reorganization affecting the Company, any Guarantor or any Guaranteeing Subsidiary;

(xvi) any failure, omission or delay on the part of the Company to conform or comply with any term of the Indenture;

(xvii) any limitation on the liability or obligations of the Company or any other Person under the Indenture, or any discharge, termination, cancellation, distribution, irregularity, invalidity or unenforceability in whole or in part of the Indenture;

(xviii) any other circumstance (including any statute of limitations) that might otherwise constitute a defense available to, or discharge of, the Company, any Guarantor or any Guaranteeing Subsidiary; or

(xix) any modification, compromise, settlement or release by the Trustee, or by operation of law or otherwise, of the Indenture Obligations or the liability of the Company or any other obligor under the Securities, in whole or in part, and any refusal of payment by the Trustee, in whole or in part, from any other obligor or other guarantor in connection with any of the

Indenture Obligations, whether or not with notice to, or further assent by, or any reservation of rights against, each of the Guarantors and the Guaranteeing Subsidiaries.

(d) Right to Demand Full Performance. In the event of any demand for payment or performance by the Trustee from any Guaranteeing Subsidiary hereunder, the Trustee or the Holders shall have the right to demand its full claim and to receive all dividends or other payments in respect thereof until the Indenture Obligations have been paid in full, and the Guaranteeing Subsidiaries shall continue to be jointly and severally liable hereunder for any balance which may be owing to the Trustee or the Holders by the Company under the Indenture and the Securities. The retention by the Trustee or the Holders of any security, prior to the realization by the Trustee or the Holders of its rights to such security upon foreclosure thereon, shall not, as between the Trustee and any Guaranteeing Subsidiary, be considered as a purchase of such security, or as payment, satisfaction or reduction of the Indenture Obligations due to the Trustee or the Holders by the Company or any part thereof. Each Guaranteeing Subsidiary, promptly after demand, will reimburse the Trustee and the Holders for all costs and expenses of collecting such amount under, or enforcing this Guarantee, including, without limitation, the reasonable fees and expenses of counsel.

(e) Waivers.

(i) Each Guaranteeing Subsidiary hereby expressly waives (to the extent permitted by law) notice of the acceptance of this Guarantee and notice of the existence, renewal, extension or the nonperformance, non-payment, or non-observance on the part of the Company of any of the terms, covenants, conditions and provisions of the Indenture or the Securities or any other notice whatsoever to or upon the Company, any Guarantor or such Guaranteeing Subsidiary with respect to the Indenture Obligations, whether by statute, rule of law or otherwise. Each Guaranteeing Subsidiary hereby acknowledges communication to it of the terms of this Supplemental Indenture, the Indenture and the Securities and all of the provisions herein and therein contained and consents to and approves the same. Each Guaranteeing Subsidiary hereby expressly waives (to the extent permitted by law) diligence, presentment, protest and demand for payment with respect to (a) any notice of sale, transfer or other disposition of any right, title to or interest in the Securities by the Holders or in the Indenture, (b) any release of any Guaranteeing Subsidiary from its obligations hereunder resulting from any loss by it of its rights of subrogation hereunder and (c) any other circumstances whatsoever that might otherwise constitute a legal or equitable discharge, release or defense of a guarantor or surety or that might otherwise limit recourse against such Guaranteeing Subsidiary.

(ii) Without prejudice to any of the rights or recourses which the Trustee or the Holders may have against the Company, each Guaranteeing Subsidiary hereby expressly waives (to the extent permitted by law) any right to require the Trustee or the Holders to:

(a) enforce, assert, exercise, initiate or exhaust any rights, remedies or recourse against the Company, any Guarantor, any Guaranteeing Subsidiary or any other Person under the Indenture or otherwise;

(b) value, realize upon, or dispose of any security of the Company or any other Person held by the Trustee or the Holders;

(c) initiate or exhaust any other remedy which the Trustee or the Holders may have in law or equity; or

(d) mitigate the damages resulting from any default under the Indenture;

before requiring or becoming entitled to demand payment from such Guaranteeing Subsidiary under this Guarantee.

(f) The Guaranteeing Subsidiaries Remain Obligated in Event the

Company Is No Longer Obligated to Discharge Indenture Obligations. It is the express intention of the Trustee and the Guaranteeing Subsidiaries that if for any reason the Company has no legal existence, is or becomes under no legal obligation to discharge the Indenture Obligations owing to the Trustee or the Holders by the Company or if any of the Indenture Obligations owing by the Company to the Trustee or the Holders becomes irrecoverable from the Company by operation of law or for any reason whatsoever, this Guarantee and the covenants, agreements and obligations of the Guaranteeing Subsidiaries contained in this Section Two shall nevertheless be binding upon the Guaranteeing Subsidiaries, as principal debtor, until such time as all such Indenture Obligations have been paid in full to the Trustee and all Indenture Obligations owing to the Trustee or the Holders by the Company have been discharged, or such earlier time as Section 402 of the Indenture shall apply to the Securities and the Guarantors and the Guaranteeing Subsidiaries shall be responsible for the payment thereof to the Trustee or the Holders upon demand.

(g) Fraudulent Conveyance, Contribution, Subrogation.

(i) Each Guaranteeing Subsidiary, and by its acceptance of the Indenture each Holder, hereby confirms that it is the intention of all such parties that the Guarantee by such Guaranteeing Subsidiary pursuant to its Guarantee not constitute a fraudulent transfer or conveyance for purposes of the Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law. To effectuate the foregoing intention, the Holders and such Guaranteeing Subsidiary hereby irrevocably agree that the obligations of such Guaranteeing Subsidiary under its Guarantee shall be limited to the maximum amount which, after giving effect to all other contingent and fixed liabilities of such Guaranteeing Subsidiary, and after giving effect to any collections from or payments made by or on behalf of any other Guarantor or Guaranteeing Subsidiary in respect of the obligations of such other Guarantor or Guaranteeing Subsidiary under its Guarantee or pursuant to its contribution obligations hereunder and under the Indenture, will result in the obligations of such Guaranteeing Subsidiary under its Guarantee not constituting such fraudulent transfer or conveyance.

(ii) Each Guaranteeing Subsidiary that makes a payment or distribution under its Guarantee shall be entitled to a contribution from each other Guaranteeing Subsidiary, if any, in a pro rata amount based on the net assets of each Guarantor and Guaranteeing Subsidiary, determined in accordance with GAAP.

(iii) Each Guaranteeing Subsidiary hereby waives all rights of subrogation or contribution, whether arising by contract or operation of law (including, without limitation, any such right arising under federal bankruptcy law) or otherwise by reason of any payment by it pursuant to the provisions of this Section Two until payment in full of all Indenture Obligations.

(h) Guarantee Is in Addition to Other Security. This Guarantee shall be in addition to and not in substitution for any other guarantees or other security which the Trustee may now or hereafter hold in respect of the Indenture Obligations owing to the Trustee or the Holders by the Company and (except as may be required by law) the Trustee shall be under no obligation to marshal in favor of each of the Guaranteeing Subsidiaries any other guarantees or other security or any moneys or other assets which the Trustee may be entitled to receive or upon which the Trustee or the Holders may have a claim.

(i) Release of Security Interests. Without limiting the generality of the foregoing and except as otherwise provided herein and in the Indenture, each Guaranteeing Subsidiary hereby consents and agrees, to the fullest extent permitted by applicable law, that the rights of the Trustee hereunder, and the liability of the Guaranteeing Subsidiaries hereunder, shall not be affected by any and all releases for any purpose of any collateral, if any, from the Liens and security interests created by any collateral document and that this Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Indenture Obligations is rescinded or must otherwise be returned by the Trustee upon the insolvency, bankruptcy or reorganization of the Company or otherwise, all as though such payment had not been made.

(j) No Bar to Further Actions. Except as provided by law, no action or proceeding brought or instituted under this Section 2, Article Thirteen of the Indenture and this Guarantee and no recovery or judgment in pursuance thereof shall be a bar or defense to any further action or proceeding which may be brought under Section Two, Article Thirteen of the Indenture and this Guarantee by reason of any further default or defaults under Section Two, Article Thirteen of the Indenture and this Guarantee or in the payment of any of the Indenture Obligations owing by the Company.

(k) Failure to Exercise Rights Shall Not Operate as a Waiver, No Suspension of Remedies.

(i) No failure to exercise and no delay in exercising, on the part of the Trustee or the Holders, any right, power, privilege or remedy under this Section 2, Article Thirteen of the Indenture and this Guarantee shall operate as a waiver thereof, nor shall any single or partial exercise of any rights, power, privilege or remedy preclude any other or further exercise thereof, or the exercise of any other rights, powers, privileges or remedies. The rights and remedies herein provided for are cumulative and not exclusive of any rights or remedies provided in law or equity.

(ii) Nothing contained in this Section 2 shall limit the right of the Trustee or the Holders to take any action to accelerate the maturity of the Securities pursuant to Article Five of the Indenture or to pursue any rights or remedies hereunder or under applicable law.

(l) Trustee's Duties; Notice to Trustee.

(i) Any provision in this Section 2 or elsewhere in the Indenture allowing the Trustee to request any information or to take any action authorized by, or on behalf of any Guaranteeing Subsidiary, shall be permissive and shall not be obligatory on the Trustee except as the Holders may direct in accordance with the provisions of the Indenture or where the failure of

the Trustee to request any such information or to take any such action arises from the Trustee's negligence, bad faith or willful misconduct.

(ii) The Trustee shall not be required to inquire into the existence, powers or capacities of the Company, any Guarantor, any Guaranteeing Subsidiary or the officers, directors or agents acting or purporting to act on their respective behalf.

(m) Successors and Assigns. All terms, agreements and conditions of this Section 2 shall extend to and be binding upon each Guaranteeing Subsidiary and its successors and permitted assigns and shall enure to the benefit of and may be enforced by the Trustee and its successors and assigns, provided, however, that the Guaranteeing Subsidiaries may not assign any of their rights or obligations hereunder other than in accordance with Article Eight of the Indenture.

(n) Release of Guarantee.

(i) Concurrently with the payment in full of all of the Indenture Obligations, the Guarantors shall be released from and relieved of their obligations under this Section 2. Upon the delivery by the Company to the Trustee of an Officers' Certificate and, if requested by the Trustee, an Opinion of Counsel to the effect that the transaction giving rise to the release of this Guarantee was made by the Company in accordance with the provisions of the Indenture and the Securities, the Trustee shall execute any documents reasonably required in order to evidence the release of the Guaranteeing Subsidiaries from their obligations under this Guarantee. If any of the Indenture Obligations are revived and reinstated after the termination of this Guarantee, then all of the obligations of the Guaranteeing Subsidiaries under this Guarantee shall be revived and reinstated as if this Guarantee had not been terminated until such time as the Indenture Obligations are paid in full, and each Guaranteeing Subsidiary shall enter into an amendment to this Guarantee, reasonably satisfactory to the Trustee, evidencing such revival and reinstatement.

(ii) This Guarantee shall terminate with respect to each Guaranteeing Subsidiary and shall be automatically and unconditionally released and discharged as provided in Section 1013(c) of the Indenture.

(o) Execution and Delivery of Guarantee. Each of the Guaranteeing Subsidiaries agrees that their Guarantee hereunder shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of their Guarantee. Pursuant to Section 1315(b) of the Indenture, each Guaranteeing Subsidiary agrees to be subject to the provisions (including the representations and warranties) of the Indenture as of the date of this Supplemental Indenture as if named as a Guarantor therein.

Section 3. NEW YORK LAW TO GOVERN. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS FIRST SUPPLEMENTAL INDENTURE BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

Section 4. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

Section 5. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6. The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiaries and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the 19th day of November, 2001.

THE COMPANY:

SONIC AUTOMOTIVE, INC.

By: /s/ Theodore M. Wright

Name: Theodore M. Wright
Title: Vice President

Attest: /s/ Stephen K. Coss

Name: Stephen K. Coss
Title: Secretary

GUARANTEEING SUBSIDIARIES:

SONIC RESOURCES, INC.
SONIC - HARBOR CITY H, INC.
SONIC - WEST COVINA T, INC.
SONIC - BUENA PARK H, INC.
SONIC - WEST RENO CHEVROLET, INC.
SONIC - BETHANY H, INC.

By: /s/ Theodore M. Wright

Name: Theodore M. Wright
Title: Vice President

Attest: /s/ Stephen K. Coss

Name: Stephen K. Coss
Title: Secretary

[signatures continued on following page]

SONIC - HOUSTON V, L.P.

Sonic of Texas, Inc., general partner

By: /s/ Theodore M. Wright

Name: Theodore M. Wright
Title: Vice President

Attest: /s/ Stephen K. Coss

Name: Stephen K. Coss
Title: Secretary

LAWRENCE MARSHALL CHEVROLET, L.P.

Lawrence Marshall Chevrolet, LLC, general partner

By: /s/ Theodore M. Wright

Name: Theodore M. Wright
Titlte: Vice President and Manager

Attest: /s/ Stephen K. Coss

Name: Stephen K. Coss
Title: Secretary

LAWRENCE MARSHALL CHEVROLET, LLC

By: /s/ Theodore M. Wright

Name: Theodore M. Wright
Title: Vice President and Manager

Attest: /s/ Stephen K. Coss

Name: Stephen K. Coss
Title: Secretary

[signatures continued on following page]

GUARANTORS:

AUTOBAHN, INC.
CAPITOL CHEVROLET AND IMPORTS, INC.
COBB PONTIAC CADILLAC, INC.
FA SERVICE CORPORATION
FAA AUTO FACTORY, INC.
FAA BEVERLY HILLS, INC.
FAA CAPITOL F, INC.
FAA CAPITOL N, INC.
FAA CONCORD H, INC.
FAA CONCORD N, INC.
FAA CONCORD T, INC.
FAA DUBLIN N, INC.
FAA DUBLIN VWD, INC.
FAA HOLDING CORP.
FAA MARIN D, INC.
FAA MARIN F, INC.
FAA MARIN LR, INC.
FAA POWAY D, INC.
FAA POWAY G, INC.
FAA POWAY H, INC.
FAA POWAY T, INC.
FAA SAN BRUNO, INC.
FAA SANTA MONICA V, INC.
FAA SERRAMONTE H, INC.
FAA SERRAMONTE L, INC.
FAA SERRAMONTE, INC.
FAA STEVENS CREEK, INC.
FAA TORRANCE CPJ, INC.
FORT MILL CHRYSLER-PLYMOUTH-DODGE INC.
FORT MILL FORD, INC.
FRANCISCAN MOTORS, INC.
FRONTIER OLDSMOBILE-CADILLAC, INC.
HMC FINANCE ALABAMA, INC.
KRAMER MOTORS INCORPORATED
L DEALERSHIP GROUP, INC. (f/k/a Lucas Dealership Group, Inc.)
MARCUS DAVID CORPORATION

[signatures continued on following page]

RIVERSIDE NISSAN, INC.
ROYAL MOTOR COMPANY, INC.
SANTA CLARA IMPORTED CARS, INC.
SMART NISSAN, INC.
SONIC - CAPITAL CHEVROLET, INC. (f/k/a Bill Swad Chevrolet, Inc.)
SONIC - CLASSIC DODGE, INC.
SONIC - COAST CADILLAC, INC. (f/k/a FAA Woodland Hills VW, Inc.)
SONIC - GLOVER, INC.
SONIC - MANHATTAN FAIRFAX, INC.
SONIC - MANHATTAN WALDORF, INC.
SONIC - MONTGOMERY FLM, INC.
SONIC - NEWSOME CHEVROLET WORLD, INC.
SONIC - NEWSOME OF FLORENCE, INC.
SONIC - NORTH CHARLESTON DODGE, INC.
SONIC - NORTH CHARLESTON, INC.
SONIC - RIVERSIDE AUTO FACTORY, INC.
SONIC - RIVERSIDE, INC.

SONIC - ROCKVILLE IMPORTS, INC.
SONIC - ROCKVILLE MOTORS, INC.
SONIC - STEVENS CREEK B, INC. (f/k/a Don Lucas International, Inc.)
SONIC - WILLIAMS BUICK, INC.
SONIC - WILLIAMS CADILLAC, INC.
SONIC - WILLIAMS IMPORTS, INC.
SONIC AUTOMOTIVE - 1400 AUTOMALL DRIVE, COLUMBUS, INC.
SONIC AUTOMOTIVE - 1455 AUTOMALL DRIVE, COLUMBUS, INC.
SONIC AUTOMOTIVE - 1495 AUTOMALL DRIVE, COLUMBUS, INC.
SONIC AUTOMOTIVE - 1500 AUTOMALL DRIVE, COLUMBUS, INC.
SONIC AUTOMOTIVE - 3700 WEST BROAD STREET, COLUMBUS, INC.
SONIC AUTOMOTIVE - 4000 WEST BROAD STREET, COLUMBUS, INC.
SONIC AUTOMOTIVE 2424 LAURENS RD., GREENVILLE, INC.
SONIC AUTOMOTIVE 2752 LAURENS RD., GREENVILLE, INC.
SONIC AUTOMOTIVE OF GEORGIA, INC.
SONIC OF TEXAS, INC.
SPEEDWAY CHEVROLET, INC.
STEVENS CREEK CADILLAC, INC.
TOWN AND COUNTRY CHRYSLER-PLYMOUTH-JEEP OF ROCK HILL, INC.

[signatures continued on following page]

TOWN AND COUNTRY FORD, INCORPORATED
TRANSCAR LEASING, INC.
VILLAGE IMPORTED CARS, INC.
WINDWARD, INC.

By: /s/ Theodore M. Wright

Name: Theodore M. Wright
Title: Vice President

Attest: /s/ Stephen K. Coss

Name: Stephen K. Coss
Title: Secretary

FAA LAS VEGAS H, INC.
FIRSTAMERICA AUTOMOTIVE, INC.
FREEDOM FORD, INC.
SONIC AUTOMOTIVE - BONDESEN, INC.
SONIC AUTOMOTIVE - CLEARWATER, INC.
SONIC AUTOMOTIVE COLLISION CENTER OF CLEARWATER, INC.
SONIC AUTOMOTIVE OF NEVADA, INC.
SONIC AUTOMOTIVE OF TENNESSEE, INC.
SONIC AUTOMOTIVE - 1307 N. DIXIE HWY., NSB, INC.
SONIC AUTOMOTIVE - 1720 MASON AVE., DB, INC.
SONIC AUTOMOTIVE - 1919 N. DIXIE HWY., NSB, INC.
SONIC AUTOMOTIVE - 21699 U.S. HWY 19 N., INC.
SONIC AUTOMOTIVE - 241 RIDGEWOOD AVE., HH, INC.
SONIC AUTOMOTIVE - 3741 S. NOVA RD., PO, INC.
SONIC AUTOMOTIVE - 6008 N. DALE MABRY, FL, INC.
SONIC - FM , INC.
SONIC - FM NISSAN, INC.
SONIC - FM VW, INC.
SONIC - FREELAND, INC.
SONIC - LLOYD NISSAN, INC.
SONIC - LLOYD PONTIAC-CADILLAC, INC.
SONIC - SHOTTENKIRK, INC.

By: /s/ Theodore M. Wright

Name: Theodore M. Wright
Title: Vice President

Attest: /s/ Stephen K. Coss

Name: Stephen K. Coss
Title: Secretary

[signatures continued on following page]

SONIC - 2185 CHAPMAN RD., CHATTANOOGA, LLC
SONIC - SUPERIOR OLDSMOBILE, LLC
SONIC AUTOMOTIVE - 2490 SOUTH LEE HIGHWAY, LLC
SONIC AUTOMOTIVE - 5260 PEACHTREE INDUSTRIAL BLVD., LLC
SONIC AUTOMOTIVE - 5585 PEACHTREE INDUSTRIAL BLVD., LLC
SONIC AUTOMOTIVE - 6025 INTERNATIONAL DRIVE, LLC
SONIC AUTOMOTIVE OF CHATTANOOGA, LLC
SONIC AUTOMOTIVE OF NASHVILLE, LLC
SRE TENNESSEE - 1, LLC
SRE TENNESSEE - 2, LLC
SRE TENNESSEE - 3, LLC
TOWN AND COUNTRY CHRYSLER-PLYMOUTH-JEEP, LLC
TOWN AND COUNTRY DODGE OF CHATTANOOGA, LLC
TOWN AND COUNTRY FORD OF CLEVELAND, LLC
TOWN AND COUNTRY JAGUAR, LLC

By: /s/ Theodore M. Wright

Name: Theodore M. Wright
Title: Vice President and Governor

Attest: /s/ Stephen K. Coss

Name: Stephen K. Coss
Title: Secretary

SONIC AUTOMOTIVE - 1720 MASON AVE., DB, LLC
SONIC - FM AUTOMOTIVE, LLC

By: /s/ Theodore M. Wright

Name: Theodore M. Wright
Title: President and Manager

Attest: /s/ Stephen K. Coss

Name: Stephen K. Coss
Title: Secretary

[signatures continued on following page]

SONIC AUTOMOTIVE - 9103 E. INDEPENDENCE , NC, LLC
SONIC CHRYSLER-PLYMOUTH-JEEP, LLC
SONIC DODGE, LLC
SONIC - WILLIAMS MOTORS, LLC

By: /s/ Theodore M. Wright

Name: Theodore M. Wright
Title: Vice President and Manager

Attest: /s/ Stephen K. Coss

Name: Stephen K. Coss
Title: Secretary

SONIC DEVELOPMENT, LLC (f/k/a Sonic - Fitzgerald Chevrolet, LLC)
SONIC - INTEGRITY DODGE LV, LLC
SONIC - LAS VEGAS C EAST, LLC
SONIC - LAS VEGAS C WEST, LLC
SONIC - VOLVO LV, LLC
SONIC AUTOMOTIVE F&I, LLC
SONIC AUTOMOTIVE SERVICING COMPANY, LLC
SONIC AUTOMOTIVE WEST, LLC
SRE ALABAMA - 2, LLC
SRE ALABAMA -3, LLC
SRE FLORIDA - 1, LLC
SRE FLORIDA - 2, LLC
SRE FLORIDA - 3, LLC

SRE HOLDING, LLC
SRE NEVADA - 1, LLC
SRE NEVADA - 2, LLC
SRE NEVADA - 3, LLC
SRE SOUTH CAROLINA - 2, LLC
SRE VIRGINIA - 1, LLC
SREALESTATE ARIZONA - 2, LLC
SREALESTATE ARIZONA - 3, LLC
SREALESTATE ARIZONA - 4, LLC
SREALESTATE ARIZONA -1, LLC

By: /s/ Theodore M. Wright

Name: Theodore M. Wright
Title: Vice President and Manager

Attest: /s/ Stephen K. Coss

Name: Stephen K. Coss
Title: Secretary

[signatures continued on following page]

SONIC - GLOBAL IMPORTS, L.P.
SONIC PEACHTREE INDUSTRIAL BLVD., L.P.
SRE GEORGIA - 1, L.P.
SRE GEORGIA - 2, L.P.
SRE GEORGIA - 3, L.P.

Sonic Automotive of Georgia, Inc., their general partner

By: /s/ Theodore M. Wright

Name: Theodore M. Wright
Title: Vice President

Attest: /s/ Stephen K. Coss

Name: Stephen K. Coss
Title: Secretary

PHILPOTT MOTORS, LTD.
SONIC AUTOMOTIVE OF TEXAS, L.P.
SONIC AUTOMOTIVE - 3401 N. MAIN, TX, L.P.
SONIC AUTOMOTIVE - 4701 I-10 EAST, TX, L.P.
SONIC AUTOMOTIVE - 5221 I-10 EAST, TX, L.P.
SONIC - CAMP FORD, L.P.
SONIC - CARROLLTON V, L.P.
SONIC - LUTE RILEY, L.P.
SONIC - READING, L.P.
SONIC - RICHARDSON F, L.P.
SONIC - SAM WHITE NISSAN, L.P.
SONIC - FORT WORTH T, L.P.
SONIC - PARK PLACE A, L.P. (f/k/a Sonic - Dallas Auto Factory, L.P.)
SRE TEXAS - 1, L.P.
SRE TEXAS - 2, L.P.
SRE TEXAS - 3, L.P.

Sonic of Texas, Inc., their general partner

By: /s/ Theodore M. Wright

Name: Theodore M. Wright
Title: Vice President

Attest: /s/ Stephen K. Coss

Name: Stephen K. Coss
Title: Secretary

[signatures continued on following page]

TRUSTEE:

U.S. BANK TRUST NATIONAL ASSOCIATION,
as Trustee.

By: /s/ Lori-Anne Rosenberg `

Authorized Signatory

THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION AS SET FORTH BELOW.

BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION, (2) AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY PRIOR TO THE DATE WHICH IS TWO YEARS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) ONLY (A) TO THE COMPANY, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A INSIDE THE UNITED STATES, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) OUTSIDE THE UNITED STATES PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS IN AN OFFSHORE TRANSACTION WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY'S AND

THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSES (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE. AS USED HEREIN, THE TERMS "UNITED STATES," "OFFSHORE TRANSACTION," AND "U.S. PERSON" HAVE THE RESPECTIVE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

[Legend if Security is a Global Security]

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY OR A SUCCESSOR DEPOSITARY. TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF CEDE & CO. OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 306 AND 307 OF THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT AND ANY SUCH CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE

HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THE OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN ARTICLE FOURTEEN OF THE INDENTURE TO THE OBLIGATIONS (INCLUDING INTEREST) OWED BY THE COMPANY AND CERTAIN OF ITS SUBSIDIARIES TO ALL SENIOR INDEBTEDNESS; AND EACH HOLDER HEREOF BY ITS ACCEPTANCE HEREOF,

SHALL BE BOUND BY THE PROVISIONS OF THE SUBORDINATION AS SET FORTH IN SAID ARTICLE FOURTEEN OF THE INDENTURE."

SONIC AUTOMOTIVE, INC.

_____

11% SENIOR SUBORDINATED NOTE DUE 2008, SERIES C

CUSIP NO. 83545GAC6

No. 1 $75,000,000

Sonic Automotive, Inc., a Delaware corporation (herein called the "Company," which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to _____ or registered assigns, the principal sum of $75,000,000 United States dollars, or such other principal amount (which, when taken together with the principal amounts of all other Outstanding Securities, shall not exceed $75,000,000 less the principal amount of Securities redeemed by the Company in accordance with the Indenture) as may be set forth on the Security Register on Appendix A hereto in accordance with the Indenture, on August 1, 2008, at the office or agency of the Company referred to below, and to pay interest thereon from November 19, 2001, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on February 1and August 1 in each year, commencing February 1, 2002 at the rate of 11% per annum, subject to adjustments as described in the second following paragraph, in United States dollars, until the principal hereof is paid or duly provided for. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

The Holder of this Series C Security is entitled to the benefits of the Registration Rights Agreement among the Company, the Guarantors and the Initial Purchasers, dated November 19, 2001, pursuant to which, subject to the terms and conditions thereof, the Company and the Guarantors are obligated to consummate the Exchange Offer pursuant to which the Holder of this Security (and related Guarantees) shall have the right to exchange this Security (and related Guarantees) for 11% Senior Subordinated Notes due 2008, Series D and related Guarantees (herein called the "Series D Securities") in like principal amount as provided therein. The Series C Securities and the Series D Securities are together (including related Guarantees) referred to as the "Securities." The Series C Securities rank pari passu in right of payment with the Series D Securities. Pursuant to the Registration Rights Agreement, the holders of the Company's $125,000,000 11% Senior Subordinated Notes due 2008, Series B (the "Series B Notes") will also be offered the opportunity to exchange their Series B Notes for Series D Securities.

In the event that (a) the Exchange Offer Registration Statement is not filed with the Commission on or prior to the 60th calendar day following the date of original

issue of the Series C Securities, (b) the Exchange Offer Registration Statement has not been declared effective on or prior to the 135th calendar day following the date of original issue of the Series C Securities, (c) the Exchange Offer is not consummated or a Shelf Registration Statement is not declared effective, in either case, on or prior to the 165th calendar day following the date of original issue of the Series C Securities or (d) the Shelf Registration Statement is declared effective but shall thereafter become unusable for more than 30 days in the aggregate (each such event referred to in clauses (a) through (d) above, a "Registration Default"), the interest rate borne by the Series C Securities shall be increased by one-quarter of one percent per annum upon the occurrence of each Registration Default, which rate (as increased aforesaid) will increase by an additional one quarter of one percent each 90-day period that such additional interest continues to accrue under any such circumstance, with an aggregate maximum increase in the interest rate equal to one percent (1%) per annum. The Shelf Registration Statement will be required to remain effective until the second anniversary of the Series C Securities. Following the cure of all Registration Defaults, the accrual of additional interest will cease and the interest rate will revert to the original rate.

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or any Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the January 15 or July 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid, or duly provided for, and interest on such defaulted interest

at the interest rate borne by the Series C Securities, to the extent lawful, shall forthwith cease to be payable to the Holder on such Regular Record Date, and may either be paid to the Person in whose name this Security (or any Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may be listed, and upon such notice as may be required by this Indenture not inconsistent with the requirements of such exchange, all as more fully provided in this Indenture.

Payment of the principal of, premium, if any, and interest on, this Security, and exchange or transfer of the Security, will be made at the office or agency of the Company in The City of New York maintained for that purpose (which initially will be a corporate trust office of the Trustee located at 100 Wall Street, 20th Floor, New York, New York, 10005), or at such other office or agency as may be maintained for such purpose, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of interest may be made at the option of the Company by check mailed to the

address of the Person entitled thereto as such address shall appear on the Security Register.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

This Security is entitled to the benefits of the Guarantees by the Guarantors of the punctual payment when due and performance of the Indenture Obligations made in favor of the Trustee for the benefit of the Holders. Reference is made to Article Thirteen of the Indenture for a statement of the respective rights, limitations of rights, duties and obligations under the Guarantees of the Guarantors.

Unless the certificate of authentication hereon has been duly executed by the Trustee referred to on the reverse hereof or by the authenticating agent appointed as provided in the Indenture by manual signature of an authorized signer, this Security shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed by the manual or facsimile signature of its authorized officers.

Sonic Automotive, Inc.

By: _____
Name:
Title:

Attest:

_____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the 11% Senior Subordinated Notes due 2008, Series C referred to in the within-mentioned Indenture.

U.S Bank Trust National Association,
as Trustee

By: _____
Authorized Signer

Dated:

OPTION OF HOLDER TO ELECT PURCHASE

If you wish to have this Security purchased by the Company pursuant to Section 1012 or Section 1014, as applicable, of the Indenture, check

the Box: [ ].

If you wish to have a portion of this Security purchased by the Company pursuant to Section 1012 or Section 1014 as applicable, of the Indenture, state the amount (in original principal amount):

$_____

Date: _____ Your Signature: _____

(Sign exactly as your name appears on the other side of this Security)

Signature Guarantee: _____

[Signature must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15]

(b) The form of the face of any Series D Securities authenticated and delivered hereunder shall be substantially as follows:

[Legend if Security is a Global Security]

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY OR A SUCCESSOR DEPOSITARY. TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF CEDE & CO. OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 306 AND 307 OF THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT AND ANY SUCH CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THE OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN ARTICLE FOURTEEN OF THE INDENTURE TO THE OBLIGATIONS (INCLUDING

INTEREST) OWED BY THE COMPANY AND CERTAIN OF ITS SUBSIDIARIES TO ALL SENIOR INDEBTEDNESS; AND EACH HOLDER HEREOF BY ITS ACCEPTANCE HEREOF, SHALL BE BOUND BY THE PROVISIONS OF THE SUBORDINATION AS SET FORTH IN SAID ARTICLE FOURTEEN OF THE INDENTURE."

Sonic Automotive, Inc.

11% SENIOR SUBORDINATED NOTE DUE 2008, SERIES D

CUSIP NO.

No. _____ $_____

Sonic Automotive, Inc., a Delaware corporation (herein called the "Company," which term includes any successor Person under the Indenture

hereinafter referred to), for value received, hereby promises to pay to or registered assigns, the principal sum of United States dollars on August 1, 2008, at the office or agency of the Company referred to below, and to pay interest thereon from November 19, 2001, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on February 1 and August 1 in each year, commencing August 1, 2002 at the rate of 11% per annum, in United States dollars, until the principal hereof is paid or duly provided for; provided that to the extent interest has not been paid or duly provided for with respect to the Series C Security or the 11% Senior Subordinated Notes due 2008, Series B and related Guarantees (herein called the "Series B Securities") exchanged for this Series D Security, interest on this Series D Security shall accrue from the most recent Interest Payment Date to which interest on the Series C Security or Series B Security which was exchanged for this Series D Security has been paid or duly provided for, or if no interest has been paid on the Series C Security, it shall accrue interest from November 19, 2001 with respect to Series C Securities exchanged for Series D Securities. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

This Series D Security was issued pursuant to the Exchange Offer pursuant to which the 11% Senior Subordinated Notes due 2008, Series C and related Guarantees (herein called the "Series C Securities") and the Series B Securities in like principal amount were exchanged for the Series D Securities and related Guarantees. The Series D Securities rank pari passu in right of payment with the Series C Securities and the Series B Securities.

In addition, for any period in which a Series C Security exchanged for this Series D Security was outstanding, in the event that (a) the Exchange Offer Registration Statement is not filed with the Commission on or prior to the 60th calendar day following the date of original issue of the Series C Security, (b) the Exchange Offer Registration Statement has not been declared effective on or prior to the 135th calendar day following the date after the original issue of the Series C Security, (c) the Exchange Offer is not consummated or a Shelf Registration Statement is not declared effective, in either case,

on or prior to the 135th calendar day following the date of original issue of the Series C Security or (d) the Shelf Registration Statement is declared effective but shall thereafter become unusable for more than 30 days in the aggregate (each such event referred to in clauses (a) through (d) above, a "Registration Default"), the interest rate borne by the Series C Securities shall be increased by one-quarter of one percent per annum upon the occurrence of each Registration Default, which rate (as increased as aforesaid) will increase by an additional one quarter of one percent each 90-day period that such additional interest continues to accrue under any such circumstance, with an aggregate maximum increase in the interest rate equal to one percent (1%) per annum. The Shelf Registration Statement will be required to remain effective until the second anniversary of the issuance of the Series C Securities. Following the cure of all Registration Defaults the accrual of additional interest will cease and the interest rate will revert to the original rate; provided that, to the extent interest at such increased interest rate has been paid or duly provided for with respect to the Series C Security, interest at such increased interest rate, if any, on this Series D Security shall accrue from the most recent Interest Payment Date to which such interest on the Series C Security has been paid or duly provided for; provided, however, that, if after any such reduction in interest rate, a different event specified in clause (a), (b), (c) or (d) above occurs, the interest rate shall again be increased pursuant to the foregoing provisions.

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or any Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the January 15 or July 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid, or duly provided for, and interest on such defaulted interest at the interest rate borne by the Series D Securities, to the extent lawful, shall forthwith cease to be payable to the Holder on such Regular Record Date, and may either be paid to the Person in whose name this Security (or any Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may be listed, and upon such notice as may be required by such exchange, all as more fully provided in this Indenture.

Payment of the principal of, premium, if any, and interest on, this Security, and exchange or transfer of the Security, will be made at the office or agency of the Company in The City of New York maintained for such purpose (which initially will be a corporate trust office of the Trustee located at 100 Wall Street, 20th Floor, New York, New York, 10005, or at such other

office or agency as may be maintained for such purpose, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that

payment of interest may be made at the option of the Company by check mailed to the address of the Person entitled thereto as such address shall appear on the Security Register.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

This Security is entitled to the benefits of the Guarantees by the Guarantors of the punctual payment when due and performance of the Indenture Obligations made in favor of the Trustee for the benefit of the Holders. Reference is made to Article Thirteen of the Indenture for a statement of the respective rights, limitations of rights, duties and obligations under the Guarantees of the Guarantors.

Unless the certificate of authentication hereon has been duly executed by the Trustee referred to on the reverse hereof or by the authenticating agent appointed as provided in the Indenture by manual signature of an authorized signer, this Security shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed by the manual or facsimile signature of its authorized officers.

Sonic Automotive, Inc.

By: _____
Title:_____

Attest:

_____
Authorized Officer

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the 11% Senior Subordinated Notes due 2008, Series D referred to in the within-mentioned Indenture.

U.S. Bank Trust National Association,
as Trustee

By: _____
Authorized Signer

Dated:

OPTION OF HOLDER TO ELECT PURCHASE

If you wish to have this Security purchased by the Company pursuant to Section 1012 or Section 1014, as applicable, of the Indenture, check the Box: [ ].

If you wish to have a portion of this Security purchased by the Company pursuant to Section 1012 or Section 1014 as applicable, of the Indenture, state the amount (in original principal amount):

$ _____

Date: _____ Your Signature: _____

(Sign exactly as your name appears on the other side of this Security)

Signature Guarantee: _____

[Signature must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15]

Section 203. Form of Reverse of Securities.

(a) The form of the reverse of the Series C Securities shall be substantially as follows:

Sonic Automotive, Inc.
11% Senior Subordinated Note due 2008, Series C

This Security is one of a duly authorized issue of Securities of the Company designated as its 11% Senior Subordinated Notes due 2008, Series C (herein called the "Securities"), limited (except as otherwise provided in the Indenture referred to below) in aggregate principal amount to $75,000,000, issued under and subject to the terms of an indenture (herein called the "Indenture") dated as of November 19, 2001, among the Company, the Guarantors and U.S. Bank Trust National Association, as trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties, obligations and immunities thereunder of the Company, the Guarantors, the Trustee and the Holders of the Securities, and of the terms upon which the Securities are, and are to be, authenticated and delivered.

The Securities are subject to redemption at any time on or after August 1, 2003, at the option of the Company, in whole or in part, on not less than 30 nor more than 60 days' prior notice, in amounts of $1,000 or an integral multiple thereof, at the following redemption prices (expressed as percentages of the principal amount), if redeemed during the 12-month period beginning August 1 of the years indicated below:

Year	Redemption Price
2003.....	105.50%
2004.....	103.667%
2005.....	101.833%

and thereafter at 100% of the principal amount, in each case, together with accrued and unpaid interest, if any, to the Redemption Date (subject to the rights of Holders of record on relevant record dates to receive interest due on an Interest Payment Date).

If less than all of the Securities are to be redeemed, the Trustee shall select the Securities or portions thereof to be redeemed pro rata, by lot or by any other method the Trustee shall deem fair and reasonable.

Upon the occurrence of a Change of Control, each Holder may require the Company to purchase such Holder's Securities in whole or in part in integral multiples of $1,000, at a purchase price in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase, pursuant to a Change of Control Offer in accordance with the procedures set forth in the Indenture.

Under certain circumstances, in the event the Net Cash Proceeds received by the Company from any Asset Sale, which proceeds are not used to repay permanently any Senior Indebtedness or Senior Guarantor Indebtedness or invested in Replacement Assets or exceeds a specified amount the Company will be required to apply such proceeds to the repayment of the Securities and certain Indebtedness ranking pari passu in right of payment to the Securities.

In the case of any redemption or repurchase of Securities in accordance with the Indenture, interest installments whose Stated Maturity is on or prior to the Redemption Date will be payable to the Holders of such Securities of record as of the close of business on the relevant Regular Record Date or Special Record Date referred to on the face hereof. Securities (or portions thereof) for whose redemption and payment provision is made in accordance with the Indenture shall cease to bear interest from and after the Redemption Date.

In the event of redemption or repurchase of this Security in accordance with the Indenture in part only, a new Security or Securities for the unredeemed portion hereof shall be issued in the name of the Holder hereof upon the cancellation hereof.

If an Event of Default shall occur and be continuing, the principal amount of all the Securities may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture contains provisions for defeasance at any time of (a) the entire Indebtedness on the Securities and (b) certain restrictive covenants and related Defaults and Events of Default, in each case upon compliance with certain conditions set forth therein.

The Indenture permits, with certain exceptions (including certain amendments permitted without the consent of any Holders and certain amendments which require the consent of all the Holders) as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the Guarantors and the rights of the Holders under the Indenture and the Securities and the Guarantees at any time by the Company and the Trustee with the consent of the Holders of at least a majority in aggregate principal amount of the Securities at the time Outstanding. The Indenture also contains provisions permitting the Holders of at least a majority in aggregate principal amount of the Securities (100% of the Holders in certain circumstances) at the time Outstanding, on behalf of the Holders of all the Securities, to waive compliance by the Company and the Guarantors with certain provisions of the Indenture and the Securities and the Guarantees and certain past Defaults under the Indenture and the Securities and the Guarantees and their consequences. Any such consent or waiver by or on behalf of the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, any Guarantor or any other obligor on the Securities (in the event such Guarantor or such other obligor is obligated to make payments in respect of the Securities), which is absolute and unconditional, to pay the principal of, premium, if any, and interest on, this Security at the times, place, and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in the Borough of Manhattan, The City of New York, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or its attorney duly authorized in writing, and thereupon one or more new Securities, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

Certificated Securities shall be transferred to all beneficial holders in exchange for their beneficial interests in the Rule 144A Global Securities or the Regulation S Global Securities, if any, if (x) the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for such Global Security and a successor Depositary is not appointed by the Company within 90 days or (y) there shall have occurred and be continuing an Event of Default and the Security Registrar has received a request from the Depositary. Upon any such issuance, the Trustee is required to register such certificated Securities in the name of, and cause the same to be delivered to, such Person or Persons (or the nominee of any thereof). All such certificated Securities would be required to include the Private Placement Legend.

Securities in certificated form are issuable only in registered form without coupons in denominations of $1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Securities are exchangeable for a like aggregate principal amount of Securities of a differing authorized denomination, as requested by the Holder surrendering the same.

At any time when the Company is not subject to Sections 13 or 15(d) of the Exchange Act, upon the written request of a Holder of a Series C Security, the Company will promptly furnish or cause to be furnished such information as is specified pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto) to such Holder or to a prospective purchaser of such Security who such Holder informs the Company is reasonably believed to be a "Qualified Institutional Buyer" within the meaning of Rule 144A under the Securities Act, as the case may be, in order to permit compliance by

such Holder with Rule 144A under the Securities Act.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, any Guarantor, the Trustee and any agent of the Company, any Guarantor or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security is overdue, and neither the Company, any Guarantor, the Trustee nor any such agent shall be affected by notice to the contrary.

THIS SECURITY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF.

All terms used in this Security which are defined in the Indenture and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

[The Transferee Certificate, in the form of Appendix I hereto, will be attached to the Series C Security.]

(b) The form of the reverse of the Series D Securities shall be substantially as follows:

Sonic Automotive, Inc.
11% Senior Subordinated Note due 2008, Series D

This Security is one of a duly authorized issue of Securities of the Company designated as its 11% Senior Subordinated Notes due 2008, Series D (herein called the "Securities") limited (except as otherwise provided in the Indenture referred to below) in aggregate principal amount to $200,000,000 (less the principal amount of Series B Securities outstanding), issued under and subject to the terms of an indenture (herein called the "Indenture") dated as of November 19, 2001 among the Company, the Guarantors and U.S. Bank Trust National Association, as trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties, obligations and immunities thereunder of the Company, the Guarantors, the Trustee and the Holders of the Securities, and of the terms upon which the Securities are, and are to be, authenticated and delivered.

The Series D Securities are subject to redemption at any time on or after August 1, 2003, at the option of the Company, in whole or in part, on not less than 30 nor more than 60 days' prior notice, in amounts of $1,000 or an integral multiple thereof, at the following redemption prices (expressed as percentages of the principal amount), if redeemed during the 12-month period beginning August 1 of the years indicated below:

Year	Redemption Price
2003.....	105.50%
2004.....	103.667%
2005.....	101.833%

and thereafter at 100% of the principal amount, in each case, together with accrued and unpaid interest, if any, to the Redemption Date (subject to the rights of Holders of record on relevant record dates to receive interest due on an Interest Payment Date).

If less than all of the Securities are to be redeemed, the Trustee shall select the Securities or portions thereof to be redeemed pro rata, by lot or by any other method the Trustee shall deem fair and reasonable.

Upon the occurrence of a Change of Control, each Holder may require the Company to purchase such Holder's Securities in whole or in part in integral multiples of $1,000, at a purchase price in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase, pursuant to Change of Control Offer and in accordance with the procedures set forth in the Indenture.

Under certain circumstances, in the event the Net Cash Proceeds received by the Company from any Asset Sale, which proceeds are not used to repay permanently any Senior Indebtedness or Senior Guarantor Indebtedness or invested in Replacement Assets or exceeds a specified amount, the Company will be required to apply such proceeds to the repayment of the Securities and certain Indebtedness ranking pari passu in right of payment to the Securities.

In the case of any redemption or repurchase of Securities in accordance with the Indenture, interest installments whose Stated Maturity is on or prior to the Redemption Date will be payable to the Holders of such Securities of record as of the close of business on the relevant Regular Record Date or Special Record Date referred to on the face hereof. Securities (or portions thereof) for whose redemption and payment provision is made in accordance with the Indenture shall cease to bear interest from and after the Redemption Date.

In the event of redemption or repurchase of this Security in accordance with the Indenture in part only, a new Security or Securities for the unredeemed portion hereof shall be issued in the name of the Holder hereof upon the cancellation hereof.

If an Event of Default shall occur and be continuing, the principal amount of all the Securities may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture contains provisions for defeasance at any time of (a) the entire Indebtedness on the Securities and (b) certain restrictive covenants and related Defaults and Events of Default, in each case upon compliance with certain conditions set forth therein.

The Indenture permits, with certain exceptions (including certain amendments permitted without the consent of any Holders and certain amendments which required the consent of all of the Holders) as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the Guarantors and the rights of the Holders under the Indenture and the Securities and the Guarantees at any time by the Company and the Trustee with the consent of the Holders of at least a majority in aggregate principal amount of the Securities at the time Outstanding. The Indenture also contains provisions permitting the Holders of at least a majority in aggregate principal amount of the Securities (100% of the Holders in certain circumstances) at the time Outstanding, on behalf of the Holders of all the Securities, to waive compliance by the Company and the Guarantors with certain provisions of the Indenture and the Securities and the Guarantees and certain past Defaults under the Indenture and the Securities and the Guarantees and their consequences. Any such consent or waiver by or on behalf of the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, any Guarantor or any other obligor on the Securities (in the event such Guarantor or such other obligor is obligated to make payments in respect of the Securities), which is absolute and unconditional, to pay the principal of, and premium, if any, and interest on, this Security at the times, place, and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in the Borough of Manhattan, The City of New York, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or its attorney duly authorized in writing, and thereupon one or more new Securities, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

Certificated Securities shall be transferred to all beneficial holders in exchange for their beneficial interests in the Rule 144A Global Securities or the Regulation S Global Securities if (x) the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for such Global Security and a successor Depositary is not appointed by the Company within 90 days or (y) there shall have occurred and be continuing an Event of Default and the Security Registrar has received a request from the Depositary. Upon any such issuance, the Trustee is required to register such certificated Securities in the name of, and cause the same to be delivered to, such Person or Persons (or the nominee of any thereof).

Securities in certificated form are issuable only in

registered form without coupons in denominations of $1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Securities are exchangeable for a like aggregate principal amount of Securities of a differing authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, any Guarantor, the Trustee and any agent of the Company, any Guarantor or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security is overdue, and neither the Company, any Guarantor, the Trustee nor any such agent shall be affected by notice to the contrary.

THIS SECURITY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF.

All terms used in this Security which are defined in the Indenture and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

[The Transferee Certificate, in the form of Appendix II hereto, will be attached to the Series D Security.]

Section 204. Form of Guarantee.

The form of Guarantee shall be set forth on the Securities substantially as follows:

GUARANTEE

For value received, each of the undersigned hereby absolutely, fully and unconditionally and irrevocably guarantees, jointly and severally with each other Guarantor, to the holder of this Security the payment of principal of, premium, if any, and interest on this Security upon which these Guarantees are endorsed in the amounts and at the time when due and payable whether by declaration thereof, or otherwise, and interest on the overdue principal and interest, if any, of this Security, if lawful, and the payment or performance of all other obligations of the Company under the Indenture or the Securities, to the holder of this Security and the Trustee, all in accordance with and subject to the terms and limitations of this Security and Article Thirteen of the Indenture. This Guarantee will not become effective until the Trustee duly executes the certificate of authentication on this Security. These Guarantees shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of law principles thereof.

Dated:

AUTOBAHN, INC. (a California corporation)
CAPITOL CHEVROLET AND IMPORTS, INC. (an Alabama corporation)
COBB PONTIAC CADILLAC, INC. (an Alabama corporation)
FA SERVICE CORPORATION (a California corporation)
FAA AUTO FACTORY, INC. (a California corporation)
FAA BEVERLY HILLS, INC. (a California corporation)
FAA CAPITOL F, INC. (a California corporation)
FAA CAPITOL N, INC. (a California corporation)
FAA CONCORD H, INC. (a California corporation)
FAA CONCORD N, INC. (a California corporation)
FAA CONCORD T, INC. (a California corporation)
FAA DUBLIN N, INC. (a California corporation)
FAA DUBLIN VWD, INC. (a California corporation)
FAA HOLDING CORP. (a California corporation)
FAA LAS VEGAS H, INC. (a Nevada corporation)
FAA MARIN D, INC. (a California corporation)
FAA MARIN F, INC. (a California corporation)
FAA MARIN LR, INC. (a California corporation)
FAA POWAY D, INC. (a California corporation)
FAA POWAY G, INC. (a California corporation)
FAA POWAY H, INC. (a California corporation)
FAA POWAY T, INC. (a California corporation)
FAA SAN BRUNO, INC. (a California corporation)
FAA SANTA MONICA V, INC. (a California corporation)
FAA SERRAMONTE H, INC. (a California corporation)
FAA SERRAMONTE L, INC. (a California corporation)
FAA SERRAMONTE, INC. (a California corporation)
FAA STEVENS CREEK, INC. (a California corporation)
FAA TORRANCE CPJ, INC. (a California corporation)
FIRSTAMERICA AUTOMOTIVE, INC. (a Delaware corporation)
FORT MILL CHRYSLER-PLYMOUTH-DODGE INC. (a South Carolina corporation)

FORT MILL FORD, INC. (a South Carolina corporation)
FRANCISCAN MOTORS, INC. (a California corporation)
FREEDOM FORD, INC. (a Florida corporation)
FRONTIER OLDSMOBILE-CADILLAC, INC. (a North Carolina corporation)
HMC FINANCE ALABAMA, INC. (an Alabama corporation)
KRAMER MOTORS INCORPORATED (a California corporation)

LAWRENCE MARSHALL CHEVROLET, LLC (a Delaware limited liability company)
LAWRENCE MARSHALL CHEVROLET, L.P. (a Texas limited partnership)
L DEALERSHIP GROUP, INC. (a Texas corporation)
MARCUS DAVID CORPORATION (a North Carolina corporation)
PHILPOTT MOTORS, LTD. (a Texas limited partnership)
RIVERSIDE NISSAN, INC. (an Oklahoma corporation)
ROYAL MOTOR COMPANY, INC. (an Alabama corporation)
SANTA CLARA IMPORTED CARS, INC. (a California corporation)
SMART NISSAN, INC. (a California corporation)
SONIC AUTOMOTIVE - BONDESEN, INC. (a Florida corporation)
SONIC AUTOMOTIVE OF CHATTANOOGA, LLC (a Tennessee limited liability company)
SONIC AUTOMOTIVE-CLEARWATER, INC. (a Florida corporation)
SONIC AUTOMOTIVE COLLISION CENTER OF CLEARWATER, INC. (a Florida corporation)
SONIC AUTOMOTIVE F&I, LLC (a Nevada limited liability company)
SONIC AUTOMOTIVE OF GEORGIA, INC. (a Georgia corporation)
SONIC AUTOMOTIVE OF NASHVILLE, LLC (a Tennessee limited liability company)
SONIC AUTOMOTIVE OF NEVADA, INC. (a Nevada corporation)
SONIC AUTOMOTIVE SERVICING COMPANY, LLC (a Nevada limited liability company)
SONIC AUTOMOTIVE OF TENNESSEE, INC. (a Tennessee corporation)
SONIC AUTOMOTIVE OF TEXAS, L.P. (a Texas limited partnership)
SONIC AUTOMOTIVE WEST, LLC (a Nevada limited liability company)
SONIC AUTOMOTIVE - 1307 N. DIXIE HWY., NSB, INC. (a Florida corporation)
SONIC AUTOMOTIVE-1400 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE-1455 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE-1495 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE-1500 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE - 1720 MASON AVE., DB, INC. (a Florida corporation)
SONIC AUTOMOTIVE - 1720 MASON AVE., DB, LLC (a Florida limited liability company)
SONIC AUTOMOTIVE - 1919 N. DIXIE HWY., NSB, INC. (a Florida corporation)
SONIC AUTOMOTIVE - 21699 U.S. HWY 19 N., INC. (a Florida corporation)
SONIC AUTOMOTIVE - 241 RIDGEWOOD AVE., HH, INC. (a Florida corporation)
SONIC AUTOMOTIVE 2424 LAURENS RD., GREENVILLE, INC. (a South Carolina corporation)
SONIC AUTOMOTIVE - 2490 SOUTH LEE HIGHWAY, LLC (a Tennessee limited liability company),
SONIC AUTOMOTIVE 2752 LAURENS RD., GREENVILLE, INC. (a South Carolina corporation)
SONIC AUTOMOTIVE - 3401 N. MAIN, TX, L.P. (a Texas limited partnership)
SONIC AUTOMOTIVE-3700 WEST BROAD STREET, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE - 3741 S. NOVA RD., PO, INC. (a Florida corporation)
SONIC AUTOMOTIVE-4000 WEST BROAD STREET, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE - 4701 I-10 EAST, TX, L.P. (a Texas limited partnership)
SONIC AUTOMOTIVE - 5221 I-10 EAST, TX, L.P. (a Texas limited partnership)
SONIC AUTOMOTIVE 5260 PEACHTREE INDUSTRIAL BLVD., LLC (a Georgia limited liability company)
SONIC AUTOMOTIVE-5585 PEACHTREE INDUSTRIAL BLVD., LLC (a Georgia limited liability company),
SONIC AUTOMOTIVE - 6008 N. DALE MABRY, FL, INC. (a Florida corporation)
SONIC AUTOMOTIVE - 6025 INTERNATIONAL DRIVE, LLC (a Tennessee limited liability company)
SONIC AUTOMOTIVE - 9103 E. INDEPENDENCE, NC, LLC (a North Carolina limited liability company)
SONIC - BETHANY H, INC. (an Oklahoma corporation)
SONIC - 2185 CHAPMAN RD., CHATTANOOGA, LLC (a Tennessee limited liability company)
SONIC - BUENA PARK H, INC. (a California corporation)
SONIC - CAMP FORD, L.P. (a Texas limited partnership)

SONIC - CAPITAL CHEVROLET, INC. (an Ohio corporation)
SONIC - CARROLLTON V, L.P. (a Texas limited partnership)
SONIC CHRYSLER-PLYMOUTH-JEEP, LLC (a North Carolina limited liability company)

SONIC - CLASSIC DODGE, INC. (an Alabama corporation)
SONIC - COAST CADILLAC, INC. (a California corporation)
SONIC DODGE, LLC (a North Carolina limited liability company)
SONIC DEVELOPMENT, LLC (a North Carolina limited liability company)
SONIC - FM AUTOMOTIVE, LLC (a Florida limited liability company)
SONIC - FM , INC. (a Florida corporation)
SONIC - FM NISSAN, INC. (a Florida corporation)
SONIC - FM VW, INC. (a Florida corporation)
SONIC - FORT WORTH T, L.P. (a Texas limited partnership)
SONIC - FREELAND, INC. (a Florida corporation)
SONIC - GLOBAL IMPORTS, L.P. (a Georgia limited partnership)
SONIC-GLOVER, INC. (an Oklahoma corporation)
SONIC - HARBOR CITY H, INC. (a California corporation)
SONIC - HOUSTON V, L.P. (a Texas limited partnership)
SONIC - INTEGRITY DODGE LV, LLC (a Nevada limited liability company)
SONIC - LAS VEGAS C EAST, LLC (a Nevada limited liability company)
SONIC - LAS VEGAS C WEST, LLC (a Nevada limited liability company)
SONIC - LLOYD NISSAN, INC. (a Florida corporation)
SONIC - LLOYD PONTIAC - CADILLAC, INC. (a Florida corporation)
SONIC - LUTE RILEY, L. P. (a Texas limited partnership)
SONIC - MANHATTAN FAIRFAX, INC. (a Virginia corporation)
SONIC - MANHATTAN WALDORF, INC. (a Maryland corporation)
SONIC-MONTGOMERY FLM, INC. (an Alabama corporation)
SONIC - NEWSOME CHEVROLET WORLD, INC. (a South Carolina corporation)
SONIC - NEWSOME OF FLORENCE, INC. (a South Carolina corporation)
SONIC - NORTH CHARLESTON, INC. (a South Carolina corporation)
SONIC - NORTH CHARLESTON DODGE, INC. (a South Carolina corporation)
SONIC - PARK PLACE A, L.P. (a Texas limited partnership) (formerly Sonic - Dallas Auto Factory, L.P.)
SONIC PEACHTREE INDUSTRIAL BLVD., L.P. (a Georgia limited partnership)
SONIC - READING, L.P. (a Texas limited partnership)
SONIC RESOURCES, INC. (a Nevada corporation)
SONIC - RICHARDSON F, L.P. (a Texas limited partnership)
SONIC-RIVERSIDE, INC. (an Oklahoma corporation)
SONIC - RIVERSIDE AUTO FACTORY, INC. (an Oklahoma corporation)
SONIC - ROCKVILLE IMPORTS, INC. (a Maryland corporation)
SONIC - ROCKVILLE MOTORS, INC. (a Maryland corporation)
SONIC - SAM WHITE NISSAN, L.P. (a Texas limited partnership)
SONIC - SHOTTENKIRK, INC. (a Florida corporation)
SONIC - STEVENS CREEK B, INC. (a California corporation) (formerly known as Don Lucas International, Inc.)
SONIC - SUPERIOR OLDSMOBILE, LLC (a Tennessee limited liability company)
SONIC OF TEXAS, INC. (a Texas corporation)
SONIC-VOLVO LV, LLC (a Nevada limited liability company)
SONIC - WEST COVINA T, INC. (a California corporation)
SONIC - WEST RENO CHEVROLET, INC. (an Oklahoma corporation)
SONIC - WILLIAMS BUICK, INC. (an Alabama corporation)
SONIC - WILLIAMS CADILLAC, INC. (an Alabama corporation)
SONIC - WILLIAMS IMPORTS, INC. (an Alabama corporation)
SONIC - WILLIAMS MOTORS, LLC (an Alabama limited liability company)
SPEEDWAY CHEVROLET, INC. (an Oklahoma corporation)

SRE ALABAMA - 2, LLC (an Alabama limited liability company)
SRE ALABAMA - 3, LLC (an Alabama limited liability company)
SREALESTATE ARIZONA - 1, LLC (an Arizona limited liability company)
SREALESTATE ARIZONA - 2, LLC (an Arizona limited liability company)
SREALESTATE ARIZONA - 3, LLC (an Arizona limited liability company)
SREALESTATE ARIZONA - 4, LLC (an Arizona limited liability company)
SRE FLORIDA - 1, LLC (a Florida limited liability company)
SRE FLORIDA - 2, LLC (a Florida limited liability company)
SRE FLORIDA - 3, LLC (a Florida limited liability company)
SRE GEORGIA - 1, L.P. (a Georgia limited liability partnership)
SRE GEORGIA - 2, L.P. (a Georgia limited liability partnership)
SRE GEORGIA - 3, L.P. (a Georgia limited liability partnership)
SRE HOLDING, LLC (a North Carolina limited liability company)
SRE NEVADA - 1, LLC (a Nevada limited liability company)
SRE NEVADA - 2, LLC (a Nevada limited liability company)
SRE NEVADA - 3, LLC (a Nevada limited liability company)
SRE SOUTH CAROLINA - 2, LLC (a South Carolina limited liability company)
SRE TENNESSEE - 1, LLC (a Tennessee limited liability company)
SRE TENNESSEE - 2, LLC (a Tennessee limited liability company)
SRE TENNESSEE - 3, LLC (a Tennessee limited liability company)
SRE TEXAS - 1, L.P. (a Texas limited partnership)
SRE TEXAS - 2, L.P. (a Texas limited partnership)
SRE TEXAS - 3, L.P. (a Texas limited partnership)
SRE VIRGINIA - 1, LLC (a Virginia limited liability company)
STEVENS CREEK CADILLAC, INC. (a California corporation)
TRANSCAR LEASING, INC. (a California corporation)
TOWN AND COUNTRY CHRYSLER-PLYMOUTH-JEEP, LLC (a Tennessee limited liability company)

TOWN AND COUNTRY CHRYSLER-PLYMOUTH-JEEP OF ROCK HILL, INC. (a South Carolina corporation)
TOWN AND COUNTRY DODGE OF CHATTANOOGA, LLC (a Tennessee limited liability company)
TOWN AND COUNTRY FORD, INCORPORATED (a North Carolina corporation)
TOWN AND COUNTRY FORD OF CLEVELAND, LLC (a Tennessee limited liability company)
TOWN AND COUNTRY JAGUAR, LLC (a Tennessee limited liability company)
VILLAGE IMPORTED CARS, INC. (a Maryland corporation) and
WINDWARD, INC. (a Hawaii corporation)

By:_____
Name:
Title:

Attest: _____
Name:
Title:

SONIC AUTOMOTIVE, INC. (A Delaware Corporation), as Issuer,

AUTOBAHN, INC. (a California corporation),
CAPITOL CHEVROLET AND IMPORTS, INC. (an Alabama corporation),
COBB PONTIAC CADILLAC, INC. (an Alabama corporation),
FA SERVICE CORPORATION (a California corporation),
FAA AUTO FACTORY, INC. (a California corporation),
FAA BEVERLY HILLS, INC. (a California corporation),
FAA CAPITOL F, INC. (a California corporation),
FAA CAPITOL N, INC. (a California corporation),
FAA CONCORD H, INC. (a California corporation),
FAA CONCORD N, INC. (a California corporation),
FAA CONCORD T, INC. (a California corporation),
FAA DUBLIN N, INC. (a California corporation),
FAA DUBLIN VWD, INC. (a California corporation),
FAA HOLDING CORP. (a California corporation),
FAA LAS VEGAS H, INC. (a Nevada corporation),
FAA MARIN D, INC. (a California corporation),
FAA MARIN F, INC. (a California corporation),
FAA MARIN LR, INC. (a California corporation),
FAA POWAY D, INC. (a California corporation),
FAA POWAY G, INC. (a California corporation),
FAA POWAY H, INC. (a California corporation),
FAA POWAY T, INC. (a California corporation),
FAA SAN BRUNO, INC. (a California corporation),
FAA SANTA MONICA V, INC. (a California corporation),
FAA SERRAMONTE H, INC. (a California corporation),
FAA SERRAMONTE L, INC. (a California corporation),
FAA SERRAMONTE, INC. (a California corporation),
FAA STEVENS CREEK, INC. (a California corporation),
FAA TORRANCE CPJ, INC. (a California corporation),
FIRSTAMERICA AUTOMOTIVE, INC. (a Delaware corporation),
FORT MILL CHRYSLER-PLYMOUTH-DODGE INC. (a South Carolina corporation),
FORT MILL FORD, INC. (a South Carolina corporation),
FRANCISCAN MOTORS, INC. (a California corporation),
FREEDOM FORD, INC. (a Florida corporation),
FRONTIER OLDSMOBILE-CADILLAC, INC. (a North Carolina corporation),
HMC FINANCE ALABAMA, INC. (an Alabama corporation),
KRAMER MOTORS INCORPORATED (a California corporation),
LAWRENCE MARSHALL CHEVROLET, LLC (a Delaware limited liability company),
LAWRENCE MARSHALL CHEVROLET, L.P. (a Texas limited partnership),
L DEALERSHIP GROUP, INC. (a Texas corporation),
MARCUS DAVID CORPORATION (a North Carolina corporation),
PHILPOTT MOTORS, LTD. (a Texas limited partnership),
RIVERSIDE NISSAN, INC. (an Oklahoma corporation),
ROYAL MOTOR COMPANY, INC. (an Alabama corporation),
SANTA CLARA IMPORTED CARS, INC. (a California corporation),
SMART NISSAN, INC. (a California corporation),
SONIC AUTOMOTIVE - BONDESEN, INC. (a Florida corporation),
SONIC AUTOMOTIVE OF CHATTANOOGA, LLC (a Tennessee limited liability company),
SONIC AUTOMOTIVE-CLEARWATER, INC. (a Florida corporation),
SONIC AUTOMOTIVE COLLISION CENTER OF CLEARWATER, INC. (a Florida corporation),
SONIC AUTOMOTIVE F&I, LLC (a Nevada limited liability company),
SONIC AUTOMOTIVE OF GEORGIA, INC. (a Georgia corporation),
SONIC AUTOMOTIVE OF NASHVILLE, LLC (a Tennessee limited liability company),
SONIC AUTOMOTIVE OF NEVADA, INC. (a Nevada corporation),

SONIC AUTOMOTIVE SERVICING COMPANY, LLC (a Nevada limited liability company),
SONIC AUTOMOTIVE OF TENNESSEE, INC. (a Tennessee corporation),
SONIC AUTOMOTIVE OF TEXAS, L.P. (a Texas limited partnership),
SONIC AUTOMOTIVE WEST, LLC (a Nevada limited liability company),
SONIC AUTOMOTIVE - 1307 N. DIXIE HWY., NSB, INC. (a Florida corporation),
SONIC AUTOMOTIVE-1400 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation),
SONIC AUTOMOTIVE-1455 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation),
SONIC AUTOMOTIVE-1495 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation),
SONIC AUTOMOTIVE-1500 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation),
SONIC AUTOMOTIVE - 1720 MASON AVE., DB, INC. (a Florida corporation),
SONIC AUTOMOTIVE - 1720 MASON AVE., DB,LLC(a Florida limited liability company),
SONIC AUTOMOTIVE - 1919 N. DIXIE HWY., NSB, INC. (a Florida corporation),
SONIC AUTOMOTIVE - 21699 U.S. HWY 19 N., INC. (a Florida corporation),
SONIC AUTOMOTIVE - 241 RIDGEWOOD AVE., HH, INC. (a Florida corporation),
SONIC AUTOMOTIVE 2424 LAURENS RD.,GREENVILLE,INC.(a South Carolina corporation),
SONIC AUTOMOTIVE - 2490 SOUTH LEE HIGHWAY, LLC
(a Tennessee limited liability company),
SONIC AUTOMOTIVE 2752 LAURENS RD.,GREENVILLE, INC.(a South Carolina corporation)
SONIC AUTOMOTIVE - 3401 N. MAIN, TX, L.P. (a Texas limited partnership),
SONIC AUTOMOTIVE-3700 WEST BROAD STREET, COLUMBUS, INC. (an Ohio corporation),
SONIC AUTOMOTIVE - 3741 S. NOVA RD., PO, INC. (a Florida corporation),
SONIC AUTOMOTIVE-4000 WEST BROAD STREET, COLUMBUS, INC. (an Ohio corporation),
SONIC AUTOMOTIVE - 4701 I-10 EAST, TX, L.P. (a Texas limited partnership),
SONIC AUTOMOTIVE - 5221 I-10 EAST, TX, L.P. (a Texas limited partnership),
SONIC AUTOMOTIVE 5260 PEACHTREE INDUSTRIAL BLVD.,LLC

(a Georgia limited liability company),
SONIC AUTOMOTIVE-5585 PEACHTREE INDUSTRIAL BLVD., LLC
(a Georgia limited liability company),
SONIC AUTOMOTIVE - 6008 N. DALE MABRY, FL, INC. (a Florida corporation),
SONIC AUTOMOTIVE - 6025 INTERNATIONAL DRIVE,LLC
(a Tennessee limited liability company),
SONIC AUTOMOTIVE - 9103 E. INDEPENDENCE, NC, LLC
(a North Carolina limited liability company),
SONIC - BETHANY H, INC. (an Oklahoma corporation),
SONIC-2185 CHAPMAN RD.,CHATTANOOGA, LLC(a Tennessee limited liability company),
SONIC - BUENA PARK H, INC. (a California corporation),
SONIC - CAMP FORD, L.P. (a Texas limited partnership),
SONIC - CAPITAL CHEVROLET, INC. (an Ohio corporation),
SONIC - CARROLLTON V, L.P. (a Texas limited partnership),
SONIC CHRYSLER-PLYMOUTH-JEEP, LLC (a North Carolina limited liability company),
SONIC - CLASSIC DODGE, INC. (an Alabama corporation),
SONIC - COAST CADILLAC, INC. (a California corporation),
SONIC DODGE, LLC (a North Carolina limited liability company),
SONIC DEVELOPMENT, LLC (a North Carolina limited liability company),
SONIC - FM AUTOMOTIVE, LLC (a Florida limited liability company),
SONIC - FM , INC. (a Florida corporation),
SONIC - FM NISSAN, INC. (a Florida corporation),
SONIC - FM VW, INC. (a Florida corporation),
SONIC - FORT WORTH T, L.P. (a Texas limited partnership),
SONIC - FREELAND, INC. (a Florida corporation),
SONIC - GLOBAL IMPORTS, L.P. (a Georgia limited partnership),
SONIC-GLOVER, INC. (an Oklahoma corporation),
SONIC - HARBOR CITY H, INC. (a California corporation),
SONIC - HOUSTON V, L.P. (a Texas limited partnership),
SONIC - INTEGRITY DODGE LV, LLC (a Nevada limited liability company),
SONIC - LAS VEGAS C EAST, LLC (a Nevada limited liability company),
SONIC - LAS VEGAS C WEST, LLC (a Nevada limited liability company),
SONIC - LLOYD NISSAN, INC. (a Florida corporation),
SONIC - LLOYD PONTIAC - CADILLAC, INC. (a Florida corporation),
SONIC - LUTE RILEY, L. P. (a Texas limited partnership),
SONIC - MANHATTAN FAIRFAX, INC. (a Virginia corporation),

SONIC - MANHATTAN WALDORF, INC. (a Maryland corporation),
SONIC-MONTGOMERY FLM, INC. (an Alabama corporation),
SONIC - NEWSOME CHEVROLET WORLD, INC. (a South Carolina corporation),
SONIC - NEWSOME OF FLORENCE, INC. (a South Carolina corporation),
SONIC - NORTH CHARLESTON, INC. (a South Carolina corporation),
SONIC - NORTH CHARLESTON DODGE, INC. (a South Carolina corporation),
SONIC - PARK PLACE A, L.P. (a Texas limited partnership)
(formerly Sonic-Dallas Auto Factory, L.P.),
SONIC PEACHTREE INDUSTRIAL BLVD., L.P. (a Georgia limited partnership),
SONIC - READING, L.P. (a Texas limited partnership),
SONIC RESOURCES, INC. (a Nevada corporation),
SONIC - RICHARDSON F, L.P. (a Texas limited partnership),
SONIC-RIVERSIDE, INC. (an Oklahoma corporation),
SONIC - RIVERSIDE AUTO FACTORY, INC. (an Oklahoma corporation),
SONIC - ROCKVILLE IMPORTS, INC. (a Maryland corporation),
SONIC - ROCKVILLE MOTORS, INC. (a Maryland corporation),
SONIC - SAM WHITE NISSAN, L.P. (a Texas limited partnership),
SONIC - SHOTTENKIRK, INC. (a Florida corporation),
SONIC - STEVENS CREEK B, INC. (a California corporation)
(formerly known as Don Lucas International, Inc.),
SONIC - SUPERIOR OLDSMOBILE, LLC (a Tennessee limited liability company)
SONIC OF TEXAS, INC. (a Texas corporation),
SONIC-VOLVO LV, LLC (a Nevada limited liability company),
SONIC - WEST COVINA T, INC. (a California corporation),
SONIC - WEST RENO CHEVROLET, INC. (an Oklahoma corporation),
SONIC - WILLIAMS BUICK, INC. (an Alabama corporation),
SONIC - WILLIAMS CADILLAC, INC. (an Alabama corporation),
SONIC - WILLIAMS IMPORTS, INC. (an Alabama corporation),
SONIC - WILLIAMS MOTORS, LLC (an Alabama limited liability company),
SPEEDWAY CHEVROLET, INC. (an Oklahoma corporation),
SRE ALABAMA - 2, LLC (an Alabama limited liability company),
SRE ALABAMA - 3, LLC (an Alabama limited liability company),
SREALESTATE ARIZONA - 1, LLC (an Arizona limited liability company),
SREALESTATE ARIZONA - 2, LLC (an Arizona limited liability company),
SREALESTATE ARIZONA - 3, LLC (an Arizona limited liability company),
SREALESTATE ARIZONA - 4, LLC (an Arizona limited liability company),
SRE FLORIDA - 1, LLC (a Florida limited liability company),
SRE FLORIDA - 2, LLC (a Florida limited liability company),
SRE FLORIDA - 3, LLC (a Florida limited liability company),
SRE GEORGIA - 1, L.P. (a Georgia limited liability partnership),
SRE GEORGIA - 2, L.P. (a Georgia limited liability partnership),
SRE GEORGIA - 3, L.P. (a Georgia limited liability partnership),
SREHOLDING, LLC (a North Carolina limited liability company),
SRE NEVADA - 1, LLC (a Nevada limited liability company),
SRE NEVADA - 2, LLC (a Nevada limited liability company),
SRE NEVADA - 3, LLC (a Nevada limited liability company),
SRE SOUTH CAROLINA - 2, LLC (a South Carolina limited liability company),

SRE TENNESSEE - 1, LLC (a Tennessee limited liability company),
SRE TENNESSEE - 2, LLC (a Tennessee limited liability company),
SRE TENNESSEE - 3, LLC (a Tennessee limited liability company),
SRE TEXAS - 1, L.P. (a Texas limited partnership),
SRE TEXAS - 2, L.P. (a Texas limited partnership),
SRE TEXAS - 3, L.P. (a Texas limited partnership),
SRE VIRGINIA - 1, LLC (a Virginia limited liability company),
STEVENS CREEK CADILLAC, INC. (a California corporation),
TRANSCAR LEASING, INC. (a California corporation),
TOWN AND COUNTRY CHRYSLER-PLYMOUTH-JEEP, LLC
(a Tennessee limited liability company),
TOWN AND COUNTRY CHRYSLER-PLYMOUTH-JEEP OF ROCK HILL, INC.
(a South Carolina corporation),

TOWN AND COUNTRY DODGE OF CHATTANOOGA,LLC(a Tennessee limited liability company)
TOWN AND COUNTRY FORD, INCORPORATED (a North Carolina corporation),
TOWN AND COUNTRY FORD OF CLEVELAND,LLC (a Tennessee limited liability company),
TOWN AND COUNTRY JAGUAR,LLC (a Tennessee limited liability company),
VILLAGE IMPORTED CARS, INC. (a Maryland corporation), and
WINDWARD, INC. (a Hawaii corporation) as Guarantors,

and

U.S. Bank Trust National Association, as Trustee

INDENTURE

Dated as of November 19, 2001

11% Senior Subordinated Notes due 2008

Reconciliation and tie between Trust
Indenture Act of 1939,
as amended, and Indenture, dated as of November 19, 2001

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	(a)(2)	609
	(b)	608, 610
ss.311	(a)	613
ss.312	(a)	701
	(b)	702
	(c)	702
ss.313	(a)	703
	(b)(2)	703
	(c)	703, 704
ss.314	(a)	704
	(a)(4)	1018
	(c)(1)	103
	(c)(2)	103
	(e)	103
ss.315	(a)	601(b)
	(b)	602
	(c)	601(a)
	(d)	601(c), 603
	(e)	514
ss.316	(a)(last sentence)	101 ("Outstanding")
	(a)(1)(A)	512
	(a)(1)(B)	513
	(b)	508
	(c)	105(e)
ss.317	(a)(1)	503(b)
	(a)(2)	504
	(b)	1003
ss.318	(a)	108

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Note: This reconciliation and tie shall not, for any purpose, be deemed to be a part of this Indenture.

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INDENTURE, dated as of November 19, 2001, between Sonic Automotive, Inc., a Delaware corporation (the "Company"), the guarantors set forth on the signature pages hereto (each a "Guarantor" and collectively, the "Guarantors") and U.S. Bank Trust National Association, as Trustee (the "Trustee").

RECITALS OF THE COMPANY AND THE GUARANTORS

The Company has duly authorized the creation of an issue of (i) 11% Senior Subordinated Notes due 2008, Series C (the "Series C Securities") and (ii) 11% Senior Subordinated Notes due 2008, Series D (the "Series D Securities" and, together with the Series C Securities, the "Securities") of substantially the tenor and amount hereinafter set forth, and to provide therefor the Company has duly authorized the execution and delivery of this Indenture and the Securities;

Each Guarantor has duly authorized the issuance of a Guarantee of the Securities, of substantially the tenor hereinafter set forth, and to provide therefor, each Guarantor has duly authorized the execution and delivery of this Indenture and its Guarantee;

This Indenture is subject to, and shall be governed by, the provisions of the Trust Indenture Act that are required to be part of and to govern indentures qualified under the Trust Indenture Act;

All acts and things necessary have been done to make (i) the Securities, when duly issued and executed by the Company and authenticated and delivered hereunder, the valid obligations of the Company, (ii) the Guarantees, when executed by each of the Guarantors and delivered hereunder, the valid obligation of each of the Guarantors and (iii) this Indenture a valid agreement of the Company and each of the Guarantors in accordance with the terms of this Indenture;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Securities, as follows:

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 101. Definitions.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Article have the meanings assigned to them in this Article, and include the plural as well as the singular;

(b) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(c) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP;

(d) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision;

(e) all references to $, US$, dollars or United States dollars shall refer to the lawful currency of the United States of America; and

(f) all references herein to particular Sections or Articles refer to this Indenture unless otherwise so indicated.

Certain terms used principally in Article Four are defined in Article Four.

"Acquired Indebtedness" means Indebtedness of a Person (i) existing at the time such Person becomes a Restricted Subsidiary or (ii) assumed in connection with the acquisition of assets from such Person, in each case, other than Indebtedness incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary or such acquisition, as the case may be. Acquired Indebtedness shall be deemed to be incurred on the date of the related acquisition of assets from any Person or the date the acquired Person becomes a Restricted Subsidiary, as the case may be.

"Affiliate" means, with respect to any specified Person: (i) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person; (ii) any other Person that owns, directly or indirectly, 5% or more of such specified Person's Capital Stock or any officer or director of any such specified Person or other Person or, with respect to any natural Person, any person having a relationship with such Person by blood, marriage or adoption not more remote

than first cousin; or (iii) any other Person 5% or more of the Voting Stock of which is beneficially owned or held directly or indirectly by such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Applicable Procedures" means, with respect to any transfer or transaction involving a Global Security or beneficial interest therein, the rules and procedures of the Depositary for such Security, Euroclear and Clearstream, in each case to the extent applicable to such transaction and as in effect at the time of such transfer or transaction.

"Asset Sale" means any sale, issuance, conveyance, transfer, lease or other disposition (including, without limitation, by way of merger, consolidation or sale and leaseback Transaction) (collectively, a "transfer"), directly or indirectly, in one or a series of related transactions, of: (i) any Capital Stock of any Restricted Subsidiary (other than directors' qualifying shares and transfers of Capital Stock required by a Manufacturer to the extent the Company does not receive cash or Cash Equivalents for such Capital Stock); (ii) all or substantially all of the properties and assets of any division or line of business of the Company or any Restricted Subsidiary; or (iii) any other properties or assets of the Company or any Restricted Subsidiary other than in the ordinary course of business. For the purposes of this definition, the term "Asset Sale" shall not include any transfer of properties and assets (A) that is governed by the provisions described under Article Eight hereof, (B) that is by the Company to any Wholly Owned Restricted Subsidiary, or by any Restricted Subsidiary to the Company or any Wholly Owned Restricted Subsidiary in accordance with the terms of this Indenture, (C) that is of obsolete equipment, (D) that consists of defaulted receivables for collection or any sale, transfer or other disposition of defaulted receivables for collection, or (E) the Fair Market Value of which in the aggregate does not exceed $2.5 million in any transaction or series of related transactions.

"Average Life to Stated Maturity" means, as of the date of

determination with respect to any Indebtedness, the quotient obtained by dividing (i) the sum of the products of (a) the number of years from the date of determination to the date or dates of each successive scheduled principal payment of such Indebtedness multiplied by (b) the amount of each such principal payment; by (ii) the sum of all such principal payments.

"B Indenture" means the Indenture, dated as of July 1, 1998, among the Company, the Trustee and the other parties thereto providing for the issuance of the Series B Securities in aggregate principal amount of $125,000,000, as such agreement has been and may be amended or supplemented from time to time.

"Bankruptcy Law" means Title 11, United States Bankruptcy Code of 1978, as amended, or any similar United States federal or state law relating to

bankruptcy, insolvency, receivership, winding up, liquidation, reorganization or relief of debtors or any amendment to, succession to or change in any such law.

"Board of Directors" means the board of directors of the Company or any Guarantor, as the case may be, or any duly authorized committee of such board.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company or any Guarantor, as the case may be, to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Book-Entry Security" means any Global Securities bearing the legend specified in Section 202 evidencing all or part of a series of Securities, authenticated and delivered to the Depositary for such series or its nominee, and registered in the name of such Depositary or nominee.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions or trust companies in The City of New York or the city in which the Corporate Trust Office of the Trustee is located are authorized or obligated by law, regulation or executive order to close.

"Capital Lease Obligation" of any Person means any obligation of such Person and its Subsidiaries on a Consolidated basis under any capital lease of real or personal property which, in accordance with GAAP, has been recorded as a capitalized lease obligation.

"Capital Stock" of any Person means any and all shares, interests, participations or other equivalents (however designated) of such Person's capital stock or other equity interests whether now outstanding or issued after the date hereof, partnership interests (whether general or limited), any other interest or participation that confers on a Person that right to receive a share of the profits and losses of, or distributions of assets of (other than a distribution in respect of Indebtedness), the issuing Person and any rights (other than debt securities convertible into Capital Stock), warrants or options exchangeable for or convertible into such Capital Stock.

"Cash Equivalents" means (i) marketable direct obligations, maturing not more than one year after the date of acquisition, issued by the United States of America, or an instrumentality or agency thereof, and guaranteed fully as to principal, premium, if any, and interest by the United States of America, (ii) any certificate of deposit, maturing not more than one year after the date of acquisition, issued by a commercial banking institution that is a member of the Federal Reserve System and that has combined capital and surplus and undivided profits of not less than $500 million, whose debt has a rating, at the time as of which any investment therein is made, of "P-1" (or higher) according to Moody's or any successor rating agency or "A-1" (or higher) according to S&P or any successor rating agency, (iii) commercial paper, maturing not more than 180 days after the

date of acquisition, issued by a corporation (other than an Affiliate or Subsidiary of the Company) organized and existing under the laws of the United States of America with a rating, at the time as of which any investment therein is made, of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P and (iv) any money market deposit accounts issued or offered by a domestic commercial bank having capital and surplus in excess of $500 million; provided that the short term debt of such commercial bank has a rating, at the time of Investment, of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P.

"Change of Control" means the occurrence of any of the following events: (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than Permitted Holders, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a Person shall be deemed to have beneficial ownership of all shares that such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of the total outstanding Voting Stock of the Company; (ii) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of the Company (together with any new directors whose election to such board or whose nomination for election by the stockholders of the Company was approved by a vote of 66 2/3% of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved), cease for any reason to constitute a majority of such Board of Directors then in office; (iii) the Company consolidates with or merges with or into any Person or sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of its assets to any Person, or any Person consolidates with or merges into or with the Company, in any such event pursuant to a transaction in which the outstanding Voting Stock of the Company is converted into or exchanged for cash, securities or other property, other than any such transaction where (A) the outstanding Voting Stock of the Company is changed into or exchanged for (x) Voting Stock of the surviving corporation which is not Redeemable Capital Stock or (y) cash, securities and other property (other than Capital Stock of the surviving corporation) in an amount which could be paid by the Company as a Restricted Payment as described in Section 1009 herein (and such amount shall be treated as a Restricted Payment subject to the provisions in this Indenture described in Section 1009 herein) and (B) immediately after such transaction, no "person" or "group," other than Permitted Holders, is the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person shall be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, more than 35% of the total outstanding Voting Stock of the surviving corporation; or (iv) the Company is liquidated or dissolved or adopts a plan of liquidation or dissolution other than in a transaction which complies with the provisions described under Article Eight herein. For purposes of this definition, any transfer of an equity interest of an entity that was formed for the purpose of acquiring

voting stock of the Company will be deemed to be a transfer of such portion of such voting stock as corresponds to the portion of the equity of such entity that has been so transferred.

"Class A Common Stock" means the Company's Class A Common Stock, par value $.01 per share, or any successor common stock thereto.

"Clearstream" means Clearstream Banking, societe anonyme (or any successor securities clearing agency).

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

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or if at any time after the execution of this Indenture such Commission is not existing and performing the duties now assigned to it under the Securities Act, Exchange Act and Trust Indenture Act then the body performing such duties at such time.

"Commodity Price Protection Agreement" means any forward contract, commodity swap, commodity option or other similar financial agreement or arrangement relating to, or the value which is dependent upon, fluctuations in commodity prices.

"Company" means Sonic Automotive, Inc., a corporation incorporated under the laws of Delaware, until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean such successor Person.

"Company Request" or "Company Order" means a written request or order signed in the name of the Company by any one of its Chairman of the Board, its President, its Chief Executive Officer, its Chief Financial Officer or a Vice President (regardless of Vice Presidential designation), and by any one of its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary, and delivered to the Trustee.

"Consolidated Fixed Charge Coverage Ratio" of any Person means, for any period, the ratio of (a) the sum of Consolidated Net Income (Loss), and in each case to the extent deducted in computing Consolidated Net Income (Loss) for such period, Consolidated Interest Expense, Consolidated Income Tax Expense and Consolidated Non-cash Charges for such period, of such Person and its Restricted Subsidiaries on a Consolidated basis, all determined

in accordance with GAAP, less all noncash items increasing Consolidated Net Income for such period and less all cash payments during such period relating to noncash charges that were added back to Consolidated Net Income in determining the Consolidated Fixed Charge Coverage Ratio in any prior period to (b) the sum of Consolidated Interest Expense for such period and cash and noncash dividends paid on any Preferred Stock of such Person during such period, in each case after giving pro forma effect to (i) the incurrence of the Indebtedness giving rise to the

need to make such calculation and (if applicable) the application of the net proceeds therefrom, including to refinance other Indebtedness, as if such Indebtedness was incurred, and the application of such proceeds occurred, on the first day of such period; (ii) the incurrence, repayment or retirement of any other Indebtedness by the Company and its Restricted Subsidiaries since the first day of such period as if such Indebtedness was incurred, repaid or retired at the beginning of such period (except that, in making such computation, the amount of Indebtedness under any revolving credit facility shall be computed based upon the average daily balance of such Indebtedness during such period); (iii) in the case of Acquired Indebtedness or any acquisition occurring at the time of the incurrence of such Indebtedness, the related acquisition, assuming such acquisition had been consummated on the first day of such period; and (iv) any acquisition or disposition by the Company and its Restricted Subsidiaries of any company or any business or any assets out of the ordinary course of business, whether by merger, stock purchase or sale or asset purchase or sale, or any related repayment of Indebtedness, in each case since the first day of such period, assuming such acquisition or disposition had been consummated on the first day of such period; provided that (i) in making such computation, the Consolidated Interest Expense attributable to interest on any Indebtedness computed on a pro forma basis and (A) bearing a floating interest rate shall be computed as if the rate in effect on the date of computation had been the applicable rate for the entire period and (B) which was not outstanding during the period for which the computation is being made but which bears, at the option of such Person, a fixed or floating rate of interest, shall be computed by applying at the option of such Person either the fixed or floating rate and (ii) in making such computation, the Consolidated Interest Expense of such Person attributable to interest on any Indebtedness under a revolving credit facility computed on a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period.

"Consolidated Income Tax Expense" of any Person means, for any period, the provision for federal, state, local and foreign income taxes of such Person and its Consolidated Restricted Subsidiaries for such period as determined in accordance with GAAP.

"Consolidated Interest Expense" of any Person means, without duplication, for any period, the sum of (a) the interest expense of such Person and its Restricted Subsidiaries for such period, on a Consolidated basis (other than interest expense under any Inventory Facility), including, without limitation, (i) amortization of debt discount, (ii) the net costs associated with Interest Rate Agreements, Currency Hedging Agreements and Commodity Price Protection Agreements (including amortization of discounts), (iii) the interest portion of any deferred payment obligation, (iv) all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers acceptance financing and (v) accrued interest, plus (b) (i) the interest component of the Capital Lease Obligations paid, accrued and/or scheduled to be paid or accrued by such Person and its Restricted Subsidiaries during such period and (ii) all capitalized interest of such Person and its Restricted Subsidiaries, plus (c) the interest

expense under any Guaranteed Debt of such Person and any Restricted Subsidiary to the extent not included under clause (a)(iv) above, whether or not paid by such Person or its Restricted Subsidiaries.

"Consolidated Net Income (Loss)" of any Person means, for any period, the Consolidated net income (or loss) of such Person and its Restricted Subsidiaries for such period on a Consolidated basis as determined in accordance with GAAP, adjusted, to the extent included in calculating such net income (or loss), by excluding, without duplication, (i) all extraordinary gains or losses net of taxes (less all fees and expenses relating thereto), (ii) the portion of net income (or loss) of such Person and its Restricted Subsidiaries on a Consolidated basis allocable to minority interests in unconsolidated Persons or Unrestricted Subsidiaries to the extent that cash dividends or distributions have not actually been received by such Person or one of its Consolidated Restricted Subsidiaries, (iii) net income (or loss) of any Person combined with such Person or any of its Restricted Subsidiaries on a "pooling of interests" basis attributable to any period prior to the date of combination, (iv) any gain or loss, net of taxes, realized upon the termination of any employee pension benefit plan, (v) gains or losses, net of taxes (less all fees and expenses relating thereto), in respect of dispositions of assets other than in the

ordinary course of business, (vi) the net income of any Restricted Subsidiary to the extent that the declaration of dividends or similar distributions by that Restricted Subsidiary of that income is not at the time permitted, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders, (vii) any restoration to net income of any contingency reserve, except to the extent provision for such reserve was made out of income accrued at any time following July 31, 1998, or (viii) any net gain arising from the acquisition of any securities or extinguishment, under GAAP, of any Indebtedness of such Person.

"Consolidated Non-cash Charges" of any Person means, for any period, the aggregate depreciation, amortization and other non-cash charges of such Person and its subsidiaries on a Consolidated basis for such period, as determined in accordance with GAAP (excluding any non-cash charge which requires an accrual or reserve for cash charges for any future period).

"Consolidated Tangible Assets" of any Person means (a) all amounts that would be shown as assets on a Consolidated balance sheet of such Person and its Restricted Subsidiaries prepared in accordance with GAAP, less (b) the amount thereof constituting goodwill and other intangible assets as calculated in accordance with GAAP.

"Consolidation" means, with respect to any Person, the consolidation of the accounts of such Person and each of its subsidiaries if and to the extent the accounts of such Person and each of its subsidiaries would normally be consolidated with those of such Person, all in accordance with GAAP. The term "Consolidated" shall have a similar meaning.

"Corporate Trust Office" means the office of the Trustee or an affiliate or agent thereof at which at any particular time the corporate trust business for the purposes of this Indenture shall be principally administered, which office at the date of execution of this Indenture is located at 100 Wall Street, 20th Floor, New York, New York 10005.

"Currency Hedging Agreements" means one or more of the following agreements which shall be entered into by one or more financial institutions: foreign exchange contracts, currency swap agreements or other similar agreements or arrangements designed to protect against the fluctuations in currency values.

"Default" means any event which is, or after notice or passage of any time or both would be, an Event of Default.

"Depositary" means, with respect to the Securities issued in the form of one or more Book-Entry Securities, The Depository Trust Company ("DTC"), its nominees and successors, or another Person designated as Depositary by the Company,which must be a clearing agency registered under the Exchange Act.

"Designated Senior Indebtedness" means (i) all Senior Indebtedness under the Floor Plan Facility or the Revolving Facility and (ii) any other Senior Indebtedness which at the time of determination has an aggregate principal amount outstanding of at least $25 million and which is specifically designated in the instrument evidencing such Senior Indebtedness or the agreement under which such Senior Indebtedness arises as "Designated Senior Indebtedness" by the Company.

"Disinterested Director" means, with respect to any transaction or series of related transactions, a member of the Board of Directors of the Company who does not have any material direct or indirect financial interest in or with respect to such transaction or series of related transactions.

"Euroclear" means the Euroclear Clearance System (or any successor securities clearing agency).

"Event of Default" has the meaning specified in Section 501.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"Exchange Offer" means the exchange offer by the Company and the Guarantors of Series D Securities for Series C Securities or the Company's outstanding 11% Senior Subordinated Notes due 2008, Series B (the "Series B Securities") issued pursuant to the B Indenture to be effected pursuant to Section 2.1 of the Registration Rights Agreement.

"Exchange Offer Registration Statement" means the registration

statement under the Securities Act contemplated by Section 2.1 of the Registration Rights Agreement.

"Fair Market Value" means, with respect to any asset or property, the sale value that would be obtained in an arm's-length free market transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy. Fair Market Value shall be determined by the Board of Directors of the Company acting in good faith and shall be evidenced by a Board Resolution.

"Floor Plan Facility" means an agreement from Ford Motor Credit Company or any other bank or asset-based lender pursuant to which the Company or any Restricted Subsidiary incurs Indebtedness all of the net proceeds of which are used to purchase, finance or refinance vehicles and/or vehicle parts and supplies to be sold in the ordinary course of business of the Company and its Restricted Subsidiaries and which may not be secured except by a Lien that does not extend to or cover any property other than the property of the dealership(s) which use the proceeds of the Floor Plan Facility.

"Generally Accepted Accounting Principles" or "GAAP" means generally accepted accounting principles in the United States, consistently applied, which (i) for the purpose of determining compliance with the covenants contained in this Indenture, were in effect as of July 31, 1998, and (ii) for purposes of compliance with the reporting requirements contained in this Indenture, are in effect from time to time.

"Global Securities" means the Rule 144A Global Securities, the Regulation S Global Securities and the Series D Global Securities to be issued as Book-Entry Securities issued to the Depositary in accordance with Section 306.

"Guarantee" means the guarantee by any Guarantor of the Company's Indenture Obligations.

"Guaranteed Debt" of any Person means, without duplication, all Indebtedness of any other Person referred to in the definition of Indebtedness below guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (i) to pay or purchase such Indebtedness or to advance or supply funds for the payment or purchase of such Indebtedness, (ii) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Indebtedness or to assure the holder of such Indebtedness against loss, (iii) to supply funds to, or in any other manner invest in, the debtor (including any agreement to pay for property or services without requiring that such property be received or such services be rendered), (iv) to maintain working capital or equity capital of the debtor, or otherwise to maintain the net worth, solvency or other financial condition of the debtor or to cause

such debtor to achieve certain levels of financial performance or (v) otherwise to assure a creditor against loss; provided that the term "guarantee" shall not include endorsements for collection or deposit, in either case in the ordinary course of business.

"Guarantor" means any Subsidiary which is a guarantor of the Securities, including any Person that is required to execute a guarantee of the Securities pursuant to Section 1011 or Section 1013 until a successor replaces such party pursuant to the applicable provisions of this Indenture and, thereafter, shall mean such successor.

"Holder" means a Person in whose name a Security is registered in the Security Register.

"Indebtedness" means, with respect to any Person, without duplication, (i) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services, excluding any trade payables and other accrued current liabilities arising in the ordinary course of business, but including, without limitation, all obligations, contingent or otherwise, of such Person in connection with any letters of credit issued under letter of credit facilities, acceptance facilities or other similar facilities, (ii) all obligations of such Person evidenced by bonds, notes, debentures or other similar instruments, (iii) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even if the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), but excluding trade payables arising in the ordinary course of business, (iv) all obligations of such Person under Interest Rate Agreements, Currency Hedging Agreements or Commodity Price Protection Agreements of such Person, (v) all Capital Lease Obligations of such Person, (vi) all Indebtedness referred to in clauses (i) through (v) above of other Persons and all dividends of other Persons, the payment of which is secured by (or for which the holder of

such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien, upon or with respect to property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness, (vii) all Guaranteed Debt of such Person, (viii) all Redeemable Capital Stock issued by such Person valued at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued and unpaid dividends, (ix) Preferred Stock of any Restricted Subsidiary of the Company which is not a Guarantor and (x) any amendment, supplement, modification, deferral, renewal, extension, refunding or refinancing of any liability of the types referred to in clauses (i) through (ix) above. For purposes hereof, the "maximum fixed repurchase price" of any Redeemable Capital Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Redeemable Capital Stock as if such Redeemable Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to this Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Redeemable Capital Stock, such Fair Market

Value to be determined in good faith by the board of directors of the issuer of such Redeemable Capital Stock.

"Indenture" means this instrument as originally executed (including all exhibits and schedules thereto) and as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

"Indenture Obligations" means the obligations of the Company and any other obligor under this Indenture or under the Securities, including any Guarantor, to pay principal of, premium, if any, and interest when due and payable, and all other amounts due or to become due under or in connection with this Indenture, the Securities and the performance of all other obligations to the Trustee and the Holders under this Indenture and the Securities, according to the respective terms hereof and thereof.

"Initial Purchasers" means Merrill Lynch, Pierce, Fenner & Smith Incorporated and Banc of America Securities LLC.

"Interest Payment Date" means the Stated Maturity of an installment of interest on the Securities.

"Interest Rate Agreements" means one or more of the following agreements which shall be entered into by one or more financial institutions: interest rate protection agreements (including, without limitation, interest rate swaps, caps, floors, collars and similar agreements) and/or other types of interest rate hedging agreements from time to time.

"Inventory Facility" means any Floor Plan Facility or any other agreement (including pursuant to a commercial paper program) pursuant to which the Company or any Restricted Subsidiary incurs Indebtedness, the net proceeds of which are used to purchase, finance or refinance vehicles and/or vehicle parts and supplies to be sold in the ordinary course of business of the Company and its Restricted Subsidiaries and which may not be secured except by Lien that does not extend to or cover any property other than the property of the dealership(s) which use the proceeds of the Inventory Facility.

"Investment" means, with respect to any Person, directly or indirectly, any advance, loan (including guarantees), or other extension of credit or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase, acquisition or ownership by such Person of any Capital Stock, bonds, notes, debentures or other securities issued or owned by any other Person and all other items that would be classified as investments on a balance sheet prepared in accordance with GAAP.

"Issue Date" means the original issue date of the Securities under this Indenture.

"Lien" means any mortgage or deed of trust, charge, pledge, lien (statutory or otherwise), privilege, security interest, assignment, deposit, arrangement, easement, hypothecation, claim, preference, priority or other encumbrance upon or with respect to any property of any kind (including any conditional sale, capital lease or other title retention agreement, any leases in the nature thereof, and any agreement to give any security interest), real or personal, movable or immovable, now owned or hereafter acquired. A Person will be deemed to own subject to a Lien any property which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Capitalized Lease Obligation or other title retention agreement.

"Manufacturer" means a vehicle manufacturer which is a party to a dealership franchise agreement with the Company or any Restricted Subsidiary.

"Maturity" means, when used with respect to the Securities, the date on which the principal of the Securities becomes due and payable as therein provided or as provided in this Indenture, whether at Stated Maturity, the Offer Date or the Redemption Date and whether by declaration of acceleration, Offer in respect of Excess Proceeds, Change of Control Offer in respect of a Change of Control, call for redemption or otherwise.

"Moody's" means Moody's Investors Service, Inc. or any successor rating agency.

"Net Cash Proceeds" means (a) with respect to any Asset Sale by any Person, the proceeds thereof (without duplication in respect of all Asset Sales) in the form of cash or Temporary Cash Investments including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed of for, cash or Temporary Cash Investments (except to the extent that such obligations are financed or sold with recourse to the Company or any Restricted Subsidiary) net of (i) brokerage commissions and other reasonable fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale, (ii) provisions for all taxes payable as a result of such Asset Sale, (iii) payments made to retire Indebtedness where payment of such Indebtedness is secured by the assets or properties the subject of such Asset Sale, (iv) amounts required to be paid to any Person (other than the Company or any Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale and (v) appropriate amounts to be provided by the Company or any Restricted Subsidiary, as the case may be, as a reserve, in accordance with GAAP, against any liabilities associated with such Asset Sale and retained by the Company or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as reflected in an Officers' Certificate delivered to the Trustee and (b) with respect to any issuance or sale of Capital Stock or options, warrants or rights to purchase Capital Stock, or debt securities or Capital Stock that have been converted

into or exchanged for Capital Stock as referred to in Section 1009, the proceeds of such issuance or sale in the form of cash or Temporary Cash Investments including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed of for, cash or Temporary Cash Investments (except to the extent that such obligations are financed or sold with recourse to the Company or any Restricted Subsidiary), net of attorney's fees, accountant's fees and brokerage, consultation, underwriting and other fees and expenses actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"Non-U.S. Person" means a Person that is not a "U.S. person" as defined in Regulation S under the Securities Act.

"Officers' Certificate" means a certificate signed by the Chairman of the Board, the President, the Chief Executive Officer, the Chief Financial Officer or a Vice President (regardless of Vice Presidential designation), and by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary, of the Company or any Guarantor, as the case may be, and in form and substance reasonably satisfactory to, and delivered to, the Trustee.

"Opinion of Counsel" means a written opinion of counsel, who may be counsel for the Company, any Guarantor or the Trustee, unless an Opinion of Independent Counsel is required pursuant to the terms of this Indenture, and who shall be acceptable to the Trustee, and which opinion shall be in form and substance reasonably satisfactory to the Trustee.

"Opinion of Independent Counsel" means a written opinion of counsel which is issued by a Person who is not an employee, director or consultant (other than non-employee legal counsel) of the Company or any Guarantor and who shall be acceptable to the Trustee, and which opinion shall be in form and substance reasonably satisfactory to the Trustee.

"Outstanding" when used with respect to Securities means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

(a) Securities theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(b) Securities, or portions thereof, for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company or an Affiliate thereof) in trust or set aside and segregated in trust by the Company or an Affiliate

thereof (if the Company or an Affiliate thereof shall act as its own Paying Agent) for the Holders of such Securities; provided that if such Securities are to be redeemed, notice of such redemption has been duly given

pursuant to this Indenture or provision therefor reasonably satisfactory to the Trustee has been made;

(c) Securities, to the extent provided in Sections 402 and 403, with respect to which the Company has effected defeasance or covenant defeasance as provided in Article Four; and

(d) Securities in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee and the Company proof reasonably satisfactory to each of them that such Securities are held by a bona fide purchaser in whose hands the Securities are valid obligations of the Company;

provided, however, that in determining whether the Holders of the requisite principal amount of Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Securities owned by the Company, any Guarantor, or any other obligor upon the Securities or any Affiliate of the Company, any Guarantor or such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which the Trustee knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the reasonable satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company, any Guarantor or any other obligor upon the Securities or any Affiliate of the Company, any Guarantor or such other obligor.

"Pari Passu Indebtedness" means (a) any Indebtedness of the Company that is pari passu in right of payment to the Securities (including, without limitation, the Series B Securities) and (b) with respect to any Guarantee, Indebtedness which ranks pari passu in right of payment to such Guarantee including without limitation, the Guarantees with respect to the Series B Securities.

"Paying Agent" means any Person (including the Company) authorized by the Company to pay the principal of, premium, if any, or interest on, any Securities on behalf of the Company.

"Permitted Holders" means (i) Mr. O. Bruton Smith or Mr. William S. Egan and their respective guardians, conservators, committees, or attorneys-in-fact; (ii) lineal descendants of Mr. Smith or Mr. Egan (in either case, a "Descendant") and their respective guardians, conservators, committees or attorneys-in-fact; and (iii) each "Family Controlled Entity" (as defined herein). The term "Family Controlled Entity" means (a) any not-for-profit corporation if at least 80% of its board of directors is composed of Mr. Smith, Mr. Egan and/or Descendants; (b) any other corporation if at

least 80% of the value of its outstanding equity is owned by a Permitted Holder; (c) any partnership if at least 80% of the value of the partnership interests are owned by a Permitted Holder; (d) any limited liability or similar company if at least 80% of the value of the company is owned by a Permitted Holder; and (e) any trusts created for the benefit of any of the persons listed in (i) or (ii) of the prior sentence.

"Permitted Investment" means (i) Investments in any Wholly Owned Restricted Subsidiary or any Person which, as a result of such Investment, (a) becomes a Wholly Owned Restricted Subsidiary or (b) is merged or consolidated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or any Wholly Owned Restricted Subsidiary; (ii) Indebtedness of the Company or a Restricted Subsidiary described under clauses (v), (vi) and (vii) of the definition of "Permitted Indebtedness"; (iii) Investments in any of the Securities or the Series B Securities, as the case may be; provided, however, that the aggregate amount of such Investment shall not exceed $125,000,000; (iv) Temporary Cash Investments; (v) Investments acquired by the Company or any Restricted Subsidiary in connection with an Asset Sale permitted under Section 1012 herein to the extent such Investments are non-cash proceeds as permitted under such covenant; (vi) any Investment to the extent the consideration therefor consists of Qualified Capital Stock of the Company or any Restricted Subsidiary; (vii) Investments representing Capital Stock or obligations issued to the Company or any Restricted Subsidiary in the ordinary course of the good faith settlement of claims against any other Person by reason of a composition or readjustment of

debt or a reorganization of any debtor or any Restricted Subsidiary; (viii) prepaid expenses advanced to employees in the ordinary course of business or other loans or advances to employees in the ordinary course of business not to exceed $1 million in the aggregate at any one time outstanding; (ix) Investments in existence on July 31, 1998; and (x) in addition to the Investments described in clauses (i) through (ix) above, Investments in an amount not to exceed $10 million in the aggregate at any one time outstanding. In connection with any assets or property contributed or transferred to any Person as an Investment, such property and assets shall be equal to the Fair Market Value (as determined by the Company's Board of Directors) at the time of Investment.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Predecessor Security" of any particular Security means every previous Security, including without limitation, any Series B Securities evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 308 in exchange for a mutilated Security or in lieu of a lost, destroyed or stolen Security shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Security.

"Preferred Stock" means, with respect to any Person, any Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over the Capital Stock of any other class in such Person.

"Prospectus" means the prospectus included in a Registration Statement, including any preliminary prospectus, and any such prospectus as amended or supplemented by any prospectus supplement, including any such prospectus supplement with respect to the terms of the offering of any portion of the Series C Securities covered by a Shelf Registration Statement, and by all other amendments and supplements to a prospectus, including post-effective amendments, and in each case including all material incorporated by reference therein.

"Purchase Money Obligation" means any Indebtedness secured by a Lien on assets related to the business of the Company and any additions and accessions thereto, which are purchased by the Company at any time after July 31, 1998; provided that (i) the security agreement or conditional sales or other title retention contract pursuant to which the Lien on such assets is created (collectively a "Purchase Money Security Agreement") shall be entered into within 90 days after the purchase or substantial completion of the construction of such assets and shall at all times be confined solely to the assets so purchased or acquired, any additions and accessions thereto and any proceeds therefrom, (ii) at no time shall the aggregate principal amount of the outstanding Indebtedness secured thereby be increased, except in connection with the purchase of additions and accessions thereto and except in respect of fees and other obligations in respect of such Indebtedness and (iii) (A) the aggregate outstanding principal amount of Indebtedness secured thereby (determined on a per asset basis in the case of any additions and accessions) shall not at the time such Purchase Money Security Agreement is entered into exceed 100% of the purchase price to the Company of the assets subject thereto or (B) the Indebtedness secured thereby shall be with recourse solely to the assets so purchased or acquired, any additions and accessions thereto and any proceeds therefrom.

"QIB" means a "Qualified Institutional Buyer" under Rule 144A under the Securities Act.

"Qualified Capital Stock" of any Person means any and all Capital Stock of such Person other than Redeemable Capital Stock.

"Redeemable Capital Stock" means any Capital Stock that, either by its terms or by the terms of any security into which it is convertible or exchangeable or otherwise, is or upon the happening of an event or passage of time would be, required to be redeemed prior to the final Stated Maturity of the principal of the Securities or is redeemable at the option of the holder thereof at any time prior to such final Stated

Maturity (other than upon a change of control of the Company in circumstances where a Holder would have similar rights), or is convertible into or exchangeable for debt securities at any time prior to any such Stated Maturity at the option of the holder thereof.

"Redemption Date" when used with respect to any Security to be

redeemed pursuant to any provision in this Indenture means the date fixed for such redemption by or pursuant to this Indenture.

"Redemption Price" when used with respect to any Security to be redeemed pursuant to any provision in this Indenture means the price at which it is to be redeemed pursuant to this Indenture.

"Registration Rights Agreement" means the Registration Rights Agreement, dated as of November 19, 2001, among the Company, the Guarantors and the Initial Purchasers.

"Registration Statement" means any registration statement of the Company and the Guarantors which covers the sale or issuance of any of the Series C Securities (and related guarantees) or Series D Securities (and related guarantees) pursuant to the provisions of the Registration Rights Agreement, and all amendments and supplements to any such Registration Statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"Regular Record Date" for the interest payable on any Interest Payment Date means the January 15 or July 15 (whether or not a Business Day) next preceding such Interest Payment Date.

"Regulation S" means Regulation S under the Securities Act, as amended from time to time.

"Regulation S Global Securities" means one or more permanent global Securities in registered form representing the aggregate principal amount of Securities sold in reliance on Regulation S under the Securities Act.

"Responsible Officer" when used with respect to the Trustee means any officer or employee assigned to the Corporate Trust Office or any agent of the Trustee appointed hereunder, including any vice president, assistant vice president, secretary, assistant secretary, or any other officer or assistant officer of the Trustee or any agent of the Trustee appointed hereunder to whom any corporate trust matter is referred because of his or her knowledge of and familiarity with the particular subject.

"Replacement Assets" means properties and assets (other than cash or any Capital Stock or other security) that will be used in a business of the Company or its

Restricted Subsidiaries existing on July 31, 1998 or in business reasonably related thereto.

"Restricted Subsidiary" means any Subsidiary of the Company that has not been designated by the Board of Directors of the Company by a Board Resolution delivered to the Trustee as an Unrestricted Subsidiary pursuant to and in compliance with Section 1018 herein.

"Revolving Facility" means the Credit Agreement among the Company, the Guarantors and Ford Motor Credit Company, dated as of December 15, 1997, as such agreement, in whole or in part, may have been or may be amended, renewed, extended, substituted, refinanced, restructured, replaced, supplemented or otherwise modified from time to time (including, without limitation, any successive renewals, extensions, substitutions, refinancings, restructurings, replacements, supplementations or other modifications of the foregoing).

"Rule 144A" means Rule 144A under the Securities Act, as amended from time to time.

"Rule 144A Global Securities" means one or more permanent global Securities in registered form representing the aggregate principal amount of Securities sold in reliance on Rule 144A under the Securities Act.

"S&P" means Standard & Poor's Rating Group, a division of McGraw Hill, Inc. or any successor rating agency.

"Securities Act" means the Securities Act of 1933, as amended, or any successor statute and the rules and regulations promulgated by the Commission thereunder.

"Senior Guarantor Indebtedness" means the principal of, premium, if any, and interest (including interest, to the extent allowable, accruing after the filing of a petition initiating any proceeding under any state, federal or foreign bankruptcy law) on any Indebtedness of any Guarantor (other than as otherwise provided in this definition), whether outstanding on July 31, 1998 or thereafter created, incurred or assumed, and whether at any time owing, actually or contingent, unless, in the case of any particular Indebtedness, the instrument creating or evidencing the same or pursuant to which the same is outstanding expressly provides that such Indebtedness shall

not be senior in right of payment to any Guarantee. Notwithstanding the foregoing, "Senior Guarantor Indebtedness" shall (x) include the Floor Plan Facility and the Revolving Facility to the extent any Guarantor is a party thereto and (y) not include (i) Indebtedness evidenced by the Guarantees or the Guarantees with respect to the Series B Securities, (ii) Indebtedness that is subordinated or junior in right of payment to any Indebtedness of any Guarantor, (iii) Indebtedness which when incurred and without respect to any election under Section 1111(b) of Title 11 United States Code is without recourse to any Guarantor,

(iv) Indebtedness which is represented by Redeemable Capital Stock, (v) any liability for foreign, federal, state, local or other taxes owed or owing by any Guarantor to the extent such liability constitutes Indebtedness, (vi) Indebtedness of any Guarantor to a Subsidiary or any other Affiliate of the Company or any of such Affiliate's Subsidiaries, (vii) to the extent it might constitute Indebtedness, amounts owing for goods, materials or services purchased in the ordinary course of business or consisting of trade accounts payable owed or owing by such Guarantor, and amounts owed by such Guarantor for compensation to employees or services rendered to such Guarantor, (viii) that portion of any Indebtedness which at the time of issuance is issued in violation of this Indenture and (ix) Indebtedness evidenced by any guarantee of any Subordinated Indebtedness or Pari Passu Indebtedness.

"Senior Indebtedness" means the principal of, premium, if any, and interest (including interest, to the extent allowable, accruing after the filing of a petition initiating any proceeding under any state, federal or foreign bankruptcy law) on any Indebtedness of the Company (other than as otherwise provided in this definition), whether outstanding on July 31, 1998 or thereafter created, incurred or assumed, and whether at any time owing, actually or contingent, unless, in the case of any particular Indebtedness, the instrument creating or evidencing the same or pursuant to which the same is outstanding expressly provides that such Indebtedness shall not be senior in right of payment to the Notes. Notwithstanding the foregoing, "Senior Indebtedness" shall (x) include the Floor Plan Facility and the Revolving Facility to the extent the Company is a party thereto and (y) not include (i) Indebtedness evidenced by the Securities or the Series B Securities, (ii) Indebtedness that is subordinate or junior in right of payment to any Indebtedness of the Company, (iii) Indebtedness which when incurred and without respect to any election under Section 1111(b) of Title 11 United States Code is without recourse to the Company, (iv) Indebtedness which is represented by Redeemable Capital Stock, (v) any liability for foreign, federal, state, local or other taxes owed or owing by the Company to the extent such liability constitutes Indebtedness, (vi) Indebtedness of the Company to a Subsidiary or any other Affiliate of the Company or any of such Affiliate's Subsidiaries, (vii) to the extent it might constitute Indebtedness, amounts owing for goods, materials or services purchased in the ordinary course of business or consisting of trade accounts payable owed or owing by the Company, and amounts owed by the Company for compensation to employees or services rendered to the Company, (viii) that portion of any Indebtedness which at the time of issuance is issued in violation of this Indenture and (ix) Indebtedness evidenced by any guarantee of any Subordinated Indebtedness or Pari Passu Indebtedness.

"Senior Representative" means the agent, indenture trustee or other trustee or representative for any Senior Indebtedness.

"Series D Global Securities" means one or more permanent Global Securities in registered form representing the aggregate principal amount of Series D Securities exchanged for Series C Securities or Series B Securities pursuant to the Exchange Offer.

"Shelf Registration Statement" means a "shelf" registration statement of the Company and the Guarantors pursuant to Section 2.2 of the of the Registration Rights Agreement, which covers all of the Registrable Securities (as defined in the Registration Rights Agreement) on an appropriate form under Rule 415 under the Securities Act, or any similar rule that may be adopted by the Commission, and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"Significant Restricted Subsidiary" means, at any particular time, any Restricted Subsidiary that, together with the Restricted Subsidiaries of such Restricted Subsidiary (i) accounted for more than 5% of the Consolidated revenues of the Company and its Restricted Subsidiaries for their most recently completed fiscal year or (ii) is or are the owner(s) of more than 5% of the Consolidated assets of the Company and its Restricted Subsidiaries as at the end of such fiscal year, all as calculated in accordance with GAAP and as shown on the Consolidated financial statements of the Company and its Restricted Subsidiaries for such fiscal year.

"Smith Subordinated Loan" means the subordinated loan from O. Bruton Smith to the Company in the principal amount of $5.5 million in existence on the Issue Date.

"Special Record Date" for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 309.

"Stated Maturity" means, when used with respect to any Indebtedness or any installment of interest thereon, the dates specified in such Indebtedness as the fixed date on which the principal of such Indebtedness or such installment of interest, as the case may be, is due and payable.

"Subordinated Indebtedness" means Indebtedness of the Company or a Guarantor subordinated in right of payment to the Securities or the Guarantee of such Guarantor, as the case may be.

"Subsidiary" of a Person means (i) any corporation more than 50% of the outstanding voting power of the Voting Stock of which is owned or controlled, directly or indirectly, by such Person or by one or more other Subsidiaries of such Person, or by such Person and one or more other Subsidiaries thereof, or (ii) any limited partnership of which such Person or any Subsidiary of such Person is a general partner, or (iii) any other Person in which such Person, or one or more other Subsidiaries of such Person, or such

Person and one or more other Subsidiaries, directly or indirectly, has more than 50% of the outstanding partnership or similar interests or has the power, by contract or otherwise, to direct or cause the direction of the policies, management and affairs thereof.

"Successor Security" of any particular Security means every Security issued after, and evidencing all or a portion of the same debt as that evidenced by, such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 307 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

"Temporary Cash Investments" means (i) any evidence of Indebtedness, maturing not more than one year after the date of acquisition, issued by the United States of America, or an instrumentality or agency thereof, and guaranteed fully as to principal, premium, if any, and interest by the United States of America, (ii) any certificate of deposit, maturing not more than one year after the date of acquisition, issued by, or time deposit of, a commercial banking institution that is a member of the Federal Reserve System and that has combined capital and surplus and undivided profits of not less than $500 million, whose debt has a rating, at the time as of which any investment therein is made, of "P-1" (or higher) according to Moody's or any successor rating agency or "A-1" (or higher) according to S&P or any successor rating agency, (iii) commercial paper, maturing not more than one year after the date of acquisition, issued by a corporation (other than an Affiliate or Subsidiary of the Company) organized and existing under the laws of the United States of America with a rating, at the time as of which any investment therein is made, of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P, and (iv) any money market deposit accounts issued or offered by a domestic commercial bank having capital and surplus in excess of $500 million; provided that the short term debt of such commercial bank has a rating, at the time of Investment, of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this Indenture, until a successor trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor trustee.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended, or any successor statute.

"Unrestricted Subsidiary" means any Subsidiary of the Company (other than a Guarantor) designated as such pursuant to and in compliance with Section 1018 herein.

"Unrestricted Subsidiary Indebtedness" of any Unrestricted Subsidiary means Indebtedness of such Unrestricted Subsidiary (i) as to which neither the Company nor any Restricted Subsidiary is directly or indirectly liable (by virtue of the Company or

any such Subsidiary being the primary obligor on, guarantor of, or otherwise liable in any respect to, such Indebtedness), except Guaranteed Debt of the

Company or any Restricted Subsidiary to any Affiliate, in which case (unless the incurrence of such Guaranteed Debt resulted in a Restricted Payment at the time of incurrence) the Company shall be deemed to have made a Restricted Payment equal to the principal amount of any such Indebtedness to the extent guaranteed at the time such Affiliate is designated an Unrestricted Subsidiary and (ii) which, upon the occurrence of a default with respect thereto, does not result in, or permit any holder of any Indebtedness of the Company or any Subsidiary to declare, a default on such Indebtedness of the Company or any Subsidiary or cause the payment thereof to be accelerated or payable prior to its Stated Maturity; provided that notwithstanding the foregoing any Unrestricted Subsidiary may guarantee the Securities.

"Voting Stock" means Capital Stock of the class or classes pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of such Person (irrespective of whether or not at the time Capital Stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

"Wholly Owned Restricted Subsidiary" means a Restricted Subsidiary all the Capital Stock of which (other than directors' qualifying shares and shares of Capital Stock of a Restricted Subsidiary which a Manufacturer requires to be held by another Person and which Capital Stock, together with any related contractual arrangements, has no significant economic value with respect to distributions of profits or losses in ordinary circumstances) is owned by the Company or another Wholly Owned Restricted Subsidiary (other than directors' qualifying shares).

Section 102. Other Definitions.

Term	Defined in Section
"Act"	105
"Agent Members"	306
"Change of Control Offer"	1014
"Change of Control Purchase Date"	1014
"Change of Control Purchase Notice"	1014
"Change of Control Purchase Price"	1014
"covenant defeasance"	403
"Defaulted Interest"	309
"defeasance"	402
"Defeasance Redemption Date"	404
"Defeased Securities"	401
"Excess Proceeds"	1012
"incur"	1008

"Offer"	1012
"Offer Date"	1012
"Offered Price"	1012
"Pari Passu Debt Amount"	1012
"Pari Passu Offer"	1012
"Permitted Indebtedness"	1008
"Permitted Payment"	1009
"Private Placement Legend"	202
"Purchase Money Security Agreement"	101
"refinancing"	1008
"Required Filing Date"	1019
"Restricted Payments"	1009
"Securities"	Recitals
"Security Amount"	1012
"Security Register"	305
"Security Registrar"	305
"Series C Securities"	Recitals
"Series D Securities"	Recitals
"Special Payment Date"	309
"Surviving Entity"	801
"Surviving Guarantor Entity"	801
"U.S. Government Obligations"	404

Section 103. Compliance Certificates and Opinions.

Upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture and as may be requested by the Trustee, the Company and any Guarantor (if applicable) and any other obligor on the Securities (if applicable) shall furnish to the Trustee an Officers' Certificate in a form and substance reasonably acceptable to the Trustee stating that all conditions precedent, if any, provided for in this

Indenture (including any covenant compliance with which constitutes a condition precedent) relating to the proposed action have been complied with, and an Opinion of Counsel in a form and substance reasonably acceptable to the Trustee stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that, in the case of any such application or request as to which the furnishing of such certificates or opinions is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or Opinion of Counsel with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(a) a statement that each individual signing such certificate or individual or firm signing such opinion has read and understands such covenant or condition and the definitions herein relating thereto;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of each such individual or such firm, he or it has made such examination or investigation as is necessary to enable him or it to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such individual or such firm, such condition or covenant has been complied with.

Section 104. Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate of an officer of the Company, any Guarantor or other obligor on the Securities may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer has actual knowledge that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or opinion may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company, any Guarantor or other obligor on the Securities stating that the information with respect to such factual matters is in the possession of the Company, any Guarantor or other obligor on the Securities, unless such officer or counsel has actual knowledge that the certificate or opinion or representations with respect to such matters are erroneous. Opinions of Counsel required to be delivered to the Trustee may have qualifications customary for opinions of the type required and counsel delivering such Opinions of Counsel may rely on certificates of the Company or government or other officials customary for opinions of the type required, including certificates certifying as to matters of fact, including that various financial covenants have been complied with.

Any certificate or opinion of an officer of the Company, any Guarantor or other obligor on the Securities may be based, insofar as it relates to accounting matters,

upon a certificate or opinion of, or representations by, an accountant or firm of accountants in the employ of the Company, unless such officer has actual knowledge that the certificate or opinion or representations with respect to the accounting matters upon which his certificate or opinion may be based are erroneous. Any certificate or opinion of any independent firm of public accountants filed with the Trustee shall contain a statement that such firm is independent with respect to the Company.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Section 105. Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section 105.

(b) The ownership of Securities shall be proved by the Security Register.

(c) Any request, demand, authorization, direction, notice, consent, waiver or other Act by the Holder of any Security shall bind every future Holder of the same Security or the Holder of every Security issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done, suffered or omitted to be done by the Trustee, any Paying Agent or the Company, any Guarantor or any other obligor of the Securities in reliance thereon, whether or not notation of such action is made upon such Security.

(d) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any

such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(e) If the Company shall solicit from the Holders any request, demand, authorization, direction, notice, consent, waiver or other Act, the Company may, at its option, by or pursuant to a Board Resolution, fix in advance a record date for the determination of such Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other Act, but the Company shall have no obligation to do so. Notwithstanding Trust Indenture Act Section 316(c), any such record date shall be the record date specified in or pursuant to such Board Resolution, which shall be a date not more than 30 days prior to the first solicitation of Holders generally in connection therewith and no later than the date such first solicitation is completed.

If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act may be given before or after such record date, but only the Holders of record at the close of business on such record date shall be deemed to be Holders for purposes of determining whether Holders of the requisite proportion of Securities then Outstanding have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other Act, and for this purpose the Securities then Outstanding shall be computed as of such record date; provided that no such request, demand, authorization, direction, notice, consent, waiver or other Act by the Holders on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than six months after such record date.

(f) For purposes of this Indenture, any action by the Holders which may be taken in writing may be taken by electronic means or as otherwise reasonably acceptable to the Trustee.

Section 106. Notices, etc., to the Trustee, the Company and any Guarantor.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with:

(a) the Trustee by any Holder or by the Company or any Guarantor or any other obligor on the Securities shall be sufficient for every purpose (except as provided in Section 501(c)) hereunder if in writing and mailed, first-class postage prepaid, or delivered by recognized overnight courier, to or with the Trustee at its Corporate Trust Office, or at any other address previously furnished in writing to the Holders or the Company, any Guarantor or any other obligor on the Securities by the Trustee; or

(b) the Company or any Guarantor by the Trustee or any Holder shall be sufficient for every purpose (except as provided in Section 501(c)) hereunder if in writing

and mailed, first-class postage prepaid, or delivered by recognized overnight courier, to the Company or such Guarantor addressed to it c/o Sonic Automotive, Inc., 5401 East Independence Boulevard, Charlotte, North Carolina 28212, Attention: Chief Financial Officer or at any other address previously furnished in writing to the Trustee by the Company or such Guarantor.

Section 107. Notice to Holders; Waiver.

Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, or delivered by recognized overnight courier, to each Holder affected by such event, at its address as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Any notice when mailed to a Holder in the aforesaid manner shall be conclusively deemed to have been received by such Holder whether or not actually received by such Holder. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case by reason of the suspension of regular mail service or by reason of any other cause, it shall be impracticable to mail notice of any event as required by any provision of this Indenture, then any method of giving such notice as shall be reasonably satisfactory to the Trustee shall be deemed to be a sufficient giving of such notice.

Section 108. Conflict with Trust Indenture Act.

If any provision hereof limits, qualifies or conflicts with any provision of the Trust Indenture Act or another provision which is required or deemed to be included in this Indenture by any of the provisions of the Trust Indenture Act, the provision or requirement of the Trust Indenture Act shall control. If any provision of this Indenture modifies or excludes any provision of the Trust Indenture Act that may be so modified or excluded, the latter provision shall be deemed to apply to this Indenture as so modified or to be excluded, as the case may be.

Section 109. Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 110. Successors and Assigns.

All covenants and agreements in this Indenture by the Company and the Guarantors shall bind their respective successors and assigns, whether so expressed or not.

Section 111. Separability Clause.

In case any provision in this Indenture or in the Securities or Guarantees shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 112. Benefits of Indenture.

Nothing in this Indenture or in the Securities or Guarantees, express or implied, shall give to any Person (other than the parties hereto and their successors hereunder, any Paying Agent and the Holders) any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 113. GOVERNING LAW.

THIS INDENTURE, THE SECURITIES AND THE GUARANTEES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF.

Section 114. Legal Holidays.

In any case where any Interest Payment Date, Redemption Date, Maturity or Stated Maturity of any Security shall not be a Business Day, then (notwithstanding any other provision of this Indenture or of the Securities) payment of interest or principal or premium, if any, need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on such Interest Payment Date or Redemption Date, or at the Maturity or Stated Maturity and no interest shall accrue with respect to such payment for the period from and after such Interest Payment Date, Redemption Date, Maturity or Stated Maturity, as the case may be, to the next succeeding Business Day.

Section 115. Independence of Covenants.

All covenants and agreements in this Indenture shall be given independent effect so that if a particular action or condition is not permitted by any such covenants, the fact that it would be permitted by an exception to, or be otherwise within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

Section 116. Schedules and Exhibits.

All schedules and exhibits attached hereto are by this reference made a part hereof with the same effect as if herein set forth in full.

Section 117. Counterparts.

This Indenture may be executed in any number of counterparts, each of which shall be deemed an original; but all such counterparts shall together constitute but one and the same instrument.

ARTICLE TWO

SECURITY FORMS

Section 201. Forms Generally.

The Securities, the Guarantees and the Trustee's certificate of authentication thereon shall be in substantially the forms set forth in this Article Two, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted hereby and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange, any organizational document or governing instrument or applicable law or as may, consistently herewith, be determined by the officers executing such Securities and Guarantees, as evidenced by their execution of the Securities and Guarantees. Any portion of the text of any Security may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Security.

The definitive Securities shall be printed, lithographed or engraved or produced by any combination of these methods or may be produced in any other manner permitted by the rules of any securities exchange on which the Securities may be listed, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities.

Initial Securities offered and sold in reliance on Rule 144A shall be issued initially in the form of one or more Rule 144A Global Securities, substantially in the form set forth in Section 202, deposited upon issuance with the Trustee, as custodian for the Depositary, registered in the name of the Depositary, or its nominee, in each case for credit to an account of a direct or indirect participant of the Depositary, duly executed by the Company and authenticated by the Trustee as hereinafter provided. The aggregate principal amount of the Rule 144A Global Securities may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depositary or its nominee, as hereinafter provided.

Initial Securities offered and sold in reliance on Regulation S shall be issued in the form of one or more Regulation S Global Securities, substantially in the form set forth in Section 202, deposited upon issuance with the Trustee, as custodian for the Depositary, registered in the name of the Depositary, or its nominee in each case for credit by the Depositary to an account of a direct or indirect participant of the Depositary, duly executed by the Company and authenticated by the Trustee as hereinafter provided; provided, however, that upon such deposit through and including the 40th day after the later of the commencement of the Offering and the original issue date of the Securities (such period through and including such 40th day, the "Restricted Period"), all such Securities shall be credited to or through accounts maintained at the Depositary by or on behalf of Euroclear or Clearstream unless exchanged for interests in the Rule 144A Global Securities in accordance with the transfer and certification requirements described below. The aggregate principal amount of the Regulation S Global Securities may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depositary or its nominee, as hereinafter provided.

Series D Securities exchanged for Series C Securities or Series B Securities shall be issued initially in the form of one or more Series D Global Securities, substantially in the form set forth in Section 202, deposited upon issuance with the Trustee, as custodian for the Depositary, registered in the name of the Depositary or its nominee, in each case for credit to an account of a direct or indirect participant of the Depositary, duly executed by the Company and authenticated by the Trustee as hereinafter provided. The aggregate principal amount of the Series D Global Securities may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depositary or its nominee, as hereinafter provided.

Section 202. Form of Face of Security.

(a) The form of the face of any Series C Securities authenticated and delivered hereunder shall be substantially as follows:

Unless and until (i) a Series C Security is sold under an effective Registration Statement or (ii) a Series C Security is exchanged for a Series D Security in connection with an effective Registration Statement, in each case pursuant to the Registration Rights Agreement, then such Security shall bear the legend set forth below (the "Private Placement Legend") on the face thereof:

> THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF

> SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION AS SET FORTH BELOW.
>
> BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION, (2) AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY PRIOR TO THE DATE WHICH IS TWO YEARS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) ONLY (A) TO THE COMPANY, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A INSIDE THE UNITED STATES, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) OUTSIDE THE UNITED STATES PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS IN AN OFFSHORE TRANSACTION WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSES (D) OR

(E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS

SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE. AS USED HEREIN, THE TERMS "UNITED STATES," "OFFSHORE TRANSACTION," AND "U.S. PERSON" HAVE THE RESPECTIVE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

[Legend if Security is a Global Security]

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY OR A SUCCESSOR DEPOSITARY. TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF CEDE & CO. OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 306 AND 307 OF THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT AND ANY SUCH CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THE OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN ARTICLE FOURTEEN OF THE INDENTURE TO THE OBLIGATIONS (INCLUDING

INTEREST) OWED BY THE COMPANY AND CERTAIN OF ITS SUBSIDIARIES TO ALL SENIOR INDEBTEDNESS; AND EACH HOLDER HEREOF BY ITS ACCEPTANCE HEREOF, SHALL BE BOUND BY THE PROVISIONS OF THE SUBORDINATION AS SET FORTH IN SAID ARTICLE FOURTEEN OF THE INDENTURE."

SONIC AUTOMOTIVE, INC.

11% SENIOR SUBORDINATED NOTE DUE 2008, SERIES C

CUSIP NO. 83545GAC6

No. 1 $75,000,000

Sonic Automotive, Inc., a Delaware corporation (herein called the "Company," which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to _____ or registered assigns, the principal sum of $75,000,000 United States dollars, or such other principal amount (which, when taken together with the principal amounts of all other Outstanding Securities, shall not exceed $75,000,000 less the principal amount of Securities redeemed by the Company in accordance with the Indenture) as may be set forth on the Security Register on Appendix A hereto in accordance with the Indenture, on August 1, 2008, at the office or agency of the Company referred to below, and to pay interest thereon from November 19, 2001, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on February 1and August 1 in each year, commencing February 1, 2002 at the rate of 11% per annum, subject to adjustments as described in the second following paragraph, in United States dollars, until the principal hereof is paid or duly provided for. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

The Holder of this Series C Security is entitled to the

benefits of the Registration Rights Agreement among the Company, the Guarantors and the Initial Purchasers, dated November 19, 2001, pursuant to which, subject to the terms and conditions thereof, the Company and the Guarantors are obligated to consummate the Exchange Offer pursuant to which the Holder of this Security (and related Guarantees) shall have the right to exchange this Security (and related Guarantees) for 11% Senior Subordinated Notes due 2008, Series D and related Guarantees (herein called the "Series D Securities") in like principal amount as provided therein. The Series C Securities and the Series D Securities are together (including related Guarantees) referred to as the "Securities." The Series C Securities rank pari passu in right of payment with the Series D Securities. Pursuant to the Registration Rights Agreement, the holders of the Company's $125,000,000 11% Senior Subordinated Notes due 2008, Series B (the "Series B Notes") will also be offered the opportunity to exchange their Series B Notes for Series D Securities.

In the event that (a) the Exchange Offer Registration Statement is not filed with the Commission on or prior to the 60th calendar day following the date of original

issue of the Series C Securities, (b) the Exchange Offer Registration Statement has not been declared effective on or prior to the 135th calendar day following the date of original issue of the Series C Securities, (c) the Exchange Offer is not consummated or a Shelf Registration Statement is not declared effective, in either case, on or prior to the 165th calendar day following the date of original issue of the Series C Securities or (d) the Shelf Registration Statement is declared effective but shall thereafter become unusable for more than 30 days in the aggregate (each such event referred to in clauses (a) through (d) above, a "Registration Default"), the interest rate borne by the Series C Securities shall be increased by one-quarter of one percent per annum upon the occurrence of each Registration Default, which rate (as increased aforesaid) will increase by an additional one quarter of one percent each 90-day period that such additional interest continues to accrue under any such circumstance, with an aggregate maximum increase in the interest rate equal to one percent (1%) per annum. The Shelf Registration Statement will be required to remain effective until the second anniversary of the Series C Securities. Following the cure of all Registration Defaults, the accrual of additional interest will cease and the interest rate will revert to the original rate.

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or any Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the January 15 or July 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid, or duly provided for, and interest on such defaulted interest at the interest rate borne by the Series C Securities, to the extent lawful, shall forthwith cease to be payable to the Holder on such Regular Record Date, and may either be paid to the Person in whose name this Security (or any Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may be listed, and upon such notice as may be required by this Indenture not inconsistent with the requirements of such exchange, all as more fully provided in this Indenture.

Payment of the principal of, premium, if any, and interest on, this Security, and exchange or transfer of the Security, will be made at the office or agency of the Company in The City of New York maintained for that purpose (which initially will be a corporate trust office of the Trustee located at 100 Wall Street, 20th Floor, New York, New York, 10005), or at such other office or agency as may be maintained for such purpose, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of interest may be made at the option of the Company by check mailed to the address of the Person entitled thereto as such address shall appear on the Security Register.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

This Security is entitled to the benefits of the Guarantees by the Guarantors of the punctual payment when due and performance of the Indenture Obligations made in favor of the Trustee for the benefit of the Holders. Reference is made to Article Thirteen of the Indenture for a statement of the respective rights, limitations of rights, duties and obligations under the Guarantees of the Guarantors.

Unless the certificate of authentication hereon has been duly executed by the Trustee referred to on the reverse hereof or by the authenticating agent appointed as provided in the Indenture by manual signature of an authorized signer, this Security shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed by the manual or facsimile signature of its authorized officers.

Sonic Automotive, Inc.

By:

Name:
Title:

Attest:

- ---

Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the 11% Senior Subordinated Notes due 2008, Series C referred to in the within-mentioned Indenture.

U.S Bank Trust National Association,
as Trustee

By:

Authorized Signer

Dated:

OPTION OF HOLDER TO ELECT PURCHASE

If you wish to have this Security purchased by the Company pursuant to Section 1012 or Section 1014, as applicable, of the Indenture, check the Box: [ ].

If you wish to have a portion of this Security purchased by the Company pursuant to Section 1012 or Section 1014 as applicable, of the Indenture, state the amount (in original principal amount):

$ ---

Date: --- Your Signature: ---

(Sign exactly as your name appears on the other side of this Security)

Signature Guarantee:

[Signature must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15]

(b) The form of the face of any Series D Securities authenticated and delivered hereunder shall be substantially as follows:

[Legend if Security is a Global Security]

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE

INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY OR A SUCCESSOR DEPOSITARY. TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF CEDE & CO. OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 306 AND 307 OF THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT AND ANY SUCH CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THE OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN ARTICLE FOURTEEN OF THE INDENTURE TO THE OBLIGATIONS (INCLUDING INTEREST) OWED BY THE COMPANY AND CERTAIN OF ITS SUBSIDIARIES TO ALL SENIOR INDEBTEDNESS; AND EACH HOLDER HEREOF BY ITS ACCEPTANCE HEREOF, SHALL BE BOUND BY THE PROVISIONS OF THE SUBORDINATION AS SET FORTH IN SAID ARTICLE FOURTEEN OF THE INDENTURE."

Sonic Automotive, Inc.

11% SENIOR SUBORDINATED NOTE DUE 2008, SERIES D

No. ---------- CUSIP NO. $ ----------

Sonic Automotive, Inc., a Delaware corporation (herein called the "Company," which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay ------- to or registered assigns, the principal sum of ------- United States dollars on August 1, 2008, at the office or agency of the Company referred to below, and to pay interest thereon from November 19, 2001, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on February 1 and August 1 in each year, commencing August 1, 2002 at the rate of 11% per annum, in United States dollars, until the principal hereof is paid or duly provided for; provided that to the extent interest has not been paid or duly provided for with respect to the Series C Security or the 11% Senior Subordinated Notes due 2008, Series B and related Guarantees (herein called the "Series B Securities") exchanged for this Series D Security, interest on this Series D Security shall accrue from the most recent Interest Payment Date to which interest on the Series C Security or Series B Security which was exchanged for this Series D Security has been paid or duly provided for, or if no interest has been paid on the Series C Security, it shall accrue interest from November 19, 2001 with respect to Series C Securities exchanged for Series D Securities. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

This Series D Security was issued pursuant to the Exchange Offer pursuant to which the 11% Senior Subordinated Notes due 2008, Series C and related Guarantees (herein called the "Series C Securities") and the Series B Securities in like principal amount were exchanged for the Series D Securities and related Guarantees. The Series D Securities rank pari passu in right of payment with the Series C Securities and the Series B Securities.

In addition, for any period in which a Series C Security exchanged for this Series D Security was outstanding, in the event that (a) the Exchange Offer Registration Statement is not filed with the Commission on or prior to the 60th calendar day following the date of original issue of the Series C Security, (b) the Exchange Offer Registration Statement has not been declared effective on or prior to the 135th calendar day following the date after the original issue of the Series C Security, (c) the Exchange Offer is not

consummated or a Shelf Registration Statement is not declared effective, in either case,

on or prior to the 135th calendar day following the date of original issue of the Series C Security or (d) the Shelf Registration Statement is declared effective but shall thereafter become unusable for more than 30 days in the aggregate (each such event referred to in clauses (a) through (d) above, a "Registration Default"), the interest rate borne by the Series C Securities shall be increased by one-quarter of one percent per annum upon the occurrence of each Registration Default, which rate (as increased as aforesaid) will increase by an additional one quarter of one percent each 90-day period that such additional interest continues to accrue under any such circumstance, with an aggregate maximum increase in the interest rate equal to one percent (1%) per annum. The Shelf Registration Statement will be required to remain effective until the second anniversary of the issuance of the Series C Securities. Following the cure of all Registration Defaults the accrual of additional interest will cease and the interest rate will revert to the original rate; provided that, to the extent interest at such increased interest rate has been paid or duly provided for with respect to the Series C Security, interest at such increased interest rate, if any, on this Series D Security shall accrue from the most recent Interest Payment Date to which such interest on the Series C Security has been paid or duly provided for; provided, however, that, if after any such reduction in interest rate, a different event specified in clause (a), (b), (c) or (d) above occurs, the interest rate shall again be increased pursuant to the foregoing provisions.

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or any Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the January 15 or July 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid, or duly provided for, and interest on such defaulted interest at the interest rate borne by the Series D Securities, to the extent lawful, shall forthwith cease to be payable to the Holder on such Regular Record Date, and may either be paid to the Person in whose name this Security (or any Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may be listed, and upon such notice as may be required by such exchange, all as more fully provided in this Indenture.

Payment of the principal of, premium, if any, and interest on, this Security, and exchange or transfer of the Security, will be made at the office or agency of the Company in The City of New York maintained for such purpose (which initially will be a corporate trust office of the Trustee located at 100 Wall Street, 20th Floor, New York, New York, 10005, or at such other office or agency as may be maintained for such purpose, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of interest may be made at the option of the Company by check mailed to the

address of the Person entitled thereto as such address shall appear on the Security Register.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

This Security is entitled to the benefits of the Guarantees by the Guarantors of the punctual payment when due and performance of the Indenture Obligations made in favor of the Trustee for the benefit of the Holders. Reference is made to Article Thirteen of the Indenture for a statement of the respective rights, limitations of rights, duties and obligations under the Guarantees of the Guarantors.

Unless the certificate of authentication hereon has been duly executed by the Trustee referred to on the reverse hereof or by the authenticating agent appointed as provided in the Indenture by manual signature of an authorized signer, this Security shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed by the manual or facsimile signature of its authorized officers.

Sonic Automotive, Inc.

By:

Title:

Attest:

- ---
Authorized Officer

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the 11% Senior Subordinated Notes due 2008, Series D referred to in the within-mentioned Indenture.

U.S. Bank Trust National Association,
as Trustee

By:

Authorized Signer

Dated:

OPTION OF HOLDER TO ELECT PURCHASE

If you wish to have this Security purchased by the Company pursuant to Section 1012 or Section 1014, as applicable, of the Indenture, check the Box: [ ].

If you wish to have a portion of this Security purchased by the Company pursuant to Section 1012 or Section 1014 as applicable, of the Indenture, state the amount (in original principal amount):

$

Date:

Your Signature:

(Sign exactly as your name appears on the other side of this Security)

Signature Guarantee:

[Signature must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15]

Section 203. Form of Reverse of Securities.

(a) The form of the reverse of the Series C Securities shall be substantially as follows:

Sonic Automotive, Inc.
11% Senior Subordinated Note due 2008, Series C

This Security is one of a duly authorized issue of Securities of the Company designated as its 11% Senior Subordinated Notes due 2008, Series C (herein called the "Securities"), limited (except as otherwise provided in the Indenture referred to below) in aggregate principal amount to $75,000,000, issued under and subject to the terms of an indenture (herein called the "Indenture") dated as of November 19, 2001, among the Company, the Guarantors and U.S. Bank Trust National Association, as trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties,

obligations and immunities thereunder of the Company, the Guarantors, the Trustee and

the Holders of the Securities, and of the terms upon which the Securities are, and are to be, authenticated and delivered.

The Securities are subject to redemption at any time on or after August 1, 2003, at the option of the Company, in whole or in part, on not less than 30 nor more than 60 days' prior notice, in amounts of $1,000 or an integral multiple thereof, at the following redemption prices (expressed as percentages of the principal amount), if redeemed during the 12-month period beginning August 1 of the years indicated below:

Year	Redemption Price
2003	105.50%
2004	103.667%
2005	101.833%

and thereafter at 100% of the principal amount, in each case, together with accrued and unpaid interest, if any, to the Redemption Date (subject to the rights of Holders of record on relevant record dates to receive interest due on an Interest Payment Date).

If less than all of the Securities are to be redeemed, the Trustee shall select the Securities or portions thereof to be redeemed pro rata, by lot or by any other method the Trustee shall deem fair and reasonable.

Upon the occurrence of a Change of Control, each Holder may require the Company to purchase such Holder's Securities in whole or in part in integral multiples of $1,000, at a purchase price in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase, pursuant to a Change of Control Offer in accordance with the procedures set forth in the Indenture.

Under certain circumstances, in the event the Net Cash Proceeds received by the Company from any Asset Sale, which proceeds are not used to repay permanently any Senior Indebtedness or Senior Guarantor Indebtedness or invested in Replacement Assets or exceeds a specified amount the Company will be required to apply such proceeds to the repayment of the Securities and certain Indebtedness ranking pari passu in right of payment to the Securities.

In the case of any redemption or repurchase of Securities in accordance with the Indenture, interest installments whose Stated Maturity is on or prior to the Redemption Date will be payable to the Holders of such Securities of record as of the close of business on the relevant Regular Record Date or Special Record Date referred to on the face hereof. Securities (or portions thereof) for whose redemption and payment provision is made in accordance with the Indenture shall cease to bear interest from and after the Redemption Date.

In the event of redemption or repurchase of this Security in accordance with the Indenture in part only, a new Security or Securities for the unredeemed portion hereof shall be issued in the name of the Holder hereof upon the cancellation hereof.

If an Event of Default shall occur and be continuing, the principal amount of all the Securities may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture contains provisions for defeasance at any time of (a) the entire Indebtedness on the Securities and (b) certain restrictive covenants and related Defaults and Events of Default, in each case upon compliance with certain conditions set forth therein.

The Indenture permits, with certain exceptions (including certain amendments permitted without the consent of any Holders and certain amendments which require the consent of all the Holders) as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the Guarantors and the rights of the Holders under the Indenture and the Securities and the Guarantees at any time by the Company and the Trustee with the consent of the Holders of at least a majority in aggregate principal amount of the Securities at the time Outstanding. The Indenture also contains provisions permitting the Holders of at least a majority in aggregate principal amount of the Securities (100% of the Holders in certain circumstances) at the

time Outstanding, on behalf of the Holders of all the Securities, to waive compliance by the Company and the Guarantors with certain provisions of the Indenture and the Securities and the Guarantees and certain past Defaults under the Indenture and the Securities and the Guarantees and their consequences. Any such consent or waiver by or on behalf of the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, any Guarantor or any other obligor on the Securities (in the event such Guarantor or such other obligor is obligated to make payments in respect of the Securities), which is absolute and unconditional, to pay the principal of, premium, if any, and interest on, this Security at the times, place, and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in the Borough of Manhattan, The City of New York, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security

Registrar duly executed by, the Holder hereof or its attorney duly authorized in writing, and thereupon one or more new Securities, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

Certificated Securities shall be transferred to all beneficial holders in exchange for their beneficial interests in the Rule 144A Global Securities or the Regulation S Global Securities, if any, if (x) the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for such Global Security and a successor Depositary is not appointed by the Company within 90 days or (y) there shall have occurred and be continuing an Event of Default and the Security Registrar has received a request from the Depositary. Upon any such issuance, the Trustee is required to register such certificated Securities in the name of, and cause the same to be delivered to, such Person or Persons (or the nominee of any thereof). All such certificated Securities would be required to include the Private Placement Legend.

Securities in certificated form are issuable only in registered form without coupons in denominations of $1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Securities are exchangeable for a like aggregate principal amount of Securities of a differing authorized denomination, as requested by the Holder surrendering the same.

At any time when the Company is not subject to Sections 13 or 15(d) of the Exchange Act, upon the written request of a Holder of a Series C Security, the Company will promptly furnish or cause to be furnished such information as is specified pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto) to such Holder or to a prospective purchaser of such Security who such Holder informs the Company is reasonably believed to be a "Qualified Institutional Buyer" within the meaning of Rule 144A under the Securities Act, as the case may be, in order to permit compliance by such Holder with Rule 144A under the Securities Act.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, any Guarantor, the Trustee and any agent of the Company, any Guarantor or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security is overdue, and neither the Company, any Guarantor, the Trustee nor any such agent shall be affected by notice to the contrary.

THIS SECURITY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF.

All terms used in this Security which are defined in the Indenture and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

[The Transferee Certificate, in the form of Appendix I hereto, will be attached to the Series C Security.]

(b) The form of the reverse of the Series D Securities shall be substantially as follows:

Sonic Automotive, Inc.
11% Senior Subordinated Note due 2008, Series D

This Security is one of a duly authorized issue of Securities of the Company designated as its 11% Senior Subordinated Notes due 2008, Series D (herein called the "Securities") limited (except as otherwise provided in the Indenture referred to below) in aggregate principal amount to $200,000,000 (less the principal amount of Series B Securities outstanding), issued under and subject to the terms of an indenture (herein called the "Indenture") dated as of November 19, 2001 among the Company, the Guarantors and U.S. Bank Trust National Association, as trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties, obligations and immunities thereunder of the Company, the Guarantors, the Trustee and the Holders of the Securities, and of the terms upon which the Securities are, and are to be, authenticated and delivered.

The Series D Securities are subject to redemption at any time on or after August 1, 2003, at the option of the Company, in whole or in part, on not less than 30 nor more than 60 days' prior notice, in amounts of $1,000 or an integral multiple thereof, at the following redemption prices (expressed as percentages of the principal amount), if redeemed during the 12-month period beginning August 1 of the years indicated below:

Year	Redemption Price
2003	105.50%
2004	103.667%
2005	101.833%

and thereafter at 100% of the principal amount, in each case, together with accrued and unpaid interest, if any, to the Redemption Date (subject to the rights of Holders of record on relevant record dates to receive interest due on an Interest Payment Date).

If less than all of the Securities are to be redeemed, the Trustee shall select the Securities or portions thereof to be redeemed pro rata, by lot or by any other method the Trustee shall deem fair and reasonable.

Upon the occurrence of a Change of Control, each Holder may require the Company to purchase such Holder's Securities in whole or in part in integral multiples of $1,000, at a purchase price in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase, pursuant to Change of Control Offer and in accordance with the procedures set forth in the Indenture.

Under certain circumstances, in the event the Net Cash Proceeds received by the Company from any Asset Sale, which proceeds are not used to repay permanently any Senior Indebtedness or Senior Guarantor Indebtedness or invested in Replacement Assets or exceeds a specified amount, the Company will be required to apply such proceeds to the repayment of the Securities and certain Indebtedness ranking pari passu in right of payment to the Securities.

In the case of any redemption or repurchase of Securities in accordance with the Indenture, interest installments whose Stated Maturity is on or prior to the Redemption Date will be payable to the Holders of such Securities of record as of the close of business on the relevant Regular Record Date or Special Record Date referred to on the face hereof. Securities (or portions thereof) for whose redemption and payment provision is made in accordance with the Indenture shall cease to bear interest from and after the Redemption Date.

In the event of redemption or repurchase of this Security in accordance with the Indenture in part only, a new Security or Securities for the unredeemed portion hereof shall be issued in the name of the Holder hereof upon the cancellation hereof.

If an Event of Default shall occur and be continuing, the principal amount of all the Securities may be declared due and payable in the

manner and with the effect provided in the Indenture.

The Indenture contains provisions for defeasance at any time of (a) the entire Indebtedness on the Securities and (b) certain restrictive covenants and related Defaults and Events of Default, in each case upon compliance with certain conditions set forth therein.

The Indenture permits, with certain exceptions (including certain amendments permitted without the consent of any Holders and certain amendments which required the consent of all of the Holders) as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the Guarantors and the rights of the Holders under the Indenture and the Securities and the Guarantees at any time by the Company and the Trustee with the consent of the Holders of at least a majority in aggregate principal amount of the Securities at the time

Outstanding. The Indenture also contains provisions permitting the Holders of at least a majority in aggregate principal amount of the Securities (100% of the Holders in certain circumstances) at the time Outstanding, on behalf of the Holders of all the Securities, to waive compliance by the Company and the Guarantors with certain provisions of the Indenture and the Securities and the Guarantees and certain past Defaults under the Indenture and the Securities and the Guarantees and their consequences. Any such consent or waiver by or on behalf of the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, any Guarantor or any other obligor on the Securities (in the event such Guarantor or such other obligor is obligated to make payments in respect of the Securities), which is absolute and unconditional, to pay the principal of, and premium, if any, and interest on, this Security at the times, place, and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in the Borough of Manhattan, The City of New York, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or its attorney duly authorized in writing, and thereupon one or more new Securities, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

Certificated Securities shall be transferred to all beneficial holders in exchange for their beneficial interests in the Rule 144A Global Securities or the Regulation S Global Securities if (x) the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for such Global Security and a successor Depositary is not appointed by the Company within 90 days or (y) there shall have occurred and be continuing an Event of Default and the Security Registrar has received a request from the Depositary. Upon any such issuance, the Trustee is required to register such certificated Securities in the name of, and cause the same to be delivered to, such Person or Persons (or the nominee of any thereof).

Securities in certificated form are issuable only in registered form without coupons in denominations of $1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Securities are exchangeable for a like aggregate principal amount of Securities of a differing authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, any Guarantor, the Trustee and any agent of the Company, any Guarantor or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security is overdue, and neither the Company, any Guarantor, the Trustee nor any such agent shall be affected by notice to the contrary.

THIS SECURITY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE

WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF.

All terms used in this Security which are defined in the Indenture and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

[The Transferee Certificate, in the form of Appendix II hereto, will be attached to the Series D Security.]

Section 204. Form of Guarantee.

The form of Guarantee shall be set forth on the Securities substantially as follows:

GUARANTEE

For value received, each of the undersigned hereby absolutely, fully and unconditionally and irrevocably guarantees, jointly and severally with each other Guarantor, to the holder of this Security the payment of principal of, premium, if any, and interest on this Security upon which these Guarantees are endorsed in the amounts and at the time when due and payable whether by declaration thereof, or otherwise, and interest on the overdue principal and interest, if any, of this Security, if lawful, and the payment or performance of all other obligations of the Company under the Indenture or the Securities, to the holder of this Security and the Trustee, all in accordance with and subject to the terms and limitations of this Security and Article Thirteen of the Indenture. This Guarantee will not become effective until the Trustee duly executes the certificate of authentication on this Security. These Guarantees shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of law principles thereof.

Dated:

AUTOBAHN, INC. (a California corporation)
CAPITOL CHEVROLET AND IMPORTS, INC. (an Alabama corporation)
COBB PONTIAC CADILLAC, INC. (an Alabama corporation)

FA SERVICE CORPORATION (a California corporation)
FAA AUTO FACTORY, INC. (a California corporation)
FAA BEVERLY HILLS, INC. (a California corporation)
FAA CAPITOL F, INC. (a California corporation)
FAA CAPITOL N, INC. (a California corporation)
FAA CONCORD H, INC. (a California corporation)
FAA CONCORD N, INC. (a California corporation)
FAA CONCORD T, INC. (a California corporation)
FAA DUBLIN N, INC. (a California corporation)
FAA DUBLIN VWD, INC. (a California corporation)
FAA HOLDING CORP. (a California corporation)
FAA LAS VEGAS H, INC. (a Nevada corporation)
FAA MARIN D, INC. (a California corporation)
FAA MARIN F, INC. (a California corporation)
FAA MARIN LR, INC. (a California corporation)
FAA POWAY D, INC. (a California corporation)
FAA POWAY G, INC. (a California corporation)
FAA POWAY H, INC. (a California corporation)
FAA POWAY T, INC. (a California corporation)
FAA SAN BRUNO, INC. (a California corporation)
FAA SANTA MONICA V, INC. (a California corporation)
FAA SERRAMONTE H, INC. (a California corporation)
FAA SERRAMONTE L, INC. (a California corporation)
FAA SERRAMONTE, INC. (a California corporation)
FAA STEVENS CREEK, INC. (a California corporation)
FAA TORRANCE CPJ, INC. (a California corporation)
FIRSTAMERICA AUTOMOTIVE, INC. (a Delaware corporation)
FORT MILL CHRYSLER-PLYMOUTH-DODGE INC. (a South Carolina corporation)
FORT MILL FORD, INC. (a South Carolina corporation)
FRANCISCAN MOTORS, INC. (a California corporation)
FREEDOM FORD, INC. (a Florida corporation)
FRONTIER OLDSMOBILE-CADILLAC, INC. (a North Carolina corporation)
HMC FINANCE ALABAMA, INC. (an Alabama corporation)
KRAMER MOTORS INCORPORATED (a California corporation)
LAWRENCE MARSHALL CHEVROLET, LLC (a Delaware limited liability company)
LAWRENCE MARSHALL CHEVROLET, L.P. (a Texas limited partnership)
L DEALERSHIP GROUP, INC. (a Texas corporation)
MARCUS DAVID CORPORATION (a North Carolina corporation)
PHILPOTT MOTORS, LTD. (a Texas limited partnership)
RIVERSIDE NISSAN, INC. (an Oklahoma corporation)
ROYAL MOTOR COMPANY, INC. (an Alabama corporation)
SANTA CLARA IMPORTED CARS, INC. (a California corporation)
SMART NISSAN, INC. (a California corporation)

SONIC AUTOMOTIVE - BONDESEN, INC. (a Florida corporation)
SONIC AUTOMOTIVE OF CHATTANOOGA, LLC (a Tennessee limited liability company)
SONIC AUTOMOTIVE-CLEARWATER, INC. (a Florida corporation)
SONIC AUTOMOTIVE COLLISION CENTER OF CLEARWATER, INC.(a Florida corporation)
SONIC AUTOMOTIVE F&I, LLC (a Nevada limited liability company)
SONIC AUTOMOTIVE OF GEORGIA, INC. (a Georgia corporation)
SONIC AUTOMOTIVE OF NASHVILLE, LLC (a Tennessee limited liability company)
SONIC AUTOMOTIVE OF NEVADA, INC. (a Nevada corporation)
SONIC AUTOMOTIVE SERVICING COMPANY, LLC (a Nevada limited liability company)
SONIC AUTOMOTIVE OF TENNESSEE, INC. (a Tennessee corporation)
SONIC AUTOMOTIVE OF TEXAS, L.P. (a Texas limited partnership)

SONIC AUTOMOTIVE WEST, LLC (a Nevada limited liability company
SONIC AUTOMOTIVE - 1307 N. DIXIE HWY., NSB, INC. (a Florida corporation)
SONIC AUTOMOTIVE-1400 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE-1455 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE-1495 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE-1500 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE - 1720 MASON AVE., DB, INC. (a Florida corporation)
SONIC AUTOMOTIVE - 1720 MASON AVE., DB, LLC (a Florida limited liability company)
SONIC AUTOMOTIVE - 1919 N. DIXIE HWY., NSB, INC. (a Florida corporation)
SONIC AUTOMOTIVE - 21699 U.S. HWY 19 N., INC. (a Florida corporation)
SONIC AUTOMOTIVE - 241 RIDGEWOOD AVE., HH, INC. (a Florida corporation)
SONIC AUTOMOTIVE 2424 LAURENS RD., GREENVILLE, INC. (a South Carolina corporation)
SONIC AUTOMOTIVE - 2490 SOUTH LEE HIGHWAY, LLC (a Tennessee limited liability company),
SONIC AUTOMOTIVE 2752 LAURENS RD., GREENVILLE, INC. (a South Carolina corporation)
SONIC AUTOMOTIVE - 3401 N. MAIN, TX, L.P. (a Texas limited partnership)
SONIC AUTOMOTIVE-3700 WEST BROAD STREET, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE - 3741 S. NOVA RD., PO, INC. (a Florida corporation)
SONIC AUTOMOTIVE-4000 WEST BROAD STREET, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE - 4701 I-10 EAST, TX, L.P. (a Texas limited partnership)
SONIC AUTOMOTIVE - 5221 I-10 EAST, TX, L.P. (a Texas limited partnership)
SONIC AUTOMOTIVE 5260 PEACHTREE INDUSTRIAL BLVD., LLC (a Georgia limited liability company)
SONIC AUTOMOTIVE-5585 PEACHTREE INDUSTRIAL BLVD., LLC (a Georgia limited liability company),
SONIC AUTOMOTIVE - 6008 N. DALE MABRY, FL, INC. (a Florida corporation)
SONIC AUTOMOTIVE - 6025 INTERNATIONAL DRIVE,LLC(a Tennessee limited liability company)
SONIC AUTOMOTIVE - 9103 E. INDEPENDENCE, NC, LLC (a North Carolina limited liability company)
SONIC - BETHANY H, INC. (an Oklahoma corporation)
SONIC - 2185 CHAPMAN RD., CHATTANOOGA, LLC (a Tennessee limited liability company)
SONIC - BUENA PARK H, INC. (a California corporation)
SONIC - CAMP FORD, L.P. (a Texas limited partnership)
SONIC - CAPITAL CHEVROLET, INC. (an Ohio corporation)
SONIC - CARROLLTON V, L.P. (a Texas limited partnership)
SONIC CHRYSLER-PLYMOUTH-JEEP, LLC(a North Carolina limited liability company)
SONIC - CLASSIC DODGE, INC. (an Alabama corporation)
SONIC - COAST CADILLAC, INC. (a California corporation)
SONIC DODGE, LLC (a North Carolina limited liability company)
SONIC DEVELOPMENT, LLC (a North Carolina limited liability company)
SONIC - FM AUTOMOTIVE, LLC (a Florida limited liability company)
SONIC - FM , INC. (a Florida corporation)
SONIC - FM NISSAN, INC. (a Florida corporation)
SONIC - FM VW, INC. (a Florida corporation)
SONIC - FORT WORTH T, L.P. (a Texas limited partnership)
SONIC - FREELAND, INC. (a Florida corporation)
SONIC - GLOBAL IMPORTS, L.P. (a Georgia limited partnership)
SONIC-GLOVER, INC. (an Oklahoma corporation)
SONIC - HARBOR CITY H, INC. (a California corporation)
SONIC - HOUSTON V, L.P. (a Texas limited partnership)
SONIC - INTEGRITY DODGE LV, LLC (a Nevada limited liability company)
SONIC - LAS VEGAS C EAST, LLC (a Nevada limited liability company)
SONIC - LAS VEGAS C WEST, LLC (a Nevada limited liability company)

SONIC - LLOYD NISSAN, INC. (a Florida corporation)
SONIC - LLOYD PONTIAC - CADILLAC, INC. (a Florida corporation)
SONIC - LUTE RILEY, L. P. (a Texas limited partnership)
SONIC - MANHATTAN FAIRFAX, INC. (a Virginia corporation)
SONIC - MANHATTAN WALDORF, INC. (a Maryland corporation)
SONIC-MONTGOMERY FLM, INC. (an Alabama corporation)
SONIC - NEWSOME CHEVROLET WORLD, INC. (a South Carolina corporation)
SONIC - NEWSOME OF FLORENCE, INC. (a South Carolina corporation)

SONIC - NORTH CHARLESTON, INC. (a South Carolina corporation)
SONIC - NORTH CHARLESTON DODGE, INC. (a South Carolina corporation)
SONIC - PARK PLACE A, L.P. (a Texas limited partnership)
(formerly Sonic - Dallas Auto Factory, L.P.)
SONIC PEACHTREE INDUSTRIAL BLVD., L.P. (a Georgia limited partnership)
SONIC - READING, L.P. (a Texas limited partnership)
SONIC RESOURCES, INC. (a Nevada corporation)
SONIC - RICHARDSON F, L.P. (a Texas limited partnership)
SONIC-RIVERSIDE, INC. (an Oklahoma corporation)
SONIC - RIVERSIDE AUTO FACTORY, INC. (an Oklahoma corporation)
SONIC - ROCKVILLE IMPORTS, INC. (a Maryland corporation)
SONIC - ROCKVILLE MOTORS, INC. (a Maryland corporation)
SONIC - SAM WHITE NISSAN, L.P. (a Texas limited partnership)
SONIC - SHOTTENKIRK, INC. (a Florida corporation)
SONIC - STEVENS CREEK B, INC.
(a California corporation) (formerly known as Don Lucas International, Inc.)
SONIC - SUPERIOR OLDSMOBILE, LLC (a Tennessee limited liability company)
SONIC OF TEXAS, INC. (a Texas corporation)
SONIC-VOLVO LV, LLC (a Nevada limited liability company)
SONIC - WEST COVINA T, INC. (a California corporation)
SONIC - WEST RENO CHEVROLET, INC. (an Oklahoma corporation)
SONIC - WILLIAMS BUICK, INC. (an Alabama corporation)
SONIC - WILLIAMS CADILLAC, INC. (an Alabama corporation)
SONIC - WILLIAMS IMPORTS, INC. (an Alabama corporation)
SONIC - WILLIAMS MOTORS, LLC (an Alabama limited liability company)
SPEEDWAY CHEVROLET, INC. (an Oklahoma corporation)
SRE ALABAMA - 2, LLC (an Alabama limited liability company)
SRE ALABAMA - 3, LLC (an Alabama limited liability company)
SREALESTATE ARIZONA - 1, LLC (an Arizona limited liability company)
SREALESTATE ARIZONA - 2, LLC (an Arizona limited liability company)
SREALESTATE ARIZONA - 3, LLC (an Arizona limited liability company)
SREALESTATE ARIZONA - 4, LLC (an Arizona limited liability company)
SRE FLORIDA - 1, LLC (a Florida limited liability company)
SRE FLORIDA - 2, LLC (a Florida limited liability company)
SRE FLORIDA - 3, LLC (a Florida limited liability company)
SRE GEORGIA - 1, L.P. (a Georgia limited liability partnership)
SRE GEORGIA - 2, L.P. (a Georgia limited liability partnership)
SRE GEORGIA - 3, L.P. (a Georgia limited liability partnership)
SRE HOLDING, LLC (a North Carolina limited liability company)
SRE NEVADA - 1, LLC (a Nevada limited liability company)
SRE NEVADA - 2, LLC (a Nevada limited liability company)
SRE NEVADA - 3, LLC (a Nevada limited liability company)
SRE SOUTH CAROLINA - 2, LLC (a South Carolina limited liability company)
SRE TENNESSEE - 1, LLC (a Tennessee limited liability company)
SRE TENNESSEE - 2, LLC (a Tennessee limited liability company)
SRE TENNESSEE - 3, LLC (a Tennessee limited liability company)

SRE TEXAS - 1, L.P. (a Texas limited partnership)
SRE TEXAS - 2, L.P. (a Texas limited partnership)
SRE TEXAS - 3, L.P. (a Texas limited partnership)
SRE VIRGINIA - 1, LLC (a Virginia limited liability company)
STEVENS CREEK CADILLAC, INC. (a California corporation)
TRANSCAR LEASING, INC. (a California corporation)
TOWN AND COUNTRY CHRYSLER-PLYMOUTH-JEEP, LLC (a Tennessee limited liability company)
TOWN AND COUNTRY CHRYSLER-PLYMOUTH-JEEP OF ROCK HILL, INC. (a South Carolina corporation)
TOWN AND COUNTRY DODGE OF CHATTANOOGA, LLC (a Tennessee limited liability company)
TOWN AND COUNTRY FORD, INCORPORATED (a North Carolina corporation)
TOWN AND COUNTRY FORD OF CLEVELAND, LLC (a Tennessee limited liability company)
TOWN AND COUNTRY JAGUAR, LLC (a Tennessee limited liability company)
VILLAGE IMPORTED CARS, INC. (a Maryland corporation) and
WINDWARD, INC. (a Hawaii corporation)

By: _____
Name:
Title:

Attest: _____
Name:
Title:

ARTICLE THREE

THE SECURITIES

Section 301. Title and Terms.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture and outstanding at any time is limited to $200,000,000 (less the principal amount of Series B Securities outstanding) in principal amount of Securities, except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities pursuant to Section 303, 304, 305, 306, 307, 308, 906, 1012, 1015, 1108 or otherwise.

The Securities shall be known and designated as the "11% Senior Subordinated Notes due 2008" of the Company. A separate reference may be made to each series. The Stated Maturity of the Securities shall be August 1, 2008, and the Securities shall each bear interest at the rate of 11% per annum, as such interest rate may be adjusted as set forth in the Securities, from November 19, 2001, or from the most recent Interest Payment Date to which interest has been paid, payable semiannually on February 1 and August 1 in each year, commencing as of February 1, 2002 until the

principal thereof is paid or duly provided for. Interest on any overdue principal, interest (to the extent lawful) or premium, if any, shall be payable on demand.

The principal of, premium, if any, and interest on, the Securities shall be payable and the Securities shall be exchangeable and transferable at an office or agency of the Company in The City of New York maintained for such purposes (which initially will be a corporate trust office of the Trustee located at 100 Wall Street, 20th Floor, New York, New York, 10005); provided, however, that payment of interest may be made at the option of the Company by check mailed to addresses of the Persons entitled thereto as shown on the Security Register.

For all purposes hereunder, the Series C Securities and the Series D Securities will be treated as one class and are together referred to as the "Securities." The Series C Securities rank pari passu in right of payment with the Series D Securities.

The Securities shall be subject to repurchase by the Company pursuant to an Offer as provided in Section 1012.

Holders shall have the right to require the Company to purchase their Securities, in whole or in part, in the event of a Change of Control pursuant to Section 1014.

The Securities shall be redeemable as provided in Article Eleven and in the Securities.

The Indebtedness evidenced by these Securities shall be subordinated in right of payment with all other Senior Indebtedness.

At the election of the Company, the entire Indebtedness on the Securities or certain of the Company's obligations and covenants and certain Events of Default thereunder may be defeased as provided in Article Four.

Section 302. Denominations.

The Securities shall be issuable only in fully registered form without coupons and only in denominations of $1,000 and any integral multiple thereof.

Section 303. Execution, Authentication, Delivery and Dating.

The Securities shall be executed on behalf of the Company by one of its Chairman of the Board, its President, its Chief Executive Officer, its Chief Financial Officer or one of its Vice Presidents under its corporate seal reproduced thereon attested by its Secretary or one of its Assistant Secretaries. The signatures of any of these officers on the Securities may be manual or facsimile.

Securities bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or

did not hold such offices at the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities executed by the Company to the Trustee (with or without Guarantees endorsed thereon) for authentication, together with a Company Order for the authentication and delivery of such Securities; and the Trustee in accordance with such Company Order shall authenticate and make available for delivery such Securities as provided in this Indenture and not otherwise.

Each Security shall be dated the date of its authentication.

No Security or Guarantee endorsed thereon shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein duly executed by the Trustee by manual signature of an authorized officer, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture.

In case the Company or any Guarantor, pursuant to Article Eight, shall, in a single transaction or through a series of related transactions, be consolidated or merged with or into any other Person or shall sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets to any Person, and the successor Person resulting from such consolidation or surviving such merger, or into which the Company or such Guarantor shall have been merged, or the successor Person which shall have participated in the sale, assignment, conveyance, transfer, lease or other disposition as aforesaid, shall have executed an indenture supplemental hereto with the Trustee pursuant to Article Eight, any of the Securities authenticated or delivered prior to such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition may, from time to time, at the request of the successor Person, be exchanged for other Securities executed in the name of the successor Person with such changes in phraseology and form as may be appropriate, but otherwise in substance of like tenor as the Securities surrendered for such exchange and of like principal amount; and the Trustee, upon Company Request of the successor Person, shall authenticate and deliver Securities as specified in such request for the purpose of such exchange. If Securities shall at any time be authenticated and delivered in any new name of a successor Person pursuant to this Section 303 in exchange or substitution for or upon registration of transfer of any Securities, such successor Person, at the option of the Holders but without expense to them, shall provide for the exchange of all Securities at the time Outstanding for Securities authenticated and delivered in such new name.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Securities on behalf of the Trustee. Unless limited by the terms of such appointment, an authenticating agent may authenticate Securities whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as any Security Registrar or Paying Agent to deal with the Company and its Affiliates.

If an officer whose signature is on a Security no longer holds that office at the time the Trustee authenticates such Security such Security shall be valid nevertheless.

Section 304. Temporary Securities.

Pending the preparation of definitive Securities, the Company may execute, and upon Company Order the Trustee shall authenticate and make available for delivery, temporary Securities which are printed, lithographed, typewritten or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as conclusively evidenced by their execution of such Securities.

If temporary Securities are issued, the Company will cause definitive Securities to be prepared without unreasonable delay. After the preparation of definitive Securities, the temporary Securities shall be exchangeable for definitive Securities upon surrender of the temporary Securities at the office or agency of the Company designated for such purpose pursuant to Section 1002, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities, the Company shall execute and the Trustee (in accordance with a Company Order for the authentication of such Securities) shall authenticate and make available for delivery in exchange therefor a like principal amount of definitive Securities of authorized denominations. Until so exchanged the temporary Securities shall in all respects

be entitled to the same benefits under this Indenture as definitive Securities.

Section 305. Registration, Registration of Transfer and Exchange.

The Company shall cause the Trustee to keep, so long as it is the Security Registrar, at the Corporate Trust Office of the Trustee, or such other office as the Trustee may designate, a register (the register maintained in such office or in any other office or agency designated pursuant to Section 1002 being herein sometimes referred to as the "Security Register") in which, subject to such reasonable regulations as the Security Registrar may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The Trustee shall initially be the "Security Registrar" for the purpose of registering Securities and transfers of Securities as herein provided. The Company may change the Security Registrar or appoint one or more co-Security Registrars without notice.

Upon surrender for registration of transfer of any Security at the office or agency of the Company designated pursuant to Section 1002, the Company shall execute, and the Trustee shall (in accordance with a Company Order for the authentication of such Securities) authenticate and make available for delivery, in the name of the designated transferee or transferees, one or more new Securities of the same series of any authorized denomination or denominations, of a like aggregate principal amount.

Furthermore, any Holder of the Global Security shall, by acceptance of such Global Security, agree that transfers of beneficial interests in such Global Security may be effected only through a book-entry system maintained by the Holder of such Global Security (or its agent), and that ownership of a beneficial interest in a Security shall be required to be reflected in a book entry.

At the option of the Holder, Securities may be exchanged for other Securities of any authorized denomination or denominations, of a like aggregate principal amount, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall (in accordance with a Company Order for the authentication of such Securities) authenticate and make available for delivery, Securities of the same series which the Holder making the exchange is entitled to receive; provided that no exchange of Series C Securities for Series D Securities shall occur until an Exchange Offer Registration Statement shall have been declared effective by the Commission and that the Series C Securities exchanged for the Series D Securities shall be canceled.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company, evidencing the same Indebtedness, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer, or for exchange, repurchase or redemption, shall (if so required by the Company or the Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made to a Holder for any registration of transfer, exchange or redemption of Securities, except for any tax or other governmental charge that may be imposed in connection therewith, other than exchanges pursuant to Sections 303, 304, 305, 308, 906, 1012, 1014 or 1108 not involving any transfer.

The Company shall not be required (a) to issue, register the transfer of or exchange any Security during a period beginning at the opening of business 15 days before the mailing of a notice of redemption of the Securities selected for redemption under Section 1104 and ending at the close of business on the day of such mailing or

(b) to register the transfer of or exchange any Security so selected for redemption in whole or in part, except the unredeemed portion of Securities being redeemed in part.

Every Security shall be subject to the restrictions on transfer provided in the legend required to be set forth on the face of each Security pursuant to Section 202, and the restrictions set forth in this Section 305, and the Holder of each Security, by such Holder's acceptance thereof (or interest therein), agrees to be bound by such restrictions on transfer.

Except as provided in the preceding paragraph, any Security

authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, any Global Security, whether pursuant to this Section 305, Section 304, 308, 906 or 1108 or otherwise, shall also be a Global Security and bear the legend specified in Section 202.

Section 306. Book Entry Provisions for Global Securities.

(a) Each Global Security initially shall (i) be registered in the name of the Depositary for such Global Security or the nominee of such Depositary, (ii) be deposited with, or on behalf of, the Depositary or with the Trustee as custodian for such Depositary and (iii) bear legends as set forth in Section 202.

Members of, or participants in, the Depositary ("Agent Members") shall have no rights under this Indenture with respect to any Global Security held on their behalf by the Depositary, or the Trustee as its custodian, or under such Global Security, and the Depositary may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner of such Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depositary or shall impair, as between the Depositary and its Agent Members, the operation of customary practices governing the exercise of the rights of a holder of any Security.

(b) Notwithstanding any other provision in this Indenture, no Global Security may be exchanged in whole or in part for Securities registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any Person other than the Depositary for such Global Security or a nominee thereof unless (i) such Depositary (A) has notified the Company that it is unwilling or unable to continue as Depositary for such Global Security or (B) has ceased to be a clearing agency registered as such under the Exchange Act, and in either case the Company fails to appoint a successor Depositary, (ii) the Company, at its option, executes and delivers to the Trustee a Company Order stating that it elects to cause the issuance of the Securities in certificated form and that all Global Securities shall be exchanged in whole for Securities that are not Global Securities (in which case such exchange shall be effected by the Trustee) or (iii) there shall have occurred and be continuing an Event of Default or any

event which after notice or lapse of time or both would be an Event of Default with respect to such Global Security.

(c) If any Global Security is to be exchanged for other Securities or canceled in whole, it shall be surrendered by or on behalf of the Depositary or its nominee to the Trustee, as Security Registrar, for exchange or cancellation as provided in this Article Three. If any Global Security is to be exchanged for other Securities or canceled in part, or if another Security is to be exchanged in whole or in part for a beneficial interest in any Global Security, then either (i) such Global Security shall be so surrendered for exchange or cancellation as provided in this Article Three or (ii) the principal amount thereof shall be reduced or increased by an amount equal to the portion thereof to be so exchanged or canceled, or equal to the principal amount of such other Security to be so exchanged for a beneficial interest therein, as the case may be, by means of an appropriate adjustment made on the records of the Trustee, as Security Registrar, whereupon the Trustee, in accordance with the Applicable Procedures, shall instruct the Depositary or its authorized representative to make a corresponding adjustment to its records. Upon any such surrender or adjustment of a Global Security, the Trustee shall, subject to this Section 306(c) and as otherwise provided in this Article Three, authenticate and deliver any Securities issuable in exchange for such Global Security (or any portion thereof) to or upon the order of, and registered in such names as may be directed by, the Depositary or its authorized representative. Upon the request of the Trustee in connection with the occurrence of any of the events specified in the preceding paragraph, the Company shall promptly make available to the Trustee a reasonable supply of Securities that are not in the form of Global Securities. The Trustee shall be entitled to rely upon any order, direction or request of the Depositary or its authorized representative which is given or made pursuant to this Article Three if such order, direction or request is given or made in accordance with the Applicable Procedures.

(d) Every Security authenticated and delivered upon registration of transfer of, or in exchange for or in lieu of, a Global Security or any portion thereof, whether pursuant to this Article Three or otherwise, shall be authenticated and delivered in the form of, and shall be, a Global Security, unless such Security is registered in the name of a Person other than the Depositary for such Global Security or a nominee thereof.

(e) The Depositary or its nominee, as registered owner of a Global Security, shall be the Holder of such Global Security for all purposes

under this Indenture and the Securities, and owners of beneficial interests in a Global Security shall hold such interests pursuant to the Applicable Procedures. Accordingly, any such owner's beneficial interest in a Global Security will be shown only on, and the transfer of such interest shall be effected only through, records maintained by the Depositary or its nominee or its Agent Members.

Section 307. Special Transfer and Exchange Provisions.

(a) Certain Transfers and Exchanges. Transfers and exchanges of Securities and beneficial interests in a Global Security of the kinds specified in this Section 307 shall be made only in accordance with this Section 307.

(i) Rule 144A Global Security to Regulation S Global Security. If the owner of a beneficial interest in the Rule 144A Global Security wishes at any time to transfer such interest to a Person who wishes to acquire the same in the form of a beneficial interest in the Regulation S Global Security, such transfer may be effected only in accordance with the provisions of this paragraph and paragraph (iv) below and subject to the Applicable Procedures. Upon receipt by the Trustee, as Security Registrar, of (a) an order given by the Depositary or its authorized representative directing that a beneficial interest in the Regulation S Global Security in a specified principal amount be credited to a specified Agent Member's account and that a beneficial interest in the Rule 144A Global Security in an equal principal amount be debited from another specified Agent Member's account and (b) a Regulation S Certificate in the form of Exhibit A hereto, satisfactory to the Trustee and duly executed by the owner of such beneficial interest in the Rule 144A Global Security or his attorney duly authorized in writing, then the Trustee, as Security Registrar but subject to paragraph (iv) below, shall reduce the principal amount of the Rule 144A Global Security and increase the principal amount of the Regulation S Global Security by such specified principal amount as provided in Section 306(c).

(ii) Regulation S Global Security to Rule 144A Global Security. If the owner of a beneficial interest in the Regulation S Global Security wishes at any time to transfer such interest to a Person who wishes to acquire the same in the form of a beneficial interest in the Rule 144A Global Security, such transfer may be effected only in accordance with this paragraph (ii) and subject to the Applicable Procedures. Upon receipt by the Trustee, as Security Registrar, of (a) an order given by the Depositary or its authorized representative directing that a beneficial interest in the Rule 144A Global Security in a specified principal amount be credited to a specified Agent Member's account and that a beneficial interest inthe Regulation S Global Security in an equal principal amount be debited from another specified Agent Member's account and (b) if such transfer is to occur during the Restricted Period, a Restricted Securities Certificate in the form of Exhibit B hereto, satisfactory to the Trustee and duly executed by the owner of such beneficial interest in the Regulation S Global Security or his attorney duly authorized in writing, then the Trustee, as Security Registrar, shall reduce the principal amount of the Regulation S Global

Security and increase the principal amount of the Rule 144A Global Security by such specified principal amount as provided in Section 306(c).

(iii) Exchanges between Global Security and Non-Global Security. A beneficial interest in a Global Security may be exchanged for a Security that is not a Global Security as provided in Section 307(b), provided that, if such interest is a beneficial interest in the Rule 144A Global Security, or if such interest is a beneficial interest in the Regulation S Global Security and such exchange is to occur during the Restricted Period, then such interest shall bear the Private Placement Legend (subject in each case to Section 307(b)).

(iv) Regulation S Global Security to be Held Through Euroclear or Clearstream during Restricted Period. The Company shall use its best efforts to cause the Depositary to ensure that, until the expiration of the Restricted Period, beneficial interests in the Regulation S Global Security may be held only in or through accounts maintained at the Depositary by Euroclear or Clearstream (or by Agent Members acting for the account thereof), and no person shall be entitled to effect any transfer or exchange that would result in any such interest being held otherwise than in or through such an account; provided that this paragraph (iv) shall not prohibit any transfer or exchange of such an interest in accordance with paragraph (ii) above.

(b) Private Placement Legends. Rule 144A Securities and their Successor Securities and Regulation S Securities and their Successor Securities shall bear a Private Placement Legend, subject to the following:

(i) subject to the following clauses of this Section 307(b), a Security or any portion thereof which is exchanged, upon transfer or otherwise, for a Global Security or any portion thereof shall bear the Private Placement Legend borne by such Global Security while represented thereby;

(ii) subject to the following Clauses of this Section 307(b), a new Security which is not a Global Security and is issued in exchange for another Security (including a Global Security) or any portion thereof, upon transfer or otherwise, shall bear the Private Placement Legend borne by such other Security;

(iii) Exchange Securities, and all other Securities sold or otherwise disposed of pursuant to an effective registration statement under the Securities Act, together with their respective Successor Securities, shall not bear a Private Placement Legend;

(iv) at any time after the Securities may be freely transferred without registration under the Securities Act or without being subject to transfer restrictions pursuant to the Securities Act, a new Security which does not bear a Private Placement Legend may be issued in exchange for or in lieu of a Security (other than a Global Security) or any portion thereof which bears such a legend if the Trustee has received an Unrestricted Securities Certificate substantially in the form of Exhibit C hereto, satisfactory to the Trustee and duly executed by the Holder of such legended Security or his attorney duly authorized in writing, and after such date and receipt of such certificate, the Trustee shall authenticate and deliver such a new Security in exchange for or in lieu of such other Security as provided in this Article Three;

(v) a new Security which does not bear a Private Placement Legend may be issued in exchange for or in lieu of a Security (other than a Global Security) or any portion thereof which bears such a legend if, in the Company's judgment, placing such a legend upon such new Security is not necessary to ensure compliance with the registration requirements of the Securities Act, and the Trustee, at the direction of the Company, shall authenticate and deliver such a new Security as provided in this Article Three; and

(vi) notwithstanding the foregoing provisions of this Section 307(b), a Successor Security of a Security that does not bear a particular form of Private Placement Legend shall not bear such form of legend unless the Company has reasonable cause to believe that such Successor Security is a "restricted security" within the meaning of Rule 144, in which case the Trustee, at the direction of the Company, shall authenticate and deliver a new Security bearing a Private Placement Legend in exchange for such Successor Security as provided in this Article Three.

By its acceptance of any Security bearing the Private Placement Legend, each Holder of such a Security acknowledges the restrictions on transfer of such Security set forth in this Indenture and in the Private Placement Legend and agrees that it will transfer such Security only as provided in this Indenture.

The Security Registrar shall retain copies of all letters,

notices and other written communications received pursuant to Section 306 or this Section 307. The Company shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Security Registrar.

In the event that Regulation S is amended during the term of this Indenture to alter the applicable holding period, all reference in this Indenture to a holding period for Non-U.S. Persons will be deemed to include such amendment.

Section 308. Mutilated, Destroyed, Lost and Stolen Securities.

If (a) any mutilated Security is surrendered to the Trustee, or (b) the Company and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Security, and there is delivered to the Company, any Guarantor and the Trustee, such security or indemnity, in each case, as may be required by them to save each of them harmless, then, in the absence of notice to the Company, any Guarantor or the Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute and upon a Company Request the Trustee shall authenticate and deliver, in exchange for any such mutilated Security or in lieu of any such destroyed, lost or stolen Security, a replacement Security of like tenor and principal amount, bearing a number not contemporaneously outstanding and each Guarantor shall execute a replacement Guarantee.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a replacement Security, pay such Security.

Upon the issuance of any replacement Securities under this Section, the Company may require the payment of a sum sufficient to pay all documentary, stamp or similar issue or transfer taxes or other governmental charges that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every replacement Security and Guarantee issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company and any Guarantor, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all benefits of this Indenture equally and proportionately with any and all other Securities duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

Section 309. Payment of Interest; Interest Rights Preserved.

Interest on any Security which is payable, and is punctually paid or duly provided for, on the Stated Maturity of such interest shall be paid to the Person in whose name the Security (or any Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest payment.

Any interest on any Security which is payable, but is not punctually paid or duly provided for, on the Stated Maturity of such interest, and interest on such defaulted interest at the then applicable interest rate borne by the Securities, to the extent lawful (such defaulted interest and interest thereon herein collectively called "Defaulted Interest"), shall forthwith cease to be payable to the Holder on the Regular Record Date; and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in Subsection (a) or (b) below:

(a) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities (or any relevant Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security and the date (not less than 30 days after such notice) of the proposed payment (the "Special Payment Date"), and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the Special Payment Date, such money when

deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this Subsection provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the Special Payment Date and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company in writing of such Special Record Date. In the name and at the expense of the Company, the Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder at its address as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date and Special Payment Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities are registered on such Special Record Date and shall no longer be payable pursuant to the following Subsection (b).

(b) The Company may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may be listed, and upon such notice as may be required by this Indenture not inconsistent with the requirements of such exchange, if, after written notice given by the Company to the Trustee of the proposed payment pursuant to this Subsection, such payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section 309, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

Section 310. CUSIP Numbers.

The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use), and the Company, or the Trustee on behalf of the Company, shall use CUSIP numbers in notices of redemption or exchange as a convenience to Holders; provided, however, that any such notice shall state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of redemption or exchange and that reliance may be placed only on the other identification numbers printed on the Securities; and provided further, however, that failure to use CUSIP numbers in any notice of redemption or exchange shall not affect the validity or sufficiency of such notice.

Section 311. Persons Deemed Owners.

Prior to due presentment of a Security for registration of transfer, the Company, any Guarantor, the Trustee and any agent of the Company, any Guarantor or the Trustee may treat the Person in whose name any Security is registered as the owner of such Security for the purpose of receiving payment of principal of, premium, if any, and (subject to Section 309) interest on, such Security and for all other purposes whatsoever, whether or not such Security is overdue, and neither the Company, any Guarantor, the Trustee nor any agent of the Company, any Guarantor or the Trustee shall be affected by notice to the contrary.

Section 312. Cancellation.

All Securities surrendered for payment, purchase, redemption, registration of transfer or exchange shall be delivered to the Trustee and, if not already canceled, shall be promptly canceled by it. The Company and any Guarantor may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company or such Guarantor may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly canceled by the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities canceled as provided in this Section 312, except as expressly permitted by this Indenture. All canceled Securities held by the Trustee shall be returned to the Company. The Trustee shall provide the Company a list of all Securities that have been canceled from time to time as requested by the Company.

Section 313. Computation of Interest.

Interest on the Securities shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

ARTICLE FOUR DEFEASANCE AND COVENANT DEFEASANCE

Section 401. Company's Option to Effect Defeasance or Covenant Defeasance.

The Company may, at its option by Board Resolution, at any time, with respect to the Securities, elect to have either Section 402 or Section 403 be applied to all of the Outstanding Securities (the "Defeased Securities"), upon compliance with the conditions set forth below in this Article Four.

Section 402. Defeasance and Discharge.

Upon the Company's exercise under Section 401 of the option applicable to this Section 402, the Company, each Guarantor and any other obligor upon the Securities, if any, shall be deemed to have been discharged from its obligations with respect to the Defeased Securities on the date the conditions set forth in Section 404 below are satisfied (hereinafter, "defeasance"). For this purpose, such defeasance means that the Company, each Guarantor and any other obligor under this Indenture shall be deemed to have paid and discharged the entire Indebtedness represented by the Defeased Securities, which shall thereafter be deemed to be "Outstanding" only for the purposes of Section 405 and the other Sections of this Indenture referred to in (a) and (b) below, and to have satisfied all its other obligations under such Securities and this Indenture insofar as such Securities are concerned (and the Trustee, at the expense of the Company and upon Company Request, shall execute proper instruments acknowledging the same), except for the following which shall survive until otherwise terminated or discharged hereunder: (a) the rights of Holders of Defeased Securities to receive, solely from the trust fund described in Section 404 and as more fully set forth in such Section, payments in respect of the principal of, premium, if any, and interest on, such Securities, when such payments are due, (b) the Company's obligations with respect to such Defeased Securities under Sections 304, 305, 308, 1002 and 1003, (c) the rights, powers, trusts, duties and immunities of the Trustee hereunder, including, without limitation, the Trustee's rights under Section 607, and (d) this Article Four. Subject to compliance with this Article Four, the Company may exercise its option under this Section 402 notwithstanding the prior exercise of its option under Section 403 with respect to the Securities.

Section 403. Covenant Defeasance.

Upon the Company's exercise under Section 401 of the option applicable to this Section 403, the Company and each Guarantor shall be released from its obligations under any covenant or provision contained or referred to in Sections 1005 through 1020, inclusive, and the provisions of clause (iii) of Section 801(a), with respect to the Defeased Securities, on and after the date the conditions set forth in Section 404 below are satisfied (hereinafter, "covenant defeasance"), and the Defeased Securities shall thereafter be deemed to be not "Outstanding" for the purposes of any direction, waiver, consent or declaration or Act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "Outstanding" for all other purposes hereunder. For this purpose, such covenant defeasance means that, with respect to the Defeased Securities, the Company and each Guarantor may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such Section, whether directly or indirectly, by reason of any reference elsewhere herein to any such Section or by reason of any reference in any such Section to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 501(c), (d), (f) or (g) but, except as specified above, the remainder of this Indenture and such Defeased Securities shall be unaffected thereby.

Section 404. Conditions to Defeasance or Covenant Defeasance.

The following shall be the conditions to application of either Section 402 or Section 403 to the Defeased Securities:

(1) The Company shall irrevocably have deposited or caused to

be deposited with the Trustee as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such Securities, (a) cash in United States dollars, (b) U.S. Government Obligations, or (c) a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants or a nationally recognized investment banking firm expressed in a written certification thereof delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee to pay and discharge, the principal of, premium, if any, and interest on, the Defeased Securities, on the Stated Maturity of such principal or interest (or on any date after August 1, 2003 (such date being referred to as the "Defeasance Redemption Date") if at or prior to electing to exercise either its option applicable to Section 402 or its option applicable to Section 403, the Company has delivered to the Trustee an irrevocable notice to redeem the Defeased Securities on the Defeasance Redemption Date). For this purpose, "U.S. Government Obligations" means securities that are (i) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is

unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a Depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such U.S. Government Obligation or a specific payment of principal of or interest on any such U.S. Government Obligation held by such custodian for the account of the holder of such Depositary receipt, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such Depositary receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of principal of or interest on the U.S. Government Obligation evidenced by such Depositary receipt;

(2) In the case of an election under Section 402, the Company shall have delivered to the Trustee an Opinion of Independent Counsel in the United States stating that (A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since July 1, 1998, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Independent Counsel in the United States shall confirm that, the Holders of the Outstanding Securities will not recognize income, gain or loss for federal income tax purposes as a result of such defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred;

(3) In the case of an election under Section 403, the Company shall have delivered to the Trustee an Opinion of Independent Counsel in the United States to the effect that the Holders of the Outstanding Securities will not recognize income, gain or loss for federal income tax purposes as a result of such covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;

(4) No Default or Event of Default shall have occurred and be continuing on the date of such deposit or insofar as Section 501(h) or (i) is concerned, at any time during the period ending on the 91st day after the date of deposit (it being understood that this condition shall not be deemed satisfied until the expiration of such period) (other than a Default which results from the borrowing of amounts to finance the defeasance and which borrowing does not result in a breach or violation of, or constitute a default, under any other material agreement or instrument to which the Company or any Restricted Subsidiary is a party or to which it is bound);

(5) Such defeasance or covenant defeasance shall not cause the Trustee for the Securities to have a conflicting interest in violation of and for purposes of the Trust Indenture Act with respect to any other securities of the Company or any Guarantor;

(6) Such defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a Default under, this Indenture or any other material agreement or instrument to which the Company, any Guarantor or any Restricted Subsidiary is a party or by which it is bound;

(7) Such defeasance or covenant defeasance shall not result in the trust arising from such deposit constituting an investment company within the meaning of the Investment Company Act of 1940, as amended, unless such trust shall be registered under such Act or exempt from registration thereunder;

(8) The Company shall have delivered to the Trustee an Opinion

of Independent Counsel in the United States to the effect that (assuming that no Holder of any Securities would be considered an insider of the Company under any applicable bankruptcy or insolvency law) after the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally;

(9) The Company shall have delivered to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the holders of the Securities or any Guarantee over the other creditors of the Company or any Guarantor with the intent of defeating, hindering, delaying or defrauding creditors of the Company, any Guarantor or others;

(10) No event or condition shall exist that would prevent the Company from making payments of the principal of, premium, if any, and interest on the Securities on the date of such deposit or at any time ending on the 91st day after the date of such deposit; and

(11) The Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Independent Counsel, each stating that all conditions precedent provided for relating to either the defeasance under Section 402 or the covenant defeasance under Section 403 (as the case may be) have been complied with.

Opinions of Counsel or Opinions of Independent Counsel required to be delivered under this Section shall be in form and substance reasonably satisfactory to the Trustee may have qualifications customary for opinions of the type required and counsel delivering such opinions may rely on certificates of the Company or government or other officials customary for opinions of the type required, which certificates shall be limited as to matters of fact, including that various financial covenants have been complied with.

Section 405. Deposited Money and U.S. Government Obligations to Be Held in Trust; Other Miscellaneous Provisions.

Subject to the provisions of the last paragraph of Section 1003, all United States dollars and U.S. Government Obligations (including the proceeds thereof)

deposited with the Trustee pursuant to Section 404 in respect of the Defeased Securities shall be held in trust and applied by the Trustee, in accordance with the provisions of such Securities and this Indenture, to the payment, either directly or through any Paying Agent (excluding the Company or any of its Affiliates acting as Paying Agent), as the Trustee may determine, to the Holders of such Securities of all sums due and to become due thereon in respect of principal, premium, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the U.S. Government Obligations deposited pursuant to Section 404 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is imposed, assessed or for the account of the Holders of the Defeased Securities.

Anything in this Article Four to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon Company Request any United States dollars or U.S. Government Obligations held by it as provided in Section 404 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, are in excess of the amount thereof which would then be required to be deposited to effect defeasance or covenant defeasance.

Section 406. Reinstatement.

If the Trustee or Paying Agent is unable to apply any United States dollars or U.S. Government Obligations in accordance with Section 402 or 403, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's obligations under this Indenture and the Securities and any Guarantor's obligations under any Guarantee shall be revived and reinstated, with present and prospective effect, as though no deposit had occurred pursuant to Section 402 or 403, as the case may be, until such time as the Trustee or Paying Agent is permitted to apply all such United States dollars or U.S. Government Obligations in accordance with Section 402 or 403, as the case may be; provided, however, that if the Company makes any payment to the

Trustee or Paying Agent of principal of, premium, if any, or interest on any Security following the reinstatement of its obligations, the Trustee or Paying Agent shall promptly pay any such amount to the Holders of the Securities and the Company shall be subrogated to the rights of the Holders of such Securities to receive such payment from the United States dollars and U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE FIVE

REMEDIES

Section 501. Events of Default.

"Event of Default," wherever used herein, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) there shall be a default in the payment of any interest on any Security when it becomes due and payable, and such default shall continue for a period of 30 days (whether or not prohibited by the subordination provisions of this Indenture);

(b) there shall be a default in the payment of the principal of (or premium, if any, on) any Security at its Maturity (upon acceleration, optional or mandatory redemption, required repurchase or otherwise) (whether or not prohibited by the subordination provisions of this Indenture);

(c) (i) there shall be a default in the performance, or breach, of any covenant or agreement of the Company or any Guarantor under this Indenture or any Guarantee (other than a default in the performance, or breach, of a covenant or agreement which is specifically dealt with in clause (a), (b) or in clause (ii), (iii) or (iv) of this clause (c)) and such default or breach shall continue for a period of 60 days after written notice (30 days in the case of a default under Section 1008 or Section 1009 herein) has been given, by certified mail, (x) to the Company by the Trustee or (y) to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the outstanding Securities; (ii) there shall be a default in the performance or breach of the provisions of Article Eight; (iii) the Company shall have failed to consummate an Offer in accordance with the provisions of Section 1012; or (iv) the Company shall have failed to consummate a Change of Control Offer in accordance with the provisions of Section 1014;

(d) one or more defaults, individually or in the aggregate, shall have occurred under any of the agreements, indentures or instruments under which the Company or any Restricted Subsidiary then has outstanding Indebtedness in excess of $20 million in principal amount, individually or in the aggregate, and either (i) such default results from the failure to pay such Indebtedness at its stated final maturity or (ii) such default or defaults resulted in the acceleration of the maturity of such Indebtedness;

(e) any Guarantee shall for any reason cease to be, or shall for any reason be asserted in writing by any Guarantor or the Company not to be, in full force

and effect and enforceable in accordance with its terms, except to the extent contemplated by this Indenture and any such Guarantee;

(f) one or more final judgments, orders or decrees (not subject to appeal) of any court or regulatory or administrative agency for the payment of money in excess of $20 million, either individually or in the aggregate (exclusive of any portion of any such payment covered by insurance, if and to the extent the insurer has acknowledged in writing its liability therefor), shall be rendered against the Company, any Guarantor or any Subsidiary or any of their respective properties and shall not be discharged or fully binded and there shall have been a period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of an appeal or otherwise, shall not be in effect;

(g) any holder or holders of at least $20 million in aggregate principal amount of Indebtedness of the Company, any Guarantor or any Restricted Subsidiary after a default under such Indebtedness shall notify the Trustee of the intended sale or disposition of any assets of the Company, any Guarantor or any Subsidiary that have been pledged to or for the benefit of such holder or holders to secure such Indebtedness or shall commence proceedings, or take any action (including by way of set-off), to retain in satisfaction of such

Indebtedness or to collect on, seize, dispose of or apply in satisfaction of Indebtedness, assets of the Company, any Guarantor or any Restricted Subsidiary (including funds on deposit or held pursuant to lock-box and other similar arrangements);

(h) there shall have been the entry by a court of competent jurisdiction of (i) a decree or order for relief in respect of the Company or any Significant Restricted Subsidiary in an involuntary case or proceeding under any applicable Bankruptcy Law or (ii) a decree or order adjudging the Company or any Significant Restricted Subsidiary bankrupt or insolvent, or seeking reorganization, arrangement, adjustment or composition of or in respect of the Company or any Significant Restricted Subsidiary under any applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or any Significant Restricted Subsidiary or of any substantial part of their respective properties, or ordering the winding up or liquidation of their respective affairs, and any such decree or order for relief shall continue to be in effect, or any such other decree or order shall be unstayed and in effect, for a period of 60 consecutive days; or

(i) (i) the Company or any Significant Restricted Subsidiary commences a voluntary case or proceeding under any applicable Bankruptcy Law or any other case or proceeding to be adjudicated bankrupt or insolvent, (ii) the Company or any Significant Restricted Subsidiary consents to the entry of a decree or order for relief in respect of the Company or such Significant Restricted Subsidiary in an involuntary case or proceeding under any applicable Bankruptcy Law or to the commencement of any bankruptcy or insolvency case or proceeding against it, (iii) the Company or any

Significant Restricted Subsidiary files a petition or answer or consent seeking reorganization or relief under any applicable federal or state law, (iv) the Company or any Significant Restricted Subsidiary (1) consents to the filing of such petition or the appointment of, or taking possession by, a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Company or such Significant Restricted Subsidiary or of any substantial part of their respective properties, (2) makes an assignment for the benefit of creditors or (3) admits in writing its inability to pay its debts generally as they become due or (v) the Company or any Significant Restricted Subsidiary takes any corporate action in furtherance of any such actions in this paragraph (i).

Section 502. Acceleration of Maturity; Rescission and Annulment.

If an Event of Default (other than an Event of Default specified in Sections 501(h) and (i)) shall occur and be continuing with respect to this Indenture, the Trustee or the Holders of not less than 25% in aggregate principal amount of the Securities then Outstanding may, and the Trustee at the request of such Holders shall, declare all unpaid principal of, premium, if any, and accrued interest on all Securities to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by the Holders of the Securities) and upon any such declaration, such principal, premium, if any, and interest shall become due and payable immediately. If an Event of Default specified in clause (h) or (i) of Section 501 occurs and is continuing, then all the Securities shall ipso facto become and be due and payable immediately in an amount equal to the principal amount of the Securities, together with accrued and unpaid interest, if any, to the date the Securities become due and payable, without any declaration or other act on the part of the Trustee or any Holder. Thereupon, the Trustee may, at its discretion, proceed to protect and enforce the rights of the Holders of the Securities by appropriate judicial proceedings.

After a declaration of acceleration with respect to the Securities, but before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in aggregate principal amount of the Securities Outstanding, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if:

(a) the Company has paid or deposited with the Trustee a sum sufficient to pay

(i) all sums paid or advanced by the Trustee under this Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel,

(ii) all overdue interest on all Outstanding Securities,

(iii) the principal of and premium, if any, on any Outstanding Securities which have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Securities, and

(iv) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate borne by the Securities;

(b) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and

(c) all Events of Default, other than the non-payment of principal of, premium, if any, and interest on the Securities which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 513. No such rescission shall affect any subsequent Default or impair any right consequent thereon.

Section 503. Collection of Indebtedness and Suits for Enforcement by Trustee.

The Company and each Guarantor covenant that if

(a) default is made in the payment of any interest on any Security when such interest becomes due and payable and such default continues for a period of 30 days, or

(b) default is made in the payment of the principal of or premium, if any, on any Security at the Stated Maturity thereof or otherwise,

the Company and such Guarantor will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Securities, the whole amount then due and payable on such Securities for principal and premium, if any, and interest, with interest upon the overdue principal and premium, if any, and, to the extent that payment of such interest shall be legally enforceable, upon overdue installments of interest, at the rate borne by the Securities; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

If the Company or any Guarantor, as the case may be, fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Company or any Guarantor or any other obligor upon the Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company, any Guarantor or any other obligor upon the Securities, wherever situated.

If an Event of Default occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders under this Indenture or any Guarantee by such appropriate private or judicial proceedings as the Trustee shall deem most effectual to protect and enforce such rights, including seeking recourse against any Guarantor pursuant to the terms of any Guarantee, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein or therein, or to enforce any other proper remedy, including, without limitation, seeking recourse against any Guarantor pursuant to the terms of a Guarantee, or to enforce any other proper remedy, subject however to Section 512. No recovery of any such judgment upon any property of the Company or any Guarantor shall affect or impair any rights, powers or remedies of the Trustee or the Holders.

Section 504. Trustee May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor, including any Guarantor, upon the Securities or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Securities shall then be due and payable as therein expressedor by declaration or otherwise and irrespective of whether the Trustee shallhave made any demand on the Company for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of principal, and premium, if any, and interest owing and unpaid in respect of the

Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Holders allowed in such judicial proceeding, and

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 607.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of

reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 505. Trustee May Enforce Claims without Possession of Securities.

All rights of action and claims under this Indenture, the Securities or the Guarantees may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name and as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

Section 506. Application of Money Collected.

Any money collected by the Trustee pursuant to this Article or otherwise on behalf of the Holders or the Trustee pursuant to this Article or through any proceeding or any arrangement or restructuring in anticipation or in lieu of any proceeding contemplated by this Article shall be applied, subject to applicable law, in the following order, at the date or datesfixed by the Trustee and, in case of the distribution of such money on accountof principal, premium, if any, or interest, upon presentation of the Securitiesand the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 607;

SECOND: To the payment of the amounts then due and unpaid upon the Securities for principal, premium, if any, and interest, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal, premium, if any, and interest; and

THIRD: The balance, if any, to the Person or Persons entitled thereto, including the Company, provided that all sums due and owing to the Holders and the Trustee have been paid in full as required by this Indenture.

Section 507. Limitation on Suits.

No Holder of any Securities shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture or the Securities, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

(a) such Holder has previously given written notice to the Trustee of a continuing Event of Default;

(b) the Holders of not less than 25% in aggregate principal amount of the Outstanding Securities shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own

name as trustee hereunder;

(c) such Holder or Holders have offered to the Trustee a reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(d) the Trustee for 15 days after its receipt of such notice, request and offer (and if requested, provision) of indemnity has failed to institute any such proceeding; and

(e) no direction inconsistent with such written request has been given to the Trustee during such 15-day period by the Holders of a majority in principal amount of the Outstanding Securities;

it being understood and intended that no one or more Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture, any Security or any Guarantee to affect, disturb or prejudice the rights of any other Holders, or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, any Security or any Guarantee, except in the manner provided in this Indenture and for the equal and ratable benefit of all the Holders.

Section 508. Unconditional Right of Holders to Receive Principal, Premium and Interest.

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right based on the terms stated herein, which is absolute and unconditional, to receive payment of the principal of, premium, if any, and (subject to Section 309) interest on such Security on the respective Stated Maturities expressed in such Security (or, in the case of redemption or repurchase, on the Redemption Date or the repurchase date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

Section 509. Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture or any Guarantee and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case the Company, any Guarantor, any other obligor on the Securities, the Trustee and the Holders shall, subject to any determination in such proceeding, be restored severally and respectively to their former

positions hereunder, and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

Section 510. Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 511. Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder of any Security to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

Section 512. Control by Holders.

The Holders of not less than a majority in aggregate principal amount of the Outstanding Securities shall have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, provided that

(a) such direction shall not be in conflict with any rule of law or with this Indenture (including, without limitation, Section 507) or any Guarantee, expose the Trustee to personal liability, or be unduly prejudicial to Holders not joining therein; and

(b) subject to the provisions of Section 315 of the Trust Indenture Act, the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

Section 513. Waiver of Past Defaults.

The Holders of not less than a majority in aggregate principal amount of the Outstanding Securities may on behalf of the Holders of all Outstanding Securities waive any past Default hereunder and its consequences, except a Default

(a) in the payment of the principal of, premium, if any, or interest on any Security (which may only be waived with the consent of each Holder of the Securities affected); or

(b) in respect of a covenant or a provision hereof which under this Indenture cannot be modified or amended without the consent of the Holder of each Security Outstanding affected by such modification or amendment.

Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 514. Undertaking for Costs.

All parties to this Indenture agree, and each Holder of any Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant, but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the Outstanding Securities, or to any suit instituted by any Holder for the enforcement of the payment of the principal of, premium, if any, or interest on, any Security on or after the respective Stated Maturities expressed in such Security (or, in the case of redemption, on or after the Redemption Date).

Section 515. Waiver of Stay, Extension or Usury Laws.

Each of the Company and the Guarantors covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury or other law wherever enacted, now or at any time hereafter in force, which would prohibit or forgive the Company or any Guarantor from paying all or any portion of the principal of, premium, if any, or interest on the Securities contemplated herein or in the Securities or which may affect the covenants or the performance of this Indenture; and each of the Company and the Guarantors (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 516. Remedies Subject to Applicable Law.

All rights, remedies and powers provided by this Article Five may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Indenture are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Indenture invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any

applicable law.

ARTICLE SIX

THE TRUSTEE

Section 601. Duties of Trustee.

Subject to the provisions of Trust Indenture Act Sections 315(a) through 315(d):

(a) if a Default or an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise thereof as a prudent person would exercise or use under the circumstances in the conduct of his own affairs;

(b) except during the continuance of a Default or an Event of Default:

(1) the Trustee need perform only those duties as are specifically set forth in this Indenture and no covenants or obligations shall be implied in this Indenture that are adverse to the Trustee; and

(2) in the absence of bad faith or willful misconduct on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture;

(c) the Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this Subsection (c) does not limit the effect of Subsection (b) of this Section 601;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith, in accordance with a direction of the Holders of a majority in principal amount of Outstanding Securities relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power confirmed upon the Trustee under this Indenture;

(d) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it;

(e) whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to Subsections (a), (b), (c) and (d) and (f) of this Section 601; and

(f) the Trustee shall not be liable for interest on any money or assets received by it except as the Trustee may agree with the Company. Assets held in trust by the Trustee need not be segregated from other assets except to the extent required by law.

Section 602. Notice of Defaults.

Within 30 days after a Responsible Officer of the Trustee receives notice of the occurrence of any Default, the Trustee shall transmit by mail to all Holders and any other Persons entitled to receive reports pursuant to Section 313(c) of the Trust Indenture Act, as their names and addresses appear in the Security Register, notice of such Default hereunder known to the Trustee, unless such Default shall have been cured or waived; provided, however, that, except in the case of a Default in the payment of the principal of,

premium, if any, or interest on any Security, the Trustee shall be protected in withholding such notice if and so long as a trust committee of Responsible Officers of the Trustee in good faith determines that the withholding of such notice is in the interest of the Holders.

Section 603. Certain Rights of Trustee.

Subject to the provisions of Section 601 hereof and Trust Indenture Act Sections 315(a) through 315(d):

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon receipt by it of any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other

evidence of Indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

(c) the Trustee may consult with counsel of its selection and any advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon in accordance with such advice or Opinion of Counsel;

(d) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred therein;

(e) the Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion, rights or powers conferred upon it by this Indenture other than any liabilities arising out of the negligence, bad faith or willful misconduct of the Trustee;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, appraisal, bond, debenture, note, coupon, security or other paper or document unless requested in writing to do so by the Holders of not less than a majority in aggregate principal amount of the Securities then Outstanding; provided that, if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require reasonable indemnity against such expenses or liabilities as a condition to proceeding; the reasonable expenses of every such investigation so requested by the Holders of not less than 25% in aggregate principal amount of the Securities Outstanding shall be paid by the Company or, if paid by the Trustee or any predecessor Trustee, shall be repaid by the Company upon demand; provided, further, the Trustee in its discretion may make such further inquiry or investigation into such facts or matters as it may deem fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney; and

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the

Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

(h) Except with respect to Section 1001, the Trustee shall have no duty to inquire as to the performance of the Company with respect to the covenants contained in Article 10. In addition, the Trustee shall not be deemed to have knowledge of an Event of Default except (i) any Default or Event of

Default occurring pursuant to Sections 1001, 501(a) or 501(b) or (ii) any Default or Event of Default of which the Trustee shall have received written notification or obtained actual knowledge.

(i) Delivery of reports, information and documents to the Trustee under Section 1019 is for informational purposes only and the Trustee's receipt of the foregoing shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of their covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates).

Section 604. Trustee Not Responsible for Recitals, Dispositions of Securities or Application of Proceeds Thereof.

The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Company, and the Guarantors, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities, except that the Trustee represents that it is duly authorized to execute and deliver this Indenture, authenticate the Securities and perform its obligations hereunder and that the statements made by it in any Statement of Eligibility and Qualification on Form T-1 supplied to the Company are true and accurate subject to the qualifications set forth therein. The Trustee shall not be accountable for the use or application by the Company of Securities or the proceeds thereof.

Section 605. Trustee and Agents May Hold Securities; Collections; etc.

The Trustee, any Paying Agent, Security Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities, with the same rights it would have if it were not the Trustee, Paying Agent, Security Registrar or such other agent and, subject to Trust Indenture Act Sections 310 and 311, may otherwise deal with the Company and receive, collect, hold and retain collections from the Company with the same rights it would have if it were not the Trustee, Paying Agent, Security Registrar or such other agent.

Section 606. Money Held in Trust.

All moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by mandatory provisions of law. Except for funds or securities deposited with the Trustee pursuant to Article Four, the Trustee shall be required to invest all moneys received by the Trustee, until used or applied as herein provided, in Temporary Cash Investments in accordance with the directions of the Company.

Section 607. Compensation and Indemnification of Trustee and Its Prior Claim.

The Company covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, such compensation as the parties shall agree in writing from time to time for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and the Company covenants and agrees to pay or reimburse the Trustee and each predecessor Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by or on behalf of the Trustee in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all agents and other persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence, bad faith or willful misconduct. The Company also covenants and agrees to indemnify the Trustee and each predecessor Trustee for, and to hold it harmless against, any claim, loss, liability, tax, assessment or other governmental charge (other than taxes applicable to the Trustee's compensation hereunder) or expense incurred without negligence, bad faith or willful misconduct on its part, arising out of or in connection with the acceptance or administration of this Indenture or the trusts hereunder and its duties hereunder, including enforcement of this Section 607 and also including any liability which the Trustee may incur as a result of failure to withhold, pay or report any tax, assessment or other governmental charge, and the costs and expenses of defending itself against or investigating any claim or liability in connection with the exercise or performance of any of its powers or duties

hereunder. The obligations of the Company under this Section 607 to compensate and indemnify the Trustee and each predecessor Trustee and to pay or reimburse the Trustee and each predecessor Trustee for reasonable expenses, disbursements and advances shall constitute an additional obligation hereunder and shall survive the satisfaction and discharge of this Indenture and the resignation or removal of the Trustee and each predecessor Trustee.

Section 608. Conflicting Interests.

The Trustee shall comply with the provisions of Section 310(b) of the Trust Indenture Act.

Section 609. Trustee Eligibility.

There shall at all times be a Trustee hereunder which shall be eligible to act as trustee under Trust Indenture Act Section 310(a) and is a member of a bank holding company which shall have a combined capital and surplus of at least $250,000,000, to the extent there is an institution eligible and willing to serve. If the Trustee does not have a Corporate Trust Office in The City of New York, the Trustee may appoint an agent in The City of New York reasonably acceptable to the Company to conduct any activities which the Trustee may be required under this Indenture to conduct in The City of New York. If such Trustee publishes reports of condition at least annually, pursuant to law or to the requirements of federal, state, territorial or District of Columbia supervising or examining authority, then for the purposes of this Section 609, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 609, the Trustee shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 610. Resignation and Removal; Appointment of Successor Trustee.

(a) No resignation or removal of the Trustee and no appointment of a successor trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor trustee under Section 611.

(b) The Trustee, or any trustee or trustees hereafter appointed, may at any time resign by giving written notice thereof to the Company no later than 20 Business Days prior to the proposed date of resignation. Upon receiving such notice of resignation, the Company shall promptly appoint a successor trustee by written instrument executed by authority of the Board of Directors of the Company, a copy of which shall be delivered to the resigning Trustee and a copy to the successor trustee. If an instrument of acceptance by a successor trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may, or any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper, appoint and prescribe a successor trustee.

(c) The Trustee may be removed at any time for any cause or for no cause by an Act of the Holders of not less than a majority in aggregate principal amount of the Outstanding Securities, delivered to the Trustee and to the Company.

(d) If at any time:

(1) the Trustee shall fail to comply with the provisions of Trust Indenture Act Section 310(b) after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months,

(2) the Trustee shall cease to be eligible under Section 609 and shall fail to resign after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months, or

(3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed or any public

officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any case, (i) the Company by a Board Resolution may remove the Trustee, or (ii) subject to Section 514, the Holder of any Security who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Company, by a Board Resolution, shall promptly appoint a successor trustee and shall comply with the applicable requirements of Section 611. If, within 60 days after such resignation, removal or incapability, or the occurrence of such vacancy, the Company has not appointed a successor Trustee, a successor trustee shall be appointed by the Act of the Holders of a majority in principal amount of the Outstanding Securities delivered to the Company and the retiring Trustee. Such successor trustee so appointed shall forthwith upon its acceptance of such appointment become the successor trustee and supersede the successor trustee appointed by the Company. If no successor trustee shall have been so appointed by the Company or the Holders of the Securities and accepted appointment in the manner hereinafter provided, the Trustee or the Holder of any Security who has been a bona fide Holder for at least six months may, subject to Section 514, on behalf of

himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor trustee.

(f) The Company shall give notice of each resignation and each removal of the Trustee and each appointment of a successor trustee by mailing written notice of such event by first-class mail, postage prepaid, to the Holders of Securities as their names and addresses appear in the Security Register. Each notice shall include the name of the successor trustee and the address of its Corporate Trust Office or agent hereunder.

Section 611. Acceptance of Appointment by Successor.

Every successor trustee appointed hereunder shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee as if originally named as Trustee hereunder; but, nevertheless, on the written request of the Company or the successor trustee, upon payment of its charges pursuant to Section 607 then unpaid, such retiring Trustee shall pay over to the successor trustee all moneys at the time held by it hereunder and shall execute and deliver an instrument transferring to such successor trustee all such rights, powers, duties and obligations. Upon request of any such successor trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers.

No successor trustee with respect to the Securities shall accept appointment as provided in this Section 611 unless at the time of such acceptance such successor trustee shall be eligible to act as trustee under the provisions of Trust Indenture Act Section 310(a) and this Article Six and shall have a combined capital and surplus of at least $250,000,000 and have a Corporate Trust Office or an agent selected in accordance with Section 609.

Upon acceptance of appointment by any successor trustee as provided in this Section 611, the Company shall give notice thereof to the Holders of the Securities, by mailing such notice to such Holders at their addresses as they shall appear on the Security Register. If the acceptance of appointment is substantially contemporaneous with the appointment, then the notice called for by the preceding sentence may be combined with the notice called for by Section 610. If the Company fails to give such notice within 10 days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be given at the expense of the Company.

Section 612. Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee (including the trust created by this Indenture) shall be the successor of the Trustee hereunder, provided that such corporation shall be eligible under Trust Indenture Act Section 310(a) and this Article Six and shall have a combined capital and surplus of at least $250,000,000 and have a Corporate Trust Office or an agent selected in accordance with Section 609, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture any of the Securities shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor Trustee and deliver such Securities so authenticated; and, in case at that time any of the Securities shall not have been authenticated, any successor to the Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor trustee; and in all such cases such certificate shall have the full force which it is anywhere in the Securities or in this Indenture provided that the certificate of the Trustee shall have; provided that the right to adopt the certificate of authentication of any predecessor Trustee or to authenticate Securities in the name of any predecessor Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

Section 613. Preferential Collection of Claims Against Company.

If and when the Trustee shall be or become a creditor of the Company (or other obligor under the Securities), the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of claims against the Company (or any such other obligor). A Trustee who has resigned or been removed shall be subject to Trust Indenture Act Section 311(a) to the extent indicated therein.

ARTICLE SEVEN

HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

Section 701. Company to Furnish Trustee Names and Addresses of Holders.

The Company will furnish or cause to be furnished to the Trustee

(a) semiannually, not more than 10 days after each Regular Record Date, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders as of such Regular Record Date; and

(b) at such other times as the Trustee may reasonably request in writing, within 30 days after receipt by the Company of any such request, a list of similar form and content to that in subsection (a) hereof as of a date not more than 15 days prior to the time such list is furnished;

provided, however, that if and so long as the Trustee shall be the Security Registrar, no such list need be furnished.

Section 702. Disclosure of Names and Addresses of Holders.

Holders may communicate pursuant to Trust Indenture Act Section 312(b) with other Holders with respect to their rights under this Indenture or the Securities, and the Trustee shall comply with Trust Indenture Act Section 312(b). The Company, the Trustee, the Security Registrar and any other Person shall have the protection of Trust Indenture Act Section 312(c). Further, every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee or any agent of either of them shall be held accountable by reason of the disclosure of any information as to the names and addresses of the Holders in accordance with Trust Indenture Act Section 312, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under Trust Indenture Act Section 312.

Section 703. Reports by Trustee.

(a) Within 60 days after May 15 of each year commencing with the first May 15 after the issuance of Securities, the Trustee, if so required under the Trust Indenture Act, shall transmit by mail to all Holders, in the manner and to the extent provided in Trust Indenture Act Section 313(c), a brief report dated as of such May 15 in accordance with and with respect to the matters required by Trust Indenture Act Section 313(a). The Trustee shall also transmit by mail to all Holders, in the manner and to the extent provided in Trust Indenture Act Section 313(c), a brief report in accordance with and with respect to the matters required by Trust Indenture Act Section 313(b)(2).

(b) A copy of each report transmitted to Holders pursuant to this Section 703 shall, at the time of such transmission, be mailed to the Company and filed with each stock exchange, if any, upon which the Securities are listed and also with the Commission. The Company will notify the Trustee promptly if the Securities are listed on any stock exchange.

Section 704. Reports by Company and Guarantors.

The Company and each Guarantor, as the case may be, shall:

(a) file with the Trustee, within 15 days after the Company or any Guarantor, as the case may be, is required to file the same with the Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Company or any Guarantor may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Exchange Act; or, if the Company or any Guarantor, as the case may be, is not required to file information, documents or reports pursuant to either of said Sections, then it shall (i) deliver to the Trustee annual audited financial statements of the Company and its Subsidiaries, prepared on a Consolidated basis in conformity with GAAP, within 120 days after the end of each fiscal year of the Company, and (ii) file with the Trustee and, to the extent permitted by law, the Commission, in accordance with the rules and regulations prescribed from time to time by the Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Exchange Act in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations;

(b) file with the Trustee and the Commission, in accordance with the rules and regulations prescribed from time to time by the Commission, such additional information, documents and reports with respect to compliance by the Company or any Guarantor, as the case may be, with the conditions and covenants of this Indenture as are required from time to time by such rules and regulations (including such information, documents and reports referred to in Trust Indenture Act Section 314(a)); and

(c) within 15 days after the filing thereof with the Trustee, transmit by mail to all Holders in the manner and to the extent provided in Trust Indenture Act Section 313(c), such summaries of any information, documents and reports required to be filed by the Company or any Guarantor, as the case may be, pursuant to Section 1019 hereunder and subsections (a) and (b) of this Section as are required by rules and regulations prescribed from time to time by the Commission.

ARTICLE EIGHT

CONSOLIDATION, MERGER, SALE OF ASSETS

Section 801. Company and Guarantors May Consolidate, etc.,

Only on Certain Terms.
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(a) The Company will not, in a single transaction or through a series of related transactions, consolidate with or merge with or into any other Person or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets to any Person or group of Persons, or permit any of its Restricted Subsidiaries to enter into any such transaction or series of related transactions if such transaction or series of related transactions, in the aggregate, would result in a sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Company and its Restricted Subsidiaries on a

Consolidated basis to any other Person or group of Persons, unless at the time and after giving effect thereto:

(i) either (a) the Company will be the continuing corporation (in the case of a consolidation or merger involving the Company) or (b) the Person (if other than the Company) formed by such consolidation or into which the Company is merged or the Person which acquires by sale, assignment, conveyance, transfer, lease or disposition all or substantially all of the properties and assets of the Company and its Restricted Subsidiaries on a Consolidated basis (the "Surviving Entity") will be a corporation duly organized and validly existing under the laws of the United States of America, any state thereof or the District of Columbia and such Person expressly assumes, by a supplemental indenture, in a form reasonably satisfactory to the Trustee, all the obligations of the Company under the Securities and this Indenture and the Registration Rights Agreement, as the case may be, and the Securities and this Indenture and the Registration Rights Agreement will remain in full force and effect as so supplemented;

(ii) immediately before and immediately after giving effect to such transaction on a pro forma basis (and treating any Indebtedness not previously an obligation of the Company or any of its Restricted Subsidiaries which becomes the obligation of the Company or any of its Restricted Subsidiaries as a result of such transaction as having been incurred at the time of such transaction), no Default or Event of Default will have occurred and be continuing;

(iii) immediately before and immediately after giving effect to such transaction on a pro forma basis (on the assumption that the transaction occurred on the first day of the four-quarter period for which

financial statements are available ending immediately prior to the consummation of such transaction with the appropriate adjustments with respect to the transaction being included in such pro forma calculation), the Company (or the Surviving Entity if the Company is not the continuing obligor hereunder) could incur $1.00 of additional Indebtedness (other than Permitted Indebtedness) under Section 1008;

(iv) at the time of the transaction, each Guarantor, if any, unless it is the other party to the transactions described above, will have by supplemental indenture confirmed that its Guarantee shall apply to such Person's obligations under this Indenture and under the Securities;

(v) at the time of the transaction if any of the property or assets of the Company or any of its Restricted Subsidiaries would thereupon become subject to any Lien, the provisions of Section 1011 are complied with; and

(vi) at the time of the transaction the Company or the Surviving Entity will have delivered, or caused to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officers' Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger, transfer, sale, assignment, conveyance, transfer, lease or other transaction and the supplemental indenture in respect thereof comply with this Indenture and that all conditions precedent herein provided for relating to such transaction have been complied with.

(b) Each Guarantor will not, and the Company will not permit a Guarantor to, in a single transaction or through a series of related transactions, consolidate with or merge with or into any other Person (other than the Company or any Guarantor) or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets on a Consolidated basis to any Person or group of Persons (other than the Company or any Guarantor), or permit any of its Restricted Subsidiaries to enter into any such transaction or series of transactions if such transaction or series of transactions, in the aggregate, would result in a sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Guarantor and its Restricted Subsidiaries on a Consolidated basis to any other Person or group of Persons (other than the Company or any Guarantor), unless at the time and after giving effect thereto:

(i) either (1) the Guarantor will be the continuing corporation (in the case of a consolidation or merger involving the Guarantor) or (2) the Person (if other than the Guarantor) formed by such consolidation or into which such Guarantor is merged or the Person which acquires by sale, assignment, conveyance, transfer, lease or disposition all or substantially all

of the properties and assets of the Guarantor and its Restricted Subsidiaries on a Consolidated basis (the "Surviving Guarantor Entity") is duly organized and validly existing under the laws of the United States of America, any state thereof or the District of Columbia and such Person expressly assumes, by a supplemental indenture, in a form satisfactory to the Trustee, all the obligations of such Guarantor under its Guarantee of the Securities and this Indenture and the Registration Rights Agreement and such Guarantee, Indenture and Registration Rights Agreement will remain in full force and effect;

(ii) immediately before and immediately after giving effect to such transaction, on a pro forma basis, no Default or Event of Default will have occurred and be continuing; and

(iii) at the time of the transaction such Guarantor or the Surviving Guarantor Entity will have delivered, or caused to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officers' Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger, transfer, sale, assignment, conveyance, lease or other transaction and the supplemental indenture in respect thereof comply with this Indenture and that all conditions precedent therein provided for relating to such transaction have been complied with.

(c) Notwithstanding the foregoing, the provisions of Section 801(b) shall not apply to any Guarantor whose Guarantee of the Notes is unconditionally released and discharged in accordance with paragraph (c) under Section 1013.

Section 802. Successor Substituted.

Upon any consolidation or merger, or any sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Company or any Guarantor, if any, in accordance with Section 801, the successor Person formed by such consolidation or into which the Company or such Guarantor, as the case may be, is merged or the successor Person to which such sale, assignment, conveyance, transfer, lease or disposition is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company or such Guarantor, as the case may be, under this Indenture, the Securities and/or the related Guarantee, as the case may be, with the same effect as if such successor had been named as the Company or such Guarantor, as the case may be, herein, in the Securities and/or in the Guarantee, as the case may be, and the Company or such Guarantor, as the case may be, shall be discharged from all obligations and covenants under this Indenture and the Securities or its Guarantee, as the case may be; provided that in the case of a transfer by lease or a sale of substantially all of the assets of the Company or a Guarantor that results in the sale, assignment, conveyance, transfer or other disposition of assets constituting or accounting for less than

95% of the consolidated assets, revenues or Consolidated Net Income (Loss) of the Company or such Guarantor, as the case may be, the predecessor shall not be released from the payment of principal and interest on the Securities or its Guarantee, as the case may be.

ARTICLE NINE

SUPPLEMENTAL INDENTURES

Section 901. Supplemental Indentures and Agreements without Consent of Holders.

Without the consent of any Holders, the Company, the Guarantors, if any, and any other obligor under the Securities when authorized

by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto or agreements or other instruments with respect to this Indenture, the Securities or any Guarantee, in form and substance satisfactory to the Trustee, for any of the following purposes:

(a) to evidence the succession of another Person to the Company or a Guarantor or any other obligor upon the Securities, and the assumption by any such successor of the covenants of the Company or such Guarantor or obligor herein and in the Securities and in any Guarantee in accordance with Article Eight;

(b) to add to the covenants of the Company, any Guarantor or any other obligor upon the Securities for the benefit of the Holders, or to surrender any right or power conferred upon the Company or any Guarantor or any other obligor upon the Securities, as applicable, herein, in the Securities or in any Guarantee;

(c) to cure any ambiguity, or to correct or supplement any provision herein or in any supplemental indenture, the Securities or any Guarantee which may be defective or inconsistent with any other provision herein or in the Securities or any Guarantee or to make any other provisions with respect to matters or questions arising under this Indenture, the Securities or the Guarantees; provided that, in each case, such provisions shall not adversely affect the interest of the Holders;

(d) to comply with the requirements of the Commission in order to effect or maintain the qualification of this Indenture under the Trust Indenture Act, as contemplated by Section 905 or otherwise;

(e) to add a Guarantor pursuant to the requirements of Section 1013 hereof or otherwise;

(f) to evidence and provide the acceptance of the appointment of a successor Trustee hereunder; or

(g) to mortgage, pledge, hypothecate or grant a security interest in favor of the Trustee for the benefit of the Holders as additional security for the payment and performance of the Company's or any Guarantor's Indenture Obligations, in any property, or assets, including any of which are required to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Trustee pursuant to this Indenture or otherwise.

Section 902. Supplemental Indentures and Agreements with Consent of Holders.

Except as permitted by Section 901, with the consent of the Holders of at least a majority in aggregate principal amount of the Outstanding Securities, by Act of said Holders delivered to the Company, each Guarantor, if any, and the Trustee, the Company and each Guarantor (if a party thereto) when authorized by Board Resolutions, and the Trustee may (i) enter into an indenture or indentures supplemental hereto or agreements or other instruments with respect to any Guarantee in form and substance satisfactory to the Trustee, for the purpose of adding any provisions to or amending, modifying or changing in any manner or eliminating any of the provisions of this Indenture, the Securities or any Guarantee (including but not limited to, for the purpose of modifying in any manner the rights of the Holders under this Indenture, the Securities or any Guarantee) or (ii) waive compliance with any provision in this Indenture, the Securities or any Guarantee (other than waivers of past Defaults covered by Section 513 and waivers of covenants which are covered by Section 1021); provided, however, that no such supplemental indenture, agreement or instrument shall, without the consent of the Holder of each Outstanding Security affected thereby:

(a) change the Stated Maturity of the principal of, or any installment of interest on, or change to an earlier date any Redemption Date of, or waive a default in the payment of the principal of, premium, if any, or interest on, any such Security or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or change the coin or currency in which the principal of any Security or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date);

(b) amend, change or modify the obligation of the Company to make and consummate an Offer with respect to any Asset Sale or Asset Sales in accordance with Section 1012 or the obligation of the Company to make and consummate a Change of Control Offer in the event of a Change of Control in accordance with Section 1014, including, in each case, amending, changing or modifying any definitions relating thereto but only to the extent such

definitions relate thereto;

(c) reduce the percentage in principal amount of the Outstanding Securities, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver or compliance with certain provisions of this Indenture;

(d) modify any of the provisions of this Section 902 or Section 513 or 1021, except to increase the percentage of such Outstanding Securities required for any such actions or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each such Security affected thereby;

(e) except as otherwise permitted under Article Eight, consent to the assignment or transfer by the Company or any Guarantor of any of its rights and obligations hereunder; or

(f) amend or modify any of the provisions of this Indenture in any manner which subordinates the Securities issued hereunder in right of payment to any other Indebtedness of the Company or which subordinates any Guarantee in right of payment to any other Indebtedness of the Guarantor issuing such Guarantee.

Upon the written request of the Company and each Guarantor, if any, accompanied by a copy of Board Resolutions authorizing the execution of any such supplemental indenture or Guarantee, and upon the filing with the Trustee of evidence of the consent of Holders as aforesaid, the Trustee shall join with the Company and each Guarantor in the execution of such supplemental indenture or Guarantee.

It shall not be necessary for any Act of Holders under this Section 902 to approve the particular form of any proposed supplemental indenture or Guarantee or agreement or instrument relating to any Guarantee, but it shall be sufficient if such Act shall approve the substance thereof.

Section 903. Execution of Supplemental Indentures and Agreements.

In executing, or accepting the additional trusts created by, any supplemental indenture, agreement, instrument or waiver permitted by this Article Nine or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Trust Indenture Act Sections 315(a) through 315(d) and Section 603(a) hereof) shall be fully protected in relying upon, an Opinion of Counsel and an Officers' Certificate stating that the execution of such supplemental indenture, agreement or instrument (a) is authorized or permitted by this Indenture and (b) does not violate the provisions of any agreement or instrument evidencing any other Indebtedness of the Company, any Guarantor or any other Restricted Subsidiary. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture, agreement or instrument which affects the Trustee's own rights, duties or immunities under this Indenture, any Guarantee or otherwise.

Section 904. Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

Section 905. Conformity with Trust Indenture Act.

Every supplemental indenture executed pursuant to this Article Nine shall conform to the requirements of the Trust Indenture Act as then in effect.

Section 906. Reference in Securities to Supplemental Indentures.

Securities authenticated and delivered after the execution of any supplemental indenture pursuant to this Article Nine may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any such supplemental indenture may be

prepared and executed by the Company and each Guarantor and authenticated and delivered by the Trustee in exchange for Outstanding Securities.

Section 907. Notice of Supplemental Indentures.

Promptly after the execution by the Company, any Guarantor and the Trustee of any supplemental indenture pursuant to the provisions of Section 902, the Company shall give notice thereof to the Holders of each Outstanding Security affected, in the manner provided for in Section 106, setting forth in general terms the substance of such supplemental indenture. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

ARTICLE TEN

COVENANTS

Section 1001. Payment of Principal, Premium and Interest.

The Company shall duly and punctually pay the principal of, premium, if any, and interest on the Securities in accordance with the terms of the Securities and this Indenture.

Section 1002. Maintenance of Office or Agency.

The Company shall maintain an office or agency where Securities may be presented or surrendered for payment. The Company also will maintain in The City of New York an office or agency where Securities may be surrendered for registration of transfer, redemption or exchange and where notices and demands to or upon the Company in respect of the Securities and this Indenture may be served. The office of the Trustee, at its Corporate Trust Office initially located at 100 Wall Street, 20th Floor, New York, New York 10005, will be such office or agency of the Company, unless the Company shall designate and maintain some other office or agency for one or more of such purposes. The Company will give prompt written notice to the Trustee of the location and any change in the location of any such offices or agencies. If at any time the Company shall fail to maintain any such required offices or agencies or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the office of the Trustee and the Company hereby appoints the Trustee such agent as its agent to receive all such presentations, surrenders, notices and demands.

The Company may from time to time designate one or more other offices or agencies (in or outside of The City of New York) where the Securities may be presented or surrendered for any or all such purposes, and may from time to time rescind such designation. The Company will give prompt written notice to the Trustee of any such designation or rescission and any change in the location of any such office or agency.

The Trustee shall initially act as Paying Agent for the Securities.

Section 1003. Money for Security Payments to Be Held in Trust.

If the Company or any of its Affiliates shall at any time act as Paying Agent, it will, on or before each due date of the principal of, premium, if any, or interest on any of the Securities, segregate and hold in trust for the benefit of the Holders entitled thereto a sum sufficient to pay the principal, premium, if any, or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided, and will promptly notify the Trustee of its action or failure so to act.

If the Company or any of its Affiliates is not acting as Paying Agent, the Company will, on or before each due date of the principal of, premium, if any, or interest on any of the Securities, deposit with a Paying Agent a sum in same day funds sufficient to pay the principal, premium, if any, or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of such action or any failure so to act.

If the Company is not acting as Paying Agent, the Company will cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument

in which such Paying Agent shall agree with the Trustee, subject to the

provisions of this Section, that such Paying Agent will:

(a) hold all sums held by it for the payment of the principal of, premium, if any, or interest on the Securities in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(b) give the Trustee notice of any Default by the Company or any Guarantor (or any other obligor upon the Securities) in the making of any payment of principal, premium, if any, or interest on the Securities;

(c) at any time during the continuance of any such Default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent; and

(d) acknowledge, accept and agree to comply in all aspects with the provisions of this Indenture relating to the duties, rights and liabilities of such Paying Agent.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium, if any, or interest on any Security and remaining unclaimed for two years after such principal and premium, if any, or interest has become due and payable shall promptly be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in the New York Times and The Wall Street Journal (national edition), and mail to each such Holder, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification, publication and mailing, any unclaimed balance of such money then remaining will promptly be repaid to the Company.

Section 1004. Corporate Existence.

Subject to Article Eight, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect the corporate existence and related rights and franchises (charter and statutory) of the Company and each Restricted Subsidiary; provided, however, that the Company shall not be required to preserve any such right or franchise or the corporate existence of any such Restricted Subsidiary if the Board of Directors of the Company shall determine that the preservation thereof is no longer necessary or desirable in the conduct of the business of the Company and its Restricted Subsidiaries as a whole; and provided, further, however, that the foregoing shall not prohibit a sale, transfer or conveyance of a Restricted Subsidiary or any of its assets in compliance with the terms of this Indenture.

Section 1005. Payment of Taxes and Other Claims.

The Company shall pay or discharge or cause to be paid or discharged, on or before the date the same shall become due and payable, (a) all taxes, assessments and governmental charges levied or imposed upon the Company or any of its Restricted Subsidiaries shown to be due on any return of the Company or any of its Restricted Subsidiaries or otherwise assessed or upon the income, profits or property of the Company or any of its Restricted Subsidiaries if failure to pay or discharge the same could reasonably be expected to have a material adverse effect on the ability of the Company or any Guarantor to perform its obligations hereunder and (b) all lawful claims for labor, materials and supplies, which, if unpaid, would by law become a Lien upon the property of the Company or any of its Restricted Subsidiaries, except for any Lien permitted to be incurred under Section 1011, if failure to pay or discharge the same could reasonably be expected to have a material adverse effect on the ability of the Company or any Guarantor to perform its obligations hereunder; provided, however, that the Company shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate

proceedings properly instituted and diligently conducted and in respect of which appropriate reserves (in the good faith judgment of management of the Company) are being maintained in accordance with GAAP.

Section 1006. Maintenance of Properties.

The Company shall cause all material properties owned by the Company or any of its Restricted Subsidiaries or used or held for use in the conduct of its business or the business of any of its Restricted Subsidiaries to be maintained and kept in good condition, repair and working order (ordinary wear and tear excepted) and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the reasonable judgment of the Company may be consistent with sound business practice and necessary so that the business carried on in connection therewith may be properly conducted at all times;

provided, however, that nothing in this Section shall prevent the Company from discontinuing the maintenance of any of such properties if such discontinuance is, in the reasonable judgment of the Company, desirable in the conduct of its business or the business of any of its Restricted Subsidiaries; and provided, further, however, that the foregoing shall not prohibit a sale, transfer or conveyance of a Restricted Subsidiary or any of its properties or assets in compliance with the terms of this Indenture.

Section 1007. Maintenance of Insurance.

The Company shall at all times keep all of its and its Restricted Subsidiaries' properties which are of an insurable nature insured with insurers, believed by the Company in good faith to be financially sound and responsible, against loss or damage to the extent that property of similar character is usually so insured by corporations similarly situated and owning like properties in the same general geographic areas in which the Company and its Restricted Subsidiaries operate, except where the failure to do so could not reasonably be expected to have a material adverse effect on the condition (financial or otherwise), earnings, business affairs or prospects of the Company and its Restricted Subsidiaries, taken as a whole.

Section 1008. Limitation on Indebtedness.

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, create, issue, incur, assume, guarantee or otherwise in any manner become directly or indirectly liable for the payment of or otherwise incur, contingently or otherwise (collectively, "incur"), any Indebtedness (including any Acquired Indebtedness), unless such Indebtedness is incurred by the Company or any Guarantor or constitutes Acquired Indebtedness of a Restricted Subsidiary and, in each case, the Company's Consolidated Fixed Charge Coverage Ratio for the most recent four full fiscal quarters for which financial statements are available immediately preceding the incurrence of such Indebtedness taken as one period is at least equal to or greater than 2.00:1.

Notwithstanding the foregoing, the Company and, to the extent specifically set forth below, the Restricted Subsidiaries may incur each and all of the following (collectively, the "Permitted Indebtedness"):

(i) Indebtedness of the Company and the Guarantors under the Revolving Facility (including any refinancing (as defined below) thereof) in an aggregate principal amount at any one time outstanding not to exceed the greater of (a) $75 million or (b) 20% of the Company's Consolidated Tangible Assets, in any case under the Revolving Facility (including any refinancing thereof) or in respect of letters of credit thereunder;

(ii) Indebtedness of the Company and the Guarantors under any Inventory Facility.

(iii) Indebtedness of the Company pursuant to the Series B Securities and Indebtedness of any Guarantor pursuant to a guarantee of the Series B Securities;

(iv) Indebtedness of the Company or any Restricted Subsidiary outstanding on July 31, 1998, and listed on a schedule to the B Indenture and not otherwise referred to in this definition of Permitted Indebtedness;

(v) Indebtedness of the Company owing to a Restricted Subsidiary; provided that any Indebtedness of the Company owing to a Restricted Subsidiary that is not a Guarantor is made pursuant to an intercompany note in the form attached as Annex A to this Indenture and is unsecured and subordinated in right of payment from and after such time as the Securities shall become due

and payable (whether at Stated Maturity, acceleration or otherwise) to the payment and performance of the Company's obligations under the Securities; provided, further, that any disposition, pledge or transfer of any such Indebtedness to a Person (other than a disposition, pledge or transfer to a Restricted Subsidiary) shall be deemed to be an incurrence of such Indebtedness by the Company or other obligor not permitted by this clause (v);

(vi) Indebtedness of a Wholly Owned Restricted Subsidiary owing to the Company or another Wholly Owned Restricted Subsidiary; provided that any such Indebtedness is made pursuant to an intercompany note in the form attached as Annex A to this Indenture; provided, further, that (a) any disposition, pledge or transfer of any such Indebtedness to a Person (other than a disposition, pledge or transfer to the Company or a Wholly Owned Restricted Subsidiary) shall be deemed to be an incurrence of such Indebtedness by the obligor not permitted by this clause (vi), and (b) any transaction pursuant to which any Wholly Owned Restricted Subsidiary, which has Indebtedness owing to the Company or any other Wholly Owned Restricted Subsidiary, ceases to be a Wholly Owned Restricted Subsidiary shall be deemed to be the incurrence of Indebtedness by such Wholly Owned Restricted Subsidiary that is not permitted by this clause (vi);

(vii) guarantees of any Restricted Subsidiary made in accordance with the provisions of Section 1013;

(viii) obligations of the Company or any Guarantor entered into in the ordinary course of business (a) pursuant to Interest Rate Agreements designed to protect the Company or any Restricted Subsidiary against fluctuations in interest rates in respect of Indebtedness of the Company or any Restricted Subsidiary as long as such obligations do not exceed the aggregate principal amount of such Indebtedness then outstanding, (b) under any Currency Hedging Agreements, relating to (i) Indebtedness of the Company or any Restricted Subsidiary and/or (ii) obligations to purchase or sell assets or properties, in each case, incurred in the ordinary course of business of the Company or any Restricted Subsidiary; provided, however, that such Currency Hedging Agreements do not increase the Indebtedness or other obligations of the Company or any Restricted

Subsidiary outstanding other than as a result of fluctuations in foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder or (c) under any Commodity Price Protection Agreements which do not increase the amount of Indebtedness or other obligations of the Company or any Restricted Subsidiary outstanding other than as a result of fluctuations in commodity prices or by reason of fees, indemnities and compensation payable thereunder;

(ix) Indebtedness of the Company or any Restricted Subsidiary represented by Capital Lease Obligations or Purchase Money Obligations or other Indebtedness incurred or assumed in connection with the acquisition or development of real or personal, movable or immovable, property in each case incurred for the purpose of financing or refinancing all or any part of the purchase price or cost of construction or improvement of property used in the business of the Company, in an aggregate principal amount pursuant to this clause (ix) not to exceed $20 million outstanding at any time; provided that the principal amount of any Indebtedness permitted under this clause (ix) did not in each case at the time of incurrence exceed the Fair Market Value, as determined by the Board of Directors of the Company in good faith, of the acquired or constructed asset or improvement so financed;

(x) obligations arising from agreements by the Company or a Restricted Subsidiary to provide for indemnification, customary purchase price closing adjustments, earn-outs or other similar obligations, in each case, incurred in connection with the acquisition or disposition of any business or assets of a Restricted Subsidiary;

(xi) Indebtedness evidenced by letters of credit in the ordinary course of business to support the Company's or any Restricted Subsidiary's insurance or self-insurance obligations for workers' compensation and other similar insurance coverages;

(xii) any renewals, extensions, substitutions, refundings, refinancings or replacements (collectively, a "refinancing") of any Indebtedness described in clauses (iii) and (iv) of this definition of "Permitted Indebtedness," including any successive refinancings so long as the borrower under such refinancing is the Company or, if not the Company, the same as the borrower of the Indebtedness being refinanced and the aggregate principal amount of Indebtedness represented thereby (or if such Indebtedness provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the maturity thereof, the original issue price of such Indebtedness plus any accreted value attributable thereto since the original issuance of such Indebtedness) does not exceed the initial principal amount of such Indebtedness plus the lesser of (I) the stated amount of any premium or other payment required to be paid in connection with such a

refinancing pursuant to the terms of the Indebtedness being refinanced or (II) the amount of premium or other payment actually paid at such time to refinance the Indebtedness, plus, in either case, the amount of expenses of the Company incurred in connection with such refinancing and (A) in the case of any refinancing of Indebtedness that is Subordinated Indebtedness, such new Indebtedness is made

subordinated to the Securities at least to the same extent as the Indebtedness being refinanced and (B) in the case of Pari Passu Indebtedness or Subordinated Indebtedness, as the case may be, such refinancing does not reduce the Average Life to Stated Maturity or the Stated Maturity of such Indebtedness; and

(xiii) Indebtedness of the Company and its Restricted Subsidiaries or any Guarantor in addition to that described in clauses (i) through (xii) above, and any renewals, extensions, substitutions, refinancings or replacements of such Indebtedness, so long as the aggregate principal amount of all such Indebtedness shall not exceed $10 million outstanding at any one time in the aggregate.

For purposes of determining compliance with this Section 1008, in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness permitted by this Section 1008, the Company in its sole discretion shall classify such item of Indebtedness and only be required to include the amount of such Indebtedness as one of such types.

Section 1009. Limitation on Restricted Payments.

(a) The Company will not, and will not cause or permit any Restricted Subsidiary to, directly or indirectly:

(i) declare or pay any dividend on, or make any distribution to holders of, any shares of the Company's Capital Stock (other than dividends or distributions payable solely in shares of its Qualified Capital Stock or in options, warrants or other rights to acquire shares of such Qualified Capital Stock);

(ii) purchase, redeem, defease or otherwise acquire or retire for value, directly or indirectly, the Company's Capital Stock or any Capital Stock of any Affiliate of the Company, including any Subsidiary of the Company (other than Capital Stock of any Wholly Owned Restricted Subsidiary of the Company), or options, warrants or other rights to acquire such Capital Stock;

(iii) make any principal payment on, or repurchase, redeem, defease, retire or otherwise acquire for value, prior to any scheduled principal payment, sinking fund payment or maturity, any Subordinated Indebtedness;

(iv) declare or pay any dividend or distribution on any Capital Stock of any Restricted Subsidiary to any Person (other than (a) to the Company or any of its Wholly Owned Restricted Subsidiaries or (b) dividends and distributions made by a Restricted Subsidiary (i) organized as a partnership, limited liability company or similar pass-

through entity to the holders of its Capital Stock in amounts sufficient to satisfy the tax liabilities arising from their ownership of such Capital Stock or (ii) on a pro rata basis to all stockholders of such Restricted Subsidiary); or

(v) make any Investment in any Person (other than any Permitted Investments)

(any of the foregoing actions described in clauses (i) through (v), other than any such action that is a Permitted Payment (as defined below), collectively, "Restricted Payments") (the amount of any such Restricted Payment, if other than cash, shall be the Fair Market Value of the assets proposed to be transferred, as determined by the board of directors of the Company, whose determination shall be conclusive and evidenced by a board resolution), unless (1) immediately before and immediately after giving effect to such proposed Restricted Payment

on a pro forma basis, no Default or Event of Default shall have occurred and be continuing and such Restricted Payment shall not be an event which is, or after notice or lapse of time or both, would be, an "event of default" under the terms of any Indebtedness of the Company or its Restricted Subsidiaries; (2) immediately before and immediately after giving effect to such Restricted Payment on a pro forma basis, the Company could incur $1.00 of additional Indebtedness (other than Permitted Indebtedness) under Section 1008 herein; and (3) after giving effect to the proposed Restricted Payment, the aggregate amount of all such Restricted Payments declared or made after July 31, 1998 and all Designation Amounts does not exceed the sum of:

(A) $5 million;

(B) 50% of the aggregate Consolidated Net Income of the Company accrued on a cumulative basis during the period beginning on the first day of the Company's fiscal quarter in which July 31, 1998 fell and ending on the last day of the Company's last fiscal quarter ending prior to the date of the Restricted Payment, or, if such aggregate cumulative Consolidated Net Income shall be a loss, minus 100% of such loss;

(C) the aggregate Net Cash Proceeds received after July 31, 1998 by the Company either (x) as capital contributions in the form of common equity to the Company or (y) from the issuance or sale (other than to any of its Subsidiaries) of Qualified Capital Stock of the Company or any options, warrants or rights to purchase such Qualified Capital Stock of the Company (except, in each case, to the extent such proceeds are used to purchase, redeem or otherwise retire Capital Stock or Subordinated Indebtedness as set forth below in clause (ii) or (iii) of paragraph (b) below) (and excluding the Net Cash Proceeds from the issuance of Qualified Capital Stock

financed, directly or indirectly, using funds borrowed from the Company or any Subsidiary until and to the extent such borrowing is repaid);

(D) the aggregate Net Cash Proceeds received after July 31, 1998 by the Company (other than from any of its Subsidiaries) upon the exercise of any options, warrants or rights to purchase Qualified Capital Stock of the Company (and excluding the Net Cash Proceeds from the exercise of any options, warrants or rights to purchase Qualified Capital Stock financed, directly or indirectly, using funds borrowed from the Company or any Subsidiary until and to the extent such borrowing is repaid);

(E) the aggregate Net Cash Proceeds received after July 31, 1998 by the Company from the conversion or exchange, if any, of debt securities or Redeemable Capital Stock of the Company or its Restricted Subsidiaries into or for Qualified Capital Stock of the Company plus, to the extent such debt securities or Redeemable Capital Stock were issued after July 31, 1998, upon the conversion or exchange of such debt securities or Redeemable Capital Stock, the aggregate of Net Cash Proceeds from their original issuance (and excluding the Net Cash Proceeds from the conversion or exchange of debt securities or Redeemable Capital Stock financed, directly or indirectly, using funds borrowed from the Company or any Subsidiary until and to the extent such borrowing is repaid); and

(F) (a) in the case of the disposition or repayment of any Investment constituting a Restricted Payment made after July 31, 1998, an amount (to the extent not included in Consolidated Net Income) equal to the lesser of the return of capital with respect to such Investment and the initial amount of such Investment, in either case, less the cost of the disposition of such Investment and net of taxes, and (b) in the case of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary (as long as the designation of such Subsidiary as an Unrestricted Subsidiary was deemed a Restricted Payment), the Fair Market Value of the Company's interest in such Subsidiary provided that such amount shall not in any case exceed the amount of the Restricted Payment deemed made at the time the Subsidiary was designated as an Unrestricted Subsidiary.

(b) Notwithstanding the foregoing, and in the case of clauses (ii) through (iv) below, so long as no Default or Event of Default is continuing or would arise therefrom, the foregoing provisions shall not prohibit the following actions (each of clauses (i) through (iv) and (viii) being referred to as a "Permitted Payment"):

(i) the payment of any dividend within 60 days after the date of declaration thereof, if at such date of declaration such payment was permitted by the provisions of paragraph (a) of

this Section and such payment shall have been deemed to have been paid on such date of declaration and shall not have been deemed a "Permitted Payment" for purposes of the calculation required by paragraph (a) of this Section 1009;

(ii) the repurchase, redemption, or other acquisition or retirement for value of any shares of any class of Capital Stock of the Company in exchange for, including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares or scrip, or out of the Net Cash Proceeds of a substantially concurrent issuance and sale for cash (other than to a Subsidiary) of, other shares of Qualified Capital Stock of the Company; provided that the Net Cash Proceeds from the issuance of such shares of Qualified Capital Stock are excluded from clause (3)(C) of paragraph (a) of this Section 1009;

(iii) the repurchase, redemption, defeasance, retirement or acquisition for value or payment of principal of any Subordinated Indebtedness or Redeemable Capital Stock in exchange for, or in an amount not in excess of the Net Cash Proceeds of, a substantially concurrent issuance and sale for cash (other than to any Subsidiary of the Company) of any Qualified Capital Stock of the Company, provided that the Net Cash Proceeds from the issuance of such shares of Qualified Capital Stock are excluded from clause (3)(C) of paragraph (a) of this Section 1009;

(iv) the repurchase, redemption, defeasance, retirement, refinancing, acquisition for value or payment of principal of any Subordinated Indebtedness (other than Redeemable Capital Stock) (a "refinancing") through the substantially concurrent issuance of new Subordinated Indebtedness of the Company, provided that any such new Subordinated Indebtedness (1) shall be in a principal amount that does not exceed the principal amount so refinanced (or, if such Subordinated Indebtedness provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration thereof, then such lesser amount as of the date of determination), plus the lesser of (I) the stated amount of any premium or other payment required to be paid in connection with such a refinancing pursuant to the terms of the Indebtedness being refinanced or (II) the amount of

premium or other payment actually paid at such time to refinance the Indebtedness, plus, in either case, the amount of expenses of the Company incurred in connection with such refinancing; (2) has an Average Life to Stated Maturity greater than the remaining Average Life to Stated Maturity of the Securities; (3) has a Stated Maturity for its final scheduled principal payment later than the Stated Maturity for the final

scheduled principal payment of the Securities; and (4) is expressly subordinated in right of payment to the Securities at least to the same extent as the Subordinated Indebtedness to be refinanced;

(v) the purchase, redemption, or other acquisition or retirement for value of any class of Capital Stock of the Company from employees, former employees, directors or former directors of the Company or any Subsidiary pursuant to the terms of the agreements pursuant to which such Capital Stock was acquired in an amount not to exceed $1.0 million in the aggregate in any calendar year;

(vi) the repurchase, redemption or other acquisition or retirement for value of Capital Stock of the Company issued pursuant to acquisitions by the Company to the extent required by or needed to comply with the requirements of any of the Manufacturers with which the Company or a Restricted Subsidiary is a party to a franchise agreement;

(vii) the repurchase, redemption, defeasance, retirement or acquisition for value or payment of principal on the Smith Subordinated Loan; and

(viii) the payment of the contingent purchase price of an acquisition to the extent such payment would be deemed a Restricted Payment.

Section 1010. Limitation on Transactions with Affiliates.

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, enter into any transaction or series of related transactions (including, without limitation, the sale, purchase, exchange or lease of assets, property or services) with or for the benefit of any Affiliate of the Company (other than the Company or a Wholly Owned Restricted Subsidiary) unless such transaction or series of related transactions is entered into in good faith and in writing and (a) such transaction or series of related transactions is on terms that are no less favorable to the Company or

such Restricted Subsidiary, as the case may be, than those that would be available in a comparable transaction in arm's-length dealings with an unrelated third party, (b) with respect to any transaction or series of related transactions involving aggregate value in excess of $500,000, the Company delivers an Officers' Certificate to the Trustee certifying that such transaction or series of related transactions complies with clause (a) above or such transaction or series of related transactions is approved by a majority of the Disinterested Directors of the Board of Directors of the Company, or in the event there is only one Disinterested Director, by such Disinterested Director, and (c) with respect to any transaction or series of related transactions involving aggregate value in excess of $1 million, either (A) such transaction or series of related transactions has been approved by a majority of the Disinterested Directors of the Company, or in the event there is only one Disinterested Director, by such Disinterested Director, or (B) the Company delivers to the Trustee a written opinion of an investment banking firm of national standing or other recognized independent expert with experience appraising the terms and conditions of the type of transaction or series of related transactions for which an opinion is required stating that the transactions or series of related transactions is fair to the Company or such Restricted Subsidiary from a financial point of view; provided, however, that this provision shall not apply to (i) compensation and employee benefit arrangements with any officer or director of the Company, including under any stock option or stock incentive plans, entered into in the ordinary course of business; (ii) any transaction permitted as a Restricted Payment pursuant to Section 1009; (iii) the payment of customary fees to directors of the Company and its Restricted Subsidiaries; (iv) any transaction with any officer or member of the Board of Directors of the Company involving indemnification arrangements; and (v) loans or advances to officers of the Company in the ordinary course of business not to exceed $1 million in any calendar year.

Section 1011. Limitation on Liens.

The Company will not, and will not cause or permit any Restricted Subsidiary to, directly or indirectly, create, incur or affirm any Lien of any kind securing any Pari Passu Indebtedness or Subordinated Indebtedness (including any assumption, guarantee or other liability with respect thereto by any Restricted Subsidiary) upon any property or assets (including any intercompany notes) of the Company or any Restricted Subsidiary owned on July 31, 1998 or acquired after July 31, 1998, or assign or convey any right to receive any income or profits therefrom, unless the Securities or a Guarantee in the case of Liens of a Guarantor are directly secured equally and ratably with (or, in the case of Subordinated Indebtedness, prior or senior thereto, with the same relative priority as the Securities shall have with respect to such Subordinated Indebtedness) the obligation or liability secured by such Lien except for Liens (A) securing any Indebtedness which became Indebtedness pursuant to a transaction permitted under Article Eight or securing Acquired Indebtedness which was created prior to (and not created in connection with, or in contemplation of) the incurrence of such Pari Passu Indebtedness or Subordinated Indebtedness (including any assumption, guarantee or other

liability with respect thereto by any Restricted Subsidiary) and which Indebtedness is permitted under the provisions of Section 1008 or (B) securing any Indebtedness incurred in connection with any refinancing, renewal, substitutions or replacements of any such Indebtedness described in clause (A), so long as the aggregate principal amount of Indebtedness represented thereby (or if such Indebtedness provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the maturity thereof, the original issue price of such Indebtedness plus any accreted value attributable thereto since the original issuance of such Indebtedness) is not increased by such refinancing by an amount greater than the lesser of (i) the stated amount of any premium or other payment required to be paid in connection with such a refinancing pursuant to the terms of the Indebtedness being refinanced or (ii) the amount of premium or other payment actually paid at such time to refinance the Indebtedness, plus, in either case, the amount of expenses of the Company incurred in connection with such refinancing; provided, however, that in the case of clauses (A) and (B), any such Lien only extends to the assets that were subject to such Lien securing such Indebtedness prior to the related acquisition by the Company or its Restricted Subsidiaries. Notwithstanding the foregoing, any Lien securing the Securities granted pursuant to this covenant shall be automatically and unconditionally released and discharged upon the release by the holders of the Pari Passu Indebtedness or Subordinated Indebtedness described above of their Lien on the property or assets of the Company or any Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness), at such time as the holders of all such Pari Passu Indebtedness or Subordinated Indebtedness also release their Lien on the property or assets of the Company or such Restricted Subsidiary, or upon any sale, exchange or transfer to any Person not an Affiliate of the Company of the property or assets secured by such Lien, or of all of the Capital Stock held by the Company or any Restricted Subsidiary in, or all or substantially all the assets of, any Restricted Subsidiary creating such Lien.

Section 1012. Limitation on Sale of Assets.

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, consummate an Asset Sale unless (i) at least 80% of the consideration from such Asset Sale consists of (A) cash or Cash Equivalents, (B) the assumption of Senior Indebtedness or Senior Guarantor Indebtedness by the party acquiring the assets from the Company of any Restricted Subsidiary, (C) Replacement Assets or (D) a combination of any of the foregoing; and (ii) the Company or such Restricted Subsidiary receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the shares or assets subject to such Asset Sale (as determined by the Board of Directors of the Company and evidenced in a Board Resolution); provided that any notes or other obligations received by the Company or any such Restricted Subsidiary from any transferee of assets from the Company or such Restricted Subsidiary that are converted by the Company or such Restricted Subsidiary into cash at Fair Market Value within 30 days after receipt shall be deemed to be cash for purposes of this provision.

(b) If all or a portion of the Net Cash Proceeds of any Asset Sale are not required to be applied to repay permanently any Senior Indebtedness or Senior Guarantor Indebtedness then outstanding as required by the terms thereof, or the Company determines not to apply such Net Cash Proceeds to the permanent prepayment of such Senior Indebtedness or Senior Guarantor Indebtedness, or if no such Senior Indebtedness or Senior Guarantor Indebtedness is then outstanding, then the Company or a Restricted Subsidiary may within 365

days of the Asset Sale invest the Net Cash Proceeds in Replacement Assets. The amount of such Net Cash Proceeds not used or invested within 365 days of the Asset Sale as set forth in this paragraph constitutes "Excess Proceeds."

(c) When the aggregate amount of Excess Proceeds exceeds $10 million or more, the Company will apply the Excess Proceeds to the repayment of the Securities and any other Pari Passu Indebtedness outstanding with similar provisions requiring the Company to make an offer to purchase such Indebtedness with the proceeds from any Asset Sale as follows: (A) the Company will make an offer to purchase (an "Offer") from all holders of the Securities in accordance with the procedures set forth in this Indenture in the maximum principal amount (expressed as a multiple of $1,000) of Securities that may be purchased out of an amount (the "Security Amount") equal to the product of such Excess Proceeds multiplied by a fraction, the numerator of which is the outstanding principal amount of the Securities, and the denominator of which is the sum of the outstanding principal amount of the Securities and such Pari Passu Indebtedness (subject to proration in the event such amount is less than the aggregate Offered Price (as defined herein) of all Securities tendered) and (B) to the extent required by such Pari Passu Indebtedness to permanently reduce the principal amount of such Pari Passu Indebtedness, the Company will make an offer to purchase or otherwise repurchase or redeem Pari Passu Indebtedness (a "Pari Passu Offer") in an amount (the "Pari Passu Debt Amount") equal to the excess of the Excess Proceeds over the Security Amount; provided that in no event will the Company be required to make a Pari Passu Offer in a Pari Passu Debt Amount exceeding the principal amount of such Pari Passu Indebtedness plus the amount of any premium required to be paid to repurchase such Pari Passu Indebtedness. The offer price for the Securities will be payable in cash in an amount equal to 100% of the principal amount of the Securities plus accrued and unpaid interest, if any, to the date (the "Offer Date") such Offer is consummated (the "Offered Price"), in accordance with the procedures set forth herein. To the extent that the aggregate Offered Price of the Securities tendered pursuant to the Offer is less than the Security Amount relating thereto or the aggregate amount of Pari Passu Indebtedness that is purchased in a Pari Passu Offer is less than the Pari Passu Debt Amount, the Company may use any remaining Excess Proceeds for general corporate purposes. If the aggregate principal amount of Securities and Pari Passu Indebtedness surrendered by holders thereof exceeds the amount of Excess Proceeds, the Trustee shall select the Securities to be purchased on a pro rata basis. Upon the completion of the purchase of all the Securities tendered pursuant to an Offer and the completion of a Pari Passu Offer, the amount of Excess Proceeds, if any, shall be reset at zero.

(d) When the aggregate amount of Excess Proceeds exceeds $10 million, such Excess Proceeds will, prior to any purchase of Securities described in paragraph (c) above, be set aside by the Company in a separate account pending (i) deposit with the Depositary or a paying agent of the amount required to purchase the Securities tendered in an Offer or Pari Passu Indebtedness tendered in a Pari Passu Offer, (ii) delivery by the Company of the Offered Price to the holders of the Securities tendered in an Offer or Pari Passu Indebtedness tendered in a Pari Passu Offer and (iii) the completion of the purchase of all the Securities tendered pursuant to the Offer and the completion of the Pari Passu Offer. Such Excess Proceeds may be invested in Temporary Cash Investments, provided that the maturity date of any such investment made after the amount of Excess Proceeds exceeds $10 million shall not be later than the Offer Date. The Company shall be entitled to any interest or dividends accrued, earned or paid on such Temporary Cash Investments; provided that the Company shall not withdraw such interest from the separate account if an Event of Default has occurred and is continuing.

(e) If the Company becomes obligated to make an Offer pursuant to clause (c) above, the Securities and the Pari Passu Indebtedness shall be purchased by the Company, at the option of the holders thereof, in whole or in part in integral multiples of $1,000, on a date that is not earlier than 30 days and not later than 60 days from the date the notice of the Offer is given to holders, or such later date as may be necessary for the Company to comply with the requirements under the Exchange Act.

(f) The Company will comply with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws or regulations in connection with an Offer.

(g) Subject to paragraph (e) above, within 30 days after the date on which the amount of Excess Proceeds equals or exceeds $10 million, the Company shall send or cause to be sent by first-class mail, postage prepaid, to the Trustee and to each Holder, at his address appearing in the Security Register, a notice stating or including:

(1) that the Holder has the right to require the Company to repurchase, subject to proration, such Holder's Securities at the Offered Price;

(2) the Offer Date;

(3) the instructions a Holder must follow in order

to have his Securities purchased in accordance with paragraph (c) of this Section;

(4) (i) the most recently filed Annual Report on Form 10-K (including audited consolidated financial statements) of the Company, the most recent subsequently filed Quarterly Report on Form 10-Q, as applicable, and any Current Report on Form 8-K of the Company filed subsequent to such Quarterly Report, other than Current Reports describing

Asset Sales otherwise described in the offering materials (or corresponding successor reports) (or in the event the Company is not required to prepare any of the foregoing Forms, the comparable information required pursuant to Section 1020), (ii) a description of material developments, if any, in the Company's business subsequent to the date of the latest of such reports, (iii) if material, appropriate pro forma financial information, and (iv) such other information, if any, concerning the business of the Company which the Company in good faith believes will enable such Holders to make an informed investment decision regarding the Offer;

(5) the Offered Price;

(6) the names and addresses of the Paying Agent and the offices or agencies referred to in Section 1002;

(7) that Securities must be surrendered prior to the Offer Date to the Paying Agent at the office of the Paying Agent or to an office or agency referred to in Section 1002 to collect payment;

(8) that any Securities not tendered will continue to accrue interest and that unless the Company defaults in the payment of the Offered Price, any Security accepted for payment pursuant to the Offer shall cease to accrue interest on and after the Offer Date;

(9) the procedures for withdrawing a tender; and

(10) that the Offered Price for any Security which has been properly tendered and not withdrawn and which has been accepted for payment pursuant to the Offer will be paid promptly following the Offered Date.

(h) Holders electing to have Securities purchased hereunder will be required to surrender such Securities at the address specified in the notice prior to the Offer Date. Holders will be entitled to withdraw their election to have their Securities purchased pursuant to this Section 1012 if the Company receives, not later than one Business Day prior to the Offer Date, a telegram, telex, facsimile transmission or letter setting forth (1) the name of the Holder, (2) the certificate number of the Security in respect of which such notice of withdrawal is being submitted, (3) the principal amount of the Security (which shall be $1,000 or an integral multiple thereof) delivered for purchase by the Holder as to which his election is to be withdrawn, (4) a statement that such Holder is withdrawing his election to have such principal amount of such Security purchased, and (5) the principal amount, if any, of such Security (which shall be $1,000 or an integral multiple thereof) that remains subject to the original notice of the Offer and that has been or will be delivered for purchase by the Company.

(i) The Company shall (i) not later than the Offer Date, accept for payment Securities or portions thereof tendered pursuant to the Offer, (ii) not later than 10:00 a.m. (New York time) on the Offer Date, deposit with the Trustee or with a Paying Agent an amount of money in same day funds (or New York Clearing House funds if such deposit is made prior to the Offer Date) sufficient to pay the aggregate Offered Price of all the Securities or portions thereof which are to be purchased on that date and (iii) not later than 10:00 a.m. (New York time) on the Offer Date, deliver to the Paying Agent an Officers' Certificate stating the Securities or portions thereof accepted for payment by the Company. The Paying Agent shall promptly mail or deliver to Holders of Securities so accepted payment in an amount equal to the Offered Price of the Securities purchased from each such Holder, and the Company shall execute and the Trustee shall promptly authenticate and mail or deliver to such Holders a new Security equal in principal amount to any unpurchased portion of the Security surrendered. Any Securities not so accepted shall be promptly mailed or

delivered by the Paying Agent at the Company's expense to the Holder thereof. For purposes of this Section 1012, the Company shall choose a Paying Agent which shall not be the Company.

Subject to applicable escheat laws, the Trustee and the Paying Agent shall return to the Company any cash that remains unclaimed, together with interest, if any, thereon, held by them for the payment of the Offered Price; provided, however, that (x) to the extent that the aggregate amount of cash deposited by the Company with the Trustee in respect of an Offer exceeds the aggregate Offered Price of the Securities or portions thereof to be purchased, then the Trustee shall hold such excess for the Company and (y) unless otherwise directed by the Company in writing, promptly after the Business Day following the Offer Date the Trustee shall return any such excess to the Company together with interest or dividends, if any, thereon.

(j) Securities to be purchased shall, on the Offer Date, become due and payable at the Offered Price and from and after such date (unless the Company shall default in the payment of the Offered Price) such Securities shall cease to bear interest. Such Offered Price shall be paid to such Holder promptly following the later of the Offer Date and the time of delivery of such Security to the relevant Paying Agent at the office of such Paying Agent by the Holder thereof in the manner required. Upon surrender of any such Security for purchase in accordance with the foregoing provisions, such Security shall be paid by the Company at the Offered Price; provided, however, that installments of interest whose Stated Maturity is on or prior to the Offer Date shall be payable to the Person in whose name the Securities (or any Predecessor Securities) is registered as such on the relevant Regular Record Dates according to the terms and the provisions of Section 309; provided, further, that Securities to be purchased are subject to proration in the event the Excess Proceeds are less than the aggregate Offered Price of all Securities tendered for purchase, with such adjustments as may be appropriate by the Trustee so that only Securities in denominations of $1,000 or integral multiples thereof, shall be purchased. If any Security tendered for purchase shall not be so paid upon surrender thereof by deposit of funds with the Trustee or a Paying Agent in accordance

with paragraph (h) above, the principal thereof (and premium, if any, thereon) shall, until paid, bear interest from the Offer Date at the rate borne by such Security. Any Security that is to be purchased only in part shall be surrendered to a Paying Agent at the office of such Paying Agent (with, if the Company, the Security Registrar or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Security Registrar or the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing), and the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Security, without service charge, one or more new Securities of any authorized denomination as requested by such Holder in an aggregate principal amount equal to, and in exchange for, the portion of the principal amount of the Security so surrendered that is not purchased. The Company shall publicly announce the results of the Offer on or as soon as practicable after the Offer Date.

Section 1013. Limitation on Issuances of Guarantees of and Pledges for Indebtedness.

(a) The Company will not cause or permit any Restricted Subsidiary, other than a Guarantor, directly or indirectly, to secure the payment of any Senior Indebtedness of the Company and the Company will not, and will not permit any Restricted Subsidiary to, pledge any intercompany notes representing obligations of any Restricted Subsidiary (other than a Guarantor) to secure the payment of any Senior Indebtedness unless in each case such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to this Indenture providing for a guarantee of payment of the Securities by such Restricted Subsidiary, which guarantee shall be on the same terms as the guarantee of the Senior Indebtedness (if a guarantee of Senior Indebtedness is granted by any such Restricted Subsidiary) except that the guarantee of the Securities need not be secured and shall be subordinated to the claims against such Restricted Subsidiary in respect of Senior Indebtedness to the same extent as the Securities are subordinated to Senior Indebtedness of the Company under this Indenture.

(b) The Company will not cause or permit any Restricted Subsidiary (which is not a Guarantor), directly or indirectly, to guarantee, assume or in any other manner become liable with respect to any Indebtedness of the Company or any Restricted Subsidiary unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to this Indenture providing for a Guarantee of the Securities on the same terms as the guarantee of such Indebtedness except that (A) such guarantee need not be secured unless required pursuant to Section 1011, (B) if such Indebtedness is by its terms

Senior Indebtedness, any such assumption, guarantee or other liability of such Restricted Subsidiary with respect to such Indebtedness shall be senior to such Restricted Subsidiary's Guarantee of the Securities to the same extent as such Senior Indebtedness is senior to the Securities and (C) if such Indebtedness is by its terms expressly subordinated to the Securities, any such assumption, guarantee or other liability of such

Restricted Subsidiary with respect to such Indebtedness shall be subordinated to such Restricted Subsidiary's Guarantee of the Securities at least to the same extent as such Indebtedness is subordinated to the Securities.

(c) Notwithstanding the foregoing, any Guarantee by a Restricted Subsidiary of the Securities shall provide by its terms that it (and all Liens securing the same) shall be automatically and unconditionally released and discharged upon (i) any sale, exchange or transfer, to any Person not an Affiliate of the Company, of all of the Company's Capital Stock in, or all or substantially all the assets of, such Restricted Subsidiary, which transaction is in compliance with the terms of this Indenture and pursuant to which transaction such Subsidiary is released from all guarantees, if any, by it of other Indebtedness of the Company or any Restricted Subsidiaries or (ii) the release by the holders of the Indebtedness of the Company of their security interest or their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness), at such time as (A) no other Indebtedness of the Company has been secured or guaranteed by such Restricted Subsidiary, as the case may be, or (B) the holders of all such other Indebtedness which is secured or guaranteed by such Restricted Subsidiary also release their security interest in or guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness).

Section 1014. Purchase of Securities upon a Change of Control.

(a) If a Change of Control shall occur at any time, then each Holder shall have the right to require that the Company purchase such Holder's Securities in whole or in part in integral multiples of $1,000, at a purchase price (the "Change of Control Purchase Price") in cash in an amount equal to 101% of the principal amount of such Securities, plus accrued and unpaid interest, if any, to the date of purchase (the "Change of Control Purchase Date"), pursuant to the offer described below in this Section 1014 (the "Change of Control Offer") and in accordance with the other procedures set forth in subsections (b), (c), (d) and (e) of this Section 1014.

(b) Within 30 days of any Change of Control, the Company shall notify the Trustee thereof and give written notice (a "Change of Control Purchase Notice") of such Change of Control to each Holder by first-class mail, postage prepaid, at his address appearing in the Security Register, stating among other things:

(1) that a Change of Control has occurred, the date of such event, and that such Holder has the right to require the Company to repurchase such Holder's Securities at the Change of Control Purchase Price;

(2) the circumstances and relevant facts regarding such Change of Control (including, but not limited to, information with respect to pro forma historical income, cash flow and capitalization after giving effect to such Change of Control);

(3) (i) the most recently filed Annual Report on Form 10-K (including audited consolidated financial statements) of the Company, the most recent subsequently filed Quarterly Report on Form 10-Q, as applicable, and any Current Report on Form 8-K of the Company filed subsequent to such Quarterly Report (or in the event the Company is not required to prepare any of the foregoing Forms, the comparable information required to be prepared by the Company and any Guarantor pursuant to Section 1020), (ii) a description of material developments, if any, in the Company's business subsequent to the date of the latest of such reports and (iii) such other information, if any, concerning the business of the Company which the Company in good faith believes will enable such Holders to make an informed investment decision regarding the Change of Control Offer;

(4) that the Change of Control Offer is being made

pursuant to this Section 1014 and that all Securities properly tendered pursuant to the Change of Control Offer will be accepted for payment at the Change of Control Purchase Price;

(5) the Change of Control Purchase Date, which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed, or such later date as is necessary to comply with requirements under the Exchange Act;

(6) the Change of Control Purchase Price;

(7) the names and addresses of the Paying Agent and the offices or agencies referred to in Section 1002;

(8) that Securities must be surrendered on or prior to the Change of Control Purchase Date to the Paying Agent at the office of the Paying Agent or to an office or agency referred to in Section 1002 to collect payment;

(9) that the Change of Control Purchase Price for any Security which has been properly tendered and not withdrawn will be paid promptly following the Change of Control Offer Purchase Date;

(10) the procedures that a Holder must follow to accept a Change of Control Offer or to withdraw such acceptance;

(11) that any Security not tendered will continue to accrue interest; and

(12) that, unless the Company defaults in the payment of the Change of Control Purchase Price, any Securities accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest after the Change of Control Purchase Date.

(c) Upon receipt by the Company of the proper tender of Securities, the Holder of the Security in respect of which such proper tender was made shall (unless the tender of such Security is properly withdrawn) thereafter be entitled to receive solely the Change of Control Purchase Price with respect to such Security. Upon surrender of any such Security for purchase in accordance with the foregoing provisions, such Security shall be paid by the Company at the Change of Control Purchase Price; provided, however, that installments of interest whose Stated Maturity is on or prior to the Change of Control Purchase Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such on the relevant Regular Record Dates according to the terms and the provisions of Section 309. If any Security tendered for purchase in accordance with the provisions of this Section 1014 shall not be so paid upon surrender thereof, the principal thereof (and premium, if any, thereon) shall, until paid, bear interest from the Change of Control Purchase Date at the rate borne by such Security. Holders electing to have Securities purchased will be required to surrender such Securities to the Paying Agent at the address specified in the Change of Control Purchase Notice at least one Business Day prior to the Change of Control Purchase Date. Any Security that is to be purchased only in part shall be surrendered to a Paying Agent at the office of such Paying Agent (with, if the Company, the Security Registrar or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Security Registrar or the Trustee, as the case may be, duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing), and the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Security, without service charge, one or more new Securities of any authorized denomination as requested by such Holder in an aggregate principal amount equal to, and in exchange for, the portion of the principal amount of the Security so surrendered that is not purchased.

(d) The Company shall (i) not later than the Change of Control Purchase Date, accept for payment Securities or portions thereof tendered pursuant to the Change of Control Offer, (ii) not later than 10:00 a.m. (New York time) on the Change of Control Purchase Date, deposit with the Trustee or with a Paying Agent an amount of money in same day funds sufficient to pay the aggregate Change of Control Purchase Price of all the Securities or portions thereof which are to be purchased as of the Change of Control Purchase Date and (iii) not later than 10:00 a.m. (New York time) on the Change of Control Purchase Date, deliver to the Paying Agent an Officers' Certificate stating the Securities or portions thereof accepted for payment by the Company. The Paying Agent shall promptly mail or deliver to Holders of Securities so accepted payment in an amount equal to the Change of Control Purchase Price of the Securities purchased from each such Holder, and the Company shall execute and the Trustee shall promptly authenticate and

mail or deliver to such Holders a new Security equal in principal amount to any unpurchased portion of the Security surrendered. Any Securities not so accepted shall be promptly mailed or delivered by the Paying Agent at the Company's expense to the Holder thereof. The Company will publicly announce the results of the Change of Control Offer on the Change of Control Purchase Date. For purposes of this Section 1014, the Company shall choose a Paying Agent which shall not be the Company.

(e) A tender made in response to a Change of Control Purchase Notice may be withdrawn if the Company receives, not later than one Business Day prior to the Change of Control Purchase Date, a telegram, telex, facsimile transmission or letter, specifying, as applicable:

(1) the name of the Holder;

(2) the certificate number of the Security in respect of which such notice of withdrawal is being submitted;

(3) the principal amount of the Security (which shall be $1,000 or an integral multiple thereof) delivered for purchase by the Holder as to which such notice of withdrawal is being submitted;

(4) a statement that such Holder is withdrawing his election to have such principal amount of such Security purchased; and

(5) the principal amount, if any, of such Security (which shall be $1,000 or an integral multiple thereof) that remains subject to the original Change of Control Purchase Notice and that has been or will be delivered for purchase by the Company.

(f) Subject to applicable escheat laws, the Trustee and the Paying Agent shall return to the Company any cash that remains unclaimed, together with interest or dividends, if any, thereon, held by them for the payment of the Change of Control Purchase Price; provided, however, that, (x) to the extent that the aggregate amount of cash deposited by the Company pursuant to clause (ii) of paragraph (d) above exceeds the aggregate Change of Control Purchase Price of the Securities or portions thereof to be purchased, then the Trustee shall hold such excess for the Company and (y) unless otherwise directed by the Company in writing, promptly after the Business Day following the Change of Control Purchase Date the Trustee shall return any such excess to the Company together with interest, if any, thereon.

(g) The Company shall comply, to the extent applicable, with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws or regulations in connection with a Change of Control Offer.

(h) Notwithstanding the foregoing, the Company will not be required to make a Change of Control Offer if a third party makes the Change of Control Offer, in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Company and purchases all the Securities validly tendered and not withdrawn under such Change of Control Offer.

Section 1015. Limitation on Subsidiary Preferred Stock.

The Company will not permit (a) any Restricted Subsidiary of the Company to issue, sell or transfer any Preferred Stock, except for (i) Preferred Stock issued or sold to, held by or transferred to the Company or a Wholly Owned Restricted Subsidiary, and (ii) Preferred Stock issued by a Person prior to the time (A) such Person becomes a Restricted Subsidiary, (B) such Person merges with or into a Restricted Subsidiary or (C) a Restricted Subsidiary merges with or into such Person; provided that such Preferred Stock was not issued or incurred by such Person in anticipation of the type of transaction contemplated by subclause (A), (B) or (C) or (b) any Person (other than the Company or a Wholly Owned Restricted Subsidiary) to acquire Preferred Stock of any Restricted Subsidiary from the Company or any Restricted Subsidiary, except, in the case of clause (a) or (b), upon the acquisition of all the outstanding Capital Stock of such Restricted Subsidiary in accordance with the terms of this Indenture.

Section 1016. Limitation on Dividends and Other Payment

Restrictions Affecting Subsidiaries.
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The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (i) pay dividends or make any other distribution on its Capital Stock, or any other interest or participation in or measured by its profits, (ii) pay any Indebtedness owed to the Company or any other Restricted Subsidiary, (iii) make any Investment in the Company or any other Restricted Subsidiary or (iv) transfer any of its properties or assets to the Company or any other Restricted Subsidiary, except for: (a) any encumbrance or restriction pursuant to an agreement in effect on July 31, 1998; (b) any encumbrance or restriction, with respect to a Restricted Subsidiary that was not a Restricted Subsidiary of the Company on July 31, 1998, in existence at the time such Person becomes a Restricted Subsidiary of the Company and not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary, provided that such encumbrances and restrictions are not applicable to the Company or any Restricted Subsidiary or the properties or assets of the Company or any Restricted Subsidiary other than such Subsidiary which is becoming a Restricted Subsidiary; (c) customary provisions contained in an agreement that has been entered into for the sale or other disposition of all or substantially all of the Capital Stock or assets of a Restricted Subsidiary; provided, however, that the restrictions are applicable only to such Restricted

Subsidiary or assets; (d) any encumbrance or restriction existing under or by reason of applicable law; (e) customary provisions restricting subletting or assignment of any lease governing any leasehold interest of any Restricted Subsidiary; (f) covenants in franchise agreements with Manufacturers customary for franchise agreements in the automobile retailing industry; (g) any encumbrance or restriction contained in any Purchase Money Obligations for property to the extent such restriction or encumbrance restricts the transfer of such property; (h) any encumbrances or restrictions in security agreements securing Indebtedness (other than Subordinated Indebtedness) of a Guarantor (including any Inventory Facility) (to the extent that such Liens are otherwise incurred in accordance with Section 1011) that restrict the transfer of property subject to such agreements, provided that any such encumbrance or restriction is released to the extent the underlying Lien is released or the related Indebtedness is repaid; and (i) any encumbrance or restriction existing under any agreement that extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (a) and (b), or in this clause (i), provided that the terms and conditions of any such encumbrances or restrictions are no more restrictive in any material respect than those under or pursuant to the agreement evidencing the Indebtedness so extended, renewed, refinanced or replaced.

Section 1017. Limitation on Senior Subordinated Indebtedness.

The Company will not, and will not permit or cause any Guarantor to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise in any manner become directly or indirectly liable for or with respect to or otherwise permit to exist any Indebtedness that is subordinate in right of payment to any Indebtedness of the Company or such Guarantor, as the case may be, unless such Indebtedness is also pari passu with the Securities or the Guarantee of such Guarantor or subordinated in right of payment to the Securities or such Guarantee at least to the same extent as the Securities or such Guarantee are subordinated in right of payment to Senior Indebtedness or such Guarantor's Senior Guarantor Indebtedness, as the case may be, as set forth in this Indenture.

Section 1018. Limitations on Unrestricted Subsidiaries.

The Company may designate after the Issue Date any Subsidiary as an "Unrestricted Subsidiary" under this Indenture (a "Designation") only if:

(a) no Default shall have occurred and be continuing at the time of or after giving effect to such Designation;

(b) the Company would be permitted to make an Investment (other than a Permitted Investment) at the time of Designation (assuming the effectiveness of such Designation) pursuant to the first paragraph of Section 1009 herein in an amount (the "Designation Amount") equal to the greater of (1) the net book value of the Company's

interest in such Subsidiary calculated in accordance with GAAP or (2) the Fair

Market Value of the Company's interest in such Subsidiary as determined in good faith by the Company's board of directors;

(c) the Company would be permitted to incur $1.00 of additional Indebtedness (other than Permitted Indebtedness) pursuant to Section 1008 at the time of such Designation (assuming the effectiveness of such Designation);

(d) such Unrestricted Subsidiary does not own any Capital Stock in any Restricted Subsidiary of the Company which is not simultaneously being designated an Unrestricted Subsidiary;

(e) such Unrestricted Subsidiary is not liable, directly or indirectly, with respect to any Indebtedness other than Unrestricted Subsidiary Indebtedness, provided that an Unrestricted Subsidiary may provide a Guarantee for the Securities; and

(f) such Unrestricted Subsidiary is not a party to any agreement, contract, arrangement or understanding at such time with the Company or any Restricted Subsidiary unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company or, in the event such condition is not satisfied, the value of such agreement, contract, arrangement or understanding to such Unrestricted Subsidiary shall be deemed a Restricted Payment.

In the event of any such Designation, the Company shall be deemed to have made an Investment constituting a Restricted Payment pursuant to Section 1009 for all purposes of this Indenture in the Designation Amount.

The Company shall not and shall not cause or permit any Restricted Subsidiary to at any time (x) provide credit support for, or subject any of its property or assets (other than the Capital Stock of any Unrestricted Subsidiary) to the satisfaction of, any Indebtedness of any Unrestricted Subsidiary (including any undertaking, agreement or instrument evidencing such Indebtedness) (other than Permitted Investments in Unrestricted Subsidiaries) or (y) be directly or indirectly liable for any Indebtedness of any Unrestricted Subsidiary. For purposes of the foregoing, the Designation of a Subsidiary of the Company as an Unrestricted Subsidiary shall be deemed to be the Designation of all of the Subsidiaries of such Subsidiary.

The Company may revoke any Designation of a Subsidiary as an Unrestricted Subsidiary (a "Revocation") if:

(a) no Default shall have occurred and be continuing at the time of and after giving effect to such Revocation;

(b) all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately following such Revocation would, if incurred at such time, have been permitted to be incurred for all purposes of this Indenture; and

(c) unless such redesignated Subsidiary shall not have any Indebtedness outstanding (other than Indebtedness that would be Permitted Indebtedness), immediately after giving effect to such proposed Revocation, and after giving pro forma effect to the incurrence of any such Indebtedness of such redesignated Subsidiary as if such Indebtedness was incurred on the date of the Revocation, the Company could incur $1.00 of additional Indebtedness (other than Permitted Indebtedness) pursuant to Section 1008 herein.

All Designations and Revocations must be evidenced by a resolution of the Board of Directors of the Company delivered to the Trustee certifying compliance with the foregoing provisions.

Section 1019. Provision of Financial Statements.

Whether or not the Company is subject to Section 13(a) or 15(d) of the Exchange Act, the Company and each Guarantor (to the extent such Guarantor would be required if subject to Section 13(a) or 15(d) of the Exchange Act) will, to the extent permitted under the Exchange Act, file with the Commission the annual reports, quarterly reports and other documents which the Company and such Guarantor would have been required to file with the Commission pursuant to Sections 13(a) or 15(d) if the Company or such Guarantor were so subject, such documents to be filed with the Commission on or prior to the date (the "Required Filing Date") by which the Company and such Guarantor would have been required so to file such documents if the Company and such Guarantor were so subject. The Company will also in any event (x) within 15 days of each Required Filing Date (i) transmit by mail to all Holders, as their names and addresses appear in the Security Register, without cost to such Holders and (ii) file with the Trustee copies of the annual reports, quarterly reports and other documents which the Company and such Guarantor would have been required to file with the Commission pursuant to Sections 13(a) or 15(d) of the Exchange Act if the Company and such Guarantor were subject to either of such Sections and (y)

if filing such documents by the Company and such Guarantor with the Commission is not permitted under the Exchange Act, promptly upon written request and payment of the reasonable cost of duplication and delivery, supply copies of such documents to any prospective Holder at the Company's cost. If any Guarantor's financial statements would be required to be included in the financial statements filed or delivered pursuant to this Indenture if the Company were subject to Section 13(a) or 15(d) of the Exchange Act, the Company shall include such Guarantor's financial statements in any filing or delivery pursuant to this Indenture. In addition, so long as any of the Securities remain outstanding, the Company will make available to any prospective purchaser of Securities or beneficial owner of Securities in connection with any sale thereof the information required by Rule 144A(d)(4) under the Securities Act,

until such time as the Company has either exchanged the Securities for securities identical in all material respects which have been registered under the Securities Act or until such time as the Holders thereof have disposed of such Securities pursuant to an effective registration statement under the Securities Act.

Section 1020. Statement by Officers as to Default.

(a) The Company will deliver to the Trustee, on or before a date not more than 120 days after the end of each fiscal year of the Company ending after the date hereof, and 60 days after the end of each fiscal quarter ending after the date hereof, a written statement signed by two executive officers of the Company and the Guarantors, one of whom shall be the principal executive officer, principal financial officer or principal accounting officer of the Company and the Guarantors, as to compliance herewith, including whether or not, after a review of the activities of the Company during such year and of the Company's and each Guarantor's performance under this Indenture, to the best knowledge, based on such review, of the signers thereof, the Company and each Guarantor have fulfilled all of their respective obligations and are in compliance with all conditions and covenants under this Indenture throughout such year and, if there has been a Default specifying each Default and the nature and status thereof and any actions being taken by the Company with respect thereto.

(b) When any Default or Event of Default has occurred and is continuing, or if the Trustee or any Holder or the trustee for or the holder of any other evidence of Indebtedness of the Company or any Subsidiary gives any notice or takes any other action with respect to a claimed default the Company shall deliver to the Trustee by registered or certified mail or facsimile transmission followed by an originally executed copy of an Officers' Certificate specifying such Default, Event of Default, notice or other action, the status thereof and what actions the Company is taking or proposes to take with respect thereto, within five Business Days after the occurrence of such Default or Event of Default.

Section 1021. Waiver of Certain Covenants.

The Company may omit in any particular instance to comply with any covenant or condition set forth in Sections 1006 through 1011, 1013 and 1015 through 1020, if, before or after the time for such compliance, the Holders of not less than a majority in aggregate principal amount of the Securities at the time Outstanding shall, by Act of such Holders, waive such compliance in such instance with such covenant or provision, but no such waiver shall extend to or affect such covenant or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such covenant or condition shall remain in full force and effect.

ARTICLE ELEVEN

REDEMPTION OF SECURITIES

Section 1101. Rights of Redemption.

The Securities are subject to redemption at any time on or after August 1, 2003, at the option of the Company, in whole or in part, subject to the conditions, and at the Redemption Prices, specified in the form of Security, together with accrued and unpaid interest, if any, to the Redemption Date (subject to the right of Holders of record on relevant Regular Record Dates and Special Record Dates to receive interest due on relevant Interest Payment Dates and Special Payment Dates).

Section 1102. Applicability of Article.

Redemption of Securities at the election of the Company or otherwise, as permitted or required by any provision of this Indenture, shall be made in accordance with such provision and this Article Eleven.

Section 1103. Election to Redeem; Notice to Trustee.

The election of the Company to redeem any Securities pursuant to Section 1101 shall be evidenced by a Company Order and an Officers' Certificate. In case of any redemption at the election of the Company, the Company shall, not less than 45 nor more than 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice period shall be satisfactory to the Trustee), notify the Trustee in writing of such Redemption Date and of the principal amount of Securities to be redeemed.

Section 1104. Selection by Trustee of Securities to Be Redeemed.

If less than all the Securities are to be redeemed, the particular Securities or portions thereof to be redeemed in compliance with the national security exchange, if any, on which the securities are listed, or if the securities are not so listed, on a pro rata basis, by lot or by any other method the Trustee shall deem fair and reasonable.

The Trustee shall promptly notify the Company and the Security Registrar in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to redemption of Securities shall relate, in the case of any Security redeemed or to be redeemed only in part, to the portion of the principal amount of such Security which has been or is to be redeemed.

Section 1105. Notice of Redemption.

Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 days nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed, at its address appearing in the Security Register.

All notices of redemption shall state:

(a) the Redemption Date;

(b) the Redemption Price;

(c) if less than all Outstanding Securities are to be redeemed, the identification of the particular Securities to be redeemed;

(d) in the case of a Security to be redeemed in part, the principal amount of such Security to be redeemed and that after the Redemption Date upon surrender of such Security, new Security or Securities in the aggregate principal amount equal to the unredeemed portion thereof will be issued;

(e) that Securities called for redemption must be surrendered to the Paying Agent to collect the Redemption Price;

(f) that on the Redemption Date the Redemption Price will become due and payable upon each such Security or portion thereof to be redeemed, and that (unless the Company shall default in payment of the Redemption Price) interest thereon shall cease to accrue on and after said date;

(g) the names and addresses of the Paying Agent and the offices or agencies referred to in Section 1002 where such Securities are to be surrendered for payment of the Redemption Price;

(h) the CUSIP number, if any, relating to such Securities; and

(i) the procedures that a Holder must follow to surrender the

Securities to be redeemed.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's written request, by the Trustee in the name and at the expense of the Company. If the Company elects to give notice of redemption, it shall provide the Trustee with a certificate stating that such notice has been given in compliance with the requirements of this Section 1105.

The notice if mailed in the manner herein provided shall be conclusively presumed to have been given, whether or not the Holder receives such notice. In any case, failure to give such notice by mail or any defect in the notice to the Holder of any

Security designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Security.

Section 1106. Deposit of Redemption Price.

On or prior to any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company or any of its Affiliates is acting as Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money in same day funds sufficient to pay the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date or Special Payment Date) accrued interest on, all the Securities or portions thereof which are to be redeemed on that date. The Paying Agent shall promptly mail or deliver to Holders of Securities so redeemed payment in an amount equal to the Redemption Price of the Securities purchased from each such Holder. All money, if any, earned on funds held in trust by the Trustee or any Paying Agent shall be remitted to the Company. For purposes of this Section 1106, the Company shall choose a Paying Agent which shall not be the Company.

Section 1107. Securities Payable on Redemption Date.

Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest) such Securities shall cease to bear interest. Holders will be required to surrender the Securities to be redeemed to the Paying Agent at the address specified in the notice of redemption at least one Business Day prior to the Redemption Date. Upon surrender of any such Security for redemption in accordance with said notice, such Security shall be paid by the Company at the Redemption Price together with accrued interest to the Redemption Date; provided, however, that installments of interest whose Stated Maturity is on or prior to the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such on the relevant Regular Record Dates and Special Record Dates according to the terms and the provisions of Section 309.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal and premium, if any, shall, until paid, bear interest from the Redemption Date at the rate borne by such Security.

Section 1108. Securities Redeemed or Purchased in Part.

Any Security which is to be redeemed or purchased only in part shall be surrendered to the Paying Agent at the office or agency maintained for such purpose pursuant to Section 1002 (with, if the Company, the Security Registrar or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company, the Security Registrar or the Trustee, as the case may be, duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing), and the

Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities, of any authorized denomination as requested by such Holder in aggregate principal amount equal to, and in exchange for, the unredeemed portion of the principal of the Security so surrendered that is not redeemed or purchased.

ARTICLE TWELVE

SATISFACTION AND DISCHARGE

Section 1201. Satisfaction and Discharge of Indenture.

This Indenture shall be discharged and shall cease to be of further effect (except as to surviving rights of registration of transfer or exchange of Securities as expressly provided for herein) as to all Outstanding Securities hereunder, and the Trustee, upon Company Request and at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(a) either

(1) all the Securities theretofore authenticated and delivered (except (i) lost, stolen or destroyed Securities which have been replaced or paid as provided in Section 308 or (ii) all Securities whose payment has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust as provided in Section 1003) have been delivered to the Trustee for cancellation; or

(2) all Securities not theretofore delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company; and the Company or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust an amount in United States dollars sufficient to pay and discharge the entire Indebtedness on the Securities not theretofore delivered to the Trustee for cancellation, including the principal of, premium, if any, and accrued interest on, such Securities at such Maturity, Stated Maturity or Redemption Date;

(b) the Company or any Guarantor has paid or caused to be paid all other sums payable hereunder by the Company and any Guarantor; and

(c) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Independent Counsel, in form and substance reasonably satisfactory to the Trustee, each stating that (i) all conditions precedent herein relating to the satisfaction and discharge hereof have been complied with and (ii) such satisfaction and discharge will not result in a breach or violation of, or constitute a default under, this Indenture or any other material agreement or instrument to which the Company, any Guarantor or any Restricted Subsidiary is a party or by which the Company, any Guarantor or any Restricted Subsidiary is bound.

Notwithstanding the satisfaction and discharge hereof, the obligations of the Company to the Trustee under Section 607 and, if United States dollars shall have been deposited with the Trustee pursuant to subclause (2) of subsection (a) of this Section 1201, the obligations of the Trustee under Section 1202 and the last paragraph of Section 1003 shall survive.

Section 1202. Application of Trust Money.

Subject to the provisions of the last paragraph of Section 1003, all United States dollars deposited with the Trustee pursuant to Section 1201 shall be held in trust and applied by it, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal of, premium, if any, and interest on, the Securities for whose payment such United States dollars have been deposited with the Trustee.

ARTICLE THIRTEEN

GUARANTEES

Section 1301. Guarantors' Guarantee.

For value received, each of the Guarantors, in accordance with this Article Thirteen, hereby absolutely, fully, unconditionally and irrevocably guarantees, jointly and severally with each other and with each other Person which may become a Guarantor hereunder, to the Trustee and the Holders, as if the Guarantors were the principal debtor, the punctual payment and performance when due of all Indenture Obligations (which for purposes of this Guarantee shall also be deemed to include all commissions, fees, charges, costs and other expenses (including reasonable legal fees and disbursements of one counsel) arising out of or incurred by the Trustee or the Holders in connection with the enforcement of this Guarantee).

Section 1302. Continuing Guarantee; No Right of Set-Off; Independent Obligation.

(a) This Guarantee shall be a continuing guarantee of the payment and performance of all Indenture Obligations and shall remain in full force and effect until the payment in full of all of the Indenture Obligations and shall apply to and secure any ultimate balance due or remaining unpaid to the Trustee or the Holders; and this Guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or from time to time of any sum of money for the time being due or remaining unpaid to the Trustee or the Holders. Each Guarantor, jointly and severally, covenants and agrees to comply with all obligations, covenants, agreements and provisions applicable to it in this Indenture including those set forth in Article Eight. Without limiting the generality of the foregoing, each Guarantor's liability shall extend to all amounts which constitute part of the Indenture Obligations and would be owed by the Company under this Indenture and the Securities but for the fact that they are unenforceable, reduced, limited, impaired, suspended or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Company.

(b) Each Guarantor, jointly and severally, hereby guarantees that the Indenture Obligations will be paid to the Trustee without set-off or counterclaim or other reduction whatsoever (whether for taxes, withholding or otherwise) in lawful currency of the United States of America.

(c) Each Guarantor, jointly and severally, guarantees that the Indenture Obligations shall be paid strictly in accordance with their terms regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the holders of the Securities.

(d) Each Guarantor's liability to pay or perform or cause the performance of the Indenture Obligations under this Guarantee shall arise forthwith after demand for payment or performance by the Trustee has been given to the Guarantors in the manner prescribed in Section 106 hereof.

(e) Except as provided herein, the provisions of this Article Thirteen cover all agreements between the parties hereto relative to this Guarantee and none of the parties shall be bound by any representation, warranty or promise made by any Person relative thereto which is not embodied herein; and it is specifically acknowledged and agreed that this Guarantee has been delivered by each Guarantor free of any conditions whatsoever and that no representations, warranties or promises have been made to any Guarantor affecting its liabilities hereunder, and that the Trustee shall not be bound by any representations, warranties or promises now or at any time hereafter made by the Company to any Guarantor.

(f) This Guarantee is a guarantee of payment, performance and compliance and not of collectibility and is in no way conditioned or contingent upon any attempt to collect from or enforce performance or compliance by the Company or upon any event or condition whatsoever.

(g) The obligations of the Guarantors set forth herein constitute the full recourse obligations of the Guarantors enforceable against them to the full extent of all their assets and properties.

(h) The Guarantee of Sonic Resources, Inc., Sonic - Harbor City H, Inc., Sonic - West Covina T, Inc., Sonic - Buena Park H, Inc., Sonic - West Reno Chevrolet, Inc., Sonic - Bethany H, Inc., Sonic - Houston V, L.P., Lawrence Marshall Chevrolet, L.P. and Lawrence Marshall Chevrolett, LLC shall be subordinated to claims against the Guarantor to the same extent as the Securities are subordinated to Senior Indebtedness.

Section 1303. Guarantee Absolute.

The obligations of the Guarantors hereunder are independent of the obligations of the Company under the Securities and this Indenture and a separate action or actions may be brought and prosecuted against any Guarantor whether or not an action or proceeding is brought against the Company and whether or not the Company is joined in any such action or proceeding. The liability of the Guarantors hereunder is irrevocable, absolute and unconditional and (to the extent permitted by law) the liability and obligations of the Guarantors hereunder shall not be released, discharged, mitigated, waived, impaired or affected in whole or in part by:

(a) any defect or lack of validity or enforceability in respect of any Indebtedness or other obligation of the Company or any other Person under this Indenture or the Securities, or any agreement or instrument relating to any of the foregoing;

(b) any grants of time, renewals, extensions, indulgences, releases, discharges or modifications which the Trustee or the Holders may extend to, or make with, the Company, any Guarantor or any other Person, or any change in the time, manner or place of payment of, or in any other term of, all or any of the Indenture Obligations, or any other amendment or waiver of, or any consent to or departure from, this Indenture or the Securities, including any increase or decrease in the Indenture Obligations;

(c) the taking of security from the Company, any Guarantor or any other Person, and the release, discharge or alteration of, or other dealing with, such security;

(d) the occurrence of any change in the laws, rules, regulations or ordinances of any jurisdiction by any present or future action of any governmental authority or court amending, varying, reducing or otherwise affecting, or purporting to amend, vary, reduce or otherwise affect, any of the Indenture Obligations and the obligations of any Guarantor hereunder;

(e) the abstention from taking security from the Company, any Guarantor or any other Person or from perfecting, continuing to keep perfected or taking advantage of any security;

(f) any loss, diminution of value or lack of enforceability of any security received from the Company, any Guarantor or any other Person, and including any other guarantees received by the Trustee;

(g) any other dealings with the Company, any Guarantor or any other Person, or with any security;

(h) the Trustee's or the Holders' acceptance of compositions from the Company or any Guarantor;

(i) the application by the Holders or the Trustee of all monies at any time and from time to time received from the Company, any Guarantor or any other Person on account of any indebtedness and liabilities owing by the Company or any Guarantor to the Trustee or the Holders, in such manner as the Trustee or the Holders deems best and the changing of such application in whole or in part and at any time or from time to time, or any manner of application of collateral, or proceeds thereof, to all or any of the Indenture Obligations, or the manner of sale of any collateral;

(j) the release or discharge of the Company or any Guarantor of the Securities or of any Person liable directly as surety or otherwise by operation of law or otherwise for the Securities, other than an express release in writing given by the Trustee, on behalf of the Holders, of the liability and obligations of any Guarantor hereunder;

(k) any change in the name, business, capital structure or governing instrument of the Company or any Guarantor or any refinancing or restructuring of any of the Indenture Obligations;

(l) the sale of the Company's or any Guarantor's business or any part thereof;

(m) subject to Section 1314, any merger or consolidation, arrangement or reorganization of the Company, any Guarantor, any Person resulting from the merger or consolidation of the Company or any Guarantor with any other Person or any other successor to such Person or merged or consolidated Person or any other change in the corporate existence, structure or ownership of the Company or any Guarantor or any change in the corporate relationship between the Company and any Guarantor, or any termination of such relationship;

(n) the insolvency, bankruptcy, liquidation, winding-up, dissolution, receivership, arrangement, readjustment, assignment for the benefit of creditors or distribution of the assets of the Company or its assets or any resulting discharge of any obligations of the Company (whether voluntary or involuntary) or of any Guarantor (whether voluntary or involuntary) or the loss of corporate existence;

(o) subject to Section 1314, any arrangement or plan of reorganization affecting the Company or any Guarantor;

(p) any failure, omission or delay on the part of the Company to conform or comply with any term of this Indenture;

(q) any limitation on the liability or obligations of the Company or any other Person under this Indenture, or any discharge, termination, cancellation, distribution, irregularity, invalidity or unenforceability in whole or in part of this Indenture;

(r) any other circumstance (including any statute of limitations) that might otherwise constitute a defense available to, or discharge of, the Company or any Guarantor; or

(s) any modification, compromise, settlement or release by the Trustee, or by operation of law or otherwise, of the Indenture Obligations or the liability of the Company or any other obligor under the Securities, in whole or in part, and any refusal of payment by the Trustee, in whole or in part, from any other obligor or other

guarantor in connection with any of the Indenture Obligations, whether or not with notice to, or further assent by, or any reservation of rights against, each of the Guarantors.

Section 1304. Right to Demand Full Performance.

In the event of any demand for payment or performance by the Trustee from any Guarantor hereunder, the Trustee or the Holders shall have the right to demand its full claim and to receive all dividends or other payments in respect thereof until the Indenture Obligations have been paid in full, and the Guarantors shall continue to be jointly and severally liable hereunder for any balance which may be owing to the Trustee or the Holders by the Company under this Indenture and the Securities. The retention by the Trustee or the Holders of any security, prior to the realization by the Trustee or the Holders of its rights to such security upon foreclosure thereon, shall not, as between the Trustee and any Guarantor, be considered as a purchase of such security, or as payment, satisfaction or reduction of the Indenture Obligations due to the Trustee or the Holders by the Company or any part thereof. Each Guarantor, promptly after demand, will reimburse the Trustee and the Holders for all costs and expenses of collecting such amount under, or enforcing this Guarantee, including, without limitation, the reasonable fees and expenses of counsel.

Section 1305. Waivers.

(a) Each Guarantor hereby expressly waives (to the extent permitted by law) notice of the acceptance of this Guarantee and notice of the existence, renewal, extension or the non-performance, non-payment, or non-observance on the part of the Company of any of the terms, covenants, conditions and provisions of this Indenture or the Securities or any other notice whatsoever to or upon the Company or such Guarantor with respect to the Indenture Obligations, whether by statute, rule of law or otherwise. Each Guarantor hereby acknowledges communication to it of the terms of this Indenture and the Securities and all of the provisions therein contained and consents to and approves the same. Each Guarantor hereby expressly waives (to the extent permitted by law) diligence, presentment, protest and demand for payment with respect to (i) any notice of sale, transfer or other disposition of any right, title to or interest in the Securities by the Holders or in this Indenture, (ii) any release of any Guarantor from its obligations hereunder resulting from any loss by it of its rights of subrogation hereunder and (iii) any other circumstances whatsoever that might otherwise constitute a legal or equitable discharge, release or defense of a guarantor or surety or that might otherwise limit recourse against such Guarantor.

(b) Without prejudice to any of the rights or recourses which the Trustee or the Holders may have against the Company, each Guarantor hereby expressly waives (to the extent permitted by law) any right to require the Trustee or the Holders to:

(i) enforce, assert, exercise, initiate or exhaust any rights, remedies or recourse against the Company, any Guarantor or any other Person under this Indenture or otherwise;

(ii) value, realize upon, or dispose of any security of the Company or any other Person held by the Trustee or the Holders;

(iii) initiate or exhaust any other remedy which the Trustee or the Holders may have in law or equity; or

(iv) mitigate the damages resulting from any default under this Indenture;

before requiring or becoming entitled to demand payment from such Guarantor under this Guarantee.

Section 1306. The Guarantors Remain Obligated in Event the Company Is No Longer Obligated to Discharge Indenture Obligations.

It is the express intention of the Trustee and the Guarantors that if for any reason the Company has no legal existence, is or becomes under no legal obligation to discharge the Indenture Obligations owing to the Trustee or the Holders by the Company or if any of the Indenture Obligations owing by the Company to the Trustee or the Holders becomes irrecoverable from the Company by operation of law or for any reason whatsoever, this Guarantee and the covenants, agreements and obligations of the Guarantors contained in this Article Thirteen shall nevertheless be binding upon the Guarantors, as principal debtor, until such time as all such Indenture Obligations have been paid in full to the Trustee and all Indenture Obligations owing to the Trustee or the Holders by the Company have been discharged, or such earlier time as Section 402 shall apply to the Securities and the Guarantors shall be responsible for the payment thereof to the Trustee or the Holders upon demand.

Section 1307. Fraudulent Conveyance; Contribution; Subrogation.

(a) Each Guarantor that is a Subsidiary of the Company, and by its acceptance hereof each Holder, hereby confirms that it is the intention of all such parties that the Guarantee by such Guarantor pursuant to its Guarantee not constitute a fraudulent transfer or conveyance for purposes of the Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law. To effectuate the foregoing intention, the Holders and such Guarantor hereby irrevocably agree that the

obligations of such Guarantor under its Guarantee shall be limited to the maximum amount which, after giving effect to all other contingent and fixed liabilities of such Guarantor, and after giving effect to any collections from or payments made by or

on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Guarantee or pursuant to its contribution obligations under this Indenture, will result in the obligations of such Guarantor under its Guarantee not constituting such fraudulent transfer or conveyance.

(b) Each Guarantor that makes a payment or distribution under its Guarantee shall be entitled to a contribution from each other Guarantor, if any, in a pro rata amount based on the net assets of each Guarantor, determined in accordance with GAAP.

(c) Each Guarantor hereby waives all rights of subrogation or contribution, whether arising by contract or operation of law (including, without limitation, any such right arising under federal bankruptcy law) or otherwise by reason of any payment by it pursuant to the provisions of this Article Thirteen until payment in full of all Indenture Obligations.

Section 1308. Guarantee Is in Addition to Other Security.

This Guarantee shall be in addition to and not in substitution for any other guarantees or other security which the Trustee may now or hereafter hold in respect of the Indenture Obligations owing to the Trustee or the Holders by the Company and (except as may be required by law) the Trustee shall be under no obligation to marshal in favor of each of the Guarantors any other guarantees or other security or any moneys or other assets which the Trustee may be entitled to receive or upon which the Trustee or the Holders may have a claim.

Section 1309. Release of Security Interests.

Without limiting the generality of the foregoing and except as otherwise provided in this Indenture, each Guarantor hereby consents and agrees, to the fullest extent permitted by applicable law, that the rights of the Trustee hereunder, and the liability of the Guarantors hereunder, shall not be affected by any and all releases for any purpose of any collateral, if any, from the Liens and security interests created by any collateral document and that this Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Indenture Obligations is rescinded or must otherwise be returned by the Trustee upon the insolvency, bankruptcy or reorganization of the Company or otherwise, all as though such payment had not been made.

Section 1310. No Bar to Further Actions.

Except as provided by law, no action or proceeding brought or instituted under Article Thirteen and this Guarantee and no recovery or judgment in pursuance thereof shall be a bar or defense to any further action or proceeding which may be

brought under Article Thirteen and this Guarantee by reason of any further default or defaults under Article Thirteen and this Guarantee or in the payment of any of the Indenture Obligations owing by the Company.

Section 1311. Failure to Exercise Rights Shall Not Operate as a Waiver; No Suspension of Remedies.

(a) No failure to exercise and no delay in exercising, on the part of the Trustee or the Holders, any right, power, privilege or remedy under this Article Thirteen and this Guarantee shall operate as a waiver thereof, nor shall any single or partial exercise of any rights, power, privilege or remedy preclude any other or further exercise thereof, or the exercise of any other rights, powers, privileges or remedies. The rights and remedies herein provided for are cumulative and not exclusive of any rights or remedies provided in law

or equity.

(b) Nothing contained in this Article Thirteen shall limit the right of the Trustee or the Holders to take any action to accelerate the maturity of the Securities pursuant to Article Five or to pursue any rights or remedies hereunder or under applicable law.

Section 1312. Trustee's Duties; Notice to Trustee.

(a) Any provision in this Article Thirteen or elsewhere in this Indenture allowing the Trustee to request any information or to take any action authorized by, or on behalf of any Guarantor, shall be permissive and shall not be obligatory on the Trustee except as the Holders may direct in accordance with the provisions of this Indenture or where the failure of the Trustee to request any such information or to take any such action arises from the Trustee's negligence, bad faith or willful misconduct.

(b) The Trustee shall not be required to inquire into the existence, powers or capacities of the Company, any Guarantor or the officers, directors or agents acting or purporting to act on their respective behalf.

Section 1313. Successors and Assigns.

All terms, agreements and conditions of this Article Thirteen shall extend to and be binding upon each Guarantor and its successors and permitted assigns and shall enure to the benefit of and may be enforced by the Trustee and its successors and assigns; provided, however, that the Guarantors may not assign any of their rights or obligations hereunder other than in accordance with Article Eight.

Section 1314. Release of Guarantee.

Concurrently with the payment in full of all of the Indenture Obligations, the Guarantors shall be released from and relieved of their obligations under this Article Thirteen. Upon the delivery by the Company to the Trustee of an Officers' Certificate and, if requested by the Trustee, an Opinion of Counsel to the effect that the transaction giving rise to the release of this Guarantee was made by the Company in accordance with the provisions of this Indenture and the Securities, the Trustee shall execute any documents reasonably required in order to evidence the release of the Guarantors from their obligations under this Guarantee. If any of the Indenture Obligations are revived and reinstated after the termination of this Guarantee, then all of the obligations of the Guarantors under this Guarantee shall be revived and reinstated as if this Guarantee had not been terminated until such time as the Indenture Obligations are paid in full, and each Guarantor shall enter into an amendment to this Guarantee, reasonably satisfactory to the Trustee, evidencing such revival and reinstatement.

This Guarantee shall terminate with respect to each Guarantor and shall be automatically and unconditionally released and discharged as provided in Section 1013(c).

Section 1315. Execution of Guarantee.

(a) To evidence the Guarantee, each Guarantor hereby agrees to execute the guarantee substantially in the form set forth in Section 205, to be endorsed on each Security authenticated and delivered by the Trustee and that this Indenture shall be executed on behalf of each Guarantor by its Chairman of the Board, its President, its Chief Executive Officer, Chief Operating Officer or one of its Vice Presidents, under its corporate seal reproduced thereon attested by its Secretary or one of its Assistant Secretaries. The signature of any of these officers on the Securities may be manual or facsimile.

(b) Any person that was not a Guarantor on July 31, 1998 may become a Guarantor by executing and delivering to the Trustee (i) a supplemental indenture in form and substance satisfactory to the Trustee, which subjects such person to the provisions (including the representations and warranties) of this Indenture as a Guarantor, (ii) in the event that as of the date of such supplemental indenture any Registrable Securities are outstanding, an instrument in form and substance satisfactory to the Trustee which subjects such person to the provisions of the Registration Rights Agreement with respect to such outstanding Registrable Securities, and (iii) an Opinion of Counsel to the effect that such supplemental indenture has been duly authorized and executed by such person and constitutes the legal, valid and binding obligation of such person (subject to such customary assumptions and exceptions as may be acceptable to the Trustee in its reasonable discretion).

(c) If an officer whose signature is on this Indenture no longer holds that office at the time the Trustee authenticates a Security on which this Guarantee is endorsed, such Guarantee shall be valid nevertheless.

ARTICLE FOURTEEN

SUBORDINATION OF SECURITIES

Section 1401. Securities Subordinate to Senior Indebtedness.

The Company covenants and agrees, and each Holder of a Security, by his acceptance thereof, likewise covenants and agrees, that, to the extent and in the manner hereinafter set forth in this Article, the Indebtedness represented by the Securities and the payment of the principal of, premium, if any, and interest on, the Securities are hereby expressly made subordinate and subject in right of payment as provided in this Article to the prior payment in full of all Senior Indebtedness.

This Article Fourteen shall constitute a continuing offer to all Persons who, in reliance upon such provisions, become holders of, or continue to hold Senior Indebtedness; and such provisions are made for the benefit of the holders of Senior Indebtedness; and such holders are made obligees hereunder and they or each of them may enforce such provisions.

Section 1402. Payment Over of Proceeds Upon Dissolution, etc.

In the event of (a) any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relative to the Company or its assets, or (b) any liquidation, dissolution or other winding up of the Company, whether voluntary or involuntary, or whether or not involving insolvency or bankruptcy, or (c) any assignment for the benefit of creditors or any other marshaling of assets or liabilities of the Company, then and in any such event:

(1) the holders of Senior Indebtedness shall be entitled to receive payment in full of all amounts due on or in respect of Senior Indebtedness before the Holders of the Securities are entitled to receive any payment or distribution of any kind or character (excluding securities of the Company or any other corporation that are equity securities or are subordinated in right of payment to all Senior Indebtedness, that may be outstanding, to substantially the same extent as, or to a greater extent than, the Securities are so subordinated as provided in this Article ("Permitted Junior Securities")) on account of the principal of, premium, if any, or interest on the Securities or on account of the purchase, redemption, defeasance or other acquisition of, or in respect of, the Securities

(other than amounts previously set aside with the Trustee, or payments previously made, in either case, pursuant to the provisions of Sections 402 and 403 of this Indenture); and

(2) any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities (excluding Permitted Junior Securities), by set-off or otherwise, to which the Holders or the Trustee would be entitled but for the provisions of this Article shall be paid by the liquidating trustee or agent or other Person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the holders of Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the Senior Indebtedness held or represented by each, to the extent necessary to make payment in full, of all Senior Indebtedness remaining unpaid, after giving effect to any concurrent payment or distribution to the holders of such Senior Indebtedness; and

(3) in the event that, notwithstanding the foregoing provisions of this Section, the Trustee or the Holder of any Security shall have received any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities (excluding Permitted Junior Securities), in respect of principal, premium, if any, and interest on the Securities before all Senior Indebtedness is paid in full, then and in such event such payment or distribution (excluding Permitted Junior Securities) shall be paid over or delivered forthwith to the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee, agent or other Person making payments or distributions of assets of the Company for application to the payment of all

Senior Indebtedness remaining unpaid, to the extent necessary to pay all Senior Indebtedness in full after giving effect to any concurrent payment or distribution to or for the holders of Senior Indebtedness.

The consolidation of the Company with, or the merger of the Company with or into, another Person or the liquidation or dissolution of the Company following the sale, assignment, conveyance, transfer, lease or other disposal of its properties and assets substantially as an entirety to another Person upon the terms and conditions set forth in Article Eight shall not be deemed a dissolution, winding up, liquidation, reorganization, assignment for the benefit of creditors or marshaling of assets and liabilities of the Company for the purposes of this Section if the Person formed by such consolidation or the surviving entity of such merger or the Person which acquires by sale, assignment, conveyance, transfer, lease or other disposal of such properties and assets substantially as an entirety, as the case may be, shall, as a part of such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposal, comply with the conditions set forth in Article Eight.

Section 1403. Suspension of Payment When Designated Senior Indebtedness in Default.

(a) Unless Section 1402 shall be applicable, upon the occurrence and during the continuance of any default in the payment of any Designated Senior Indebtedness beyond any applicable grace period (a "Payment Default") and after the receipt by the Trustee from a Senior Representative of any Designated Senior Indebtedness of written notice of such default, no payment (other than amounts previously set aside with the Trustee or payments previously made, in either case, pursuant to Section 402 or 403 in this Indenture) or distribution of any assets of the Company or any Subsidiary of any kind or character (excluding Permitted Junior Securities) may be made by the Company on account of the principal of, premium, if any, or interest on, the Securities, or on account of the purchase, redemption, defeasance or other acquisition of or in respect of, the Securities unless and until such Payment Default shall have been cured or waived or shall have ceased to exist or such Designated Senior Indebtedness shall have been discharged or paid in full, after which the Company shall (subject to the other provisions of this Article Fourteen) resume making any and all required payments in respect of the Securities, including any missed payments.

(b) Unless Section 1402 shall be applicable, (1) upon the occurrence and during the continuance of any non-payment default with respect to any Designated Senior Indebtedness pursuant to which the maturity thereof may then be accelerated immediately (a "Non-payment Default") and (2) after the receipt by the Trustee and the Company from a Senior Representative of any Designated Senior Indebtedness of written notice of such Non-payment Default, no payment (other than any amounts previously set aside with the Trustee, or payments previously made, in either case, pursuant to the provisions of Sections 402 or 403 in this Indenture) or distribution of any assets of the Company of any kind or character (excluding Permitted Junior Securities) may be made by the Company or any Subsidiary on account of the principal of, premium, if any, or interest on, the Securities, or on account of the purchase, redemption, defeasance or other acquisition of, or in respect of, the Securities for the period specified below ("Payment Blockage Period").

(c) The Payment Blockage Period shall commence upon the receipt of notice of the Non-payment Default by the Trustee and the Company from a Senior Representative and shall end on the earliest of (i) the 179th day after such commencement, (ii) the date on which such Non-payment Default (and all other Non-payment Defaults as to which notice is given after such Payment Blockage Period is initiated) is cured, waived or ceases to exist or on which such Designated Senior Indebtedness is discharged or paid in full, or (iii) the date on which such Payment Blockage Period (and all Non-payment Defaults as to which notice is given after such Payment Blockage Period is initiated) shall have been terminated by written notice to the Company or the Trustee from the Senior Representative initiating such Payment Blockage Period, after which, in the case of clauses (i), (ii) and (iii), the Company shall

promptly resume making any and all required payments in respect of the Securities, including any missed payments. In no event will a Payment Blockage Period extend beyond 179 days from the date of the receipt by the Company and the Trustee of the notice initiating such Payment Blockage Period (such 179-day period referred to as the "Initial Period"). Any number of notices of Non-payment Defaults may be given during the Initial Period; provided that during any period of 365 consecutive days only one Payment Blockage Period, during which payment of principal of, premium, if any, or interest on, the

Securities may not be made, may commence and the duration of such period may not exceed 179 days. No Non-payment Default with respect to any Designated Senior Indebtedness that existed or was continuing on the date of the commencement of any Payment Blockage Period will be, or can be, made the basis for the commencement of a second Payment Blockage Period, whether or not within a period of 365 consecutive days, unless such default has been cured or waived for a period of not less than 90 consecutive days. The Company shall deliver a notice to the Trustee promptly after the date on which any Non-payment Default is cured or waived or ceases to exist or on which the Designated Senior Indebtedness related thereto is discharged or paid in full, and the Trustee is authorized to act in reliance on such notice.

(d) In the event that, notwithstanding the foregoing, the Company shall make any payment to the Trustee or the Holder of any Security prohibited by the foregoing provisions of this Section, then and in such event such payment shall be paid over and delivered forthwith to a Senior Representative of the holders of the Designated Senior Indebtedness or as a court of competent jurisdiction shall direct.

Section 1404. Payment Permitted if No Default.

Nothing contained in this Article, elsewhere in this Indenture or in any of the Securities shall prevent the Company, at any time except during the pendency of any case, proceeding, dissolution, liquidation or other winding-up, assignment for the benefit of creditors or other marshaling of assets and liabilities of the Company referred to in Section 1402 or under the conditions described in Section 1403, from making payments at any time of principal of, premium, if any, or interest on the Securities.

Section 1405. Subrogation to Rights of Holders of Senior Indebtedness.

After the payment in full, the Holders of the Securities shall be subrogated to the rights of the holders of such Senior Indebtedness to receive payments and distributions of cash, property and securities applicable to the Senior Indebtedness until the principal of, premium, if any, and interest on, the Securities shall be paid in full. For purposes of such subrogation, no payments or distributions to the holders of Senior Indebtedness of any cash, property or securities to which the Holders of the Securities or the Trustee would be entitled except for the provisions of this Article, and no payments

over pursuant to the provisions of this Article to the holders of Senior Indebtedness by Holders of the Securities or the Trustee, shall, as among the Company, its creditors other than holders of Senior Indebtedness, and the Holders of the Securities, be deemed to be a payment or distribution by the Company to or on account of the Senior Indebtedness.

Section 1406. Provisions Solely to Define Relative Rights.

The provisions of this Article are intended solely for the purpose of defining the relative rights of the Holders of the Securities on the one hand and the holders of Senior Indebtedness on the other hand. Nothing contained in this Article or elsewhere in this Indenture or in the Securities is intended to or shall (a) impair, as among the Company, its creditors other than holders of Senior Indebtedness and the Holders of the Securities, the obligation of the Company, which is absolute and unconditional, to pay to the Holders of the Securities the principal of, premium, if any, and interest on, the Securities as and when the same shall become due and payable in accordance with their terms; or (b) affect the relative rights against the Company or the Holders of the Securities and creditors of the Company other than the holders of Senior Indebtedness; or (c) prevent the Trustee or the Holder of any Security from exercising all remedies otherwise permitted by applicable law upon default under this Indenture, subject to the rights, if any, under this Article of the holders of Senior Indebtedness (1) in any case, proceeding, dissolution, liquidation or other winding up, assignment for the benefit of creditors or other marshaling of assets and liabilities of the Company referred to in Section 1402, to receive, pursuant to and in accordance with such Section, cash, property and securities otherwise payable or deliverable to the Trustee or such Holder, or (2) under the conditions specified in Section 1303, to prevent any payment prohibited by such Section or enforce their rights pursuant to Section 1303(d).

Section 1407. Trustee to Effectuate Subordination.

Each Holder of a Security by his acceptance thereof authorizes

and directs the Trustee on his behalf to take such action as may be necessary or appropriate to effectuate the subordination provided in this Article and appoints the Trustee his attorney-in-fact for any and all such purposes, including, in the event of any dissolution, winding-up, liquidation or reorganization of the Company whether in bankruptcy, insolvency, receivership proceedings, or otherwise, the timely filing of a claim for the unpaid balance of the indebtedness of the Company owing to such Holder in the form required in such proceedings and the causing of such claim to be approved.

Section 1408. No Waiver of Subordination Provisions.

(a) No right of any present or future holder of any Senior Indebtedness to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any act or failure to act, in good faith, by any such holder, or by any non-compliance by the Company with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof any such holder may have or be otherwise charged with.

(b) Without limiting the generality of subsection (a) of this Section, the holders of Senior Indebtedness may, at any time and from time to time, without the consent of or notice to the Trustee or the Holders of the Securities, without incurring responsibility to the Holders of the Securities and without impairing or releasing the subordination provided in this Article or the obligations hereunder of the Holders of the Securities to the holders of Senior Indebtedness, do any one or more of the following: (1) change the manner, place or terms of payment or extend the time of payment of, or renew or alter, Senior Indebtedness or any instrument evidencing the same or any agreement under which Senior Indebtedness is outstanding; (2) sell, exchange, release or otherwise deal with any property pledged, mortgaged or otherwise securing Senior Indebtedness; (3) release any Person liable in any manner for the collection or payment of Senior Indebtedness; and (4) exercise or refrain from exercising any rights against the Company and any other Person; provided, however, that in no event shall any such actions limit the right of the Holders of the Securities to take any action to accelerate the maturity of the Securities pursuant to Article Five of this Indenture or to pursue any rights or remedies hereunder or under applicable laws if the taking of such action does not otherwise violate the terms of this Article.

Section 1409. Notice to Trustee.

(a) The Company shall give prompt written notice to the Trustee of any fact known to the Company which would prohibit the making of any payment to or by the Trustee in respect of the Securities. Notwithstanding the provisions of this Article or any other provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment to or by the Trustee in respect of the Securities, unless and until the Trustee shall have received written notice thereof from the Company or a holder of Senior Indebtedness or from a Senior Representative or any trustee, fiduciary or agent therefor; and, prior to the receipt of any such written notice, the Trustee shall be entitled in all respects to assume that no such facts exist; provided, however, that if the Trustee shall not have received the notice provided for in this Section by Noon, Eastern Time, on the Business Day prior to the date upon which by the terms hereof any money may become payable for any purpose (including, without limitation, the payment of the principal of, premium, if any, or interest on any Security), then, anything herein contained to the contrary notwithstanding

but without limiting the rights and remedies of the holders of Senior Indebtedness, a Senior Representative or any trustee, fiduciary or agent thereof, the Trustee shall have full power and authority to receive such money and to apply the same to the purpose for which such money was received and shall not be affected by any notice to the contrary which may be received by it after such date; nor shall the Trustee be charged with knowledge of the curing of any such default or the elimination of the act or condition preventing any such payment unless and until the Trustee shall have received an Officers' Certificate to such effect.

(b) The Trustee shall be entitled to rely on the delivery to it of a written notice to the Trustee and the Company by a Person representing himself to be a Senior Representative or a holder of Senior Indebtedness (or a trustee, fiduciary or agent therefor) to establish that such notice has been given by a Senior Representative or a holder of Senior Indebtedness (or a trustee, fiduciary or agent therefor); provided, however, that failure to give such notice to the Company shall not affect in any way the ability of the

Trustee to rely on such notice. In the event that the Trustee determines in good faith that further evidence is required with respect to the right of any Person as a holder of Senior Indebtedness to participate in any payment or distribution pursuant to this Article, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Indebtedness held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of such Person under this Article, and if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment.

Section 1410. Reliance on Judicial Orders or Certificates.

Upon any payment or distribution of assets of the Company referred to in this Article, the Trustee and the Holders of the Securities shall be entitled to rely upon any order or decree entered by any court of competent jurisdiction in which such insolvency, bankruptcy, receivership, liquidation, reorganization, dissolution, winding up or similar case or proceeding is pending, or a certificate of the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee for the benefit of creditors, agent or other person making such payment or distribution, or a certificate of a Senior Representative, delivered to the Trustee or to the Holders of Securities for the purpose of ascertaining the Persons entitled to participate in such payment or distribution, the holders of Senior Indebtedness and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article, provided that the foregoing shall apply only if such court has been fully apprised of the provisions of this Article.

Section 1411. Rights of Trustee as a Holder of Senior Indebtedness; Preservation of Trustee's Rights.

The Trustee in its individual capacity shall be entitled to all the rights set forth in this Article with respect to any Senior Indebtedness which may at any time be held by it, to the same extent as any other holder of Senior Indebtedness, and nothing in this Indenture shall deprive the Trustee of any of its rights as such holder. Nothing in this Article shall apply to claims of, or payments to, the Trustee under or pursuant to Section 607.

Section 1412. Article Applicable to Paying Agents.

In case at any time any Paying Agent other than the Trustee shall have been appointed by the Company and be then acting under this Indenture, the term "Trustee" as used in this Article shall in such case (unless the context otherwise requires) be construed as extending to and including such Paying Agent within its meaning as fully for all intents and purposes as if such Paying Agent were named in this Article in addition to or in place of the Trustee; provided, however, that Section 1411 shall not apply to the Company or any Affiliate of the Company if it or such Affiliate acts as Paying Agent.

Section 1413. No Suspension of Remedies.

Nothing contained in this Article shall limit the right of the Trustee or the Holders of Securities to take any action to accelerate the maturity of the Securities pursuant to Article Five of this Indenture or to pursue any rights or remedies hereunder or under applicable law, subject to the rights, if any, under this Article of the holders, from time to time, of Senior Indebtedness to receive the cash, property or securities receivable upon the exercise of such rights or remedies.

Section 1414. Trustee's Relation to Senior Indebtedness.

With respect to the holders of Senior Indebtedness, the Trustee undertakes to perform or to observe only such of its covenants and obligations as are specifically set forth in this Article, and no implied covenants or obligations with respect to the holders of Senior Indebtedness shall be read into this Article against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Indebtedness and the Trustee shall not be liable to any holder of Senior Indebtedness if it shall in good faith mistakenly (absent negligence or willful misconduct) pay over or deliver to Holders, the Company or any other Person moneys or assets to which any holder of Senior Indebtedness shall be entitled by virtue of this Article or otherwise.

* * *

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

Sonic Automotive, Inc.

By: /s/ Theodore M. Wright

Name: Theodore M. Wright
Title: Vice President, Treasurer and Chief Financial Officer

Attest: /s/ Stephen K. Coss

Name: Stephen K. Coss
Title: Vice President, General Counsel and Secretary

AUTOBAHN, INC. (a California corporation)
CAPITOL CHEVROLET AND IMPORTS, INC. (an Alabama corporation)
COBB PONTIAC CADILLAC, INC. (an Alabama corporation)
FA SERVICE CORPORATION (a California corporation)
FAA AUTO FACTORY, INC. (a California corporation)
FAA BEVERLY HILLS, INC. (a California corporation)
FAA CAPITOL F, INC. (a California corporation)
FAA CAPITOL N, INC. (a California corporation)
FAA CONCORD H, INC. (a California corporation)
FAA CONCORD N, INC. (a California corporation)
FAA CONCORD T, INC. (a California corporation)
FAA DUBLIN N, INC. (a California corporation)
FAA DUBLIN VWD, INC. (a California corporation)
FAA HOLDING CORP. (a California corporation)
FAA LAS VEGAS H, INC. (a Nevada corporation)
FAA MARIN D, INC. (a California corporation)
FAA MARIN F, INC. (a California corporation)
FAA MARIN LR, INC. (a California corporation)
FAA POWAY D, INC. (a California corporation)
FAA POWAY G, INC. (a California corporation)
FAA POWAY H, INC. (a California corporation)
FAA POWAY T, INC. (a California corporation)
FAA SAN BRUNO, INC. (a California corporation)
FAA SANTA MONICA V, INC. (a California corporation)
FAA SERRAMONTE H, INC. (a California corporation)
FAA SERRAMONTE L, INC. (a California corporation)
FAA SERRAMONTE, INC. (a California corporation)
FAA STEVENS CREEK, INC. (a California corporation)
FAA TORRANCE CPJ, INC. (a California corporation)
FIRSTAMERICA AUTOMOTIVE, INC. (a Delaware corporation)
FORT MILL CHRYSLER-PLYMOUTH-DODGE INC. (a South Carolina corporation)

FORT MILL FORD, INC. (a South Carolina corporation)
FRANCISCAN MOTORS, INC. (a California corporation)
FREEDOM FORD, INC. (a Florida corporation)
FRONTIER OLDSMOBILE-CADILLAC, INC. (a North Carolina corporation)
HMC FINANCE ALABAMA, INC. (an Alabama corporation)
KRAMER MOTORS INCORPORATED (a California corporation)
LAWRENCE MARSHALL CHEVROLET, LLC (a Delaware limited liability company)
LAWRENCE MARSHALL CHEVROLET, L.P. (a Texas limited partnership)
L DEALERSHIP GROUP, INC. (a Texas corporation)
MARCUS DAVID CORPORATION (a North Carolina corporation)
PHILPOTT MOTORS, LTD. (a Texas limited partnership)
RIVERSIDE NISSAN, INC. (an Oklahoma corporation)
ROYAL MOTOR COMPANY, INC. (an Alabama corporation)
SANTA CLARA IMPORTED CARS, INC. (a California corporation)
SMART NISSAN, INC. (a California corporation)

SONIC AUTOMOTIVE - BONDESEN, INC. (a Florida corporation)
SONIC AUTOMOTIVE OF CHATTANOOGA, LLC (a Tennessee limited liability company)
SONIC AUTOMOTIVE-CLEARWATER, INC. (a Florida corporation)
SONIC AUTOMOTIVE COLLISION CENTER OF CLEARWATER, INC. (a Florida corporation)
SONIC AUTOMOTIVE F&I, LLC (a Nevada limited liability company)
SONIC AUTOMOTIVE OF GEORGIA, INC. (a Georgia corporation)
SONIC AUTOMOTIVE OF NASHVILLE, LLC (a Tennessee limited liability company)
SONIC AUTOMOTIVE OF NEVADA, INC. (a Nevada corporation)
SONIC AUTOMOTIVE SERVICING COMPANY, LLC (a Nevada limited liability company)
SONIC AUTOMOTIVE OF TENNESSEE, INC. (a Tennessee corporation)
SONIC AUTOMOTIVE OF TEXAS, L.P. (a Texas limited partnership)
SONIC AUTOMOTIVE WEST, LLC (a Nevada limited l iability company)
SONIC AUTOMOTIVE - 1307 N. DIXIE HWY., NSB, INC. (a Florida corporation)
SONIC AUTOMOTIVE-1400 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE-1455 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE-1495 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE-1500 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation)

SONIC AUTOMOTIVE - 1720 MASON AVE., DB, INC. (a Florida corporation)
SONIC AUTOMOTIVE - 1720 MASON AVE., DB, LLC (a Florida limited liability company)
SONIC AUTOMOTIVE - 1919 N. DIXIE HWY., NSB, INC. (a Florida corporation)
SONIC AUTOMOTIVE - 21699 U.S. HWY 19 N., INC. (a Florida corporation)
SONIC AUTOMOTIVE - 241 RIDGEWOOD AVE., HH, INC. (a Florida corporation)
SONIC AUTOMOTIVE 2424 LAURENS RD., GREENVILLE, INC. (a South Carolina corporation)
SONIC AUTOMOTIVE - 2490 SOUTH LEE HIGHWAY, LLC (a Tennessee limited liability company),
SONIC AUTOMOTIVE 2752 LAURENS RD., GREENVILLE, INC. (a South Carolina corporation)
SONIC AUTOMOTIVE - 3401 N. MAIN, TX, L.P. (a Texas limited partnership)
SONIC AUTOMOTIVE-3700 WEST BROAD STREET, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE - 3741 S. NOVA RD., PO, INC. (a Florida corporation)
SONIC AUTOMOTIVE-4000 WEST BROAD STREET, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE - 4701 I-10 EAST, TX, L.P. (a Texas limited partnership)
SONIC AUTOMOTIVE - 5221 I-10 EAST, TX, L.P. (a Texas limited partnership)
SONIC AUTOMOTIVE 5260 PEACHTREE INDUSTRIAL BLVD., LLC (a Georgia limited liability company)
SONIC AUTOMOTIVE-5585 PEACHTREE INDUSTRIAL BLVD., LLC (a Georgia limited liability company),
SONIC AUTOMOTIVE - 6008 N. DALE MABRY, FL, INC. (a Florida corporation)
SONIC AUTOMOTIVE - 6025 INTERNATIONAL DRIVE, LLC (a Tennessee limited liability company)
SONIC AUTOMOTIVE - 9103 E. INDEPENDENCE, NC, LLC (a North Carolina limited liability company)
SONIC - BETHANY H, INC. (an Oklahoma corporation)
SONIC - 2185 CHAPMAN RD., CHATTANOOGA, LLC (a Tennessee limited liability company)
SONIC - BUENA PARK H, INC. (a California corporation)

SONIC - CAMP FORD, L.P. (a Texas limited partnership)
SONIC - CAPITAL CHEVROLET, INC. (an Ohio corporation)
SONIC - CARROLLTON V, L.P. (a Texas limited partnership)
SONIC CHRYSLER-PLYMOUTH-JEEP, LLC (a North Carolina limited liabilitycompany)
SONIC - CLASSIC DODGE, INC. (an Alabama corporation)
SONIC - COAST CADILLAC, INC. (a California corporation)
SONIC DODGE, LLC (a North Carolina limited liability company)
SONIC DEVELOPMENT, LLC (a North Carolina limited liability company)
SONIC - FM AUTOMOTIVE, LLC (a Florida limited liability company)

SONIC - FM , INC. (a Florida corporation)
SONIC - FM NISSAN, INC. (a Florida corporation)
SONIC - FM VW, INC. (a Florida corporation)
SONIC - FORT WORTH T, L.P. (a Texas limited partnership)
SONIC - FREELAND, INC. (a Florida corporation)
SONIC - GLOBAL IMPORTS, L.P. (a Georgia limited partnership)
SONIC - GLOVER, INC. (an Oklahoma corporation)
SONIC - HARBOR CITY H, INC. (a California corporation)
SONIC - HOUSTON V, L.P. (a Texas limited partnership)
SONIC - INTEGRITY DODGE LV, LLC (a Nevada limited liability company)
SONIC - LAS VEGAS C EAST, LLC (a Nevada limited liability company)
SONIC - LAS VEGAS C WEST, LLC (a Nevada limited liability company)
SONIC - LLOYD NISSAN, INC. (a Florida corporation)
SONIC - LLOYD PONTIAC - CADILLAC, INC. (a Florida corporation)
SONIC - LUTE RILEY, L. P. (a Texas limited partnership)
SONIC - MANHATTAN FAIRFAX, INC. (a Virginia corporation)
SONIC - MANHATTAN WALDORF, INC. (a Maryland corporation)
SONIC - MONTGOMERY FLM, INC. (an Alabama corporation)
SONIC - NEWSOME CHEVROLET WORLD, INC. (a South Carolina corporation)
SONIC - NEWSOME OF FLORENCE, INC. (a South Carolina corporation)
SONIC - NORTH CHARLESTON, INC. (a South Carolina corporation)
SONIC - NORTH CHARLESTON DODGE, INC. (a South Carolina corporation)
SONIC - PARK PLACE A, L.P. (a Texas limited partnership) (formerly Sonic - Dallas Auto Factory, L.P.)
SONIC PEACHTREE INDUSTRIAL BLVD., L.P. (a Georgia limited partnership)
SONIC - READING, L.P. (a Texas limited partnership)
SONIC RESOURCES, INC. (a Nevada corporation)
SONIC - RICHARDSON F, L.P. (a Texas limited partnership)
SONIC-RIVERSIDE, INC. (an Oklahoma corporation)
SONIC - RIVERSIDE AUTO FACTORY, INC. (an Oklahoma corporation)
SONIC - ROCKVILLE IMPORTS, INC. (a Maryland corporation)
SONIC - ROCKVILLE MOTORS, INC. (a Maryland corporation)
SONIC - SAM WHITE NISSAN, L.P. (a Texas limited partnership)
SONIC - SHOTTENKIRK, INC. (a Florida corporation)
SONIC - STEVENS CREEK B, INC. (a California corporation) (formerly known as Don Lucas International, Inc.)
SONIC - SUPERIOR OLDSMOBILE, LLC (a Tennessee limited liability company)

SONIC OF TEXAS, INC. (a Texas corporation)
SONIC-VOLVO LV, LLC (a Nevada limited liability company)
SONIC - WEST COVINA T, INC. (a California corporation)
SONIC - WEST RENO CHEVROLET, INC. (an Oklahoma corporation)

SONIC - WILLIAMS BUICK, INC. (an Alabama corporation)
SONIC - WILLIAMS CADILLAC, INC. (an Alabama corporation)
SONIC - WILLIAMS IMPORTS, INC. (an Alabama corporation)
SONIC - WILLIAMS MOTORS, LLC (an Alabama limited liability company)
SPEEDWAY CHEVROLET, INC. (an Oklahoma corporation)
SRE ALABAMA - 2, LLC (an Alabama limited liability company)
SRE ALABAMA - 3, LLC (an Alabama limited liability company)
SREALESTATE ARIZONA - 1, LLC (an Arizona limited liability company)
SREALESTATE ARIZONA - 2, LLC (an Arizona limited liability company)
SREALESTATE ARIZONA - 3, LLC (an Arizona limited liability company)
SREALESTATE ARIZONA - 4, LLC (an Arizona limited liability company)
SRE FLORIDA - 1, LLC (a Florida limited liability company)
SRE FLORIDA - 2, LLC (a Florida limited liability company)
SRE FLORIDA - 3, LLC (a Florida limited liability company)
SRE GEORGIA - 1, L.P. (a Georgia limited liability partnership)
SRE GEORGIA - 2, L.P. (a Georgia limited liability partnership)
SRE GEORGIA - 3, L.P. (a Georgia limited liability partnership)
SRE HOLDING, LLC (a North Carolina limited liability company)
SRE NEVADA - 1, LLC (a Nevada limited liability company)
SRE NEVADA - 2, LLC (a Nevada limited liability company)
SRE NEVADA - 3, LLC (a Nevada limited liability company)
SRE SOUTH CAROLINA - 2, LLC (a South Carolina limited liability company)
SRE TENNESSEE - 1, LLC (a Tennessee limited liability company)
SRE TENNESSEE - 2, LLC (a Tennessee limited liability company)
SRE TENNESSEE - 3, LLC (a Tennessee limited liability company)
SRE TEXAS - 1, L.P. (a Texas limited partnership)
SRE TEXAS - 2, L.P. (a Texas limited partnership)
SRE TEXAS - 3, L.P. (a Texas limited partnership)
SRE VIRGINIA - 1, LLC (a Virginia limited liability company)
STEVENS CREEK CADILLAC, INC. (a California corporation)
TRANSCAR LEASING, INC. (a California corporation)
TOWN AND COUNTRY CHRYSLER-PLYMOUTH-JEEP, LLC (a Tennessee limited liability company]
TOWN AND COUNTRY CHRYSLER-PLYMOUTH-JEEP OF ROCK HILL, INC. (a South Carolina corporation)
TOWN AND COUNTRY DODGE OF CHATTANOOGA, LLC (a Tennessee limited liability company)
TOWN AND COUNTRY FORD, INCORPORATED (a North Carolina corporation)
TOWN AND COUNTRY FORD OF CLEVELAND, LLC (a Tennessee limited liability company)
TOWN AND COUNTRY JAGUAR, LLC (a Tennessee limited liability company)
VILLAGE IMPORTED CARS, INC. (a Maryland corporation)
WINDWARD, INC. (a Hawaii corporation)

By: /s/ Theodore M. Wright

Name: Theodore M. Wright
Title: Vice President

Attest: /s/ Stephen K. Coss

Name: Stephen K. Coss
Title: Vice President

U.S. BANK TRUST NATIONAL ASSOCIATION

By: /s/ Lori Anne Rosenberg

Name: Lori Anne Rosenberg
Title: Assistant Vice President

STATE OF North Carolina)
) ss.:
COUNTY OF Mecklenburg)

On the 19th day of November, 2001, before me personally came Theodore M. Wright, to me known, who, being by me duly sworn, did depose and say that he resides at Charlotte, North Carolina; that he is the Vice President, Treasurer and Chief Financial Officer of Sonic Automotive, Inc., a corporation described in and which executed the foregoing instrument; and that he signed his name thereto pursuant to authority of the Board of Directors of such corporation.

(NOTARIAL SEAL)

/s/ Mary E. Goretti

Notary Public, Commission Expires 9/19/2004

STATE OF North Carolina)
) ss.:
COUNTY OF Mecklenburg)

On the 19th day of November, 2001, before me personally came Theodore M. Wright, to me known, who, being by me duly sworn, did depose and say that he resides at Charlotte, North Carolina; that he is the Vice President of the corporations listed below, corporations described in and which executed the foregoing instrument; and that he signed his name thereto pursuant to authority of the Board of Directors of such corporations.

(NOTARIAL SEAL)

/ Mary E. Goretti

Notary Public, Commission Expires 9/19/2004

AUTOBAHN, INC. (a California corporation)
CAPITOL CHEVROLET AND IMPORTS, INC. (an Alabama corporation)
COBB PONTIAC CADILLAC, INC. (an Alabama corporation)
FA SERVICE CORPORATION (a California corporation)
FAA AUTO FACTORY, INC. (a California corporation)
FAA BEVERLY HILLS, INC. (a California corporation)

FAA CAPITOL F, INC. (a California corporation)
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FAA MARIN D, INC. (a California corporation)
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FAA POWAY H, INC. (a California corporation)
FAA POWAY T, INC. (a California corporation)
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FAA SANTA MONICA V, INC. (a California corporation)

FAA SERRAMONTE H, INC. (a California corporation)
FAA SERRAMONTE L, INC. (a California corporation)
FAA SERRAMONTE, INC. (a California corporation)
FAA STEVENS CREEK, INC. (a California corporation)
FAA TORRANCE CPJ, INC. (a California corporation)
FIRSTAMERICA AUTOMOTIVE, INC. (a Delaware corporation)
FORT MILL CHRYSLER-PLYMOUTH-DODGE INC. (a South Carolina corporation)
FORT MILL FORD, INC. (a South Carolina corporation)
FRANCISCAN MOTORS, INC. (a California corporation)
FREEDOM FORD, INC. (a Florida corporation)
FRONTIER OLDSMOBILE-CADILLAC, INC. (a North Carolina corporation)
HMC FINANCE ALABAMA, INC. (an Alabama corporation)
KRAMER MOTORS INCORPORATED (a California corporation)
L DEALERSHIP GROUP, INC. (a Texas corporation)
MARCUS DAVID CORPORATION (a North Carolina corporation)
RIVERSIDE NISSAN, INC. (an Oklahoma corporation)
ROYAL MOTOR COMPANY, INC. (an Alabama corporation)
SANTA CLARA IMPORTED CARS, INC. (a California corporation)
SMART NISSAN, INC. (a California corporation)
SONIC AUTOMOTIVE - BONDESEN, INC. (a Florida corporation)
SONIC AUTOMOTIVE - CLEARWATER, INC. (a Florida corporation)
SONIC AUTOMOTIVE COLLISION CENTER OF CLEARWATER, INC. (a Florida corporation)
SONIC AUTOMOTIVE OF GEORGIA, INC. (a Georgia corporation)
SONIC AUTOMOTIVE OF NEVADA, INC. (a Nevada corporation)
SONIC AUTOMOTIVE OF TENNESSEE, INC. (a Tennessee corporation)
SONIC AUTOMOTIVE - 1307 N. DIXIE HWY., NSB, INC. (a Florida corporation)
SONIC AUTOMOTIVE - 1400 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE - 1455 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE - 1495 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation)

SONIC AUTOMOTIVE - 1500 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE - 1720 MASON AVE., DB, INC. (a Florida corporation)
SONIC AUTOMOTIVE - 1919 N. DIXIE HWY., NSB, INC. (a Florida corporation)
SONIC AUTOMOTIVE - 21699 U.S. HWY 19 N., INC. (a Florida corporation)
SONIC AUTOMOTIVE - 241 RIDGEWOOD AVE., HH, INC. (a Florida corporation)
SONIC AUTOMOTIVE - 2424 LAURENS RD., GREENVILLE, INC. (a South Carolina corporation)
SONIC AUTOMOTIVE - 2752 LAURENS RD., GREENVILLE, INC. (a South Carolina corporation)
SONIC AUTOMOTIVE - 3700 WEST BROAD STREET, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE - 3741 S. NOVA RD., PO, INC. (a Florida corporation)

SONIC AUTOMOTIVE - 4000 WEST BROAD STREET, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE - 6008 N. DALE MABRY, FL, INC. (a Florida corporation)
SONIC - BETHANY H, INC. (an Oklahoma corporation)
SONIC - BUENA PARK H, INC. (a California corporation)
SONIC - CAPITAL CHEVROLET, INC. (an Ohio corporation)
SONIC - CLASSIC DODGE, INC. (an Alabama corporation)
SONIC - COAST CADILLAC, INC. (a California corporation)
SONIC - FM , INC. (a Florida corporation)
SONIC - FM NISSAN, INC. (a Florida corporation)
SONIC - FM VW, INC. (a Florida corporation)
SONIC - FREELAND, INC. (a Florida corporation)
SONIC - GLOVER, INC. (an Oklahoma corporation)
SONIC - HARBOR CITY H, INC. (a California corporation)
SONIC - LLOYD NISSAN, INC. (a Florida corporation)
SONIC - LLOYD PONTIAC - CADILLAC, INC. (a Florida corporation)
SONIC - MANHATTAN FAIRFAX, INC. (a Virginia corporation)
SONIC - MANHATTAN WALDORF, INC. (a Maryland corporation)
SONIC - MONTGOMERY FLM, INC. (an Alabama corporation)
SONIC - NEWSOME CHEVROLET WORLD, INC. (a South Carolina corporation)

SONIC - NEWSOME OF FLORENCE, INC. (a South Carolina corporation)
SONIC - NORTH CHARLESTON, INC. (a South Carolina corporation)
SONIC - NORTH CHARLESTON DODGE, INC. (a South Carolina corporation)
SONIC RESOURCES, INC. (a Nevada corporation)
SONIC - RIVERSIDE, INC. (an Oklahoma corporation)
SONIC - RIVERSIDE AUTO FACTORY, INC. (an Oklahoma corporation)
SONIC - ROCKVILLE IMPORTS, INC. (a Maryland corporation)
SONIC - ROCKVILLE MOTORS, INC. (a Maryland corporation)
SONIC - SHOTTENKIRK, INC. (a Florida corporation)
SONIC - STEVENS CREEK B, INC. (a California corporation) (formerly known as Don Lucas International, Inc.)
SONIC OF TEXAS, INC. (a Texas corporation)
SONIC - WEST COVINA T, INC. (a California corporation)
SONIC - WEST RENO CHEVROLET, INC. (an Oklahoma corporation)
SONIC - WILLIAMS BUICK, INC. (an Alabama corporation)
SONIC - WILLIAMS CADILLAC, INC. (an Alabama corporation)
SONIC - WILLIAMS IMPORTS, INC. (an Alabama corporation)
SPEEDWAY CHEVROLET, INC. (an Oklahoma corporation)
STEVENS CREEK CADILLAC, INC. (a California corporation)
TRANSCAR LEASING, INC. (a California corporation)
TOWN AND COUNTRY CHRYSLER-PLYMOUTH-JEEP OF ROCK HILL, INC. (a South Carolina corporation)
TOWN AND COUNTRY FORD, INCORPORATED (a North Carolina corporation)
VILLAGE IMPORTED CARS, INC. (a Maryland corporation)
WINDWARD, INC. (a Hawaii corporation)

STATE OF North Carolina)
) ss.:
COUNTY OF Mecklenburg)

On the 19th day of November, 2001, before me personally came Theodore M. Wright, to me known, who, being by me duly sworn, did depose and say that he resides at Charlotte, North Carolina; that he is the Vice President of the limited liability companiess listed below, limited liability companies described in and which executed the foregoing instrument; and that he signed his name thereto pursuant to authority under the operating agreements of such limited liability companies.

(NOTARIAL SEAL)

/s/ Mary E. Goretti

Notary Public, Commission Expires 9/19/2004

LAWRENCE MARSHALL CHEVROLET, LLC (a Delaware limited liability company)
SONIC AUTOMOTIVE OF CHATTANOOGA, LLC (a Tennessee limited liability company)
SONIC AUTOMOTIVE F&I, LLC (a Nevada limited liability company)
SONIC AUTOMOTIVE OF NASHVILLE, LLC (a Tennessee limited liability company)
SONIC AUTOMOTIVE SERVICING COMPANY, LLC (a Nevada limited liability company)
SONIC AUTOMOTIVE WEST, LLC (a Nevada limited liability company)
SONIC AUTOMOTIVE - 1720 MASON AVE., DB, LLC (a Florida limited liability company)
SONICAUTOMOTIVE - 2490 SOUTH LEE HIGHWAY, LLC (a Tennessee limited liability company)
SONIC AUTOMOTIVE - 5260 PEACHTREE INDUSTRIAL BLVD., LLC (a Georgia limited liability company)
SONIC AUTOMOTIVE - 5585 PEACHTREE INDUSTRIAL BLVD., LLC (a Georgia limited liability company)
SONIC AUTOMOTIVE - 6025 INTERNATIONAL DRIVE, LLC (a Tennessee limited liability company)

SONIC AUTOMOTIVE - 9103 E. INDEPENDENCE, NC, LLC (a North Carolina limited liability company)
SONIC - BETHANY H, INC. (an Oklahoma corporation)
SONIC - 2185 CHAPMAN RD., CHATTANOOGA, LLC (a Tennessee limited liability company)
SONIC CHRYSLER-PLYMOUTH-JEEP, LLC (a North Carolina limited liability company)
SONIC DODGE, LLC (a North Carolina limited liability company)
SONIC DEVELOPMENT, LLC (a North Carolina limited liability company)
SONIC - FM AUTOMOTIVE, LLC (a Florida limited liability company)
SONIC - INTEGRITY DODGE LV, LLC (a Nevada limited liability company)
SONIC - LAS VEGAS C EAST, LLC (a Nevada limited liability company)
SONIC - LAS VEGAS C WEST, LLC (a Nevada limited liability company)
SONIC - SUPERIOR OLDSMOBILE, LLC (a Tennessee limited liability company)
SONIC - VOLVO LV, LLC (a Nevada limited liability company)
SONIC - WILLIAMS MOTORS, LLC (an Alabama limited liability company)
SRE ALABAMA - 2, LLC (an Alabama limited liability company)
SRE ALABAMA - 3, LLC (an Alabama limited liability company)
SREALESTATE ARIZONA - 1, LLC (an Arizona limited liability company)
SREALESTATE ARIZONA - 2, LLC (an Arizona limited liability company)
SREALESTATE ARIZONA - 3, LLC (an Arizona limited liability company)
SREALESTATE ARIZONA - 4, LLC (an Arizona limited liability company)
SRE FLORIDA - 1, LLC (a Florida limited liability company)
SRE FLORIDA - 2, LLC (a Florida limited liability company)
SRE FLORIDA - 3, LLC (a Florida limited liability company)
SRE HOLDING, LLC (a North Carolina limited liability company) SRE
NEVADA - 1, LLC (a Nevada limited liability company)
SRE NEVADA - 2, LLC (a Nevada limited liability company)

SRE NEVADA - 3, LLC (a Nevada limited liability company)

SRE SOUTH CAROLINA - 2, LLC (a South Carolina limited liability company)
SRE TENNESSEE - 1, LLC (a Tennessee limited liability company)
SRE TENNESSEE - 2, LLC (a Tennessee limited liability company)
SRE TENNESSEE - 3, LLC (a Tennessee limited liablity company)
SRE VIRGINIA - 1, LLC (a Virginia limited liability company)
TOWN AND COUNTRY CHRYSLER-PLYMOUTH-JEEP, LLC (a Tennessee limited liability company]
TOWN AND COUNTRY DODGE OF CHATTANOOGA, LLC (a Tennessee limited liability company)
TOWN AND COUNTRY FORD OF CLEVELAND, LLC (a Tennessee limited liability company)
TOWN AND COUNTRY JAGUAR, LLC (a Tennessee limited liability company)

STATE OF North Carolina)
) ss.:
COUNTY OF Mecklenburg)

On the 19th day of November, 2001, before me personally came Theodore M. Wright, to me known, who, being by me duly sworn, did depose and say that he resides at Charlotte, North Carolina; that he, the Vice President of the general partner of each of the limited partnerships listed below; limited partnerships described in and which executed the foregoing instrument; and that he signed his name thereto pursuant to authority of the general partner under the partnership agreements of such limited partnerships.

(NOTARIAL SEAL)

/s/ Mary E. Goretti

Notary Public, Commission Expires 9/19/2004

LAWRENCE MARSHALL CHEVROLET, L.P. (a Texas unlimited partnership)
PHILPOTT MOTORS, LTD. (a Texas limited partnership)
SONIC AUTOMOTIVE OF TEXAS, L.P. (a Texas limited partnership)
SONIC AUTOMOTIVE - 3401 N. MAIN, TX, L.P. (a Texas limited partnership)
SONIC AUTOMOTIVE - 4701 I-10 EAST, TX, L.P. (a Texas limited partnership)
SONIC AUTOMOTIVE - 5221 I-10 EAST, TX, L.P. (a Texas limited partnership)
SONIC - CAMP FORD, L.P. (a Texas limited partnership)
SONIC - CARROLLTON V, L.P. (a Texas limited partnership)
SONIC - FORT WORTH T, L.P. (a Texas limited partnership)
SONIC - GLOBAL IMPORTS, L.P. (a Georgia limited partnership)
SONIC - HOUSTON V, L.P. (a Texas limited partnership)
SONIC - LUTE RILEY, L. P. (a Texas limited partnership)
SONIC - PARK PLACE A, L.P. (a Texas limited partnership) (formerly Sonic - Dallas Auto Factory, L.P.)

SONIC PEACHTREE INDUSTRIAL BLVD., L.P. (a Georgia limited partnership)
SONIC - READING, L.P. (a Texas limited partnership)
SONIC - RICHARDSON F, L.P. (a Texas limited partnership)

SONIC - SAM WHITE NISSAN, L.P. (a Texas limited partnership)
SRE GEORGIA - 1, L.P. (a Georgia limited liability partnership)
SRE GEORGIA - 2, L.P. (a Georgia limited liability partnership)
SRE GEORGIA - 3, L.P. (a Georgia limited liability partnership)
SRE TEXAS - 1, L.P. (a Texas limited partnership)
SRE TEXAS - 2, L.P. (a Texas limited partnership)
SRE TEXAS - 3, L.P. (a Texas limited partnership)

ANNEX A

INTERCOMPANY NOTE

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Evidences of all loans or advances ("Loans") made hereunder shall be reflected on the grid attached hereto. FOR VALUE RECEIVED, _____, a _____ corporation (the "Maker"), HEREBY PROMISES TO PAY ON DEMAND to the order of _____ (the "Holder") the principal sum of the aggregate unpaid principal amount of all Loans (plus accrued interest thereon) at any time and from time to time made hereunder which has not been previously paid.

All capitalized terms used herein that are defined in, or by reference in, the Indenture between Sonic Automotive Inc., a Delaware corporation (the "Company"), the Guarantors and U.S. Bank Trust National Association, as trustee, dated as of November 19, 2001, (the "Indenture"), have the meanings assigned to such terms therein, or by reference therein, unless otherwise defined.

ARTICLE I

TERMS OF INTERCOMPANY NOTE

Section 1.01 Note Not Forgivable. Unless the Maker of the Loan hereunder is the Company or any Guarantor, the Holder may not forgive any amounts owing under this intercompany note.

Section 1.02 Interest: Prepayment. (a) The interest rate ("Interest Rate") on the Loans shall be a rate per annum reflected on the grid attached hereto.

(b) The interest, if any, payable on each of the Loans shall accrue from the date such Loan is made and, subject to Section 2.01, shall be payable upon demand of the Holder.

(c) To the extent permitted by law, if the principal or accrued interest, if any, of the Loans is not paid on the date demand is made, interest on the unpaid principal and interest will accrue at a rate equal to the Interest Rate, if any, plus 100 basis points per annum from maturity until the principal and interest on such Loans are fully paid.

(d) Subject to Section 2.01, any amounts hereunder may be repaid at any time by the Maker.

Section 1.02 Subordination. All Loans hereunder shall be payment and performance of the obligations of the Company and any Subsidiary (which Subsidiary is also an obligor under this Indenture, the Securities, a

Guarantee or other Senior Indebtedness or Pari Passu Indebtedness, as the case may be, whether as a borrower or guarantor) under this Indenture, the Securities, the Guarantees or any other Indebtedness ranking senior to or pari passu with the Securities; provided, that this provision shall not prohibit the repayment by any Subsidiary of any Loans of which the Company is the Holder.

ARTICLE II

EVENTS OF DEFAULT

Section 2.01 Events of Default. If after the date of issuance of this Loan (i) an Event of Default has occurred under this Indenture or (ii) an "event of default" (as defined) has occurred under any other Indebtedness of the Company or any Subsidiary, then (x) in the event the Maker is (A) a Subsidiary which is not a Guarantor or (B) a Guarantor in the case where the Holder is the Company, all amounts owing under the Loans hereunder shall be immediately due and payable to the Holder, (y) in the event the Maker is the Company, the amounts owing under the Loans hereunder shall not be due and payable at any time and shall not be paid and (z) in the event the Maker is a Guarantor and the Holder is not the Company or any Guarantor, the amounts owing under the Loans hereunder shall not be due and payable at any time and shall not be paid; provided, however, that if such Event of Default or event of default has been waived, cured or rescinded, such amounts shall no longer be due and payable in the case of clause (x), and such amounts may be paid in the case of clauses (y) and (z). If the Holder is a Subsidiary, then the Holder hereby agrees that if it receives any payments or distributions on any Loan from the Company or a Guarantor which is not payable pursuant to clause (y) or (z) of the prior sentence after any Event of Default described in clauses (i) or (ii) or any event of default described in clause (iii) above has occurred, is continuing and has not been waived, cured or rescinded, it will pay over and deliver forthwith to the Company or such Guarantor, as the case may be, all such payments and distributions.

ARTICLE III

MISCELLANEOUS

Section 3.01 Amendments, Etc. No amendment or waiver of any provision of this intercompany note, or consent to depart herefrom is permitted at any time for any reason, except with the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Securities.

Section 3.02 Assignment. No party to this Agreement may assign, in whole or in part, any of its rights and obligations under this intercompany note, except to its legal successor in interest.

Section 3.03 Third Party Beneficiaries. The holders of the Securities or any other Indebtedness ranking pari passu with or senior to, the Securities or any Guarantees shall be third party beneficiaries to this intercompany note and upon an Event of Default shall have the right to enforce this intercompany note against the Company or any of its Subsidiaries.

Section 3.04 Headings. Article and Section headings in this intercompany note are included for convenience of reference only and shall not constitute a part of this intercompany note for any other purpose.

Section 3.05 Entire Agreement. This intercompany note sets forth the entire agreement of the parties with respect to its subject matter and supersedes all previous understandings, written or oral, in respect thereof.

Section 3.06 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF).

Section 3.07 Waivers. The Maker hereby waives presentment, demand for payment, notice of protest and all other demands and notices in connection with the delivery, acceptance, performance or enforcement hereof.

By: _____

BORROWINGS, MATURITIES, AND PAYMENTS OF PRINCIPAL

<TABLE>
<CAPTION>

Date	Amount of Borrowing/ Principal	Maturity of Borrowing/ Principal	Amount Principal Paid or Prepaid	Unpaid Principal Balance	Notation Made by

<S> <C>

</TABLE>

SCHEDULE I

Existing Indebtedness

None

EXHIBIT A

REGULATION S CERTIFICATE

(For transfers pursuant toss.307(a)(i) of the Indenture)

U.S. Bank Trust National Association
100 Wall Street, 20th Floor
New York, New York 10005

Re: 11% Senior Subordinated Notes due 2008 of Sonic Automotive, Inc. (the "Securities")

Reference is made to the Indenture, dated as of November 19, 2001, (the "Indenture"), among Sonic Automotive, Inc., a Delaware corporation (the "Company"), the Guarantors and U.S. Bank Trust National Association as Trustee. Terms used herein and defined in the Indenture or in Regulation S or Rule 144 under the U.S. Securities Act of 1933 (the "Securities Act") are used herein as so defined.

This certificate relates to US$_____ principal amount of Securities, which are evidenced by the following certificate(s) (the "Specified Securities"):

CUSIP No(s). _____

CERTIFICATE No(s). _____

The person in whose name this certificate is executed below (the "Undersigned") hereby certifies that either (i) it is the sole beneficial owner of the Specified Securities or (ii) it is acting on behalf of all the beneficial owners of the Specified Securities and is duly authorized by them to do so. Such beneficial owner or owners are referred to herein collectively as the "Owner." The Specified Securities are represented by a Global Security and are held through the Depositary or an Agent Member in the name of the Undersigned, as or on behalf of the Owner.

The Owner has requested that the Specified Securities be transferred to a person (the "Transferee") who will take delivery in the form of a Regulation S Global Security. In connection with such transfer, the Owner hereby certifies that, unless such transfer is being effected pursuant to an effective registration statement under the Securities Act, it is being effected in accordance with Rule 904 or Rule 144 under the Securities Act and with all applicable securities laws of the states of the United States and other jurisdictions. Accordingly, the Owner hereby further certifies as follows:

(1) Rule 904 Transfers. If the transfer is being effected in accordance with Rule 904:

(A) the Owner is not a distributor of the Securities, an affiliate of the Company or any such distributor or a person acting on behalf of any of the foregoing;

(B) the offer of the Specified Securities

was not made to a person in the United States;

(C) either:

(i) at the time the buy order was originated, the Transferee was outside the United States or the Owner and any person acting on its behalf reasonably believed that the Transferee was outside the United States, or

(ii) the transaction is being executed in, on or through the facilities of the Eurobond market, as regulated by the Association of International Bond Dealers, or another designated offshore securities market and neither the Owner nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States;

(D) no directed selling efforts have been made in the United States by or on behalf of the Owner or any affiliate thereof;

(E) if the Owner is a dealer in securities or has received a selling concession, fee or other remuneration in respect of the Specified Securities, and the transfer is to occur during the Restricted Period, then the requirements of Rule 904(c)(1) have been satisfied; and

(F) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

(2) Rule 144 Transfers. If the transfer is being effected pursuant to Rule 144:

(A) the transfer is occurring after a holding period of at least one year (computed in accordance with paragraph (d) of Rule 144) has elapsed since the Specified Securities were last acquired from the Company or from an affiliate of the Company, whichever is later, and is being effected in accordance with the applicable amount, manner of sale and notice requirements of Rule 144; or

(B) the transfer is occurring after a holding period of at least two years has elapsed since the Specified Securities were last acquired from the Company or from an affiliate of the Company, whichever is later, and the Owner is not, and during the preceding three months has not been, an affiliate of the Company.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company and the Initial Purchasers.

Dated:

(Print the name of the Undersigned, as such term is defined in the second paragraph of this certificate.)

By:

Name:
Title:

(If the Undersigned is a corporation, partnership or fiduciary, the title of the person signing on behalf of the Undersigned must be stated.)

EXHIBIT B

RESTRICTED SECURITIES CERTIFICATE

(For transfers pursuant toss.307(a)(ii) of the Indenture)

U.S. Bank Trust National Association
100 Wall Street, 20th Floor
New York, New York 10005

Re: 11% Senior Subordinated Notes due 2008 of Sonic Automotive, Inc.
(the "Securities")

Reference is made to the Indenture, dated as of November 19, 2001, (the "Indenture"), among Sonic Automotive, Inc., a Delaware corporation (the "Company"), the Guarantors and U.S. Bank Trust National Association, as Trustee. Terms used herein and defined in the Indenture or in Rule 144A or Rule 144 under the U.S. Securities Act of 1933 (the "Securities Act") are used herein as so defined.

This certificate relates to US$_____ principal amount of Securities, which are evidenced by the following certificate(s) (the "Specified Securities"):

CUSIP No(s). _____

ISIN No(s). If any. _____

CERTIFICATE No(s). _____

The person in whose name this certificate is executed below (the "Undersigned") hereby certifies that either (i) it is the sole beneficial owner of the Specified Securities or (ii) it is acting on behalf of all the beneficial owners of the Specified Securities and is duly authorized by them to do so. Such beneficial owner or owners are referred to herein collectively as the "Owner". The Specified Securities are represented by a Global Security and are held through the Depositary or an Agent Member in the name of the Undersigned, as or on behalf of the Owner.

The Owner has requested that the Specified Securities be transferred to a person (the "Transferee") who will take delivery in the form of a Restricted Security. In connection with such transfer, the Owner hereby certifies that, unless such transfer is being effected pursuant to an effective registration statement under the Securities Act, it is being effected in accordance with Rule 144A or Rule 144 under the Securities Act and all applicable securities laws of the states of the United States and other jurisdictions. Accordingly, the Owner hereby further certifies as follows:

(1) Rule 144A Transfers. If the transfer is being effected in accordance with Rule 144A:

(A) the Specified Securities are being transferred to a person that the Owner and any person acting on its behalf reasonably believe is a "qualified institutional buyer" within the meaning of Rule 144A, acquiring for its own account or for the account of a qualified institutional buyer; and

(B) the Owner and any person acting on its behalf have taken reasonable steps to ensure that the Transferee is aware that the Owner may be relying on Rule 144A in connection with the transfer; and

(2) Rule 144 Transfers. If the transfer is being effected pursuant to Rule 144:

(A) the transfer is occurring after a holding period of at least one year (computed in accordance with paragraph (d) of Rule 144) has elapsed since the Specified Securities were last acquired from the Company or from an affiliate of the Company, whichever is later, and is being effected in accordance with the applicable amount, manner of sale and notice requirements of Rule 144; or

(B) the transfer is occurring after a holding period of at least two years has elapsed since the Specified Securities were last acquired from the Company or from an affiliate of the Company, whichever is later, and the Owner is not, and during the preceding three months has not been, an affiliate of the Company.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company and the Initial Purchasers.

Dated:

(Print the name of the Undersigned, as such term is defined in the second paragraph of this certificate.)

By:

Name:
Title:

(If the Undersigned is a corporation, partnership or fiduciary, the title of the person signing on behalf of the Undersigned must be stated.)

EXHIBIT C

UNRESTRICTED SECURITIES CERTIFICATE

(For removal of Securities Act Legends pursuant toss.307(b))

U.S. Bank Trust National Association
100 Wall Street, 20th Floor
New York, New York 10005

Re: 11% Senior Subordinated Notes due 2008 of Sonic Automotive, Inc. (the "Securities")

Reference is made to the Indenture, dated as of November 19, 2001, among Sonic Automotive, Inc., a Delaware corporation (the "Company"), the Guarantors and U.S. Bank Trust Company, as Trustee. Terms used herein and defined in the Indenture or in Rule 144 under the U.S. Securities Act of 1933 (the "Securities Act") are used herein as so defined.

This certificate relates to US$_____ principal amount of Securities, which are evidenced by the following certificate(s) (the "Specified Securities"):

CUSIP No(s). _____

CERTIFICATE No(s). _____

The person in whose name this certificate is executed below (the "Undersigned") hereby certifies that either (i) it is the sole beneficial owner of the Specified Securities or (ii) it is acting on behalf of all the beneficial owners of the Specified Securities and is duly authorized by them to do so. Such beneficial owner or owners are referred to herein collectively as the "Owner". If the Specified Securities are represented by a Global Security, they are held through the Depositary or an Agent Member in the name of the Undersigned, as or on behalf of the Owner. If the Specified Securities are not represented by a Global Security, they are registered in the name of the Undersigned, as or on behalf of the Owner.

The Owner has requested that the Specified Securities be exchanged for Securities bearing no Private Placement Legend pursuant to Section 307(b) of the Indenture. In connection with such exchange, the Owner hereby certifies that the exchange is occurring after a holding period of at least two years (computed in accordance with paragraph (d) of Rule 144) has elapsed since the Specified Securities were last acquired from the Company or from an affiliate of the Company, whichever is later, and the Owner is not, and during the preceding three months has not been, an affiliate of the Company. The Owner also acknowledges that any future transfers of the Specified Securities must comply with all applicable securities laws of the states of the United States and other jurisdictions.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company and the Initial Purchasers.

Dated:

(Print the name of the Undersigned, as such term is defined in the second paragraph of this certificate.)

By:

Name:
Title:

(If the Undersigned is a corporation, partnership or fiduciary, the title of the person signing on behalf of the Undersigned must be stated.)

APPENDIX I

[FORM OF TRANSFER NOTICE]

FOR VALUE RECEIVED the undersigned registered holder hereby sell(s), assign(s) and transfer(s) unto

Insert Taxpayer Identification No.

- ---

- ---

- ---
(Please print or typewrite name and address including zip code of assignee)

---
the within Security and all rights thereunder, hereby irrevocably constituting and appointing

---
attorney to transfer such Security on the books of the Company with full power of substitution in the premises.

[THE FOLLOWING PROVISION TO BE INCLUDED ON ALL CERTIFICATES FOR SERIES C SECURITIES EXCEPT PERMANENT OFFSHORE PHYSICAL CERTIFICATES]

In connection with any transfer of this Security occurring prior to the date which is the earlier of the date of an effective Registration Statement or November 19, 2001, the undersigned confirms that without utilizing any general solicitation or general advertising that:

[Check One]

[ ] (a) this Security is being transferred in compliance with the exemption from registration under the Securities Act of 1933, as amended, provided by Rule 144A thereunder.

or

[ ] (b) this Security is being transferred other than in

accordance with (a) above and documents are being furnished which comply with the conditions of transfer set forth in this Security and the Indenture.

If none of the foregoing boxes is checked, the Trustee or other Security Registrar shall not be obligated to register this Security in the name of any Person other than the Holder hereof

unless and until the conditions to any such transfer of registration set forth herein and in Section 307 of the Indenture shall have been satisfied.

Date: _____

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or any change whatsoever.

Signature Guarantee: _____

[Signature must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15]

TO BE COMPLETED BY PURCHASER IF (a) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Security for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, as amended, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated:

NOTICE: To be executed by an autho rized signatory

APPENDIX II

FORM OF TRANSFEREE CERTIFICATE

I or we assign and transfer this Security to:

- ---

Please insert social security or other identifying number of assignee

- ---

- ---

- ---

Print or type name, address and zip code of assignee and irrevocably appoint

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- ----------

[Agent], to transfer this Security on the books of the Company. The Agent may substitute another to act for him.

Dated _____ Signed

(Sign exactly as name appears on the other side of this Security)

[Signature must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved guarantee medallion program pursuant to Securities and Exchange Commission Rule 17 Ad-15]

Exhibit 4.11

Merrill Lynch & Co.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
Banc of America Securities LLC

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (the "Agreement") is made and entered into this 19/th/ day of November, 2001, among Sonic Automotive, Inc., a Delaware corporation (the "Company"), the guarantors set forth on the signature page hereto (each a "Guarantor" and collectively, the "Guarantors"), Merrill Lynch, Pierce, Fenner & Smith, Incorporated and Banc of America Securities LLC (collectively, the "Initial Purchasers").

This Agreement is made pursuant to the Purchase Agreement, dated November 8, 2001 among the Company, the Guarantors and the Initial Purchasers (the "Purchase Agreement"), which provides for the sale by the Company to the Initial Purchasers of an aggregate of $75 million principal amount of the Company's 11% Senior Subordinated Notes due 2008, Series C, and related guarantees (collectively, the "Securities"). In order to induce the Initial Purchasers to enter into the Purchase Agreement, the Company has agreed to provide to the Initial Purchasers and their direct and indirect transferees the registration rights set forth in this Agreement. The execution of this Agreement is a condition to the closing under the Purchase Agreement.

In consideration of the foregoing, the parties hereto agree as follows:

1. Definitions.

As used in this Agreement, the following capitalized defined terms shall have the following meanings:

"1933 Act" shall mean the Securities Act of 1933, as amended from time
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to time.

"1934 Act" shall mean the Securities Exchange Act of 1934, as amended
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from time to time.

"Closing Date" shall mean the Closing Time as defined in the Purchase
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Agreement.

"Company" shall have the meaning set forth in the preamble and shall
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also include the Company's successors.

"Depositary" shall mean The Depository Trust Company, or any other
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depositary appointed by the Company, provided, however, that such depositary must have an address in the Borough of Manhattan, in the City of New York.

"Exchange Offer" shall mean the exchange offer by the Company of
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Exchange Securities for Registrable Securities or Original Securities pursuant to Section 2.1 hereof.

"Exchange Offer Registration" shall mean a registration under the 1933

Act effected pursuant to Section 2.1 hereof.

"Exchange Offer Registration Statement" shall mean an exchange offer
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registration statement on Form S-4 (or, if applicable, on another appropriate form), and all amendments and supplements to such registration statement, including the Prospectus contained therein, all exhibits thereto and all documents incorporated by reference therein.

"Exchange Period" shall have the meaning set forth in Section 2.1
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hereof.

"Exchange Securities" shall mean (i) the 11% Senior Subordinated Notes
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due 2008, Series D, issued by the Company and (ii) the related guarantees issued by the Guarantors, in each case under the Indenture containing terms

identical to the Securities in all material respects (except for references to certain interest rate provisions, restrictions on transfers and restrictive legends), to be offered to (i) Holders of Securities in exchange for Registrable Securities and (ii) holders of Original Securities in exchange for Original Securities pursuant to the Exchange Offer.

"Holder" shall mean an Initial Purchaser, for so long as it owns any Registrable Securities, and each of its successors, assigns and direct and indirect transferees who become registered owners of Registrable Securities under the Indenture and each Participating Broker-Dealer that holds Exchange Securities for so long as such Participating Broker-Dealer is required to deliver a prospectus meeting the requirements of the 1933 Act in connection with any resale of such Exchange Securities.

"Indenture" shall mean the Indenture relating to the Securities, the Exchange Securities and the Private Exchange Securities, dated as of November 19, 2001 between the Company and U.S. Bank Trust National Association, as trustee, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof.

"Initial Purchasers" shall have the meaning set forth in the preamble.

"Majority Holders" shall mean the Holders of a majority of the aggregate principal amount of Outstanding (as defined in the Indenture) Registrable

Securities; provided that whenever the consent or approval of Holders of a specified percentage of Registrable Securities is required hereunder, Registrable Securities held by the Company and other obligors on the Securities or any Affiliate (as defined in the Indenture) of the Company shall be disregarded in determining whether such consent or approval was given by the Holders of such required percentage amount.

"Original Indenture" shall mean the Indenture, dated as of July 1, 1998, between the Company, U.S. Bank Trust National Association, as trustee and the Guarantors and Initial Purchasers named therein, as amended or supplemented from time to time, in accordance with the terms thereof.

"Original Securities" shall mean the $125,000,000 11% Senior Subordinated Notes due 2008 of the Company and the related guarantees outstanding under the Original Indenture.

"Participating Broker-Dealer" shall mean any of Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), Banc of America Securities LLC and any other broker-dealer which makes a market in the Securities and exchanges Registrable Securities in the Exchange Offer for Exchange Securities.

"Person" shall mean an individual, partnership (general or limited), corporation, limited liability company, trust or unincorporated organization, or a government or agency or political subdivision thereof.

"Private Exchange" shall have the meaning set forth in Section 2.1 hereof.

"Private Exchange Securities" shall have the meaning set forth in Section 2.1 hereof.

"Prospectus" shall mean the prospectus included in a Registration Statement, including any preliminary prospectus, and any such prospectus as amended or supplemented by any prospectus supplement, including any such prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by a Shelf Registration Statement, and by all other amendments and supplements to a prospectus, including post-effective amendments, and in each case including all material incorporated by reference therein.

"Purchase Agreement" shall have the meaning set forth in the preamble.

"Registrable Securities" shall mean the Securities and, if issued, the

Private Exchange Securities; provided, however, that the Securities and, if issued, the Private Exchange Securities, shall cease to be Registrable Securities when (i) a Registration Statement with respect to such Securities and, if issued, such Private Exchange Securities, shall have been declared effective under the 1933 Act and

such Securities or Private Exchange Securities, as the case may be, shall have been disposed of pursuant to such Registration Statement, (ii) such Securities and, if issued, such Private Exchange Securities have been sold to the public pursuant to Rule 144 (or any similar provision then in force, but not Rule 144A) under the 1933 Act, (iii) such Securities or Private Exchange Securities, as the case may be, shall have ceased to be outstanding or (iv) the Exchange Offer is consummated (except in the case of Securities purchased from the Company and continued to be held by the Initial Purchasers).

"Registration Expenses" shall mean any and all expenses incident to performance of or compliance by the Company with this Agreement, including without limitation: (i) all SEC, stock exchange or National Association of Securities Dealers, Inc. (the "NASD") registration and filing fees, including, if applicable, the fees and expenses of any "qualified independent underwriter" (and the reasonable fees and expenses of its counsel) that is required to be retained by any holder of Registrable Securities in accordance with the rules and regulations of the NASD, (ii) all fees and expenses incurred in connection with compliance with state securities or blue sky laws and compliance with the rules of the NASD (including reasonable fees and disbursements of counsel for any underwriters or Holders in connection with blue sky qualification of any of the Exchange Securities, Registrable Securities or Original Securities and any filings with the NASD), (iii) all expenses of any Persons in preparing or assisting in preparing, word processing, printing and distributing any Registration Statement, any Prospectus, any amendments or supplements thereto, any underwriting agreements, securities sales agreements and other documents relating to the performance of and compliance with this Agreement, (iv) all fees and expenses incurred in connection with the listing, if any, of any of the Registrable Securities or Original Securities on any securities exchange or exchanges, (v) all rating agency fees, (vi) the fees and disbursements of counsel for the Company and of the independent public accountants of the Company, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance, (vii) the fees and expenses of the Trustee, and any escrow agent or custodian, (viii) the reasonable fees and expenses of the Initial Purchasers in connection with the Exchange Offer, including the reasonable fees and expenses of counsel to the Initial Purchasers in connection therewith, (ix) the reasonable fees and disbursements of Fried, Frank, Harris, Shriver & Jacobson, special counsel representing the Holders of Registrable Securities and (x) any fees and disbursements of the underwriters customarily required to be paid by issuers or sellers of securities and the fees and expenses of any special experts retained by the Company in connection with any Registration Statement, but excluding underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of Registrable Securities or Original Securities by a Holder.

"Registration Statement" shall mean any registration statement of the Company which covers any of the Exchange Securities, Registrable Securities or

Original Securities pursuant to the provisions of this Agreement, and all amendments and supplements to any such Registration Statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"SEC" shall mean the Securities and Exchange Commission or any successor agency or government body performing the functions currently performed by the United States Securities and Exchange Commission.

"Shelf Registration" shall mean a registration effected pursuant to Section 2.2 hereof.

"Shelf Registration Statement" shall mean a "shelf" registration statement of the Company pursuant to the provisions of Section 2.2 of this Agreement which covers all of the Registrable Securities or all of the Private Exchange Securities on an appropriate form under Rule 415 under the 1933 Act, or any similar rule that may be adopted by the SEC, and all amendments and supplements to such registration statement, including

post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"Trustee" shall mean the trustee with respect to the Securities, the Exchange Securities and the Private Exchange Securities under the Indenture.

2. Registration Under the 1933 Act.

2.1 Exchange Offer. The Company and the Guarantors shall, for the benefit of the Holders, at the Company's and the Guarantors' cost, use their reasonable best efforts to (A) prepare and, as soon as practicable but not later than 60 days following the Closing Date, file with the SEC an Exchange Offer Registration Statement on an appropriate form under the 1933 Act with respect to a proposed Exchange Offer and the issuance and delivery to the Holders, in exchange for the Registrable Securities (other than Private Exchange Securities) or Original Securities, of a like principal amount of Exchange Securities, (B) to cause the Exchange Offer Registration Statement to be declared effective under the 1933 Act within 135 days of the Closing Date, (C) keep the Exchange Offer Registration Statement effective until the closing of the Exchange Offer and (D) cause the Exchange Offer to be consummated not later than 165 days following the Closing Date, provided, however, that the Company agrees that it will not consummate the Exchange Offer until after it has made its February 1, 2001 interest payment. The Exchange Securities will be issued under the Indenture. Upon the effectiveness of the Exchange Offer Registration Statement, the Company and the Guarantors shall promptly commence the Exchange Offer, it being the objective of such Exchange Offer to enable each Holder eligible and electing to exchange Registrable Securities and each holder eligible and electing to exchange Original Securities for Exchange Securities (assuming that such Holder or holder (a) is not an affiliate of the Company within the meaning of Rule 405 under the 1933 Act, (b) is not a broker-dealer

tendering Registrable Securities acquired directly from the Company for its own account, (c) acquired the Exchange Securities in the ordinary course of such Holder's or holder's business and (d) has no arrangements or understandings with any Person to participate in the Exchange Offer for the purpose of distributing the Exchange Securities) to transfer such Exchange Securities from and after their receipt without any limitations or restrictions under the 1933 Act and under state securities or blue sky laws.

In connection with the Exchange Offer, the Company and the Guarantors shall:

(a) mail as promptly as practicable to each Holder and each holder of Original Securities a copy of the Prospectus forming part of the Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;

(b) keep the Exchange Offer open for acceptance for a period of not less than 30 calendar days after the date notice thereof is mailed to the Holders and the holders of Original Securities (or longer if required by applicable law) (such period referred to herein as the "Exchange Period");

(c) utilize the services of the Depositary for the Exchange Offer;

(d) permit Holders and holders of Original Securities to withdraw tendered Registrable Securities or Original Securities at any time prior to 5:00 p.m. (Eastern Standard Time), on the last business day of the Exchange Period, by sending to the institution specified in the notice, a telegram, telex, facsimile transmission or letter setting forth the name of such Holder or holder or Original Securities, the principal amount of Registrable Securities or Original Securities delivered for exchange, and a statement that such Holder or holder of Original Securities is withdrawing such party's election to have such Securities exchanged;

(e) notify each Holder that any Registrable Security not tendered will remain outstanding and continue to accrue interest, but will not retain any rights under this Agreement (except in the case of the Initial Purchasers and Participating Broker-Dealers as provided herein); and

(f) otherwise comply in all respects with all applicable laws relating to the Exchange Offer.

If, prior to consummation of the Exchange Offer, the Initial Purchasers hold any Securities acquired by them and having the status of an unsold allotment in the initial distribution, the Company and the Guarantors upon the request of any Initial Purchaser shall, simultaneously with the delivery of the Exchange Securities in the Exchange Offer, issue and deliver to such Initial Purchaser in exchange (the "Private Exchange") for the Securities

held by such Initial Purchaser, a like principal amount of debt securities of the Company, guaranteed by the Guarantors on a senior basis, that are identical (except that

such securities shall bear appropriate transfer restrictions) to the Exchange Securities (the "Private Exchange Securities").

The Exchange Securities and the Private Exchange Securities shall be issued under (i) the Indenture or (ii) an indenture identical in all material respects to the Indenture and which, in either case, has been qualified under the Trust Indenture Act of 1939, as amended (the "TIA"), or is exempt from such qualification and shall provide that the Exchange Securities shall not be subject to the transfer restrictions set forth in the Indenture but that the Private Exchange Securities shall be subject to such transfer restrictions. The Indenture or such indenture shall provide that the Exchange Securities, the Private Exchange Securities and the Securities shall vote and consent together on all matters as one class and that none of the Exchange Securities, the Private Exchange Securities or the Securities will have the right to vote or consent as a separate class on any matter. The Private Exchange Securities shall be of the same series as and the Company and the Guarantors shall use all commercially reasonable efforts to have the Private Exchange Securities bear the same CUSIP number as the Exchange Securities. Neither the Company nor any of the Guarantors shall have any liability under this Agreement solely as a result of such Private Exchange Securities not bearing the same CUSIP number as the Exchange Securities.

As soon as practicable after the close of the Exchange Offer and/or the Private Exchange, the Company and the Guarantors shall:

(i) accept for exchange all Registrable Securities and Original Securities duly tendered and not validly withdrawn pursuant to the Exchange Offer in accordance with the terms of the Exchange Offer Registration Statement and the letter of transmittal which shall be an exhibit thereto;

(ii) accept for exchange all Securities properly tendered pursuant to the Private Exchange;

(iii) deliver, or cause to be delivered, to the Trustee for cancellation all Registrable Securities and Original Securities so accepted for exchange; and

(iv) cause the Trustee promptly to authenticate and deliver Exchange Securities or Private Exchange Securities, as the case may be, to each Holder of Registrable Securities and each holder of Original Securities so accepted for exchange in a principal amount equal to the principal amount of the Registrable Securities or Original Securities of such party so accepted for exchange.

Interest on each Exchange Security and Private Exchange Security will accrue from the last date on which interest was paid on the Registrable Securities or Original Securities surrendered in exchange therefor or, if no interest has been paid on the

Registrable Securities, from the date of original issuance. The Exchange Offer and the Private Exchange shall not be subject to any conditions, other than (i) that the Exchange Offer or the Private Exchange, or the making of any exchange by a Holder, does not violate applicable law or any applicable interpretation of the staff of the SEC, (ii) the due tendering of Registrable Securities in accordance with the Exchange Offer and the Private Exchange, (iii) that each Holder of Registrable Securities exchanged in the Exchange Offer shall have represented that all Exchange Securities to be received by it shall be acquired in the ordinary course of its business and that at the time of the consummation of the Exchange Offer it shall have no arrangement or understanding with any person to participate in the distribution (within the meaning of the 1933 Act) of the Exchange Securities and shall have made such other representations as may be reasonably necessary under applicable SEC rules, regulations or interpretations to render the use of Form S-4 or other appropriate form under the 1933 Act available, (iv) that the Exchange Offer will not be consummated with respect to any Original Securities unless at least $50,000,000 in aggregate face value of such Original Securities are tendered and not withdrawn during the Exchange Period; provided, however, that the failure to achieve such threshold will not prevent the consummation of the Exchange Offer with respect to any Registrable Securities, and (v) that no action or proceeding shall have been instituted or threatened in any court or by or before any governmental agency with respect to the Exchange Offer or the Private Exchange which, in the

Company's and the Guarantors' judgment, would reasonably be expected to impair the ability of the Company and the Guarantors to proceed with the Exchange Offer or the Private Exchange. The Company and the Guarantors shall inform the Initial Purchasers of the names and addresses of the Holders and holders of Original Securities to whom the Exchange Offer is made, and the Initial Purchasers shall have the right to contact such parties and otherwise facilitate the tender of Registrable Securities in the Exchange Offer.

2.2 Shelf Registration. (i) If, because of any changes in law, SEC rules or regulations or applicable interpretations thereof by the staff of the SEC, the Company and the Guarantors are not permitted to effect the Exchange Offer as contemplated by Section 2.1 hereof, (ii) if for any other reason the Exchange Offer Registration Statement is not declared effective within 135 days following the original issue of the Registrable Securities or the Exchange Offer is not consummated within 165 days after the original issue of the Registrable Securities, (iii) upon the request of any of the Initial Purchasers or (iv) if a Holder is not permitted by applicable law to participate in the Exchange Offer or elects to participate in the Exchange Offer but does not receive fully tradeable Exchange Securities pursuant to the Exchange Offer, then in case of each of clauses (i) through (iv) the Company and the Guarantors shall, at their cost:

(a) As promptly as practicable, file with the SEC, and thereafter shall use their reasonable best efforts to cause to be declared effective within 165 days after the original issue of the Registrable Securities, a Shelf Registration Statement relating to the offer and sale of the Registrable Securities by the Holders from time to time in accordance with the methods

of distribution elected by the Majority Holders participating in the Shelf Registration and set forth in such Shelf Registration Statement.

(b) Use their reasonable best efforts to keep the Shelf Registration Statement continuously effective in order to permit the Prospectus forming part thereof to be usable by Holders for a period of two years from the date the Shelf Registration Statement is declared effective by the SEC, or for such shorter period that will terminate when all Registrable Securities covered by the Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement or cease to be outstanding or otherwise to be Registrable Securities (the "Effectiveness Period"); provided, however, that the Effectiveness Period in respect of the Shelf Registration Statement shall be extended to the extent required to permit dealers to comply with the applicable prospectus delivery requirements of Rule 174 under the 1933 Act and as otherwise provided herein.

(c) Notwithstanding any other provisions hereof, use their reasonable best efforts to ensure that (i) any Shelf Registration Statement and any amendment thereto and any Prospectus forming part thereof and any supplement thereto complies in all material respects with the 1933 Act and the rules and regulations thereunder, (ii) any Shelf Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any Prospectus forming part of any Shelf Registration Statement, and any supplement to such Prospectus (as amended or supplemented from time to time), does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements, in light of the circumstances under which they were made, not misleading.

The Company and the Guarantors shall not permit any securities other than Registrable Securities to be included in the Shelf Registration Statement. The Company and the Guarantors further agree, if necessary, to supplement or amend the Shelf Registration Statement, as required by Section 3(b) below, and to furnish to the Holders of Registrable Securities copies of any such supplement or amendment promptly after its being used or filed with the SEC.

2.3 Expenses. The Company and the Guarantors shall pay all Registration Expenses in connection with the registration pursuant to

Section 2.1 or 2.2. Each Holder shall pay all underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of such Holder's Registrable Securities pursuant to the Shelf Registration Statement.

2.4. Effectiveness. (a) The Company and the Guarantors will be deemed not have used their reasonable best efforts to cause the Exchange Offer Registration Statement or the Shelf Registration Statement, as the case may be, to become, or to remain, effective during the requisite period if the Company or any of the Guarantors voluntarily takes any action that would, or omits to take any action which omission would, result in any such Registration Statement not being declared effective or in the Holders of Registrable Securities or the holders of Original Securities covered thereby not being able to exchange or offer and sell such Registrable Securities or Original Securities during that period as and to the extent contemplated hereby, unless such action is required by applicable law.

(b) An Exchange Offer Registration Statement pursuant to Section 2.1 hereof or a Shelf Registration Statement pursuant to Section 2.2 hereof will not be deemed to have become effective unless it has been declared effective by the SEC; provided, however, that if, after it has been declared effective, the offering of (i) Registrable Securities or Original Securities pursuant to an Exchange Offer Registration Statement or (ii) Registrable Securities pursuant to a Shelf Registration Statement is interfered with by any stop order, injunction or other order or requirement of the SEC or any other governmental agency or court, such Registration Statement will be deemed not to have become effective during the period of such interference, until the offering of such securities pursuant to such Registration Statement may legally resume.

2.5 Interest. The Indenture executed in connection with the Securities will provide that in the event that either (a) the Exchange Offer Registration Statement is not filed with the Commission on or prior to the 60th calendar day following the date of original issue of the Securities, (b) the Exchange Offer Registration Statement has not been declared effective on or prior to the 135th calendar day following the date of original issue of the Securities or (c) the Exchange Offer is not consummated or a Shelf Registration Statement is not declared effective, in either case, on or prior to the 165th calendar day following the date of original issue of the Securities (each such event referred to in clauses (a) through (c) above, a "Registration Default"), the interest rate borne by the Securities and the Private Exchange Securities shall be increased ("Additional Interest") by one-quarter of one percent per annum upon the occurrence of each Registration Default, which rate will increase by one quarter of one percent each 90-day period that such Additional Interest continues to accrue under any such circumstance, provided that the maximum aggregate increase in the interest rate will in no event exceed one percent (1%) per annum. Following the cure of all Registration Defaults the accrual of Additional Interest will cease and the interest rate will revert to the original rate.

If the Shelf Registration Statement is declared effective but shall thereafter become unusable by the Holders for any reason, and the aggregate number of days in any consecutive twelve-month period for which the Shelf Registration Statement shall not be usable exceeds 30 days in the aggregate, then the interest rate borne by the Securities and the Private Exchange Securities (so long as the Private Exchange Securities have the status of an unsold allotment at the time of the Exchange Offer) will be increased by 0.25% per annum of the principal amount of the Securities and the Private Exchange Securities for the first 90-day period (or portion thereof) beginning on the 31st such date that such Shelf Registration Statement ceases to be usable, which rate shall be increased by an additional 0.25% per annum of the principal amount of the Securities and the Private Exchange (so long as the Private Exchange Securities have the status of an unsold allotment at the time of the Exchange Offer) at the beginning of each subsequent 90-day period, provided that the maximum aggregate increase in the interest rate will in no event exceed one percent (1%) per annum. Any amounts payable under this paragraph shall also be deemed "Additional Interest" for purposes of this Agreement. Upon the Shelf Registration Statement once again becoming usable, the interest rate borne by the Securities and the Private Exchange Securities will be reduced to the original interest rate if the Company is otherwise in compliance with this Agreement at such time. Additional Interest shall be computed based on the actual number of days elapsed in each 90-day period in which the Shelf Registration Statement is unusable.

The Company and the Guarantors shall notify the Trustee within five business days after each and every date on which an event occurs in respect of which Additional Interest is required to be paid (an "Event Date"). Additional Interest shall be paid by depositing with the Trustee, in trust, for the benefit of the Holders of Registrable Securities, on or before the applicable semiannual interest payment date, immediately available funds in sums sufficient to pay the Additional Interest then due. The Additional Interest due shall be payable on each interest payment date to the record Holder of Securities and Private Exchange Securities entitled to receive the interest payment to be paid on such date as set forth in the Indenture. Each obligation to pay Additional Interest shall be deemed to accrue from and including the day following the applicable Event Date.

3. Registration Procedures.

In connection with the obligations of the Company and the Guarantors with respect to Registration Statements pursuant to Sections 2.1 and 2.2 hereof, the Company and the Guarantors shall:

(a) prepare and file with the SEC a Registration Statement, within the relevant time period specified in Section 2, on the appropriate form under the 1933 Act, which form (i) shall be selected by the Company and the Guarantors, (ii) shall, in the case of a Shelf Registration, be available for the sale of the Registrable Securities by the selling Holders thereof, (iii) shall comply as to form in all material respects with the requirements of the applicable form and include or incorporate by reference all financial statements required by the SEC to be filed therewith or incorporated by reference therein, and (iv) shall comply in all respects with the requirements of Regulation S-T under the 1933 Act, and use their reasonable best efforts to cause such Registration Statement to become effective and remain effective in accordance with Section 2 hereof;

(b) prepare and file with the SEC such amendments and post-effective amendments to each Registration Statement as may be necessary under applicable law to keep such Registration Statement effective for the applicable period; and cause each Prospectus to be supplemented by any required prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 (or any similar provision then in force) under the 1933 Act and comply with the provisions of the 1933 Act, the 1934 Act and the rules and regulations thereunder applicable to them with respect to the disposition of all securities covered by each Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the selling holders thereof (including sales by any Participating Broker-Dealer);

(c) in the case of a Shelf Registration, (i) notify each Holder of Registrable Securities, at least five business days prior to filing, that a Shelf Registration Statement with respect to the Registrable Securities is being filed and advising such Holders that the distribution of Registrable Securities will be made in accordance with the method selected by the Majority Holders participating in the Shelf Registration; (ii) furnish to each Holder of Registrable Securities and to each underwriter of an underwritten offering of Registrable Securities, if any, without charge, as many copies of each Prospectus, including each preliminary Prospectus, and any amendment or supplement thereto and such other documents as such Holder or underwriter may reasonably request, including financial statements and schedules and, if the Holder so requests, all exhibits, in order to facilitate the public sale or other disposition of the Registrable Securities; and (iii) hereby consent to the use of the Prospectus or any amendment or supplement thereto by each of the selling Holders of Registrable Securities in connection with the offering and sale of the Registrable Securities covered by the Prospectus or any amendment or supplement thereto;

(d) in the case of a Shelf Registration, use their reasonable best efforts to register or qualify the Registrable Securities under all applicable state securities or "blue sky" laws of such jurisdictions as any Holder of Registrable Securities covered by a Registration Statement and each underwriter of an underwritten offering of Registrable Securities shall reasonably request by the time the applicable Registration Statement is declared effective by the SEC, and do any and all other acts and things which may be reasonably necessary or advisable to enable each such Holder and underwriter to consummate the disposition in each such jurisdiction of such Registrable Securities owned by such Holder; provided, however, that none of the Company and the Guarantors shall be required to (i) qualify as a foreign corporation or as a dealer in securities in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(d), or (ii) take any action which would subject it to general service of process or taxation in any such jurisdiction where it is not then so subject;

(e) notify promptly each Holder of Registrable Securities

under a Shelf Registration or any Participating Broker-Dealer who has notified the Company and the Guarantors that it is utilizing the Exchange Offer Registration Statement as provided in paragraph (f) below and, if requested by such Holder or Participating Broker-Dealer,

confirm such advice in writing promptly (i) when a Registration Statement has become effective and when any post-effective amendments and supplements thereto become effective, (ii) of any request by the SEC or any state securities authority for post-effective amendments and supplements to a Registration Statement and Prospectus or for additional information after the Registration Statement has become effective, (iii) of the issuance by the SEC or any state securities authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, (iv) in the case of a Shelf Registration, if, between the effective date of such Registration Statement and the closing of any sale of Registrable Securities covered thereby, the representations and warranties of the Company and the Guarantors contained in any underwriting agreement, securities sales agreement or other similar agreement, if any, relating to the offering cease to be true and correct in all material respects, (v) of the happening of any event or the discovery of any facts during the period a Shelf Registration Statement is effective which makes any statement made in such Registration Statement or the related Prospectus untrue in any material respect or which requires the making of any changes in such Registration Statement or Prospectus in order to make the statements therein not misleading, (vi) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities or the Exchange Securities, as the case may be, for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose and (vii) of any determination by the Company that a post-effective amendment to such Registration Statement would be appropriate;

(f) (A) in the case of the Exchange Offer Registration Statement (i) include in the Exchange Offer Registration Statement a section entitled "Plan of Distribution" which section shall be reasonably acceptable to Merrill Lynch on behalf of the Participating Broker-Dealers, and which shall contain a summary statement of the positions taken or policies made by the staff of the SEC with respect to the potential "underwriter" status of any broker-dealer that holds Registrable Securities or Original Securities acquired for its own account as a result of market-making activities or other trading activities and that will be the beneficial owner (as defined in Rule 13d-3 promulgated under the 1934 Act) of Exchange Securities to be received by such broker-dealer in the Exchange Offer, whether such positions or policies have been publicly disseminated by the staff of the SEC or such positions or policies, in the reasonable judgment of Merrill Lynch on behalf of the Participating Broker-Dealers and its counsel, represent the prevailing views of the staff of the SEC, including a statement that any such broker-dealer who receives Exchange Securities for Registrable Securities or Original Securities pursuant to the Exchange Offer may be deemed a statutory underwriter and must deliver a prospectus meeting the requirements of the 1933 Act in connection with any resale of such Exchange Securities, (ii) furnish to each Participating Broker-Dealer who has delivered to the Company the notice referred to in Section 3(e), without charge, as many copies of each Prospectus included in the Exchange Offer Registration Statement, including any preliminary prospectus, and any amendment or supplement thereto, as such Participating Broker-Dealer may reasonably request, (iii) hereby consent

to the use of the Prospectus forming part of the Exchange Offer Registration Statement or any amendment or supplement thereto, by any Person subject to the prospectus delivery requirements of the SEC, including all Participating Broker-Dealers, in connection with the sale or transfer of the Exchange Securities covered by the Prospectus or any amendment or supplement thereto, and (iv) include in the transmittal letter or similar documentation to be executed by an exchange offeree in order to participate in the Exchange Offer (x) the following provision:

> "If the exchange offeree is a broker-dealer holding Registrable Securities or Original Securities acquired for its own account as a result of market-making activities or other trading activities, it will deliver a prospectus meeting the requirements of the 1933 Act in connection with any resale of Exchange Securities received in respect of such Registrable Securities or Original Securities pursuant to the Exchange Offer;" and

(y) a statement to the effect that by a broker-dealer making the acknowledgment described in clause (x) and by delivering a Prospectus in connection with the exchange of Registrable Securities, the broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the 1933 Act; and

(B) in the case of any Exchange Offer

Registration Statement, the Company and the Guarantors agree to deliver to the Initial Purchasers on behalf of the Participating Broker-Dealers upon the effectiveness of the Exchange Offer Registration Statement (i) an opinion of counsel or opinions of counsel substantially in the form attached hereto as Exhibit A, (ii) officers' certificates substantially in the form customarily delivered in a public offering of debt securities and (iii) a comfort letter or comfort letters in customary form to the extent permitted by Statement on Auditing Standards No. 72 of the American Institute of Certified Public Accountants (or if such a comfort letter is not permitted, an agreed upon procedures letter in customary form) from the Company's independent certified public accountants (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements are, or are required to be, included in the Registration Statement) at least as broad in scope and coverage as the comfort letter or comfort letters delivered to the Initial Purchasers in connection with the initial sale of the Securities to the Initial Purchasers;

(g) (i) in the case of an Exchange Offer, furnish counsel for the Initial Purchasers and (ii) in the case of a Shelf Registration, furnish counsel for the Holders of Registrable Securities copies of any comment letters received from the SEC or any other request by the SEC or any state securities authority for amendments or supplements to a Registration Statement and Prospectus or for additional information;

(h) make every reasonable effort to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement at the earliest possible moment;

(i) in the case of a Shelf Registration, furnish to each Holder of Registrable Securities, and each underwriter, if any, without charge, at least one conformed copy of each Registration Statement and any post-effective amendment thereto, including financial statements and schedules (without documents incorporated therein by reference and all exhibits thereto, unless requested);

(j) in the case of a Shelf Registration, cooperate with the selling Holders of Registrable Securities to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends; and enable such Registrable Securities to be in such denominations (consistent with the provisions of the Indenture) and registered in such names as the selling Holders or the underwriters, if any, may reasonably request at least three business days prior to the closing of any sale of Registrable Securities;

(k) in the case of a Shelf Registration, upon the occurrence of any event or the discovery of any facts, each as contemplated by Sections 3(e)(v) and 3(e)(vi) hereof, as promptly as practicable after the occurrence of such an event, use their best efforts to prepare a supplement or post-effective amendment to the Registration Statement or the related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Securities or Participating Broker-Dealers, such Prospectus will not contain at the time of such delivery any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or will remain so qualified. At such time as such public disclosure is otherwise made or the Company determines that such disclosure is not necessary, in each case to correct any misstatement of a material fact or to include any omitted material fact, the Company agrees promptly to notify each Holder of such determination and to furnish each Holder such number of copies of the Prospectus as amended or supplemented, as such Holder may reasonably request;

(l) in the case of a Shelf Registration, within a reasonable time prior to the filing of any Registration Statement, any Prospectus, any amendment to a Registration Statement or amendment or supplement to a Prospectus or any document which is to be incorporated by reference into a Registration Statement or a Prospectus after initial filing of a Registration Statement, provide copies of such document to the Initial Purchasers on behalf of such Holders; and make representatives of the Company and the Guarantors as shall be reasonably requested by the Holders of Registrable Securities, or the Initial Purchasers on behalf of such Holders, available for discussion of such document;

(m) use their reasonable best efforts to obtain a CUSIP number for all Exchange Securities, Private Exchange Securities or Registrable Securities, as the case may be, not later than the effective date of a Registration Statement, and provide the Trustee with printed certificates for the Exchange Securities, Private Exchange Securities

or the Registrable Securities, as the case may be, in a form eligible for deposit with the Depositary;

(n) (i) cause the Indenture to be qualified under the TIA in connection with the registration of the Exchange Securities or Registrable Securities, as the case may be, (ii) cooperate with the Trustee and the Holders to effect such changes to the Indenture as may be required for the Indenture to be so qualified in accordance with the terms of the TIA and (iii) execute, and use their reasonable best efforts to cause the Trustee to execute, all documents as may be required to effect such changes, and all other forms and documents required to be filed with the SEC to enable the Indenture to be so qualified in a timely manner;

(o) in the case of a Shelf Registration, enter into agreements (including underwriting agreements) and take all other customary and appropriate actions in order to expedite or facilitate the disposition of such Registrable Securities and in such connection whether or not an underwriting agreement is entered into and whether or not the registration is an underwritten registration:

(i) make such representations and warranties to the Holders of such Registrable Securities and the underwriters, if any, in form, substance and scope as are customarily made by issuers to underwriters in similar underwritten offerings as may be reasonably requested by them;

(ii) obtain opinions of counsel to the Company and the Guarantors and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the managing underwriters, if any, and the holders of a majority in principal amount of the Registrable Securities being sold) addressed to each selling Holder and the underwriters, if any, covering the matters customarily covered in opinions requested in sales of securities or underwritten offerings and such other matters as may be reasonably requested by such Holders and underwriters;

(iii) obtain "cold comfort" letters and updates thereof from the Company's and the Guarantors' independent certified public accountants (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements are, or are required to be, included in the Registration Statement) addressed to the underwriters, if any, and use reasonable efforts to have such letter addressed to the selling Holders of Registrable Securities (to the extent consistent with Statement on Auditing Standards No. 72 of the American Institute of Certified Public Accounts), such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters to underwriters in connection with similar underwritten offerings;

(iv) enter into a securities sales agreement with the Holders and an agent of the Holders providing for, among other things, the appointment of such agent for the selling Holders for the purpose of soliciting purchases of Registrable Securities, which agreement shall be in form, substance and scope customary for similar offerings;

(v) if an underwriting agreement is entered into, cause the same to set forth indemnification provisions and procedures substantially equivalent to the indemnification provisions and procedures set forth in Section 4 hereof with respect to the underwriters and all other parties to be indemnified pursuant to said Section or, at the request of any underwriters, in the form customarily provided to such underwriters in similar types of transactions; provided such underwriting agreement shall contain customary provisions regarding indemnification of the Company and the Guarantors with the respect to information provided by the underwriters; and

(vi) deliver such documents and certificates as may be reasonably requested and as are customarily delivered in similar offerings to the Holders of a majority in principal amount of the Registrable Securities being sold and the managing underwriters, if any.

The above shall be done at (i) the effectiveness of such Registration Statement (and each post-effective amendment thereto) and (ii) each closing under any underwriting or similar agreement as and to the extent required thereunder. In the case of any underwritten offering, the Company and the Guarantors shall provide written notice to the Holders of all Registrable Securities of such

underwritten offering at least 15 days prior to the filing of a prospectus supplement for such underwritten offering. Such notice shall (x) offer each such Holder the right to participate in such underwritten offering, (y) specify a date, which shall be no earlier than 10 days following the date of such notice, by which such Holder must inform the Company of its intent to participate in such underwritten offering and (z) include the instructions such Holder must follow in order to participate in such underwritten offering;

(p) in the case of a Shelf Registration or if a Prospectus is required to be delivered by any Participating Broker-Dealer in the case of an Exchange Offer, make available for inspection by representatives of the Holders of the Registrable Securities, any underwriters participating in any disposition pursuant to a Shelf Registration Statement, any Participating Broker-Dealer and any counsel or accountant retained by any of the foregoing, all financial and other records, pertinent corporate documents and properties of the Company and the Guarantors reasonably requested by any such persons, and cause the respective officers, directors, employees, and any other agents of the Company and the Guarantors to supply all information reasonably requested by any such representative, underwriter, special counsel or accountant in connection with a Registration Statement, and make such representatives of the Company and the

Guarantors available for discussion of such documents as shall be reasonably requested by the Initial Purchasers;

(q) (i) in the case of an Exchange Offer Registration Statement, within a reasonable time prior to the filing of any Exchange Offer Registration Statement, any Prospectus forming a part thereof, any amendment to an Exchange Offer Registration Statement or amendment or supplement to such Prospectus, provide copies of such document to the Initial Purchasers and to counsel to both the Holders of Registrable Securities and the holders of Original Securities and make such changes in any such document prior to the filing thereof as the Initial Purchasers or counsel to the Holders of Registrable Securities or the holders or Original Securities may reasonably request and, except as otherwise required by applicable law, not file any such document in a form to which the Initial Purchasers on behalf of the Holders of Registrable Securities and the holders of Original Securities and counsel to the Holders of Registrable Securities or the holders of Original Securities shall not have previously been advised and furnished a copy of or to which the Initial Purchasers on behalf of the Holders of Registrable Securities and the holders of Original Securities or counsel to either the Holders of Registrable Securities or the holders of Original Securities shall reasonably object, and make the representatives of the Company and the Guarantors available for discussion of such documents as shall be reasonably requested by the Initial Purchasers; and

(ii) in the case of a Shelf Registration, within a reasonable time prior to filing any Shelf Registration Statement, any Prospectus forming a part thereof, any amendment to such Shelf Registration Statement or amendment or supplement to such Prospectus, provide copies of such document to the Holders of Registrable Securities, to the Initial Purchasers, to counsel for the Holders and to the underwriter or underwriters of an underwritten offering of Registrable Securities, if any, make such changes in any such document prior to the filing thereof as the Initial Purchasers, the counsel to the Holders or the underwriter or underwriters reasonably request and not file any such document in a form to which the Majority Holders, the Initial Purchasers on behalf of the Holders of Registrable Securities, counsel for the Holders of Registrable Securities or any underwriter shall not have previously been advised and furnished a copy of or to which the Majority Holders, the Initial Purchasers of behalf of the Holders of Registrable Securities, counsel to the Holders of Registrable Securities or any underwriter shall reasonably object, and make the representatives of the Company and the Guarantors available for discussion of such document as shall be reasonably requested by the Holders of Registrable Securities, the Initial Purchasers on behalf of such Holders, counsel for the Holders of Registrable Securities or any underwriter.

(r) in the case of a Shelf Registration, use their reasonable best efforts to cause all Registrable Securities to be listed on any securities exchange on which similar debt securities issued by the Company are then listed if requested by the Majority Holders, or if requested by the underwriter or underwriters of an underwritten offering of Registrable Securities, if any;

(s) in the case of a Shelf Registration, use their reasonable best efforts to cause the Registrable Securities to be rated by the appropriate rating agencies, if so requested by the Majority Holders, or if requested by the underwriter or underwriters of an underwritten offering of Registrable Securities, if any;

(t) otherwise comply with all applicable rules and regulations of the SEC and make available to its security holders, as soon as reasonably practicable, an earnings statement covering at least 12 months which shall satisfy the provisions of Section 11(a) of the 1933 Act and Rule 158 promulgated thereunder;

(u) cooperate and assist in any filings required to be made with the NASD and, in the case of a Shelf Registration, in the performance of any due diligence investigation by any underwriter and its counsel (including any "qualified independent underwriter" that is required to be retained in accordance with the rules and regulations of the NASD); and

(v) upon consummation of an Exchange Offer or a Private Exchange, obtain (i) a customary opinion of counsel to the Company and the Guarantors addressed to the Trustee for the benefit of all Holders of Registrable Securities and holders of Original Securities participating in the Exchange Offer or a Private Exchange, and which includes an opinion that (A) each of the Company and the Guarantors has duly authorized, executed and delivered the Exchange Securities and/or Private Exchange Securities, as applicable, and the related indenture, and (B) each of the Exchange Securities and related indenture constitute legal, valid and binding obligations of each of the Company and the Guarantors, enforceable against the Company and the Guarantors in accordance with its respective terms (with customary exceptions) and (ii) an officers' certificate containing the certifications substantially similar to those set forth in Section 5(c) of the Purchase Agreement.

In the case of a Shelf Registration Statement, the Company and the Guarantors may (as a condition to such Holder's participation in the Shelf Registration) require each Holder of Registrable Securities to furnish to the Company and the Guarantors such information regarding the Holder and the proposed distribution by such Holder of such Registrable Securities as the Company and the Guarantors may from time to time reasonably request in writing.

In the case of a Shelf Registration Statement, each Holder agrees that, upon receipt of any notice from the Company and the Guarantors of the happening of any event or the discovery of any facts, each of the kind described in Section 3(e)(v) and 3(e)(vi) hereof, such Holder will forthwith discontinue disposition of Registrable Securities pursuant to a Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 3(k) hereof, and, if so directed by the Company and the Guarantors, such Holder will deliver to the Company and the Guarantors (at their expense) all copies in such Holder's possession, other than

permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Securities current at the time of receipt of such notice.

In the event that the Company and the Guarantors fail to effect the Exchange Offer or file any Shelf Registration Statement and maintain the effectiveness of any Shelf Registration Statement as provided herein, the Company and the Guarantors shall not file any Registration Statement with respect to any securities (within the meaning of Section 2(1) of the 1933 Act) of the Company and the Guarantors other than Registrable Securities.

If any of the Registrable Securities covered by any Shelf Registration Statement are to be sold in an underwritten offering, the underwriter or underwriters and manager or managers that will manage such offering will be selected by the Majority Holders of such Registrable Securities included in such offering and shall be acceptable to the Company and the Guarantors. No Holder of Registrable Securities may participate in any underwritten registration hereunder unless such Holder (a) agrees to sell such Holder's Registrable Securities on the basis provided in any underwriting arrangements approved by the persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements.

4. Indemnification; Contribution.

(a) The Company and the Guarantors, jointly and severally, agree to indemnify and hold harmless the Initial Purchasers, each Holder, each Participating Broker-Dealer, each Person who participates as an underwriter (any such Person being an "Underwriter") and each Person, if any, who controls any Holder or Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement (or any amendment or supplement thereto) pursuant to which Exchange Securities or Registrable Securities were registered under the 1933 Act, including all documents incorporated therein by reference, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading, or arising out of any untrue statement or alleged untrue statement of a material

fact contained in any Prospectus (or any amendment or supplement thereto) or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in

settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; provided that (subject to Section 4(d) below) any such settlement is effected with the written consent of the Company and the Guarantors; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by any indemnified party), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under subparagraph (i) or (ii) above;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company and the Guarantors by the Holder, Participating Broker-Dealer or Underwriter expressly for use in a Registration Statement (or any amendment thereto) or any Prospectus (or any amendment or supplement thereto).

(b) Each Holder severally, but not jointly, agrees to indemnify and hold harmless the Company, the Guarantors, the Initial Purchasers, each Underwriter and the other selling Holders, and each of their respective directors and officers, and each Person, if any, who controls the Company, the Guarantors, the Initial Purchasers, any Underwriter or any other selling Holder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, against any and all loss, liability, claim, damage and expense described in the indemnity contained in Section 4(a) hereof, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Shelf Registration Statement (or any amendment thereto) or any Prospectus included therein (or any amendment or supplement thereto) in reliance upon and in conformity with written information with respect to such Holder furnished to the Company by such Holder expressly for use in the Shelf Registration Statement (or any amendment thereto) or such Prospectus (or any amendment or supplement thereto); provided, however, that no such Holder shall be liable for any claims hereunder in excess of the amount of net proceeds received by such Holder from the sale of Registrable Securities pursuant to such Shelf Registration Statement.

(c) Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action or proceeding commenced against it in respect of which indemnity may be sought hereunder, but failure so to notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not

relieve it from any liability which it may have otherwise than on account of this indemnity agreement. An indemnifying party may participate at its own expense in the defense of such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying party or parties be liable for the fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 4 (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or

consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 4(a)(ii) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

(e) If the indemnification provided for in this Section 4 is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, in such proportion as is appropriate to reflect the relative fault of the Company and the Guarantors on the one hand and the Holders and the Initial Purchasers each on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative fault of the Company and the Guarantors on the one hand and the Holders and the Initial Purchasers each on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company and the Guarantors, the Holders or the Initial

Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company, the Guarantors, the Holders and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to this Section 4 were determined by pro rata allocation (even if the Initial Purchasers were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 4. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 4 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 4, no Initial Purchaser shall be required to contribute any amount in excess of the amount by which the total price at which the Securities sold by it were offered exceeds the amount of any damages which such Initial Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 4, each Person, if any, who controls an Initial Purchaser or Holder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as such Initial Purchaser or Holder, and each director of the Company and such Guarantor, as the case may be, and each Person, if any, who controls the Company and such Guarantor, as the case may be, within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company. The Initial Purchasers' respective obligations to contribute pursuant to this Section 4 are several in proportion to the principal amount of Securities set forth opposite their respective names in Schedule B to the Purchase Agreement and not joint.

5. Miscellaneous.

5.1 Rule 144 and Rule 144A. For so long as the Company is subject to the reporting requirements of Section 13 or 15 of the 1934 Act, the Company and the Guarantors covenant that they will file the reports required to be filed by them under the 1933 Act and Section 13(a) or 15(d) of the 1934 Act and the rules and regulations adopted by the SEC thereunder. If the Company ceases to be so

required to file such reports, the Company and the Guarantors covenant that they will upon the request of any Holder of Registrable Securities (a) make publicly available such information as is necessary to permit sales pursuant to Rule 144 under the 1933 Act, (b) deliver such

information to a prospective purchaser as is necessary to permit sales pursuant to Rule 144A under the 1933 Act and it will take such further action as any Holder of Registrable Securities may reasonably request, and (c) take such further action that is reasonable in the circumstances, in each case, to the extent required from time to time to enable such Holder to sell its Registrable Securities without registration under the 1933 Act within the limitation of the exemptions provided by (i) Rule 144 under the 1933 Act, as such Rule may be amended from time to time, (ii) Rule 144A under the 1933 Act, as such Rule may be amended from time to time, or (iii) any similar rules or regulations hereafter adopted by the SEC. Upon the request of any Holder of Registrable Securities, the Company and the Guarantors will deliver to such Holder a written statement as to whether they have complied with such requirements.

5.2 No Inconsistent Agreements. The Company and the Guarantors have not entered into and the Company and the Guarantors will not after the date of this Agreement enter into any agreement which is inconsistent with the rights granted to the Holders of Registrable Securities in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not in any way conflict with the rights granted to the holders of the Company's and the Guarantor's other issued and outstanding securities under any such agreements.

5.3 Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given unless the Company and the Guarantors have obtained the written consent of Holders of at least a majority in aggregate principal amount of the outstanding Registrable Securities affected by such amendment, modification, supplement, waiver or departure.

5.4 Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand delivery, registered first-class mail, telex, telecopier, or any courier guaranteeing overnight delivery (a) if to a Holder, at the most current address given by such Holder to the Company and the Guarantors by means of a notice given in accordance with the provisions of this Section 5.4, which address initially is the address set forth in the Purchase Agreement with respect to the Initial Purchasers; and (b) if to the Company and the Guarantors, initially at the Company's address set forth in the Purchase Agreement, and thereafter at such other address of which notice is given in accordance with the provisions of this Section 5.4.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; two business days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt is acknowledged, if telecopied; and on the next business day if timely delivered to an air courier guaranteeing overnight delivery.

Copies of all such notices, demands, or other communications shall be concurrently delivered by the person giving the same to the Trustee under the Indenture, at the address specified in such Indenture.

5.5 Successor and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors, assigns and transferees of each of the parties, including, without limitation and without the need for an express assignment, subsequent Holders; provided that nothing herein shall be deemed to permit any assignment, transfer or other disposition of Registrable Securities in violation of the terms of the Purchase Agreement or the Indenture. If any transferee of any Holder shall acquire Registrable Securities, in any manner, whether by operation of law or otherwise, such Registrable Securities shall be held subject to all of the terms of this Agreement, and by taking and holding such Registrable Securities such person shall be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement, including the restrictions on resale set forth in this Agreement and, if applicable, the Purchase Agreement, and such person shall be entitled to receive the benefits hereof.

5.6 Third Party Beneficiaries. The Initial Purchasers (even

if the Initial Purchasers are not Holders of Registrable Securities) shall be third party beneficiaries to the agreements made hereunder between the Company and the Guarantors, on the one hand, and the Holders, on the other hand, and shall have the right to enforce such agreements directly to the extent they deem such enforcement necessary or advisable to protect their rights or the rights of Holders hereunder. Each Holder of Registrable Securities shall be a third party beneficiary to the agreements made under this Registration Rights Agreement between the Company and the Guarantors, on the one hand, and the Initial Purchasers, on the other hand, and shall have the right to enforce such agreements directly to the extent it deems such enforcement necessary or advisable to protect its rights hereunder.

5.7. Specific Enforcement. Without limiting the remedies available to the Initial Purchasers and the Holders, the Company and the Guarantors acknowledge that any failure by the Company and the Guarantors to comply with their obligations under Sections 2.1 through 2.4 hereof may result in material irreparable injury to the Initial Purchasers or the Holders for which there is no adequate remedy at law, that it would not be possible to measure damages for such injuries precisely and that, in the event of any such failure, the Initial Purchasers or any Holder may obtain such relief as may be required to specifically enforce the Company's and the Guarantor's obligations under Sections 2.1 through 2.4 hereof.

5.8. Restriction on Resales. Until the expiration of two years after the original issuance of the Securities and the Guarantees, the Company and the Guarantors will not, and will cause their "affiliates" (as such term is defined in Rule 144(a)(1) under the 1933 Act) not to, resell any Securities and Guarantees which are "restricted securities" (as such term is defined under Rule 144(a)(3) under the 1933 Act) that have been reacquired by any of them and shall immediately upon any purchase of any such Securities and Guarantees submit such Securities and Guarantees to the Trustee for cancellation.

5.9 Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

5.10 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

5.11 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO THE PRINCIPLES OF CONFLICT OF LAWS THEREOF.

5.12 Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

SONIC AUTOMOTIVE, INC.

By: /s/ Theodore M. Wright

Name: Theodore M. Wright
Title: Vice President, Treasurer and Chief Financial Officer

The Guarantors:

AUTOBAHN, INC. (a California corporation)
CAPITOL CHEVROLET AND IMPORTS, INC. (an Alabama corporation)
COBB PONTIAC CADILLAC, INC. (an Alabama corporation)
FA SERVICE CORPORATION (a California corporation)
FAA AUTO FACTORY, INC. (a California corporation)
FAA BEVERLY HILLS, INC. (a California corporation)
FAA CAPITOL F, INC. (a California corporation)
FAA CAPITOL N, INC. (a California corporation)
FAA CONCORD H, INC. (a California corporation)
FAA CONCORD N, INC. (a California corporation)

FAA CONCORD T, INC. (a California corporation)
FAA DUBLIN N, INC. (a California corporation)
FAA DUBLIN VWD, INC. (a California corporation)
FAA HOLDING CORP. (a California corporation)
FAA LAS VEGAS H, INC. (a Nevada corporation)
FAA MARIN D, INC. (a California corporation)
FAA MARIN F, INC. (a California corporation)
FAA MARIN LR, INC. (a California corporation)
FAA POWAY D, INC. (a California corporation)
FAA POWAY G, INC. (a California corporation)
FAA POWAY H, INC. (a California corporation)
FAA POWAY T, INC. (a California corporation)
FAA SAN BRUNO, INC. (a California corporation)
FAA SANTA MONICA V, INC. (a California corporation)
FAA SERRAMONTE H, INC. (a California corporation)
FAA SERRAMONTE L, INC. (a California corporation)
FAA SERRAMONTE, INC. (a California corporation)
FAA STEVENS CREEK, INC. (a California corporation)
FAA TORRANCE CPJ, INC. (a California corporation)
FIRSTAMERICA AUTOMOTIVE, INC. (a Delaware corporation)
FORT MILL CHRYSLER-PLYMOUTH-DODGE INC. (a South Carolina corporation)
FORT MILL FORD, INC. (a South Carolina corporation)
FRANCISCAN MOTORS, INC. (a California corporation)
FREEDOM FORD, INC. (a Florida corporation)
FRONTIER OLDSMOBILE-CADILLAC, INC. (a North Carolina corporation)
HMC FINANCE ALABAMA, INC. (an Alabama corporation)
KRAMER MOTORS INCORPORATED (a California corporation)
LAWRENCE MARSHALL CHEVROLET, LLC (a Delaware limited liability company)
LAWRENCE MARSHALL CHEVROLET, L.P. (a Texas limited partnership)
L DEALERSHIP GROUP, INC. (a Texas corporation)
MARCUS DAVID CORPORATION (a North Carolina corporation)

PHILPOTT MOTORS, LTD. (a Texas limited partnership)
RIVERSIDE NISSAN, INC. (an Oklahoma corporation)
ROYAL MOTOR COMPANY, INC. (an Alabama corporation)
SANTA CLARA IMPORTED CARS, INC. (a California corporation)
SMART NISSAN, INC. (a California corporation)
SONIC AUTOMOTIVE - BONDESEN, INC. (a Florida corporation)
SONIC AUTOMOTIVE OF CHATTANOOGA, LLC (a Tennessee limited liability company)
SONIC AUTOMOTIVE-CLEARWATER, INC. (a Florida corporation)
SONIC AUTOMOTIVE COLLISION CENTER OF CLEARWATER, INC. (a Florida corporation)
SONIC AUTOMOTIVE F&I, LLC (a Nevada limited liability company)
SONIC AUTOMOTIVE OF GEORGIA, INC. (a Georgia corporation)
SONIC AUTOMOTIVE OF NASHVILLE, LLC (a Tennessee limited liability company)
SONIC AUTOMOTIVE OF NEVADA, INC. (a Nevada corporation)
SONIC AUTOMOTIVE SERVICING COMPANY, LLC (a Nevada limited liability company)
SONIC AUTOMOTIVE OF TENNESSEE, INC. (a Tennessee corporation)
SONIC AUTOMOTIVE OF TEXAS, L.P. (a Texas limited partnership)
SONIC AUTOMOTIVE WEST, LLC (a Nevada limited liability company)
SONIC AUTOMOTIVE - 1307 N. DIXIE HWY., NSB, INC. (a Florida corporation)
SONIC AUTOMOTIVE-1400 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE-1455 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE-1495 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE-1500 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE - 1720 MASON AVE., DB, INC. (a Florida corporation)
SONIC AUTOMOTIVE - 1720 MASON AVE., DB, LLC (a Florida limited liability company)
SONIC AUTOMOTIVE - 1919 N. DIXIE HWY., NSB, INC. (a Florida corporation)
SONIC AUTOMOTIVE - 21699 U.S. HWY 19 N., INC. (a Florida corporation)
SONIC AUTOMOTIVE - 241 RIDGEWOOD AVE., HH, INC. (a Florida corporation)
SONIC AUTOMOTIVE 2424 LAURENS RD., GREENVILLE, INC. (a South Carolina corporation)
SONIC AUTOMOTIVE - 2490 SOUTH LEE HIGHWAY, LLC (a Tennessee limited liability company),
SONIC AUTOMOTIVE 2752 LAURENS RD., GREENVILLE, INC. (a South Carolina corporation)
SONIC AUTOMOTIVE - 3401 N. MAIN, TX, L.P. (a Texas limited partnership)
SONIC AUTOMOTIVE-3700 WEST BROAD STREET, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE - 3741 S. NOVA RD., PO, INC. (a Florida corporation)
SONIC AUTOMOTIVE-4000 WEST BROAD STREET, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE - 4701 I-10 EAST, TX, L.P. (a Texas limited partnership)
SONIC AUTOMOTIVE - 5221 I-10 EAST, TX, L.P. (a Texas limited partnership)
SONIC AUTOMOTIVE 5260 PEACHTREE INDUSTRIAL BLVD., LLC (a Georgia limited liability company)
SONIC AUTOMOTIVE-5585 PEACHTREE INDUSTRIAL BLVD., LLC (a Georgia limited liability company),
SONIC AUTOMOTIVE - 6008 N. DALE MABRY, FL, INC. (a Florida corporation)
SONIC AUTOMOTIVE - 6025 INTERNATIONAL DRIVE, LLC (a Tennessee limited liability company)
SONIC AUTOMOTIVE - 9103 E. INDEPENDENCE, NC, LLC (a North Carolina limited liability company)
SONIC - BETHANY H, INC. (an Oklahoma corporation)
SONIC - 2185 CHAPMAN RD., CHATTANOOGA, LLC (a Tennessee limited liability

company)
SONIC - BUENA PARK H, INC. (a California corporation)
SONIC - CAMP FORD, L.P. (a Texas limited partnership)
SONIC - CAPITAL CHEVROLET, INC. (an Ohio corporation)
SONIC - CARROLLTON V, L.P. (a Texas limited partnership)
SONIC CHRYSLER-PLYMOUTH-JEEP, LLC (a North Carolina limited liability company)
SONIC - CLASSIC DODGE, INC. (an Alabama corporation)
SONIC - COAST CADILLAC, INC. (a California corporation)
SONIC DODGE, LLC (a North Carolina limited liability company)
SONIC DEVELOPMENT, LLC (a North Carolina limited liability company)
SONIC - FM AUTOMOTIVE, LLC (a Florida limited liability company)

SONIC - FM, INC. (a Florida corporation)
SONIC - FM NISSAN, INC. (a Florida corporation)
SONIC - FM VW, INC. (a Florida corporation)
SONIC - FORT WORTH T, L.P. (a Texas limited partnership)
SONIC - FREELAND, INC. (a Florida corporation)
SONIC - GLOBAL IMPORTS, L.P. (a Georgia limited partnership)
SONIC-GLOVER, INC. (an Oklahoma corporation)
SONIC - HARBOR CITY H, INC. (a California corporation)
SONIC - HOUSTON V, L.P. (a Texas limited partnership)
SONIC - INTEGRITY DODGE LV, LLC (a Nevada limited liability company)
SONIC - LAS VEGAS C EAST, LLC (a Nevada limited liability company)
SONIC - LAS VEGAS C WEST, LLC (a Nevada limited liability company)
SONIC - LLOYD NISSAN, INC. (a Florida corporation)
SONIC - LLOYD PONTIAC - CADILLAC, INC. (a Florida corporation)
SONIC - LUTE RILEY, L. P. (a Texas limited partnership)
SONIC - MANHATTAN FAIRFAX, INC. (a Virginia corporation)
SONIC - MANHATTAN WALDORF, INC. (a Maryland corporation)
SONIC-MONTGOMERY FLM, INC. (an Alabama corporation)
SONIC - NEWSOME CHEVROLET WORLD, INC. (a South Carolina corporation)
SONIC - NEWSOME OF FLORENCE, INC. (a South Carolina corporation)
SONIC - NORTH CHARLESTON, INC. (a South Carolina corporation)
SONIC - NORTH CHARLESTON DODGE, INC. (a South Carolina corporation)
SONIC - PARK PLACE A, L.P. (a Texas limited partnership) (formerly Sonic -
Dallas Auto Factory, L.P.)
SONIC PEACHTREE INDUSTRIAL BLVD., L.P. (a Georgia limited partnership)
SONIC - READING, L.P. (a Texas limited partnership)
SONIC RESOURCES, INC. (a Nevada corporation)
SONIC - RICHARDSON F, L.P. (a Texas limited partnership)
SONIC-RIVERSIDE, INC. (an Oklahoma corporation)
SONIC - RIVERSIDE AUTO FACTORY, INC. (an Oklahoma corporation)
SONIC - ROCKVILLE IMPORTS, INC. (a Maryland corporation)
SONIC - ROCKVILLE MOTORS, INC. (a Maryland corporation)
SONIC - SAM WHITE NISSAN, L.P. (a Texas limited partnership)
SONIC - SHOTTENKIRK, INC. (a Florida corporation)
SONIC - STEVENS CREEK B, INC. (a California corporation) (formerly
known as Don Lucas International, Inc.)
SONIC - SUPERIOR OLDSMOBILE, LLC (a Tennessee limited liability company)
SONIC OF TEXAS, INC. (a Texas corporation)
SONIC-VOLVO LV, LLC (a Nevada limited liability company)
SONIC - WEST COVINA T, INC. (a California corporation)
SONIC - WEST RENO CHEVROLET, INC. (an Oklahoma corporation)
SONIC - WILLIAMS BUICK, INC. (an Alabama corporation)
SONIC - WILLIAMS CADILLAC, INC. (an Alabama corporation)
SONIC - WILLIAMS IMPORTS, INC. (an Alabama corporation)
SONIC - WILLIAMS MOTORS, LLC (an Alabama limited liability company)
SPEEDWAY CHEVROLET, INC. (an Oklahoma corporation)
SRE ALABAMA - 2, LLC (an Alabama limited liability company)
SRE ALABAMA - 3, LLC (an Alabama limited liability company)
SREALESTATE ARIZONA - 1, LLC (an Arizona limited liability company)
SREALESTATE ARIZONA - 2, LLC (an Arizona limited liability company)
SREALESTATE ARIZONA - 3, LLC (an Arizona limited liability company)
SREALESTATE ARIZONA - 4, LLC (an Arizona limited liability company)
SRE FLORIDA - 1, LLC (a Florida limited liability company)
SRE FLORIDA - 2, LLC (a Florida limited liability company)
SRE FLORIDA - 3, LLC (a Florida limited liability company)
SRE GEORGIA - 1, L.P. (a Georgia limited liability partnership)
SRE GEORGIA - 2, L.P. (a Georgia limited liability partnership)
SRE GEORGIA - 3, L.P. (a Georgia limited liability partnership)

SRE HOLDING, LLC (a North Carolina limited liability company)
SRE NEVADA - 1, LLC (a Nevada limited liability company)
SRE NEVADA - 2, LLC (a Nevada limited liability company)
SRE NEVADA - 3, LLC (a Nevada limited liability company)
SRE SOUTH CAROLINA - 2, LLC (a South Carolina limited liability company)
SRE TENNESSEE - 1, LLC (a Tennessee limited liability company)
SRE TENNESSEE - 2, LLC (a Tennessee limited liability company)
SRE TENNESSEE - 3, LLC (a Tennessee limited liability company)
SRE TEXAS - 1, L.P. (a Texas limited partnership)
SRE TEXAS - 2, L.P. (a Texas limited partnership)
SRE TEXAS - 3, L.P. (a Texas limited partnership)
SRE VIRGINIA - 1, LLC (a Virginia limited liability company)

STEVENS CREEK CADILLAC, INC. (a California corporation)
TRANSCAR LEASING, INC. (a California corporation)
TOWN AND COUNTRY CHRYSLER-PLYMOUTH-JEEP, LLC (a Tennessee limited liability company]
TOWN AND COUNTRY CHRYSLER-PLYMOUTH-JEEP OF ROCK HILL, INC. (a South Carolina corporation)
TOWN AND COUNTRY FORD, INCORPORATED (a North Carolina corporation)
TOWN AND COUNTRY FORD OF CLEVELAND, LLC (a Tennessee limited liability company)
TOWN AND COUNTRY JAGUAR, LLC (a Tennessee limited liability company)
VILLAGE IMPORTED CARS, INC. (a Maryland corporation)
WINDWARD, INC. (a Hawaii corporation)

By: /s/ Theodore M. Wright

Name: Theodore M. Wright
Title: Vice President, Treasurer and Chief Financial Officer

Confirmed and accepted as of the date first above written:

MERRILL LYNCH & CO.
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

BANC OF AMERICA SECURITIES LLC

BY: MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

By: /s/ signature illegible

Name:
Title:

Exhibit A

Form of Opinion of Counsel

Merrily Lynch & Co.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
North Tower
World Financial Center
New York, New York 10281

Ladies and Gentlemen:

We have acted as counsel for Sonic Automotive, Inc., a Delaware corporation (the "Company") and its subsidiaries (as "Guarantors" as defined in the Registration Rights Agreement), in connection with the issuance and sale by the Company to the Initial Purchasers (as defined below) of $75,000,000 aggregate principal amount of 11% Senior Subordinated Notes due 2008 (the "Notes") of the Company pursuant to and in accordance with the terms of a the Purchase Agreement dated as of November 8, 2001 (the "Purchase Agreement") entered into among the Company, the Guarantors, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Banc of America Securities LLC (collectively, the "Initial Purchasers") and the filing by the Company and the Guarantors of an Exchange Offer Registration Statement (the "Registration Statement") in connection with an Exchange Offer to be effected pursuant to the Registration Rights Agreement (the "Registration Rights Agreement"), dated as of November 19, 2001 between the Company, the Guarantors and the Initial Purchasers. This opinion is furnished to you pursuant to Section 3(f)(B) of the Registration Rights Agreement. Unless otherwise defined herein, capitalized terms used in this opinion that are defined in the Registration Rights Agreement are used herein as so defined.

We have examined such documents, records and matters of law as we have deemed necessary for purposes of this opinion. In rendering this opinion, as to all matters of fact relevant to this opinion, we have assumed the completeness and accuracy of, and are relying solely upon, the representations and warranties of the Company and the Guarantors set forth in the Purchase Agreement and the statements set forth in certificates of public officials and officers of the Company and the Guarantors, without making any independent investigation or inquiry with respect to the completeness or accuracy of such representations,

warranties or statements, other than a review of the certificate of incorporation, by-laws and relevant minute books of the Company and the Guarantors.

Based on and subject to the foregoing, we are of the opinion that:

1. The Exchange Securities (including the Guarantees thereof) have been duly authorized, executed and delivered by the Company and the Guarantors, as the case may be.

2. The Exchange Offer Registration Statement and the Prospectus (other than the financial statements, notes or schedules thereto and other financial data and supplemental schedules included or incorporated by reference therein or omitted therefrom and the Form T-1, as to which such counsel need express no opinion), comply as to form in all material respects with the requirements of the 1933 Act and the applicable rules and regulations promulgated under the 1933 Act.

3. We have participated with you and your counsel in the preparation of the Registration Statement and the Prospectus and in the course thereof have had discussions with representatives of the Initial Purchasers, officers and other representatives of the Company and the Company's accountants, the Company's independent public accountants, during which the contents of the Registration Statement and the Prospectus were discussed. We have not, however, independently verified and are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of the statements contained in the Registration Statement and the Prospectus. In the course of such participation, no facts have come to our attention that would lead us to believe that the Registration Statement (except for financial statements and schedules and other financial data included therein as to which we make no statement) contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus or any amendment or supplement thereto (except for financial statements and schedules and other financial data included therein, as to which such counsel need make no statement), at the time the Prospectus was issued, at the time any such amended or supplemented Prospectus was issued or at the Closing Time, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

This opinion is being furnished to you solely for your benefit in connection with the transactions contemplated by the Registration Rights Agreement, and may not be used for any other purpose or relied upon by any person other than you. Except with

our prior written consent, the opinions herein expressed are not to be used, circulated, quoted or otherwise referred to in connection with any transactions other than those contemplated by the Registration Rights Agreement by or to any other person.

Very truly yours,

Exhibit 4.12

SONIC AUTOMOTIVE, INC. (a Delaware corporation)
The Guarantors Listed on Schedule A

$75,000,000

11% Senior Subordinated Notes due 2008

PURCHASE AGREEMENT

Dated: November 8, 2001

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$75,000,000

11% Senior Subordinated Notes due 2008

SONIC AUTOMOTIVE, INC. (a Delaware corporation)
The Guarantors Listed on Schedule A

PURCHASE AGREEMENT

November 8, 2001

MERRILL LYNCH & CO.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
Banc of America Securities LLC

c/o Merrill Lynch & Co.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
North Tower
World Financial Center
New York, New York 10281

Ladies and Gentlemen:

Sonic Automotive, Inc., a Delaware corporation (the "Company"), and each of the Guarantors listed on Schedule A hereto (the "Guarantors") confirm their respective agreements with Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") and Banc of America Securities LLC (the "Initial Purchasers"), (which term shall also include any initial purchaser substituted as hereinafter provided in Section 10 hereof), for whom Merrill Lynch is acting as representative (in such capacity, the "Representative"), with respect to (i) the issue and sale by the Company and the purchase by the Initial Purchasers, acting severally and not jointly, of the respective principal amounts set forth in Schedule B of $75,000,000 aggregate principal amount of the Company's 11% Senior Subordinated Notes due 2008 (the "Securities") and (ii) the issue and sale by the Guarantors and the purchase by the Initial Purchasers, acting severally and not jointly of the guarantees (the "Guarantees") of the Company's obligations under the Securities. The Securities and the Guarantees are to be issued pursuant to an indenture dated as of November 19, 2001 (the "Indenture") among the Company, the Guarantors and U.S. Bank Trust National Association, as

trustee (the "Trustee"). Securities issued in book-entry form will be issued to Cede & Co. as nominee of The Depository Trust Company ("DTC") pursuant to a letter agreement, to be dated as of the Closing Time (as defined in Section 2(b)) (the "DTC Agreement"), among the Company, the Trustee and DTC.

The Company and the Guarantors understand that the Initial Purchasers propose to make an offering of the Securities (together with the related Guarantees) on the terms and in the manner set forth herein and agree that the Initial Purchasers may resell, subject to the conditions set forth herein, all or a portion of the Securities and the Guarantees to purchasers ("Subsequent Purchasers") at any time after the date of this Agreement. The Securities and the Guarantees are to be offered and sold through the Initial Purchasers without being registered under the Securities Act of 1933, as amended (the "1933 Act"), in reliance upon exemptions therefrom. Pursuant to the terms of the Securities, the Guarantees and the Indenture, investors that acquire Securities

and Guarantees may only resell or otherwise transfer such Securities and Guarantees if such Securities and Guarantees are hereafter registered under the 1933 Act or if an exemption from the registration requirements of the 1933 Act is available (including the exemption afforded by Rule 144A ("Rule 144A") pursuant to the rules and regulations promulgated under the 1933 Act by the Securities and Exchange Commission (the "Commission")).

The Company and the Guarantors have prepared and will deliver to each Initial Purchaser by November 16, 2001 (by overnight courier), copies of a final offering memorandum dated November 8, 2001 (the "Final Offering Memorandum"), to be used by such Initial Purchaser in connection with its solicitation of, purchases of, or offering of the Securities and the Guarantees. "Offering Memorandum" means, with respect to any date or time referred to in this Agreement, all offering memoranda (whether the Final Offering Memorandum, or any amendment or supplement to such document), including exhibits thereto and any documents incorporated therein by reference, which has been prepared and delivered by the Company and the Guarantors to the Initial Purchasers in connection with their solicitation of, purchases of, or offering of the Securities and the Guarantees.

All references in this Agreement to financial statements and schedules and other information which is "contained," "included" or "stated" in the Offering Memorandum (or other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information which are incorporated by reference in the Offering Memorandum; and all references in this Agreement to amendments or supplements to the Offering Memorandum shall be deemed to mean and include the filing of any document under the Securities Exchange Act of 1934, as amended (the "1934 Act"), which is incorporated by reference in the Offering Memorandum.

The holders of the Securities and the Guarantees will be entitled to the benefits of the registration rights agreement to be dated as of the Closing Time (the "Registration Rights Agreement"), among the Company, the Guarantors and the Initial Purchasers, pursuant to which the Company and the Guarantors will agree among other things, to file, as soon as practicable after the Closing Time but in any event within 60 days of the Closing Time, a registration statement with the Commission registering the Exchange Securities (as defined in the Registration Rights Agreement and including the securities exchanged for the Original Securities (as defined below)) under the 1933 Act and to offer to exchange the Company's existing $125,000,000 11% Senior Subordinated Notes due 2008 (the "Original Securities") for an equal principal amount of Exchange Securities.

SECTION 1. Representations and Warranties.

(a) Representations and Warranties by the Company and the Guarantors. The Company and each of the Guarantors, jointly and severally, represent and warrant to the Initial Purchasers as of the date hereof and as of the Closing Time referred to in Section 2(b) hereof, and agrees with each Initial Purchaser as follows:

(i) Similar Offerings. The Company and the Guarantors have not, directly or indirectly, solicited any offer to buy or offered to sell, and will not, directly or indirectly, solicit any offer to buy or offer to sell, in the United States or to any United States citizen or resident, any security which is or would be integrated with the sale of the Securities and the Guarantees in a manner that would require the Securities or the Guarantees to be registered under the 1933 Act.

(ii) Offering Memorandum. The Offering Memorandum does not,

and at the Closing Time will not, include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, that this representation, warranty and agreement shall not apply to statements in or omissions from the Offering Memorandum made in reliance upon and in conformity with information furnished to the Company and the Guarantors in writing by any Initial Purchaser through Merrill Lynch expressly for use in the Offering Memorandum.

(iii) Independent Accountants. The accountants who certified the financial statements (which term as used in this Agreement includes the notes related thereto) and supporting schedules (of (i) the Company and (ii) its Subsidiaries (as defined below in Section (a)(vii)) included in the Offering Memorandum are independent certified public accountants within the meaning of Regulation S-X under the 1933 Act with respect to the Company, the Guarantors and their respective Subsidiaries.

(iv) Financial Statements. The financial statements of the Company, together with the related schedules and notes, included in the Offering Memorandum present fairly the financial position of the Company and its consolidated Subsidiaries at the dates indicated and the combined balance sheets, statements of income, statements of stockholders' equity and statements of cash flows of the Company and its consolidated Subsidiaries for the periods specified; said financial statements have been prepared in conformity with United States generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods involved. The summary financial information included in the Offering Memorandum presents fairly the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included in the Offering Memorandum. There are no pro forma financial statements and other pro forma financial information (including the summary pro forma financial information) of the Company, its Subsidiaries and entities acquired or to be acquired by the Company or its Subsidiaries and the related notes thereto which would be required to be included in the Offering Memorandum if the Offering Memorandum were required to comply with the requirements of the 1933 Act for a Form S-3 registration statement and securities sold pursuant thereto.

(v) No Material Adverse Change in Business. Since the respective dates as of which information is given in the Offering Memorandum, except as otherwise stated therein, (A) there has been no material adverse change in the condition (financial or otherwise), earnings, business affairs or business prospects of the Company and its Subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business (a "Material Adverse Effect"), (B) there have been no transactions entered into,

or liabilities or obligations incurred, by the Company or any of its Subsidiaries, other than those in the ordinary course of business, which are material with respect to the Company and its Subsidiaries considered as one enterprise, and (C) there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(vi) Good Standing of the Company. The Company has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Delaware and has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Offering Memorandum and to enter into and perform its obligations under this Agreement, the Registration Rights Agreement, the Indenture, the Securities, the Exchange Securities, and the DTC Agreement and to enter into and consummate all the transactions in connection therewith as contemplated in the Offering Memorandum; and the Company is duly qualified as a foreign corporation to transact business and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect.

(vii) Subsidiaries. Each subsidiary of the Company that is a Guarantor (each a "Subsidiary" and collectively the "Subsidiaries") is listed on Schedule A attached hereto. Each Subsidiary is a corporation,

limited liability company or limited partnership duly organized, as the case may be, validly existing and in good standing under the laws of the jurisdiction of its organization, has corporate, limited liability company or limited partnership, as the case may be, power and authority to own, lease and operate its properties and to conduct its business as described in the Offering Memorandum and is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect; except as otherwise disclosed in the Offering Memorandum, all of the issued and outstanding capital stock, membership interests or partnership interests, as the case may be, of each such Subsidiary have been duly authorized and validly issued, is fully paid and non-assessable and is owned by the Company, directly or through the Subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity; none of the outstanding shares of capital stock of the Subsidiaries was issued in violation of any preemptive or similar rights arising by operation of law, or under the charter or by-laws of any Subsidiary or under any agreement to which the Company or any Subsidiary is a party. Except as set forth on Schedule C, none of the Guarantors or any other Subsidiary of the Company produced or accounted for more than 2% of the Company's total revenues for the six months ended June 30, 2001 (the "Significant Subsidiaries").

(viii) Capitalization. The authorized, issued and outstanding capital stock of the Company is as set forth in the Offering Memorandum in the column entitled "Actual" under the caption "Capitalization" (except for subsequent issuances, if any, pursuant to employee benefit plans referred to in the Offering Memorandum or pursuant to the

exercise of convertible securities or options referred to in the Offering Memorandum and subsequent purchases of the Company's Class A Common Stock, par value $0.01 per share). The shares of issued and outstanding capital stock of the Company have been duly authorized and validly issued and are fully paid and non-assessable; and except as disclosed in the Offering Memorandum, none of the outstanding shares of capital stock of the Company was issued in violation of the preemptive or other similar rights of any securityholder of the Company arising by operation of law, under the charter or by-laws of the Company, under any agreement to which the Company or any of the Subsidiaries is a party or otherwise.

(ix) Authorization of Agreements. This Agreement and the Registration Rights Agreement have each been duly authorized by the Company and each of the Guarantors. This Agreement has been, and as of the Closing Time the Registration Rights Agreement will have been, duly executed and delivered by the Company and each of the Guarantors. Upon the execution and delivery thereof by the Company and each of the Guarantors, the Registration Rights Agreement will constitute a valid and binding obligation of the Company and each of the Guarantors, enforceable against the Company and each of the Guarantors in accordance with its terms. The DTC Agreement has been duly authorized by the Company; as of the Closing Time, the DTC Agreement will have been duly executed and delivered by the Company; and, upon the execution and delivery thereof by the Company, the DTC Agreement will constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(x) Authorization of the Indenture. The Indenture has been duly authorized by the Company and each of the Guarantors and, at the Closing Time, will have been duly executed and delivered by the Company and each of the Guarantors and will constitute a valid and binding agreement of the Company and each of the Guarantors, enforceable against the Company and each of the Guarantors in accordance with its terms.

(xi) Authorization of the Securities, the Guarantees and the Exchange Securities. The Securities have been duly authorized by the Company and, at the Closing Time, will have been duly executed by the Company and, when authenticated in the manner provided for in the Indenture and delivered against payment of the purchase price therefor, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their

terms and will be in the form contemplated by, and entitled to the benefits of, the Indenture. The Guarantees have been duly authorized by each of the Guarantors and, at the Closing Time, will have been duly executed by each of the Guarantors and, when authenticated in the manner provided for in the Indenture and delivered against payment of the purchase price therefor, will constitute valid and binding obligations of each of the Guarantors, enforceable against each of the Guarantors in accordance with their terms, and will be in the form contemplated by, and entitled to the benefits of, the Indenture. The Exchange Securities, which shall include any securities which may be issued in exchange for the Original Securities (as defined in the Registration Rights Agreement) have been duly authorized by the Company and each

of the Guarantors and, when executed and authenticated and issued and delivered by the Company and each of the Guarantors in exchange for the Securities and the Original Securities and, in each case, the related Guarantees pursuant to the Exchange Offer (as defined in the Registration Rights Agreement), will constitute valid and binding obligations of the Company and each of the Guarantors.

(xii) Description of the Securities, the Guarantees, the Indenture, the Registration Rights Agreement and the Exchange Securities. The Securities, the Guarantees, the Indenture, the Registration Rights Agreement, the Company's floor plan facilities, credit facilities and mortgage facilities conform and will conform in all material respects to the respective statements relating thereto contained in the Offering Memorandum and will be in substantially the respective forms previously delivered to the Initial Purchasers. The Exchange Securities will conform in all material respects to the statements relating thereto contained in the Offering Memorandum and the Registration Statement (as defined in the Registration Rights Agreement) at the time it becomes effective. There are no contracts or documents which are required to be described or referred to in a registration statement on Form S-1 under the 1933 Act which have not been described or referred to in the Offering Memorandum. The terms of the Notes and the Original Securities are identical.

(xiii) Absence of Defaults and Conflicts. (1) Except as disclosed in the Offering Memorandum, neither the Company nor any of the Subsidiaries is in violation of its charter or by-laws or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company or any of the Subsidiaries is a party or by which any of them may be bound, or to which any of the property or assets of the Company or any of the Subsidiaries is subject (collectively, "Agreements and Instruments") or has violated or is in violation of any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of the Subsidiaries or any of their assets, properties or operations, except in each case for such defaults or violations that would not result in a Material Adverse Effect. (2) Except as disclosed in the Offering Memorandum, the execution, delivery and performance of this Agreement, the Registration Rights Agreement, the Indenture, the DTC Agreement, the Securities, the Guarantees, the Exchange Securities and any other agreement or instrument entered into or issued or to be entered into or issued by the Company or any of the Guarantors in connection with the transactions contemplated hereby or thereby or in the Offering Memorandum or in connection with the consummation of the transactions contemplated herein and in the Offering Memorandum (including the issuance and sale of the Securities and the Guarantees and the use of the proceeds from the sale of the Securities (together with the related Guarantees as described in the Offering Memorandum under the caption "Use of Proceeds"), the exchange of the Securities and the Original Securities for Exchange Securities and compliance by the Company and the Guarantors with their respective obligations hereunder) have been duly authorized by all necessary corporate, limited

liability company or partnership action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or a Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of the Subsidiaries (other than existing liens on properties being acquired in the pending acquisitions) pursuant to, the Agreements and Instruments, nor will such action result in any violation of the provisions of the charter or by-laws of the Company or any of the Subsidiaries or any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of the Subsidiaries or any of their assets, properties or operations. As used herein, a "Repayment Event" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any of the Subsidiaries.

(xiv) Absence of Labor Disputes. No material labor dispute with the employees of the Company or any of the Subsidiaries exists or, to the knowledge of the Company and the Guarantors, is imminent, and except as disclosed in the Offering Memorandum, the Company and the Guarantors are not aware of any existing or imminent labor disturbance by the employees of any of their or any of the Subsidiaries' principal suppliers, manufacturers, customers or contractors, which, in either case, may reasonably be expected to result in a Material Adverse Effect.

(xv) Absence of Proceedings. Except as disclosed in the Offering Memorandum, there is no action, suit, proceeding, inquiry or investigation, in each case before or by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Company or any Guarantor, threatened, against or affecting (i) the Company or any Subsidiary thereof or (ii) or property owned or leased by, the Company or any of the Subsidiaries which, singly or in the aggregate, might reasonably be expected to result in a Material Adverse Effect, or which, singly or in the aggregate, might reasonably be expected to materially and adversely affect the properties or assets of the Company or any of the Significant Subsidiaries or the consummation of this Agreement or the performance by the Company and the Guarantors of their respective obligations hereunder or under the Securities, the Guarantees or the Exchange Securities. The aggregate of all pending legal or governmental proceedings to which the Company or any Subsidiary thereof is a party or of which any of their respective property or assets is the subject which are not described in the Offering Memorandum, including ordinary routine litigation incidental to the business, could not reasonably be expected to result in a Material Adverse Effect.

(xvi) Possession of Intellectual Property. The Company and the Subsidiaries own, possess or license, or can acquire on reasonable terms, adequate patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names or other intellectual property

(collectively, "Intellectual Property") presently employed by them in connection with the business now operated by them, and neither the Company nor any of the Subsidiaries has received any notice or is otherwise aware of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property (including Intellectual Property which is licensed) or of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect the interest of the Company or any of the Subsidiaries therein, and which infringement or conflict (if the subject of any unfavorable decision, ruling or finding) or invalidity or inadequacy, singly or in the aggregate, would reasonably be expected to result in a Material Adverse Effect.

(xvii) Absence of Further Requirements. Except as may be required under state securities laws or to effect the Exchange Offer contemplated by the Registration Rights Agreement, no filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or

agency is necessary or required for the performance by the Company or any of the Guarantors of their respective obligations hereunder, in connection with the offering, issuance or sale of the Securities and the Guarantees hereunder or the consummation of the transactions contemplated by or for the due execution, delivery or performance of this Agreement, the Registration Rights Agreement, the Indenture, the DTC Agreement, the Securities, the Guarantees, the Exchange Securities or any other agreement or instrument entered into or issued or to be entered into or issued by the Company or any of the Subsidiaries in connection with the consummation of the transactions contemplated herein and in the Offering Memorandum (including the issuance and sale of the Securities and the Guarantees and the use of the proceeds from the sale of the Securities and the Guarantees as described in the Offering Memorandum under the caption "Use of Proceeds").

(xviii) Possession of Licenses and Permits. The Company and the Subsidiaries possess such permits, licenses, approvals, consents, certificates and other authorizations (collectively, "Governmental Licenses") issued by the appropriate federal, state, local or foreign regulatory agencies or bodies necessary to conduct the business now operated by them, except where the failure to possess such Governmental Licenses would not, singly or in the aggregate, have a Material Adverse Effect; the Company and the Subsidiaries are in compliance with the terms and conditions of all such Governmental Licenses and with the rules and regulations of the regulatory authorities and governing bodies having jurisdiction with respect thereto, except where the failure so to comply would not, singly or in the aggregate, have a Material Adverse Effect; all of the Governmental Licenses are valid and in full force and effect, except where the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect would not have a Material Adverse Effect; and neither the Company nor any of the Subsidiaries has received any written notice of proceedings relating to the revocation or modification of any such Governmental Licenses, nor are there, to the knowledge of the Company or any Guarantor, pending or threatened actions, suits, claims or proceedings against the Company or any Subsidiary before any court, governmental agency or body or otherwise that, if successful, would limit, revoke, cancel, suspend or cause not to be renewed any Governmental License, in each case, which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a Material Adverse Effect.

(xix) Title to Property. The Company and the Subsidiaries have good and marketable title to all real property owned by the Company and the Subsidiaries and good title to all other properties owned by them, in each case, free and clear of all mortgages, pledges, liens, security interests, claims, restrictions or encumbrances of any kind except such as (a) are described in the Offering Memorandum or (b) do not, singly or in the aggregate, materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company or any of the Subsidiaries; and all of the leases and subleases material to the business of the Company and the Subsidiaries, considered as one enterprise, and under which the Company or any of the Subsidiaries holds properties described in the Offering Memorandum, are in full force and effect, and neither the Company nor any of the Subsidiaries has any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Company or any of the Subsidiaries under any of the leases or subleases mentioned above, or affecting or questioning the rights of the Company or any Subsidiary to the continued possession of the leased or subleased premises under any such lease or sublease.

(xx) Tax Returns. All United States federal income tax returns of the Company and the Subsidiaries required by law to be filed have been filed (taking into account extensions granted by the applicable federal governmental agency) and all taxes shown by such returns or pursuant to any assessment received by the Company or any Subsidiary, which are due and payable, have been paid, except assessments against which appeals have been or will be promptly taken in good faith and as to which adequate reserves have been provided. The Company and the Subsidiaries have filed all other tax returns that are required to have been filed by them pursuant to applicable foreign, federal, state, local or other law, and have paid all taxes due pursuant to such returns or pursuant to any assessment received by the Company and the Subsidiaries, except for such taxes, if any, as are being contested in good faith and by appropriate proceedings and as to which adequate reserves have been provided. The charges, accruals and

reserves on the books of the Company in respect of all federal, state, local and foreign tax liabilities of the Company and each Subsidiary for any years not finally determined are adequate to meet any assessments or re-assessments for additional income tax for any years not finally determined, except to the extent of any inadequacy that would not result in a Material Adverse Effect.

(xxi) Insurance. The Company and the Subsidiaries carry or are entitled to the benefits of insurance, with financially sound and reputable insurers, in such amounts and covering such risks as is generally maintained by companies of established repute engaged in the same or similar business and all such insurance is in full force and effect.

(xxii) Solvency. The Company and each of the Guarantors is, and immediately after the Closing will be, Solvent. As used herein, the term "Solvent" means, with respect to the Company and each Guarantor, as the case may be, on a particular date, that on such date (A) the fair market value of the assets of the Company or such Guarantor is greater than the total amount of liabilities (including contingent liabilities) of the Company or such Guarantor, (B) the present fair salable value of the

assets of the Company or such Guarantor is greater than the amount that will be required to pay the probable liabilities of the Company or such Guarantor on its debts as they become absolute and mature, (C) the Company or such Guarantor is able to realize upon its assets and pay its debts and other liabilities, including contingent obligations, as they mature, and (D) the Company or such Guarantor does not have unreasonably small capital.

(xxiii) Stabilization or Manipulation. Neither the Company nor any Guarantor nor any of their respective officers, directors or controlling persons has taken, or will take, directly or indirectly, any action designed to cause or to result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company or any Guarantor in order to facilitate the sale or resale of the Securities or the Guarantees. The Company and the Guarantors have not distributed and, prior to the later to occur of (i) the Closing Time and (ii) completion of the distribution of the Securities and the Guarantees, will not distribute any offering material in connection with the offering and sale of the Securities and the Guarantees other than the Offering Memorandum or other materials, if any, permitted by the 1933 Act and approved by the Representative.

(xxiv) Related Party Transactions. No relationship, direct or indirect, exists between or among any of the Company, the Guarantors or any affiliate of the Company or any Guarantor, on the one hand, and any director, officer, stockholder, customer or supplier of any of them, on the other hand, which is required by the 1933 Act or by the rules and regulations enacted thereunder to be described in a registration statement on Form S-3 which is not so described or is not described as required in the Offering Memorandum.

(xxv) Suppliers. No supplier of merchandise to the Company or any of the Subsidiaries has ceased shipments of merchandise to the Company or any of the Subsidiaries, other than in the normal and ordinary course of business consistent with past practices, which cessation would not result in a Material Adverse Effect.

(xxvi) Environmental Laws. Except as described in the Offering Memorandum and except for such matters as would not, singly or in the aggregate, result in a Material Adverse Effect, (A) neither the Company nor any of the Subsidiaries is in violation of any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products or nuclear or radioactive material (collectively, "Hazardous Materials") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "Environmental Laws"); (B) the Company and the Subsidiaries have all

permits, licenses,

authorizations and approvals required for their respective businesses under any applicable Environmental Laws and are each in compliance with their requirements, (C) there are no pending or threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigation or proceedings relating to any Environmental Law against the Company or any of the Subsidiaries and (D) there are no events, facts or circumstances that might reasonably be expected to form the basis of any liability or obligation of the Company or any of the Subsidiaries, including, without limitation, any order, decree, plan or agreement requiring clean-up or remediation, or any action, suit or proceeding by any private party or governmental body or agency, against or affecting the Company or any of the Subsidiaries relating to any Hazardous Materials or Environmental Laws.

(xxvii) Registration Rights. Except as described in the Offering Memorandum, there are no holders of securities (debt or equity) of the Company or any Guarantor, or holders of rights (including, without limitation, preemptive rights), warrants or options to obtain securities of the Company or any Guarantor, who in connection with the issuance, sale and delivery of the Securities, the Guarantees and the Exchange Securities, if any, and the execution, delivery and performance of this Agreement and the Registration Rights Agreement, have the right to request the Company or any Guarantor to register securities held by them under the 1933 Act.

(xxviii) Accounting Controls. The Company and its consolidated Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management's general or specific authorization; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with United States GAAP and to maintain accountability for assets; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the amounts recorded for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(xxix) Investment Company Act. The Company and each of the Guarantors is not, and upon the issuance and sale of the Securities and the Guarantees as herein contemplated and the application of the net proceeds therefrom as described in the Offering Memorandum will not be, an "investment company" or an entity "controlled" by an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended (the "1940 Act").

(xxx) Rule 144A Eligibility. The Securities and the Guarantees are eligible for resale pursuant to Rule 144A and will not be, at the Closing Time, of the same class as securities listed on a national securities exchange registered under Section 6 of the 1934 Act, or quoted in a U.S. automated interdealer quotation system.

(xxxi) No General Solicitation. None of the Company, the Guarantors, any of their respective affiliates, as such term is defined in Rule 501(b) under the 1933 Act ("Affiliates"), or any person acting on any of their behalf (other than the Initial Purchasers, as to whom the Company and the Guarantors make no representation) has

engaged or will engage, in connection with the offering of the Securities and the Guarantees, in any form of general solicitation or general advertising within the meaning of Rule 502(c) under the 1933 Act.

(xxxii) No Registration Required. Subject to compliance by the Initial Purchasers with the representations and warranties set forth in Section 2, it is not necessary in connection with the offer, sale and delivery of the Securities and the Guarantees to the Initial Purchasers and to each Subsequent Purchaser in the manner contemplated by this Agreement and the Offering Memorandum to register the Securities and the Guarantees under the 1933 Act or to qualify the Indenture under the Trust Indenture Act of 1939, as amended.

(xxxiii) PORTAL. There are no securities of the Company or any of the

Guarantors which are of the same class as the Securities or the Guarantees that are listed on a national securities exchange registered under Section 6 of the 1934 Act, or quoted in a United States automated inter dealer quotation system. The Company and the Guarantors have been advised by the National Association of Securities Dealers, Inc. PORTAL Market that the Securities and the Guarantees will be designated Private Offerings, Resales and Trading Through Automated Linkages ("PORTAL") eligible securities in accordance with the rules and regulations of the National Association of Securities Dealers, Inc.

(xxxiv) Franchise Agreements. Each franchise agreement, in each case between a Subsidiary and the applicable manufacturer has been duly authorized by the Company and such Subsidiaries, and, as of the Closing Time, the Company shall have obtained all consents, authorizations and approvals from the Manufacturers required to consummate the Offering.

(xxxv) Smith Subordination Agreement. The Subordinated Smith Loan (as defined in the Offering Memorandum) will be governed by a Subordination Agreement to be dated November 19, 2001, which will be in a form agreed to by the Representative and shall be binding and enforceable against O. Bruton Smith, and under which the debt owed to Mr. Smith is subordinated to the Securities and the Exchange Securities.

(b) Officer's Certificates. Any certificate signed by any officer of the Company or any of the Subsidiaries delivered to the Initial Purchasers or to counsel for the Initial Purchasers shall be deemed a representation and warranty by the Company or any of the Subsidiaries to the Initial Purchasers as to the matters covered thereby.

SECTION 2. Sale and Delivery to Initial Purchasers; Closing.

(a) Securities and Guarantees. On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company and the Guarantors agree to sell to each Initial Purchaser, severally and not jointly, and each Initial Purchaser, severally and not jointly, agrees to purchase from the Company and the Guarantors, at the price set forth in Schedule D, the aggregate principal amount of Securities (including the Guarantees) set forth in Schedule B opposite the name of such Initial Purchaser, plus any

additional principal amount of Securities (including the Guarantees) which such Initial Purchaser may become obligated to purchase pursuant to the provisions of Section 10 hereof.

(b) Payment. Payment of the purchase price for, and delivery of certificates for, the Securities and the Guarantees shall be made at the office of Fried, Frank, Harris, Shriver & Jacobson, or at such other place as shall be agreed upon by the Representative and the Company and the Guarantors at 9:00 A.M. (New York Time) on November 19, 2001 (unless postponed in accordance with the provisions of Section 10), or such other time not later than ten business days after such date as shall be agreed upon by the Representative and the Company and the Guarantors (such time and date of payment and delivery being herein called the "Closing Time").

Payment shall be made to the Company and the Guarantors by wire transfer of immediately available funds to a bank account designated by the Company and the Guarantors, against delivery to the respective accounts of the Initial Purchasers of certificates for the Securities and the Guarantees to be purchased by them. It is understood that each Initial Purchaser has authorized the Representative, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Securities and the Guarantees which it has agreed to purchase. Merrill Lynch, individually and not as representative of the Initial Purchasers, may (but shall not be obligated to) make payment of the purchase price for the Securities and the Guarantees to be purchased by any Initial Purchaser whose funds have not been received by the Closing Time, but such payment shall not relieve such Initial Purchaser from its obligations hereunder. The certificates representing the Securities and the Guarantees shall be registered in the name of Cede & Co. pursuant to the DTC Agreement, or physical certificates representing the Securities and the Guarantees shall be registered in the names and denominations requested by each Initial Purchaser, and in either case shall be made available for examination and packaging by the Initial Purchasers in The City of New York not later than 9:00 A.M. on the last business day prior to the Closing Time.

(c) Qualified Institutional Buyer. Each Initial Purchaser severally and not jointly represents and warrants to, and agrees with, the Company and each of the Guarantors that it is a "qualified institutional buyer" within the meaning of Rule 144A under the 1933 Act (a "Qualified Institutional Buyer").

(d) Denominations; Registration. Certificates representing the Securities (including the Guarantees) shall be in such denominations ($1,000 or integral multiples thereof) and registered in such names as the Representative may request in writing at least one full business day before the Closing Time.

SECTION 3. Covenants of the Company and the Guarantors. The Company and the Guarantors, jointly and severally, covenant with each Initial Purchaser as follows:

(a) Offering Memorandum. The Company and the Guarantors, as promptly as possible, will furnish to each Initial Purchaser, without charge, such number of copies of the Offering Memorandum thereto such Initial Purchaser may reasonably request.

(b) Notice and Effect of Material Events. The Company and the Guarantors will immediately notify each Initial Purchaser, and confirm such notice in writing, of (x) any filing made by the Company or any Guarantor of information relating to the offering of the Securities and the Guarantees with any securities exchange or any other regulatory body in the United States or any other jurisdiction, and (y) prior to the completion of the placement of the Securities and the Guarantees by the Initial Purchasers, any material changes in or affecting the earnings, business affairs or business prospects of the Company and the Subsidiaries which (i) make any statement in the Offering Memorandum false or misleading or (ii) are not disclosed in the Offering Memorandum. In such event or if during such time any event shall occur or condition shall exist as a result of which it is necessary, in the opinion of the Company and the Guarantors, their counsel, the Initial Purchasers or counsel for the Initial Purchasers, to amend or supplement the Offering Memorandum in order that the Offering Memorandum not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances then existing, the Company will forthwith amend or supplement the Offering Memorandum by preparing and furnishing to each Initial Purchaser an amendment or amendments of, or a supplement or supplements to, the Offering Memorandum (in form and substance satisfactory in the opinion of counsel for the Initial Purchasers) so that, as so amended or supplemented, the Offering Memorandum will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time it is delivered to a Subsequent Purchaser, not misleading.

(c) Amendment to Offering Memorandum and Supplements. The Company and the Guarantors will advise each Initial Purchaser promptly of any proposal to amend or supplement the Offering Memorandum and will not effect such amendment or supplement without the consent of the Initial Purchasers. Neither the consent of the Initial Purchasers to, nor the Initial Purchasers' delivery of, any such amendment or supplement, shall constitute a waiver of any of the conditions set forth in Section 5 hereof.

(d) Qualification of Securities and Guarantees for Offer and Sale. The Company and the Guarantors will endeavor, in cooperation with the Initial Purchasers, to register or qualify the Securities and the Guarantees for offering and sale under the applicable securities laws of such jurisdictions as the Representative may designate and will maintain such qualifications in effect as long as required for the sale of the Securities and the Guarantees; provided, however, that the Company and the Guarantors shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

(e) Exchange Offer. The Company and the Guarantors will offer the holders of the Company's 11% Senior Subordinated Notes due 2008 the opportunity to exchange such notes for the Exchange Securities. Such offer will be on terms acceptable to Merrill Lynch and shall be made as soon after the date hereof as is practicable in accordance with the Registration Rights Agreement.

(f) Integration. The Company and the Guarantors agree that they will not and will cause their affiliates not to make any offer or sale of securities of the Company or any Guarantor of any class if, as a result of the doctrine of "integration" referred to in Rule 502 promulgated under the 1933 Act, such offer or sale could be deemed to render invalid (for the purpose of (i) the sale of the Securities and the Guarantees by the Company and the Guarantors to the Initial Purchasers, (ii) the resale of the Securities and the Guarantees by the Initial Purchasers to Subsequent Purchasers or (iii) the resale of the Securities and the Guarantees by such Subsequent Purchasers to others) the exemption from the registration requirements of the 1933 Act provided by Section

4(2) thereof or by Rule 144A or by Regulation S thereunder or otherwise.

(g) Rating of Securities. The Company and the Guarantors shall take all reasonable action necessary to enable Standard & Poor's Ratings Group, a division of McGraw Hill, Inc. ("S&P"), and Moody's Investors Service, Inc. ("Moody's"), to provide their respective credit ratings of the Securities and the Guarantees.

(h) Rule 144A Information. The Company and the Guarantors agree that, in order to render the Securities and the Guarantees eligible for resale pursuant to Rule 144A under the 1933 Act, while any of the Securities and the Guarantees remain outstanding, it will make available, upon request, to any holder of Securities and Guarantees or prospective purchasers of Securities and Guarantees the information specified in Rule 144A(d)(4), unless the Company and the Guarantors furnish information to the Commission pursuant to Section 13 or 15(d) of the 1934 Act (such information, whether made available to holders or prospective purchasers or furnished to the Commission, is hereinafter referred to as "Additional Information").

(i) Restriction on Resales. Until the expiration of two years after the original issuance of the Securities and the Guarantees, the Company and the Guarantors will not, and will cause their "affiliates" (as such term is defined in Rule 144(a)(1) under the 1933 Act) not to, resell any Securities and Guarantees which are "restricted securities" (as such term is defined under Rule 144(a)(3) under the 1933 Act) that have been reacquired by any of them and shall immediately upon any purchase of any such Securities and Guarantees submit such Securities and Guarantees to the Trustee for cancellation.

(j) Use of Proceeds. The Company and the Guarantors will use the net proceeds received by them from the sale of the Securities and the Guarantees in the manner specified in the Offering Memorandum under "Use of Proceeds."

(k) Restriction on Sale of Securities. During a period of 180 days from the date of the Final Offering Memorandum, the Company and the Guarantors will not, without the prior written consent of Merrill Lynch, directly or indirectly, issue, sell, offer to sell, grant any option for the sale of, or otherwise dispose of, any debt securities or guarantees of debt securities of the Company or any of the Guarantors, or any securities convertible or exchangeable into or exercisable for any debt securities or guarantees of debt securities of the Company or any of the Guarantors, and will not file a registration statement in connection therewith (other than a registration statement registering solely the Securities, the Guarantees and/or the Exchange

Securities); provided, however, the Company may incur indebtedness under its existing revolving credit, floor plan and construction/mortgage facilities.

(l) DTC Clearance. The Company and the Guarantors will use all reasonable efforts in cooperation with the Initial Purchasers to permit the Securities and the Guarantees to be eligible for clearance and settlement through DTC.

(m) Legends. Each certificate representing a Security (including a Guarantee) will bear the legend contained in "Notices to Investors" in the Offering Memorandum for the time period and upon the other terms stated in the Offering Memorandum.

(n) Interim Financial Statements. Prior to the Closing Time, the Company shall furnish to the Initial Purchasers any unaudited interim financial statements of the Company, promptly after they have been completed, for any periods subsequent to the periods covered by the financial statements appearing in the Offering Memorandum.

(o) Periodic Reports. For a period of three years after the Closing Time, the Company and the Guarantors will furnish to the Initial Purchasers copies of all annual reports, quarterly reports and current reports (excluding exhibits) filed with the Commission on Forms 10-K, 10-Q and 8-K, or such other similar forms as may be designated by the Commission, and such other documents, reports and information as shall be furnished by the Company and the Guarantors generally to the holders of the Securities and the Guarantees or to security holders of its publicly issued securities generally.

SECTION 4. Payment of Expenses.

(a) Expenses. The Company and the Guarantors, jointly and severally, will pay (or cause to be paid) all expenses incident to the performance of their respective obligations under this Agreement, including (i) the preparation, printing and any filing of the Offering Memorandum and the Registration Statement (including financial statements and any schedules or exhibits) and of each amendment or supplement thereto, including the Offering Memorandum and the Exchange Offer prospectus to be contained in the Registration Statement, (ii) the preparation, printing and delivery to the Initial Purchasers of this

Agreement, the Registration Rights Agreement, the Indenture and such other documents as may be required in connection with the offering, purchase, sale and delivery of the Securities and the Guarantees, (iii) the preparation, issuance and delivery of the certificates for the Securities and the Guarantees to the Initial Purchasers, including any charges of DTC in connection therewith, (iv) the fees and disbursements of the Company's and the Guarantors' counsel, accountants and other advisors, (v) the qualification of the Securities and the Guarantees under securities laws in accordance with the provisions of Section 3(d) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Initial Purchasers in connection therewith and in connection with the preparation, printing and delivery to the Initial Purchasers of copies of any memorandum related to blue sky matters, any supplement thereto or any survey of investment qualifications, (vi) the fees and expenses of the Trustee, including the fees and disbursements of

counsel for the Trustee in connection with the Indenture and the Securities and the Guarantees, (vii) any fees payable in connection with the rating of the Securities and the Guarantees and the listing of the Securities and the Guarantees with the PORTAL market, and (viii) any filing fees incident to, and any reasonable fees and disbursements of counsel to the Initial Purchasers in connection with, the review by the National Association of Securities Dealers, Inc. of the terms of the sale of the Securities and the Guarantees.

(b) Termination of Agreement. If this Agreement is terminated by the Representative in accordance with the provisions of Section 5 or Section 9(a)(i) or 9(a)(ii) hereof, the Company and the Guarantors, jointly and severally, shall reimburse the Initial Purchasers for all of their out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Initial Purchasers.

SECTION 5. Conditions of Initial Purchasers' Obligations. The obligations of the several Initial Purchasers hereunder are subject to the accuracy of the representations and warranties of the Company and the Guarantors contained in Section 1 hereof or in certificates of any officer of the Company or any of the Subsidiaries delivered pursuant to the provisions hereof, to the performance by the Company and the Guarantors of their covenants and other obligations hereunder, and to the following further conditions:

(a) Opinion of Counsel for the Company and the Guarantors. At the Closing Time, the Initial Purchasers shall have received the favorable opinion, dated as of the Closing Time, of Moore & Van Allen PLLC, counsel for the Company and the Guarantors, in form and substance satisfactory to counsel for the Initial Purchasers, together with signed or reproduced copies of such letters for each of the other Initial Purchasers, to the effect previously agreed to by the parties and to such further effect as counsel for the Initial Purchasers may reasonably request.

(b) Opinion of Counsel for the Initial Purchasers. At the Closing Time, the Initial Purchasers shall have received the favorable opinion, dated as of the Closing Time, of Fried, Frank, Harris, Shriver & Jacobson, counsel for the Initial Purchasers, together with signed or reproduced copies of such letter for each of the other Initial Purchasers, with respect to certain matters agreed upon. In giving such opinion such counsel may rely, as to all matters governed by the laws of jurisdictions other than the law of the State of New York and the federal law of the United States and the General Corporation Law of the State of Delaware, upon the opinions of counsel satisfactory to the Representative. Such counsel may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers of the Company, the Guarantors and the Subsidiaries and certificates of public officials.

(c) Officers' Certificate. At the Closing Time, (i) the Offering Memorandum, as it may then be amended or supplemented, including any documents incorporated by reference therein, shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; (ii) there shall not have been, since the date hereof or since the respective dates as of which information is given in the Offering Memorandum, any material adverse change in the condition

(financial or otherwise), earnings, business affairs or business prospects of the Company and its Subsidiaries, considered as one enterprise, whether or not arising in the ordinary course of business; (iii) the Company and the Guarantors shall have complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Time; and (iv) the representations and warranties of the Company and the Guarantors in Section 1 shall be accurate and true and correct as though expressly made at and as of the Closing Time. At the Closing Time, the Initial Purchasers shall have received a

certificate of the Chief Executive Officer of the Company and the Chief Financial Officer of the Company, and equivalent officials of each Guarantor, dated as of the Closing Time, to such effect.

(d) Accountants' Letters and Consents. At the Closing Time, the Initial Purchasers shall have received from Deloitte & Touche LLP a letter dated such date, in form and substance satisfactory to the Representative and to counsel for the Initial Purchasers, together with signed or reproduced copies of such letters for each of the other Initial Purchasers, containing statements and information of the type ordinarily included in accountants' "comfort letters" to the Initial Purchasers with respect to the financial statements and certain financial information contained in the Offering Memorandum and in the form previously agreed to. To the extent an audit report of Deloitte & Touche LLP is included in the Offering Memorandum, such accounting firm shall include either in such letter or in a separate writing a consent to the inclusion of its report in the Offering Memorandum and to the reference to it under the caption "Independent Auditors" in the Offering Memorandum.

(e) Maintenance of Rating. At the Closing Time, the Securities and the Guarantees shall be rated at least B-2 by Moody's and B+ by S&P, and the Company and the Guarantors shall have delivered to the Representative a letter dated the Closing Time, from each such rating agency, or other evidence satisfactory to the Representative, confirming that the Securities and the Guarantees have such ratings; and since the date of this Agreement, there shall not have occurred a downgrading in the rating assigned to the Securities and the Guarantees or any of the Company's and the Guarantor's other debt securities by any nationally recognized securities rating agency, and no such securities rating agency shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of the Securities and the Guarantees or any of the Company's and the Guarantor's other debt securities.

(f) PORTAL. At the Closing Time, the Securities and the Guarantees shall have been designated for trading on PORTAL.

(g) Chief Financial Officer's Certificate. At the Closing Time, the Initial Purchasers shall have received a certificate of the principal financial officer of the Company and the Guarantors as to certain agreed upon accounting matters.

(h) Registration Rights Agreement and Indenture. The Company and each of the Guarantors shall have duly authorized, executed and delivered the Registration Rights

Agreement and the Indenture to the Initial Purchasers in a form and substance satisfactory to the Representative and counsel for the Initial Purchasers.

(i) Manufacturers' Consents. The Representative shall have received on or as of the Closing Time, as the case may be, a certificate, in a form and substance satisfactory to the Representative, of two executive officers of the Company certifying that each of the Company and its subsidiaries owns, possesses or has obtained any required consents and approvals from all Manufacturers with respect to the Offering and such consents and approvals, if any, shall be in a form satisfactory to the Representative other than those consents not received as described in the Offering Memorandum.

(j) Lenders' Consents. Prior to or at the Closing Time, the Company shall have received any required consents under their existing indebtedness for the issuance and sale of the Securities pursuant to the terms of this Agreement and the Indenture.

(k) Additional Documents. At the Closing Time, counsel for the Initial Purchasers shall have been furnished with such documents and opinions as they may require for the purpose of enabling them to pass upon the issuance and sale of the Securities and the Guarantees as herein contemplated, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company and the Guarantors in connection with the issuance and sale of the Securities and the Guarantees as herein contemplated shall be satisfactory in form and substance to the Initial Purchasers and counsel for the Initial Purchasers.

(l) Termination of Agreement. If any condition specified in this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement may be terminated by the Representative by notice to the Company at any time at or prior to the Closing Time, and such termination shall be without liability of any party to any other party except as provided in Section 4 and except that Sections 1, 6, 7 and 8 shall survive any such termination and remain in full force and effect.

SECTION 6. Indemnification.

(a) Indemnification of Initial Purchasers. The Company and each of the Guarantors, jointly and severally, agree to indemnify and hold harmless each Initial Purchaser and each person, if any, who controls any Initial Purchaser within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the Offering Memorandum, or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; provided that (subject to Section 6(d) below) any such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by the Representative), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company or the Guarantors by any Initial Purchaser through Merrill Lynch expressly for use in the Offering Memorandum.

(b) Indemnification of Company, Guarantors, and Directors. Each Initial Purchaser severally agrees to indemnify and hold harmless the Company, the Guarantors and their directors, and each person, if any, who controls the Company or the Guarantors within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Offering Memorandum in reliance upon and in conformity with written information furnished to the Company or the Guarantors by such Initial Purchasers through Merrill Lynch expressly for use in the Offering Memorandum. The Company hereby acknowledges that the only information that the Initial Purchasers have furnished to the Company expressly for use in the Offering Memorandum are the statements set forth in the third sentence in the paragraph directly below the table and all sentences in the fourth paragraph below the table under the caption "Plan of Distribution" in the Offering Memorandum.

(c) Actions against Parties; Notification. Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to Section 6(a) above, counsel to the indemnified parties shall be selected by the Representative, and, in the case of parties indemnified pursuant to

Section 6(b) above, counsel to the indemnified parties shall be selected by the Company. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No

indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 6 or Section 7 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) Settlement without Consent if Failure to Reimburse. If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 6(a)(ii) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

SECTION 7. Contribution. If the indemnification provided for in Section 6 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Guarantors on the one hand and the Initial Purchasers on the other hand from the offering of the Securities and the Guarantees pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Guarantors on the one hand and of the Initial Purchasers on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Company and the Guarantors on the one hand and the Initial Purchasers on the other hand in connection with the offering of the Securities and the Guarantees pursuant to this Agreement shall be deemed to be in the same respective proportions

as the total net proceeds from the offering of the Securities and the Guarantees pursuant to this Agreement (before deducting expenses) received by the Company and the Guarantors and the total underwriting discount received by the Initial Purchasers, bear to the aggregate initial offering price of the Securities and the Guarantees.

The relative fault of the Company and the Guarantors on the one hand and the Initial Purchasers on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or the Guarantors, or by the Initial Purchasers, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company, the Guarantors and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Initial Purchasers were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 7. The aggregate amount of the losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 7 shall be deemed to include any legal or other fees reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 7, no Initial Purchaser shall be required to contribute any amount in excess of the amount by which the total price at which the Securities (including the Guarantees) purchased by it and distributed to the public were offered to the public exceeds the amount of any damages which such Initial Purchaser has otherwise been required to pay by reason of any such untrue or alleged untrue statement or omission or alleged omission.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 7, each person, if any, who controls an Initial Purchaser within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as such Initial Purchaser, and each director of the Company and each Guarantor, and each person, if any, who controls the Company and each Guarantor within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company and each Guarantor. The Initial Purchasers' respective obligations to contribute pursuant to this Section 7 are several in proportion to the principal amount of Securities (including the Guarantees) set forth opposite their respective names in Schedule B hereto and not joint.

SECTION 8. Representations, Warranties and Agreements to Survive Delivery.

All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company or any of the Subsidiaries submitted pursuant hereto, shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of any Initial Purchaser or controlling person, or by or on behalf of the Company or any Guarantor, and shall survive (i) delivery of the Securities (including the Guarantees) to the Initial Purchasers and (ii) any termination of this Agreement.

SECTION 9. Termination of Agreement.

(a) Termination; General. The Representative may terminate this Agreement, by notice to the Company and the Guarantors, at any time at or prior to the Closing Time (i) if there has been, since the time of execution of this Agreement or since the respective dates as of which information is given in the Final Offering Memorandum (exclusive of any amendment or supplement thereto), any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and the Subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (ii) if there shall have occurred a downgrading in the rating assigned to the Securities or Guarantees or any of the Company's or any Guarantor's other debt securities by any nationally recognized securities rating agency, or if such securities rating agency shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of the Securities, the Guarantees or any of the Company's or Guarantors' other debt securities or guarantees of debt securities, or (iii) if there has occurred any material adverse change in the financial markets in the United States or the international financial markets, any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, in each case the effect of which is such as to make it, in the judgment of the Representative, impracticable or inadvisable to market the Securities or the Guarantees or to enforce contracts for the sale of the Securities or the Guarantees, or (iv) if trading in any securities of the Company or any Guarantor has been suspended or materially limited by the Commission or the NASDAQ National Market System, or if trading generally on the American Stock Exchange or the New York Stock Exchange or in the Nasdaq National Market has been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by any of said exchanges or by such system or by order of the Commission, the National Association of Securities Dealers, Inc. or any other governmental authority, or (v) the Company shall have sustained a loss by strike, fire, flood, earthquake, accident or other calamity of such character as in the judgment of the Representative may interfere materially with the conduct of the business and operations of the Company regardless of whether or not such loss shall have been insured, or (vi) a material disruption has occurred in commercial banking or securities settlement or clearance services in the United States, or (vii) if a banking moratorium has been declared by either Federal, Delaware or New York authorities.

(b) Liabilities. If this Agreement is terminated pursuant to this Section, such termination shall be without liability of any party to any other party except as provided in

Section 4 hereof, and provided further that Sections 1, 6, 7 and 8 shall survive suchnation and remain in full force and effect.

SECTION 10. Default by One or More of the Initial Purchasers. If one or more of the Initial Purchasers shall fail at Closing Time to purchase the Securities which it or they are obligated to purchase under this Agreement (the

"Defaulted Securities"), the Representative shall have the right, but not the obligation, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Initial Purchasers, or any other initial purchasers, to purchase all, but not less than all, of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth; if, however, the Representative shall not have completed such arrangements within such 24-hour period, then

(a) if the number of Defaulted Securities does not exceed 10% of the aggregate principal amount of the Securities to be purchased hereunder, each of the non-defaulting Initial Purchasers shall be obligated, severally and not jointly, to purchase the full amount thereof in the proportions that their respective obligations hereunder bear to the obligations of all non-defaulting Initial Purchasers, or

(b) if the number of Defaulted Securities exceeds 10% of the aggregate principal amount of the Securities to be purchased hereunder, this Agreement shall terminate without liability on the part of any non-defaulting Initial Purchaser.

No action taken pursuant to this Section shall relieve any defaulting Initial Purchaser from liability in respect of its default.

In the event of any such default which does not result in a termination of this Agreement, either the Representative, the Company or the Guarantors shall have the right to postpone the Closing Time for a period not exceeding seven days in order to effect any required changes in the Offering Memorandum or in any other documents or arrangements. As used herein, the term "Initial Purchaser" includes any person substituted for an Initial Purchaser under this Section 10.

SECTION 11. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Initial Purchasers shall be directed to (i) the Representative at North Tower, World Financial Center, New York, New York 10281-1209, attention of Barry Price and (ii) Banc of America Securities LLC at 9 West 57th Street, New York, New York 10019, attention of Joel Van Dusen, with a copy to Fried, Frank, Harris, Shriver & Jacobson, 1 New York Plaza, New York, New York 10004, attention of Stuart H. Gelfond, Esq.; notices to the Company or the Guarantors shall be directed to them at Sonic Automotive, Inc., 6415 Idlewild Road, Suite 109, Charlotte, North Carolina 28212, attention of Theodore Wright; with a copy to Barney Stewart, III, Esq., Moore & Van Allen, PLLC, 100 North Tryon Street, Suite 4700, Charlotte, North Carolina 28202-4003.

SECTION 12. Parties. This Agreement shall inure to the benefit of and be binding upon the Initial Purchasers, the Company and the Guarantors and their respective successors. Nothing

expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the Initial Purchasers, the Company and the Guarantors and their respective successors and the controlling persons and officers and directors referred to in Sections 6 and 7 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Initial Purchasers, the Company and the Guarantors and their respective successors, and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Securities and Guarantees from any Initial Purchaser shall be deemed to be a successor by reason merely of such purchase.

SECTION 13. Governing Law and Time. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. SPECIFIED TIMES OF DAY HEREIN REFER TO NEW YORK CITY TIME.

SECTION 14. General Provisions. This Agreement constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. This Agreement may be executed in two or more counterparts, each one of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement may not be amended or modified unless in writing by all of the parties hereto, and no condition herein (express or implied) may be waived unless waived in writing by each party whom the condition is meant to benefit.

SECTION 15. Partial Unenforceability. The invalidity or

unenforceability of any Section, paragraph or provision of this Agreement shall not affect the validity or enforceability of any other Section, paragraph or provision hereof. If any Section, paragraph or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

SECTION 16. Effect of Headings. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Each of the parties hereto acknowledges that it is a sophisticated business person who was adequately represented by counsel during negotiations regarding the provisions hereof, including, without limitation, the indemnification provisions of Section 6 and the contribution provisions of Section 7, and is fully informed regarding said provisions. Each of the parties hereto further acknowledges that the provisions of Sections 6 and 7 hereto fairly allocate the risks in light of the ability of the parties to investigate the Company, its affairs and its business in order to assure that adequate disclosure has been made in Offering Memorandum.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company and the Guarantors a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Initial Purchasers, the Company and the Guarantors in accordance with its terms.

Very truly yours,

SONIC AUTOMOTIVE, INC.

By: /s/ Theodore M. Wright

Name: Theodore M. Wright
Title: Vice President, Treasurer and Chief Financial Officer

AUTOBAHN, INC.
CAPITOL CHEVROLET AND IMPORTS, INC.
COBB PONTIAC CADILLAC, INC.
FA SERVICE CORPORATION
FAA AUTO FACTORY, INC.
FAA BEVERLY HILLS, INC.
FAA CAPITOL F, INC.
FAA CAPITOL N, INC.
FAA CONCORD H, INC.
FAA CONCORD N, INC.
FAA CONCORD T, INC.
FA DEALER SERVICES, INC.
FAA DUBLIN N, INC.
FAA DUBLIN VWD, INC.
FAA HOLDING CORP.
FAA LAS VEGAS H, INC.
FAA MARIN D, INC.
FAA MARIN F, INC.
FAA MARIN LR, INC.
FA POWAY D, INC.
FAA POWAY G, INC.
FAA POWAY H, INC.
FAA POWAY T, INC.
FAA SAN BRUNO, INC.
FAA SANTA MONICA V, INC.
FAA SERRAMONTE H, INC.
FAA SERRAMONTE L, INC.
FAA SERRAMONTE, INC.
FAA STEVENS CREEK, INC.
FAA TORRANCE CPJ, INC.
FIRSTAMERICA AUTOMOTIVE, INC.
FORT MILL CHRYSLER-PLYMOUTH-DODGE INC.
FORT MILL FORD, INC.
FRANCISCAN MOTORS, INC.
FREEDOM FORD, INC.
FRONTIER OLDSMOBILE-CADILLAC, INC.
HMC FINANCE ALABAMA, INC.
KRAMER MOTORS INCORPORATED
LAWRENCE MARSHALL CHEVROLET, LLC

LAWRENCE MARSHALL CHEVROLET, L.P.
L DEALERSHIP GROUP, INC. (formerly LUCAS DEALERSHIP GROUP, INC.)
MARCUS DAVID CORPORATION
PHILPOTT MOTORS, LTD.
RIVERSIDE NISSAN, INC.
ROYAL MOTOR COMPANY, INC.
SANTA CLARA IMPORTED CARS, INC.
SMART NISSAN, INC.
SONIC AUTOMOTIVE - BONDESEN, INC.
SONIC AUTOMOTIVE OF CHATTANOOGA, LLC
SONIC AUTOMOTIVE-CLEARWATER, INC.
SONIC AUTOMOTIVE COLLISION CENTER OF CLEARWATER, INC,
SONIC AUTOMOTIVE F&I, LLC
SONIC AUTOMOTIVE OF GEORGIA, INC.
SONIC AUTOMOTIVE OF NASHVILLE, LLC
SONIC AUTOMOTIVE OF NEVADA, INC.
SONIC AUTOMOTIVE SERVICING COMPANY, LLC
SONIC AUTOMOTIVE OF TENNESSEE, INC.
SONIC AUTOMOTIVE OF TEXAS, L.P.
SONIC AUTOMOTIVE WEST, LLC
SONIC AUTOMOTIVE - 1307 N. DIXIE HWY., NSB, INC.
SONIC AUTOMOTIVE-1400 AUTOMALL DRIVE, COLUMBUS, INC.
SONIC AUTOMOTIVE-1455 AUTOMALL DRIVE, COLUMBUS, INC.
SONIC AUTOMOTIVE-1495 AUTOMALL DRIVE, COLUMBUS, INC.
SONIC AUTOMOTIVE-1500 AUTOMALL DRIVE, COLUMBUS, INC.
SONIC AUTOMOTIVE - 1720 MASON AVE., DB, INC.
SONIC AUTOMOTIVE - 1720 MASON AVE., DB, LLC
SONIC AUTOMOTIVE - 1919 N. DIXIE HWY., NSB, INC.
SONIC AUTOMOTIVE - 21699 U.S. HWY 19 N., INC.
SONIC AUTOMOTIVE - 241 RIDGEWOOD AVE., HH, INC.
SONIC AUTOMOTIVE 2424 LAURENS RD., GREENVILLE, INC.
SONIC AUTOMOTIVE 2752 LAURENS RD., GREENVILLE, INC.
SONIC AUTOMOTIVE 2490 SOUTH LEE HIGHWAY, LLC
SONIC AUTOMOTIVE - 3401 N. MAIN, TX, L.P.
SONIC AUTOMOTIVE-3700 WEST BROAD STREET, COLUMBUS, INC.
SONIC AUTOMOTIVE - 3741 S. NOVA RD., PO, INC.
SONIC AUTOMOTIVE-4000 WEST BROAD STREET, COLUMBUS, INC.
SONIC AUTOMOTIVE - 4701 I-10 EAST, TX, L.P.
SONIC AUTOMOTIVE - 5221 I-10 EAST, TX, L.P.
SONIC AUTOMOTIVE 5260 PEACHTREE INDUSTRIAL BLVD., LLC
SONIC AUTOMOTIVE - 5585 PEACHTREE INDUSTRIAL BLVD., LLC
SONIC AUTOMOTIVE - 6008 N. DALE MABRY, FL, INC.
SONIC AUTOMOTIVE - 6025 INTERNATIONAL DRIVE, LLC
SONIC AUTOMOTIVE - 9103 E. INDEPENDENCE, NC, LLC
SONIC - 2185 CHAPMAN RD., CHATTANOOGA, LLC
SONIC - BETHANY H, INC.
SONIC - BUENA PARK H, INC.
SONIC - CAMP FORD, L.P.
SONIC - CAPITAL CHEVROLET, INC.
SONIC - CARROLLTON V, L.P.
SONIC CHRYSLER-PLYMOUTH-JEEP, LLC
SONIC-CLASSIC DODGE, INC.
SONIC - COAST CADILLAC, INC. (formerly FAA WOODLAND HILLS VW, INC.)
SONIC DODGE, LLC
SONIC DEVELOPMENT, LLC
SONIC - FM AUTOMOTIVE, LLC
SONIC - FM, INC.
SONIC - FM NISSAN, INC.
SONIC - FM VW, INC.
SONIC - FORT WORTH T, L.P.
SONIC - FREELAND, INC.
SONIC - GLOBAL IMPORTS, L.P.

SONIC-GLOVER, INC.
SONIC - HARBOR CITY H, INC.
SONIC - HOUSTON V, L.P.
SONIC - INTEGRITY DODGE LV, LLC
SONIC - LAS VEGAS C EAST, LLC
SONIC - LAS VEGAS C WEST, LLC
SONIC - LLOYD NISSAN, INC.
SONIC - LLOYD PONTIAC - CADILLAC, INC.
SONIC - LUTE RILEY, L. P.
SONIC - MANHATTAN FAIRFAX, INC.
SONIC - MANHATTAN WALDORF, INC.
SONIC-MONTGOMERY FLM, INC.
SONIC - NEWSOME CHEVROLET WORLD, INC.
SONIC - NEWSOME OF FLORENCE, INC.
SONIC - NORTH CHARLESTON, INC.
SONIC - NORTH CHARLESTON DODGE, INC.
SONIC - PARK PLACE A, L.P. (formerly SONIC - DALLAS AUTO FACTORY, L.P.)
SONIC PEACHTREE INDUSTRIAL BLVD., L.P.
SONIC - READING, L.P.
SONIC RESOURCES, INC.
SONIC - RICHARDSON F, L.P.
SONIC-RIVERSIDE, INC.
SONIC - RIVERSIDE AUTO FACTORY, INC.
SONIC - ROCKVILLE IMPORTS, INC.
SONIC - ROCKVILLE MOTORS, INC.
SONIC - SAM WHITE NISSAN, L.P.
SONIC - SHOTTENKIRK, INC.
SONIC -SUPERIOR OLDSMOBILE, LLC
SONIC - STEVENS CREEK B, INC.

SONIC OF TEXAS, INC.
SONIC-VOLVO LV, LLC
SONIC - WEST COVINA T, INC.
SONIC - WEST RENO CHEVROLET, INC.
SONIC-WILLIAMS BUICK, INC.
SONIC - WILLIAMS CADILLAC, INC.
SONIC - WILLIAMS IMPORTS, INC.
SONIC - WILLIAMS MOTORS, LLC
SPEEDWAY CHEVROLET, INC.
SRE ALABAMA - 2, LLC
SRE ALABAMA - 3, LLC
SREALESTATE ARIZONA - 1, LLC
SREALESTATE ARIZONA - 2, LLC
SREALESTATE ARIZONA - 3, LLC
SREALESTATE ARIZONA - 4, LLC
SRE FLORIDA - 1, LLC
SRE FLORIDA - 2, LLC
SRE FLORIDA - 3, LLC
SRE GEORGIA - 1, L.P.
SRE GEORGIA - 2, L.P.
SRE GEORGIA - 3, L.P.
SRE HOLDING, LLC
SRE NEVADA - 1, LLC
SRE NEVADA - 2, LLC
SRE NEVADA - 3, LLC
SRE SOUTH CAROLINA - 2, LLC
SRE TENNESSEE - 1, LLC
SRE TENNESSEE - 2, LLC
SRE TENNESSEE - 3, LLC
SRE TEXAS - 1, L.P.
SRE TEXAS - 2, L.P.
SRE TEXAS - 3, L.P.
SRE VIRGINIA - 1, LLC
STEVENS CREEK CADILLAC, INC.
TOWN AND COUNTRY CHRYSLER-PLYMOUTH-JEEP, LLC
TOWN AND COUNTRY CHRYSLER-PLYMOUTH-JEEP OF ROCK HILL, INC.
TOWN AND COUNTRY FORD, INCORPORATED
TOWN AND COUNTRY FORD OF CLEVELAND, LLC
TOWN AND COUNTRY JAGUAR, LLC
TRANSCAR LEASING, INC.
VILLAGE IMPORTED CARS, INC.

WINDWARD, INC.

By: /s/ Theodore M. Wright

Name: Theodore M. Wright
Title: Vice President, Treasurer and Chief Financial Officer

CONFIRMED AND ACCEPTED,
as of the date first above written:

MERRILL LYNCH & CO.

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By: /s/ signature illegible

Authorized Signatory

SCHEDULE A

Subsidiaries which are Guarantors

AUTOBAHN, INC. (a California corporation)
CAPITOL CHEVROLET AND IMPORTS, INC. (an Alabama corporation)
COBB PONTIAC CADILLAC, INC. (an Alabama corporation)
FA SERVICE CORPORATION (a California corporation)
FAA AUTO FACTORY, INC. (a California corporation)
FAA BEVERLY HILLS, INC. (a California corporation)
FAA CAPITOL F, INC. (a California corporation)
FAA CAPITOL N, INC. (a California corporation)
FAA CONCORD H, INC. (a California corporation)
FAA CONCORD N, INC. (a California corporation)
FAA CONCORD T, INC. (a California corporation)
FAA DUBLIN N, INC. (a California corporation)
FAA DUBLIN VWD, INC. (a California corporation)
FAA HOLDING CORP. (a California corporation)
FAA LAS VEGAS H, INC. (a Nevada corporation)
FAA MARIN D, INC. (a California corporation)
FAA MARIN F, INC. (a California corporation)
FAA MARIN LR, INC. (a California corporation)
FAA POWAY D, INC. (a California corporation)
FAA POWAY G, INC. (a California corporation)
FAA POWAY H, INC. (a California corporation)
FAA POWAY T, INC. (a California corporation)
FAA SAN BRUNO, INC. (a California corporation)
FAA SANTA MONICA V, INC. (a California corporation)
FAA SERRAMONTE H, INC. (a California corporation)
FAA SERRAMONTE L, INC. (a California corporation)
FAA SERRAMONTE, INC. (a California corporation)
FAA STEVENS CREEK, INC. (a California corporation)
FAA TORRANCE CPJ, INC. (a California corporation)
FIRSTAMERICA AUTOMOTIVE, INC. (a Delaware corporation)
FORT MILL CHRYSLER-PLYMOUTH-DODGE INC. (a South Carolina corporation)
FORT MILL FORD, INC. (a South Carolina corporation)
FRANCISCAN MOTORS, INC. (a California corporation)
FREEDOM FORD, INC. (a Florida corporation)
FRONTIER OLDSMOBILE-CADILLAC, INC. (a North Carolina corporation)
HMC FINANCE ALABAMA, INC. (an Alabama corporation)
KRAMER MOTORS INCORPORATED (a California corporation)
LAWRENCE MARSHALL CHEVROLET, LLC (a Delaware limited liability company)
LAWRENCE MARSHALL CHEVROLET, L.P. (a Texas limited partnership)
L DEALERSHIP GROUP, INC. (a Texas corporation)

MARCUS DAVID CORPORATION (a North Carolina corporation)
PHILPOTT MOTORS, LTD. (a Texas limited partnership)
RIVERSIDE NISSAN, INC. (an Oklahoma corporation)
ROYAL MOTOR COMPANY, INC. (an Alabama corporation)
SANTA CLARA IMPORTED CARS, INC. (a California corporation)
SMART NISSAN, INC. (a California corporation)
SONIC AUTOMOTIVE - BONDESEN, INC. (a Florida corporation)
SONIC AUTOMOTIVE OF CHATTANOOGA, LLC (a Tennessee limited liability company)
SONIC AUTOMOTIVE-CLEARWATER, INC. (a Florida corporation)
SONIC AUTOMOTIVE COLLISION CENTER OF CLEARWATER, INC. (a Florida corporation)
SONIC AUTOMOTIVE F&I, LLC (a Nevada limited liability company)
SONIC AUTOMOTIVE OF GEORGIA, INC. (a Georgia corporation)
SONIC AUTOMOTIVE OF NASHVILLE, LLC (a Tennessee limited liability company)
SONIC AUTOMOTIVE OF NEVADA, INC. (a Nevada corporation)
SONIC AUTOMOTIVE SERVICING COMPANY, LLC (a Nevada limited liability company)
SONIC AUTOMOTIVE OF TENNESSEE, INC. (a Tennessee corporation)

SONIC AUTOMOTIVE OF TEXAS, L.P. (a Texas limited partnership)
SONIC AUTOMOTIVE WEST, LLC (a Nevada limited liability company)
SONIC AUTOMOTIVE - 1307 N. DIXIE HWY., NSB, INC. (a Florida corporation)
SONIC AUTOMOTIVE-1400 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE-1455 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE-1495 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE-1500 AUTOMALL DRIVE, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE - 1720 MASON AVE., DB, INC. (a Florida corporation)
SONIC AUTOMOTIVE - 1720 MASON AVE., DB, LLC (a Florida limited liability company)
SONIC AUTOMOTIVE - 1919 N. DIXIE HWY., NSB, INC. (a Florida corporation)
SONIC AUTOMOTIVE - 21699 U.S. HWY 19 N., INC. (a Florida corporation)
SONIC AUTOMOTIVE - 241 RIDGEWOOD AVE., HH, INC. (a Florida corporation)
SONIC AUTOMOTIVE 2424 LAURENS RD., GREENVILLE, INC. (a South Carolina corporation)
SONIC AUTOMOTIVE - 2490 SOUTH LEE HIGHWAY, LLC (a Tennessee limited liability company)
SONIC AUTOMOTIVE 2752 LAURENS RD., GREENVILLE, INC. (a South Carolina corporation)
SONIC AUTOMOTIVE - 3401 N. MAIN, TX, L.P. (a Texas limited partnership)
SONIC AUTOMOTIVE-3700 WEST BROAD STREET, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE - 3741 S. NOVA RD., PO, INC. (a Florida corporation)
SONIC AUTOMOTIVE-4000 WEST BROAD STREET, COLUMBUS, INC. (an Ohio corporation)
SONIC AUTOMOTIVE - 4701 I-10 EAST, TX, L.P. (a Texas limited partnership)
SONIC AUTOMOTIVE - 5221 I-10 EAST, TX, L.P. (a Texas limited partnership)
SONIC AUTOMOTIVE 5260 PEACHTREE INDUSTRIAL BLVD., LLC (a Georgia limited liability company)

SONIC AUTOMOTIVE-5585 PEACHTREE INDUSTRIAL BLVD., LLC (a Georgia limited liability company)
SONIC AUTOMOTIVE - 6008 N. DALE MABRY, FL, INC. (a Florida corporation)
SONIC AUTOMOTIVE - 6025 INTERNATIONAL DRIVE, LLC (a Tennessee limited liability company)
SONIC AUTOMOTIVE - 9103 E. INDEPENDENCE, NC, LLC (a North Carolina limited liability company)
SONIC - BETHANY H, INC. (an Oklahoma corporation)
SONIC - 2185 CHAPMAN RD., CHATTANOOGA, LLC (a Tennessee limited liability company)
SONIC - BUENA PARK H, INC. (a California corporation)
SONIC - CAMP FORD, L.P. (a Texas limited partnership)
SONIC - CAPITAL CHEVROLET, INC. (an Ohio corporation)
SONIC - CARROLLTON V, L.P. (a Texas limited partnership)
SONIC CHRYSLER-PLYMOUTH-JEEP, LLC (a North Carolina limited liability company)
SONIC - CLASSIC DODGE, INC. (an Alabama corporation)
SONIC - COAST CADILLAC, INC. (a California corporation)
SONIC DODGE, LLC (a North Carolina limited liability company)
SONIC DEVELOPMENT, LLC (a North Carolina limited liability company)
SONIC - FM AUTOMOTIVE, LLC (a Florida limited liability company)
SONIC - FM , INC. (a Florida corporation)
SONIC - FM NISSAN, INC. (a Florida corporation)
SONIC - FM VW, INC. (a Florida corporation)
SONIC - FORT WORTH T, L.P. (a Texas limited partnership)
SONIC - FREELAND, INC. (a Florida corporation)
SONIC - GLOBAL IMPORTS, L.P. (a Georgia limited partnership)
SONIC-GLOVER, INC. (an Oklahoma corporation)
SONIC - HARBOR CITY H, INC. (a California corporation)
SONIC - HOUSTON V, L.P. (a Texas limited partnership)
SONIC - INTEGRITY DODGE LV, LLC (a Nevada limited liability company)
SONIC - LAS VEGAS C EAST, LLC (a Nevada limited liability company)
SONIC - LAS VEGAS C WEST, LLC (a Nevada limited liability company)
SONIC - LLOYD NISSAN, INC. (a Florida corporation)
SONIC - LLOYD PONTIAC - CADILLAC, INC. (a Florida corporation)
SONIC - LUTE RILEY, L. P. (a Texas limited partnership)
SONIC - MANHATTAN FAIRFAX, INC. (a Virginia corporation)
SONIC - MANHATTAN WALDORF, INC. (a Maryland corporation)
SONIC - MONTGOMERY FLM, INC. (an Alabama corporation)
SONIC - NEWSOME CHEVROLET WORLD, INC. (a South Carolina corporation)
SONIC - NEWSOME OF FLORENCE, INC. (a South Carolina corporation)
SONIC - NORTH CHARLESTON, INC. (a South Carolina corporation)
SONIC - NORTH CHARLESTON DODGE, INC. (a South Carolina corporation)
SONIC - PARK PLACE A, L.P. (a Texas limited partnership) (formerly Sonic - Dallas Auto Factory, L.P.)

SONIC PEACHTREE INDUSTRIAL BLVD., L.P. (a Georgia limited partnership)
SONIC - READING, L.P. (a Texas limited partnership)
SONIC RESOURCES, INC. (a Nevada corporation)
SONIC - RICHARDSON F, L.P. (a Texas limited partnership)
SONIC-RIVERSIDE, INC. (an Oklahoma corporation)
SONIC - RIVERSIDE AUTO FACTORY, INC. (an Oklahoma corporation)

SONIC - ROCKVILLE IMPORTS, INC. (a Maryland corporation)
SONIC - ROCKVILLE MOTORS, INC. (a Maryland corporation)
SONIC - SAM WHITE NISSAN, L.P. (a Texas limited partnership)
SONIC - SHOTTENKIRK, INC. (a Florida corporation)
SONIC - STEVENS CREEK B, INC. (a California corporation) (formerly known as Don Lucas International, Inc.)
SONIC - SUPERIOR OLDSMOBILE, LLC (a Tennessee limited liability company)
SONIC OF TEXAS, INC. (a Texas corporation)
SONIC-VOLVO LV, LLC (a Nevada limited liability company)
SONIC - WEST COVINA T, INC. (a California corporation)
SONIC - WEST RENO CHEVROLET, INC. (an Oklahoma corporation)
SONIC - WILLIAMS BUICK, INC. (an Alabama corporation)
SONIC - WILLIAMS CADILLAC, INC. (an Alabama corporation)
SONIC - WILLIAMS IMPORTS, INC. (an Alabama corporation)
SONIC - WILLIAMS MOTORS, LLC (an Alabama limited liability company)
SPEEDWAY CHEVROLET, INC. (an Oklahoma corporation)
SRE ALABAMA - 2, LLC (an Alabama limited liability company)
SRE ALABAMA - 3, LLC (an Alabama limited liability company)
SREALESTATE ARIZONA - 1, LLC (an Arizona limited liability company)
SREALESTATE ARIZONA - 2, LLC (an Arizona limited liability company)
SREALESTATE ARIZONA - 3, LLC (an Arizona limited liability company)
SREALESTATE ARIZONA - 4, LLC (an Arizona limited liability company)
SRE FLORIDA - 1, LLC (a Florida limited liability company)
SRE FLORIDA - 2, LLC (a Florida limited liability company)
SRE FLORIDA - 3, LLC (a Florida limited liability company)
SRE GEORGIA - 1, L.P. (a Georgia limited liability partnership)
SRE GEORGIA - 2, L.P. (a Georgia limited liability partnership)
SRE GEORGIA - 3, L.P. (a Georgia limited liability partnership)
SRE HOLDING, LLC (a North Carolina limited liability company)
SRE NEVADA - 1, LLC (a Nevada limited liability company)
SRE NEVADA - 2, LLC (a Nevada limited liability company)
SRE NEVADA - 3, LLC (a Nevada limited liability company)
SRE SOUTH CAROLINA - 2, LLC (a South Carolina limited liability company)
SRE TENNESSEE - 1, LLC (a Tennessee limited liability company)
SRE TENNESSEE - 2, LLC (a Tennessee limited liability company)
SRE TENNESSEE - 3, LLC (a Tennessee limited liability company)
SRE TEXAS - 1, L.P. (a Texas limited partnership)
SRE TEXAS - 2, L.P. (a Texas limited partnership)
SRE TEXAS - 3, L.P. (a Texas limited partnership)

SRE VIRGINIA - 1, LLC (a Virginia limited liability company)
STEVENS CREEK CADILLAC, INC. (a California corporation)
TRANSCAR LEASING, INC. (a California corporation)
TOWN AND COUNTRY CHRYSLER-PLYMOUTH-JEEP, LLC (a Tennessee limited liability company]
TOWN AND COUNTRY CHRYSLER-PLYMOUTH-JEEP OF ROCK HILL, INC. (a South Carolina corporation)
TOWN AND COUNTRY DODGE OF CHATTANOOGA, LLC (a Tennessee limited liability company)
TOWN AND COUNTRY FORD, INCORPORATED (a North Carolina corporation)
TOWN AND COUNTRY FORD OF CLEVELAND, LLC (a Tennessee limited liability company)
TOWN AND COUNTRY JAGUAR, LLC (a Tennessee limited liability company)
VILLAGE IMPORTED CARS, INC. (a Maryland corporation), and
WINDWARD, INC. (a Hawaii corporation)

SCHEDULE B

Aggregate Principal Amounts of Securities to be Purchased by each Initial Purchaser

Purchaser	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	$45,000,000
Banc of America Securities LLC	$30,000,000

SCHEDULE C

2% Subsidiaries

Autobahn, Inc.

Sonic Automotive of Texas, L.P.

Sonic - Global Imports, L.P.

Sonic - Lute Riley, L.P.

Sonic - Richardson F, L.P.

SCHEDULE D

Securities

1. The initial offering price of the Securities (including the Guarantees) shall be 100.5% of the principal amount thereof, plus accrued interest, if any, from the date of issuance.

2. The purchase price to be paid by the Initial Purchasers for the Securities and the Guarantees shall be 98.8% of the principal amount thereof.

Exhibit 4.13

SUBORDINATION AGREEMENT

This Subordination Agreement (as the same may from time to time be amended, modified or restated, the "Agreement") is dated as of November 19, 2001 and is entered into by and between O. BRUTON SMITH (the "Junior Creditor") and U.S. Bank Trust National Association (the "Trustee"), a bank organized under the laws of the United States, as Trustee under an Indenture dated as of November 19, 2001 (the "Indenture") among Sonic Automotive, Inc. (the "Issuer"), the Guarantors named therein (the "Guarantors"), and the Trustee, and acting hereunder for the benefit of the holders (the "Holders") of the Issuer's $75,000,000 in principal amount of Senior Subordinated Notes Due 2008, Series C (the "Issuer's Senior Notes") issued pursuant to the Indenture (in such capacity, "Senior Creditor").

W I T N E S S E T H:

WHEREAS, the Junior Creditor has a financial interest in the Issuer relating to the Issuer's obligation to repay the Junior Creditor a debt in the principal amount of $5,500,000 evidenced by the Issuer's Subordinated Promissory Note dated December 15, 1997 (collectively with any instrument that may be substituted for such note, the "Subordinated Note");

WHEREAS, the Issuer and the Trustee have entered into the Indenture for the benefit of the Holders and providing for the issuance by the Issuer's Senior Notes;

WHEREAS, the Junior Creditor acknowledges that the issuance of the Issuer's Senior Notes and the Issuer's receipt of the proceeds from the sale thereof is of direct pecuniary value to the Junior Creditor;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged by the Junior Creditor, and in order to induce the Holders to purchase the Issuer's Senior Notes for the benefit of the Issuer and to provide the ranking of the Issuer's Senior Notes among the Issuer's debt as disclosed in the Issuer's Offering Memorandum dated November 8, 2001 relating to the sale of the Issuer's Senior Notes, the Junior Creditor hereby agrees with Trustee, for the benefit of the Holders, as hereinafter set forth.

1. Certain Defined Terms. In addition to the terms defined above and elsewhere in this Agreement, the following terms used in this Agreement shall have the following meanings, applicable both to the singular and the plural forms of the terms defined:

As used in this Agreement:

"Issuer" shall mean Sonic Automotive, Inc., a Delaware corporation or any successor assign or assign of Sonic Automotive, Inc., including, without limitation, a receiver, trustee or debtor-in-possession.

"Senior Debt" shall mean (a) the indebtedness evidenced by the Issuer's Senior Notes and all other obligations, liabilities, and indebtedness issued or arising pursuant to the Indenture, in each case whether now existing or hereafter arising (and whether such indebtedness arises or accrues before or after the commencement of any bankruptcy, insolvency or receivership proceedings) directly between Issuer and the Senior Creditor, or acquired outright, conditionally or as collateral security from another by the Senior Creditor, including, without limitation, interest and fees accruing pre-petition or post-petition at the rate or rates prescribed in Issuer's Senior Notes and costs, expenses, and attorneys' and paralegals' fees, whenever incurred (and whether or not such claims, interest, costs, expenses or fees are allowed or allowable in any such proceeding); and (b) amounts disbursed or advanced (including, without limitation in connection with the provision of any financing or other financial accommodations pursuant to Section 364 of the Bankruptcy Code) by the Senior Creditor which the Senior Creditor, in its good faith discretion and to the extent the same may be permitted under the Indenture, deems necessary or desirable to preserve or protect any collateral now or hereafter securing all or any portion of the Senior Debt or to enhance the likelihood or maximize the amount of repayment of the Senior Debt, including, but not limited to, all protective advances, costs, expenses, and attorneys' and paralegals' fees, whensoever made, advanced or incurred by the Senior Creditor in connection with the Senior Debt or the collateral therefor ("Preservation Debt").

"Subordinated Debt" shall mean (a) all principal of, and premium, if any, and interest on, the Subordinated Note, and (b) all other indebtedness, fees, expenses, obligations and liabilities of the Issuer (or any other person, firm, partnership or corporation for the benefit of Issuer) to the Junior Creditor, whether now existing or hereafter incurred or created, under or with respect to the Subordinated Note, in each case, whether such amounts are due or not due, direct or indirect, absolute or contingent.

2. Standby; Subordination. The payment and performance of the Subordinated Debt is hereby subordinated to the Senior Debt and, except as set forth in Section 3 below, the Junior Creditor will not accelerate, ask, demand, sue for, take or receive from Issuer, by setoff or in any other manner, the whole or any part of the Subordinated Debt, including, without limitation, the taking of any negotiable instruments evidencing such amounts, nor any security for any of the Subordinated Debt, unless and until all of the Senior Debt shall have been fully and indefeasibly paid and satisfied in cash. The Junior Creditor also hereby agrees that, regardless of whether the Senior Debt is secured or unsecured, then the Senior Creditor shall be subrogated for the Junior Creditor with respect to the Junior Creditor's claims against the Issuer and the Junior Creditor's rights, liens and security interests, if any, in any of the Issuer's assets or any other assets securing the Senior Debt and the proceeds thereof until all of the Senior Debt has been fully and indefeasibly paid and satisfied in cash.

3. Permitted Payments. Notwithstanding the provisions of Section 2 of this Agreement, until the occurrence of a "Default" or an "Event of Default" (as these terms are defined in the Indenture), and provided that (i) there shall not then exist any breach of this Agreement by the Junior Creditor which has not been waived, in writing, by the Senior Creditor, and (ii) the payment described below, if made, would not give rise to the occurrence of an Event of Default, Issuer may pay to the Junior Creditor, and the Junior Creditor may accept from Issuer, regularly scheduled payments of interest, when due, on an unaccelerated basis, pursuant to the Subordinated Note provided the maximum interest rate at which such payments shall be permitted shall not exceed the "Prime Rate" announced from time to time by Bank of America N.A. in Charlotte, North Carolina, or any successor, plus 0.5% per annum ("Permitted Payments"), it being understood and agreed by the Junior Creditor that the Subordinated Note may not be modified or amended without the prior written consent of the Senior Creditor.

4. Enforcement Rights. Prior to the indefeasible payment in full in cash of the Senior Debt and the termination of all financing arrangements between Issuer and the Senior Creditor, the Junior Creditor shall not have any right to enforce any claim with respect to the Subordinated Debt, including, without limitation, any Permitted Payment, or otherwise to take any action against the Issuer or the Issuer's property without the Senior Creditor's prior written consent.

5. Liens; Permitted Transfers. The Junior Creditor hereby represents as of the date hereof that the Junior Creditor has not been granted or obtained any liens or security interests in any assets of the Debtor Parties or any other assets securing the Senior Debt. The Junior Creditor agrees that, without the prior written consent of the Senior Creditor, the Junior Creditor shall not take any liens on or security

interests in any assets of the Issuer or any other assets securing the Senior Debt. The Junior Creditor acknowledges and agrees that, to the extent the terms and provisions of this Agreement are inconsistent with the Subordinated Note, the Subordinated Note shall be deemed to be subject to this Agreement. The Junior Creditor agrees that, without the prior written consent of the Senior Creditor, the Junior Creditor shall not take any liens on or security interests in any assets of the Issuer or any other assets securing the Senior Debt. In the event that the Issuer proposes to sell, assign, transfer, lease, convey or otherwise dispose of any of its property (a "Transfer") and such Transfer is either permitted pursuant to the Indenture or pursuant to a separate consent executed by the Senior Creditor, then such Transfer shall be deemed to be permitted and consented to by the Junior Creditor and shall not constitute a violation or breach of any terms contained in the Subordinated Note. The Junior Creditor acknowledges and agrees that, to the extent the terms and provisions of this Agreement are inconsistent with the Subordinated Note, the Subordinated Note shall be deemed to be subject to this Agreement.

6. Subordinated Debt Owed Only to the Junior Creditor. The Junior Creditor warrants and represents that (a) the Junior Creditor has not previously assigned any interest in the Subordinated Debt or any security interest in connection therewith, if any; (b) no other party owns an interest in the Subordinated Debt or security therefor other than the Junior Creditor (whether as joint holders of the Subordinated Debt, participants or otherwise); and that the entire Subordinated Debt is owing only to the Junior Creditor. The Junior Creditor covenants that the entire Subordinated Debt shall continue to be owing only to the Junior Creditor and all security therefor, if any, shall continue to be held solely for the benefit of the Junior Creditor.

7. Senior Creditor Priority. In the event of any distribution, division,

or application, partial or complete, voluntary or involuntary, by operation of law or otherwise, of all or any part of the assets of Issuer or the proceeds thereof to the creditors of Issuer or readjustment of the obligations and Subordinated Debt of Issuer, whether by reason of liquidation, bankruptcy, arrangement, receivership, assignment for the benefit of creditors or any other action or proceeding involving the readjustment of all or any part of the Senior Debt or the Subordinated Debt, or the application of the assets of Issuer to the payment or liquidation thereof, or upon the dissolution or other winding up of Issuer's business, or upon the sale of all or substantially all of Issuer's assets (an "Insolvency or Liquidation Proceeding"), then, and in any such event, (i) the Senior Creditor shall be entitled to receive indefeasible payment in full in cash of any and all of the Senior Debt prior to the payment of all or any part of the Subordinated Debt, and (ii) any payment or distribution of any kind or character, whether in cash, securities or other property, which shall be payable or deliverable upon or with respect to any or all of the Subordinated Debt shall be paid or delivered directly to the Senior Creditor for application on any of the Senior Debt, due or not due, until the Senior Debt shall have first been fully and indefeasibly paid and satisfied in cash.

8. Grant of Authority to the Senior Creditor. In the event of the occurrence of any Insolvency or Liquidation Proceeding, and in order to enable the Senior Creditor to enforce its rights hereunder in any of the aforesaid actions or proceedings, the Senior Creditor is hereby irrevocably authorized and empowered, in the Senior Creditor's discretion, to file, make and present for and on behalf of the Junior Creditor such proofs of claims against the Issuer on account of the Subordinated Debt or other motions or pleadings as the Senior Creditor may deem expedient or proper and to vote such proofs of claims in any such proceeding and to receive and collect any and all dividends or other payments or disbursements made thereon in whatever form the same may be paid or issued and to apply the same on account of any portion of the Senior Debt. In voting such proofs of claim in any proceeding, the Senior Creditor may act in a manner consistent with its sole interest and shall have no duty to take any action to optimize or maximize the Junior Creditor's recovery with respect to its claim. The Junior Creditor irrevocably authorizes and empowers the Senior Creditor to demand, sue for, collect and receive each of the aforesaid payments and distributions described in Section 7 above and give acquittance therefor and to file claims and take such other actions, in the Senior Creditor's own name or in the name of the Junior

Creditor or otherwise, as the Senior Creditor may deem necessary or advisable. To the extent that payments or distributions are made in property other than cash, the Junior Creditor authorizes the Senior Creditor to sell such property to such buyers and on such terms as the Senior Creditor, in its sole discretion, shall determine. The Junior Creditor will execute and deliver to the Senior Creditor such powers of attorney, assignments and other instruments or documents, including notes and stock certificates (together with such assignments or endorsements as the Senior Creditor shall deem necessary), as may be requested by the Senior Creditor in order to enable the Senior Creditor and to enforce any and all claims of the Senior Creditor upon or with respect to any or all of the Subordinated Debt and to collect and receive any and all payments and distributions which may be payable or deliverable at any time upon or with respect to the Subordinated Debt, all for the Senior Creditor's own benefit. Following the indefeasible payment in full in cash of the Senior Debt, the Senior Creditor shall remit to the Junior Creditor, all dividends or other payments or distributions paid to and held by the Senior Creditor in excess of the Senior Debt. Each of the powers and authorizations granted to the Senior Creditor in this Section 8, being coupled with an interest, is irrevocable.

9. Payments Received by the Junior Creditor. Except for Permitted Payments received by the Junior Creditor prior to the occurrence of an a "Default" or "Event of Default" as provided in Section 3 above, should any payment or distribution or security or instrument or proceeds thereof be received by the Junior Creditor upon or with respect to the Subordinated Debt or any other obligations of the Issuer to the Junior Creditor prior to the indefeasible payment in full in cash of all of the Senior Debt and termination of all financing arrangements between the Issuer and the Senior Creditor, the Junior Creditor shall receive and hold the same in a segregated account in trust, as trustee, for the benefit of the Senior Creditor, and shall forthwith deliver the same to the Senior Creditor, in precisely the form received (except for the endorsement or assignment of the Junior Creditor where necessary), for application on any of Senior Debt, due or not due, and, until so delivered, the same shall be held in trust by the Junior Creditor as the property of the Senior Creditor. In the event of the failure of the Junior Creditor to make any such endorsement or assignment to the Senior Creditor, the Senior Creditor, or any of its officers or employees, is hereby irrevocably authorized to make the same (which authorization, being coupled with an interest, is irrevocable).

10. Instrument Legend. Any instrument evidencing any of the Subordinated Debt (including, without limitation, the Subordinated Note), or any

portion thereof, will, on the date hereof, be inscribed with a legend conspicuously indicating that payment thereof is subordinated to the claims of the Senior Creditor pursuant to the terms of this Agreement, and a copy thereof will be delivered to the Senior Creditor on the date hereof. Any instrument evidencing any of the Subordinated Debt, or any portion thereof, which is hereafter executed by Issuer, will, on the date thereof, be inscribed with the aforesaid legend and a copy thereof will be delivered to the Senior Creditor on the date of its execution or within five (5) business days thereafter.

11. Reimbursements for Expenses and Borrowings from Issuer; Restriction on Assignment of Claims. Except as permitted in Section 3 hereof, the Junior Creditor agrees that until the Senior Debt has been indefeasibly paid in full in cash and satisfied and all financing arrangements between the Debtor Parties and the Senior Creditor have been terminated, the Junior Creditor will not, directly or indirectly, accept or receive the benefit of any remuneration or reimbursement for expenses on account of the Subordinated Debt from or on behalf of any Debtor Party and will not assign or transfer to others any claim the Junior Creditor has or may have against Issuer, unless such assignment or transfer is made expressly subject to this Agreement.

12. Continuing Nature of Subordination. This Agreement shall be effective and may not be terminated or otherwise revoked by the Junior Creditor until the Senior Debt shall have been indefeasibly paid in full in cash and satisfied and all financing arrangements among Debtor Parties and the Senior

Creditor have been terminated. The Junior Creditor hereby waives to the fullest extent permitted by applicable law any right it may have to terminate or revoke this Agreement or any of the provisions of this Agreement. In the event the Junior Creditor shall have any right under applicable law otherwise to terminate or revoke this Agreement which right cannot be waived, such termination or revocation shall not be effective until written notice of such termination or revocation, signed by the Junior Creditor, is actually received by the Senior Creditor's officer responsible for such matters In the absence of the circumstances described in the immediately preceding sentence, this is a continuing agreement of subordination and the Senior Creditor may continue, at any time and without notice to the Junior Creditor, to extend credit or other financial accommodations and loan monies to or for the benefit of a Debtor Party on the faith hereof. Any termination or revocation described hereinabove shall not affect this Agreement in relation to (a) any of the Senior Debt which arose or was committed to prior to receipt thereof, or (b) any of the Senior Debt created after receipt thereof if such Senior Debt is Preservation Debt.

13. Additional Agreements between the Senior Creditor and Issuer. The Senior Creditor at any time and from time to time, either before or after any such aforesaid notice of termination or revocation, may enter into such agreement or agreements with a Issuer as the Senior Creditor may deem proper, extending the time of payment of or renewing or otherwise altering the terms, including, without limitation increasing the principal amount thereof, of all or any portion of the Senior Debt or affecting the security underlying any or all of the Senior Debt, and may exchange, sell, release, surrender or otherwise deal with any such security, without in any way thereby impairing or affecting this Agreement.

14. Junior Creditor's Waivers. All of the Senior Debt shall be deemed to have been made or incurred in reliance upon this Agreement. The Junior Creditor expressly waives all notice of the acceptance by the Senior Creditor of the subordination and other provisions of this Agreement and all other notices not specifically required pursuant to the terms of this Agreement whatsoever, and the Junior Creditor expressly waives reliance by the Senior Creditor upon the subordination and other agreements as herein provided. In the event that the Junior Creditor has or at any time acquires any lien upon or security interest in the assets securing the Senior Debt, or any part thereof, to the fullest extent permitted by applicable law, the Junior Creditor hereby waives any right that the Junior Creditor may have whether such right arises under Sections 9-504 or 9-505 of the Uniform Commercial Code or other applicable law, to receive notice of the Senior Creditor's intended disposition of such assets (or a portion thereof) or of the Senior Creditor's proposed retention of such assets in satisfaction of the Senior Debt (or a portion thereof). The Junior Creditor further agrees that in the event Issuer consents or fails to object to a proposed retention of such assets (or a portion thereof) by the Senior Creditor in satisfaction of the Senior Debt (or a portion thereof), the Junior Creditor hereby consents to such proposed retention regardless of whether the Junior Creditor is provided with notice of such proposed retention. The Junior Creditor agrees that the Junior Creditor will not interfere with or in any manner oppose a disposition of any assets securing the Senior Debt by the Senior Creditor. The Junior Creditor agrees that the Senior Creditor has not made any warranties or representations with respect to the due execution, legality, validity,

completeness or enforceability of the Issuer's Senior Notes, or the collectibility of the Senior Debt, that the Senior Creditor shall be entitled to manage and supervise its financial accommodations to Issuer in accordance with applicable law and its usual practices, modified from time to time as deemed appropriate under the circumstances, without regard to the existence of any rights that the Junior Creditor may now or hereafter have in or to any of the assets of Issuer, and that Senior Creditor shall have no liability to the Junior Creditor for, and waive any claim which the Junior Creditor may now or hereafter have against, the Senior Creditor arising out of any and all actions which the Senior Creditor, in good faith, takes or omits to take (including, without limitation, actions with respect to the creation, perfection or continuation of liens or security interests in any collateral now or hereafter securing any of the Senior Debt, actions with respect to the occurrence of an Event of Default, actions with respect to the foreclosure upon, sale, release, or depreciation of, or failure to realize upon, any of the Collateral and actions with respect to the collection of any claim for all or any part of the Senior Debt from any account debtor, guarantor or any

other party) with respect to the Senior Debt or any agreement related thereto or to the collection of the Senior Debt or the valuation, use, protection or release of the collateral now or hereafter securing any of the Senior Debt for the Senior Debt.

15. Invalidated Payments. To the extent that the Senior Creditor receives payments on, or proceeds of collateral for, the Senior Debt which are subsequently invalidated, declared to be fraudulent or preferential, set aside, avoided and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law, equitable cause or pursuant to the Indenture, then, to the extent of such payment or proceeds received, the Senior Debt, or part thereof, intended to be satisfied shall be revived and continue in full force and effect as if such payments or proceeds had not been received by the Senior Creditor.

16. Bankruptcy Issues. The Junior Creditor agrees that the Senior Creditor may consent to the use of cash collateral or provide financing to a Issuer (under Section 363 or Section 364 of the Bankruptcy Code or otherwise) on such terms and conditions and in such amounts as the Senior Creditor, in its sole discretion, may decide and that, in connection with such cash collateral usage or such financing, the Issuer (or a trustee appointed for the estate of the Issuer) may grant to the Senior Creditor liens and security interests upon all assets of the Issuer, which liens and security interests (i) shall secure payment of all Senior Debt (whether such Senior Debt arose prior to the filing of the petition for relief or arise thereafter); and (ii) shall be superior in priority to the liens and security interests, if any, held by the Junior Creditor on the assets of the Debtor Parties. All allocations of payments between the Senior Creditor and the Junior Creditor shall, subject to any court order, continue to be made after the filing or other commencement of any Insolvency or Liquidation Proceeding on the same basis that the payments were to be allocated prior to the date of such filing or commencement. The Junior Creditor agrees that he will not object to or oppose a sale or other disposition of any assets securing the Senior Debt (or any portion thereof) free and clear of security interests, liens or other claims of the Junior Creditor, if any, under Section 363 of the Bankruptcy Code or any other provision of the Bankruptcy Code if the Senior Creditor has consented to such sale or disposition of such assets. In the event that the Junior Creditor has or at any time acquires any security for the Subordinated Debt, the Junior Creditor agrees not to assert any right it may have to "adequate protection" of its interest in such security in any Insolvency or Liquidation Proceeding and agrees that he will not seek to have the automatic stay lifted with respect to such security, without the prior written consent of the Senior Creditor. The Junior Creditor waives any claim he may now or hereafter have arising out of the Senior Creditor's election, in any proceeding instituted under Chapter 11 of the Bankruptcy Code, of the application of Section 1111(b)(2) of the Bankruptcy Code, and/or any borrowing or grant of a security interest under Section 364 of the Bankruptcy Code by a Issuer, as debtor in possession. The Junior Creditor agrees not to initiate or prosecute or encourage any other person to initiate or prosecute any claim, action or other proceeding (i) challenging the enforceability of the Senior Creditor's claim, (ii) challenging the enforceability of any liens or security interests in assets securing the Senior Debt or (iii) asserting any claims which the Issuer may hold with respect to the Senior Creditor. The Junior Creditor agrees that he will not seek participation or participate on any creditors' committee without the Senior Creditor's prior written consent. In the event that the Senior Creditor consents to such participation, at the request of the Senior Creditor, the Junior Creditor will resign from his position on such committee. To the extent that the Senior Creditor receives payments on, or proceeds of collateral for, the Senior Debt which are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law, or equitable cause, then, to the extent of such payment or proceeds received, the Senior Debt, or part thereof, intended to be

satisfied shall be revived and continue in full force and effect as if such payments or proceeds had not been received by the Senior Creditor.

17. Senior Creditor's Waivers. No right of the Senior Creditor to enforce the subordination or other terms as provided in this Agreement shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of Issuer or by any act or failure to act by the Senior Creditor, or by any noncompliance by Issuer with the terms, provisions and covenants of this Agreement, or the Subordinated Note, regardless of any knowledge thereof which the Senior Creditor may have or be otherwise charged with. No waiver shall be deemed to be made by the Senior Creditor of any of the Senior Creditor's rights hereunder, unless the same shall be in writing signed on behalf of the Senior Creditor, and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the Senior Creditor or the obligations of the Junior Creditor to the Senior Creditor in any other respect at any other time. The failure of the Senior Creditor to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provisions, nor in any way to affect the validity of this Agreement or any part hereof or the right of the Senior Creditor thereafter to enforce each and every such provision. No waiver by the Senior Creditor of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

18. Information Concerning Financial Condition of Issuer. The Junior Creditor hereby assumes responsibility for keeping informed of the financial condition of Issuer, any and all endorsers and any and all guarantors of the Senior Debt and of all other circumstances bearing upon the risk of nonpayment of the Senior Debt and/or Subordinated Debt that diligent inquiry would reveal, and the Junior Creditor hereby agrees that the Senior Creditor shall not have any duty to advise the Junior Creditor of information known to the Senior Creditor regarding such condition or any such circumstances. In the event the Senior Creditor, in its sole discretion, undertakes, at any time or from time to time, to provide any such information to the Junior Creditor, the Senior Creditor shall be under no obligation (i) to provide any such information to the Junior Creditor on any subsequent occasion, or (ii) to undertake any investigation not a part of Senior Creditor's regular business routine and shall be under no obligation to disclose any information which, pursuant to accepted or reasonable commercial finance practices, the Senior Creditor wishes to maintain confidential. The Junior Creditor hereby agrees that all payments received by the Senior Creditor may be applied, reversed, and reapplied, in whole or in part, to any portion of the Senior Debt, as the Senior Creditor, in its sole discretion, deem appropriate and assent to any extension or postponement of the time of payment of the Senior Debt or to any other indulgence with respect thereto, to any substitution, exchange or release of collateral which may at any time secure the Senior Debt and to the addition or release of any other party or person primarily or secondarily liable therefor.

Without in any way limiting the generality of the foregoing paragraph, the Senior Creditor, may, at any time and from time to time, without the consent of, or notice to, the Junior Creditor without incurring any liabilities to the Junior Creditor and without impairing or releasing the subordination and other benefits provided in this Agreement (even if any right of subrogation or other right or remedy of the Junior Creditor is affected, impaired or extinguished thereby) do any one or more of the following:

(i) change the manner, place or terms of payment or change or extent the time of payment of, or renew, exchange, amend, increase or alter, the terms of any of the Senior Debt or any lien in any of any collateral now or hereafter securing all or any portion of the Senior Debt or guaranty thereof or any liability of a Issuer or any guarantor, or any liability incurred directly or indirectly in respect thereof (including, without limitation, any extension of the Senior Debt, without any restriction as to the tenor or terms of any such extension), or otherwise amend, renew, exchange, extend, modify, supplement in any manner the Senior Debt or any related documents.

(ii) sell, exchange, release, surrender, realize upon, enforce or otherwise deal with in any manner and in any order any part of the Collateral or other property securing the Senior Debt or any liability of a Issuer or any guarantor to such holder, or any liability incurred directly or indirectly in respect thereof;

(iii) settle or compromise any Senior Debt or any other liability of a Issuer or any guarantor or any security therefor or any liability incurred directly or indirectly in respect thereof and apply any sums by whomsoever paid and however realized to any liability (including, without limitation, the Senior Debt) in any manner or order; and

(iv) exercise or delay in or refrain from exercising any right or remedy against a Issuer or any security or any guarantor or any other Person, elect any remedy and otherwise deal freely with a Issuer and the collateral and any security and any guarantor or any liability of a Issuer or any guarantor to such holder or any liability incurred directly or indirectly in respect thereof.

The Senior Creditor shall have no duty to the Junior Creditor with respect to the preservation or maintenance of any collateral now or hereafter securing all or any portion of the Senior Debt or the manner in which Senior Creditor enforces its rights in such collateral or to preserve or maintain the rights of any Person in such collateral, and the Junior Creditor hereby waive any and all claims which the Junior Creditor may now or hereafter have against the Senior Creditor which relate to such preservation, maintenance or enforcement. The Junior Creditor agrees not to assert and hereby waives, to the fullest extent permitted by law: any right to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshalling, appraisement, valuation or other similar right that may otherwise be available under applicable law or any other similar rights a junior creditor may have under applicable law.

19. CONSENT TO JURISDICTION; SERVICE OF PROCESS.

(A) THE JUNIOR CREDITOR CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN NEW YORK AND WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT, AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS BE MADE BY REGISTERED MAIL DIRECTED TO THE JUNIOR CREDITOR AT THE ADDRESS STATED BELOW AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED THREE (3) DAYS AFTER THE SAME SHALL HAVE BEEN POSTED AS AFORESAID. THE JUNIOR CREDITOR WAIVES ANY OBJECTION BASED UPON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER. NOTHING IN THIS SECTION 17 SHALL AFFECT THE RIGHT OF THE SENIOR CREDITOR TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF THE SENIOR CREDITOR TO BRING ANY ACTION OR PROCEEDING AGAINST THE JUNIOR CREDITOR OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION.

(B) ADVICE OF COUNSEL. EACH OF THE PARTIES REPRESENTS TO EACH OTHER PARTY HERETO THAT IT HAS DISCUSSED THIS AGREEMENT AND, SPECIFICALLY, THE PROVISIONS OF SECTIONS 17, 18, 19 AND 21, WITH COUNSEL OF ITS CHOICE AND IS FULLY AWARE OF THE LEGAL CONSEQUENCES AND EFFECTS OF AND HAS KNOWINGLY AGREED TO THE PROVISIONS HEREOF.

20. ARM'S LENGTH AGREEMENT. EACH OF THE PARTIES TO THIS AGREEMENT AGREES AND ACKNOWLEDGES THAT THIS AGREEMENT HAS BEEN NEGOTIATED IN GOOD FAITH, AT ARM'S LENGTH, AND NOT BY ANY MEANS FORBIDDEN BY LAW.

21. INJUNCTIVE RELIEF. THE JUNIOR CREDITOR ACKNOWLEDGES AND AGREES THAT ITS COVENANTS AND OBLIGATIONS UNDER THIS AGREEMENT AND THE OTHER DOCUMENTS, INSTRUMENTS AND AGREEMENTS EXECUTED IN CONNECTION HEREWITH ARE INTEGRAL TO THE SENIOR CREDITOR'S REALIZATION OF ITS RIGHTS AGAINST, AND THE VALUE OF ITS INTEREST IN, THE ASSETS OF A DEBTOR PARTY AND

ITS AFFILIATES, THAT A BREACH OF ANY OF THE COVENANTS AND OBLIGATIONS OF THE JUNIOR CREDITOR HEREUNDER OR UNDER THE OTHER DOCUMENTS, INSTRUMENTS AND AGREEMENTS EXECUTED IN CONNECTION HEREWITH SHALL ENTITLE THE SENIOR CREDITOR TO INJUNCTIVE RELIEF AND SPECIFIC PERFORMANCE WITHOUT THE NECESSITY OF PROVING IRREPARABLE INJURY TO THE SENIOR CREDITOR OR THAT THE SENIOR CREDITOR DO NOT HAVE AN ADEQUATE REMEDY AT LAW IN RESPECT OF SUCH BREACH (EACH OF WHICH ELEMENTS THE JUNIOR CREDITOR ADMITS EXIST) AND, AS A CONSEQUENCE, THE JUNIOR CREDITOR AGREES THAT EACH AND EVERY COVENANT AND OBLIGATION APPLICABLE TO IT AND CONTAINED IN THIS AGREEMENT OR THE OTHER DOCUMENTS INSTRUMENTS AND AGREEMENTS EXECUTED IN CONNECTION HEREWITH SHALL BE SPECIFICALLY ENFORCEABLE AGAINST IT. THE JUNIOR CREDITOR HEREBY WAIVES AND AGREES NOT TO ASSERT ANY DEFENSES AGAINST AN ACTION FOR SPECIFIC PERFORMANCE OF ITS RESPECTIVE COVENANTS AND OBLIGATIONS HEREUNDER AND/OR UNDER THE OTHER DOCUMENTS, INSTRUMENTS AND AGREEMENTS EXECUTED IN CONNECTION HEREWITH.

22. Notices. Except as otherwise provided for herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon either of the parties by the other, or whenever either of the parties desires to give or serve upon the other communication with respect to this Agreement, such notice, demand, request, consent, approval, declaration or other communication shall be in writing (including, but not limited to, facsimile communication), and shall either be delivered in person, telecopied, telegraphed, sent by reputable overnight courier or mailed by first class mail, or registered or certified mail, return receipt requested, postage prepaid or provided for, addressed as follows:

(i) If to the Senior Creditor at:

c/o U.S. Bank Trust National Association
Corporate Trust Services
U.S. Bank Trust Center
Mail Code SPFT0210
180 East Fifth Street
St. Paul, Minnesota 55101

(ii) If to the Junior Creditor at:

O. Bruton Smith
5401 East Independence Boulevard
P.O. Box 18747
Charlotte, North Carolina 78218

or to such other address as any party designates to the other parties in the manner herein prescribed.

23. GOVERNING LAW. ANY DISPUTE BETWEEN ANY OF THE JUNIOR CREDITOR AND THE SENIOR CREDITOR ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE OTHER DOCUMENTS, INSTRUMENTS OR AGREEMENTS EXECUTED IN CONNECTION HEREWITH AND WHETHER ARISING IN CONTRACT, TORT, EQUITY, OR OTHERWISE, SHALL BE RESOLVED IN ACCORDANCE WITH THE LAWS (WITHOUT REGARD TO THE CONFLICTS OF LAWS PROVISIONS) OF THE STATE OF NEW YORK.

24. Counterparts; Facsimile Effectiveness. This Agreement may be executed in one or more counterparts, each of which shall be considered an original counterpart, and shall become a binding agreement when the Senior Creditor and the Junior Creditor and Issuer have each executed one counterpart. Each of the parties hereto agrees that a signature transmitted to the Senior Creditor or its counsel by facsimile transmission shall be effective to bind the party so transmitting its signature.

25. Complete Agreement; Merger. This Agreement, including the schedules and exhibits hereto, contain the entire understanding of the parties hereto with regard to the subject matter contained herein. This Agreement supersedes all prior or contemporaneous negotiations, promises, covenants, agreements and representations of every nature whatsoever with respect to the matters referred to in this Agreement, all of which have become merged and finally integrated into this Agreement. Each of the parties understands that in the event of any subsequent litigation, controversy or dispute concerning any of the terms, conditions or provisions of this Agreement, no party shall be entitled to offer or introduce into evidence any oral promises or oral agreements between the parties relating to the subject matter of this Agreement not included or referred to herein and not reflected by a writing included or referred to herein.

26. No Third Party Beneficiaries. This Agreement is solely for the benefit of the Senior Creditor and its respective successors and assigns and the Junior Creditor and its successors and is not intended to confer upon the Issuer or any other third party any rights or benefits.

27. Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

28. Section Titles. The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

29. No Strict Construction. The parties (directly and through their counsel) hereto 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 shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

[Signatures begin on following page]

IN WITNESS WHEREOF, this Subordination Agreement has been signed as of this 19th day of November, 2001.

/s/ O. Bruton Smith

O. BRUTON SMITH

Acknowledged and accepted as of
this 19th day of November 2001, by:

U.S. BANK TRUST NATIONAL ASSOCIATION
AS TRUSTEE UNDER THAT CERTAIN INDENTURE
DATED AS OF NOVEMBER 19, 2001 FOR THE BENEFIT OF
THE HOLDERS OF SONIC AUTOMOTIVE, INC.
SENIOR SUBORDINATED NOTE DUE 2008

By: /s/ Lori Anne Rosenberg

Name: Lori Anne Rosenberg

Title: Assistant Vice President

Without in any way establishing any rights with respect to the terms thereof on behalf of any of the undersigned, the undersigned acknowledges receipt of a copy of the foregoing Subordination Agreement this 19th day of November, 2001, and agrees to take no action or refrain from taking action inconsistent with the terms thereof.

SONIC AUTOMOTIVE, INC.

By: /s/ Theodore M. Wright

Name: Theodore M. Wright

Title: Vice President and CFO

EXHIBIT 23.1

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Sonic Automotive, Inc. on Form S-4 of our report dated February 26, 2001, appearing in the Annual Report on Form 10-K of Sonic Automotive, Inc. for the year ended December 31, 2000, and to the reference to us under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

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/s/ Deloitte & Touche L.L.P.

Deloitte $ Touche L.L.P.

Charlotte, North Carolina
December 14, 2001

Exhibit 25.1

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM T-1

Statement of Eligibility Under the
Trust Indenture Act of 1939 of a Corporation
Designated to Act as Trustee

U.S. BANK TRUST NATIONAL ASSOCIATION
(Exact name of Trustee as specified in its charter)

United States	41-0257700
(State of Incorporation)	(I.R.S. Employer Identification No.)
U.S. Bank Trust Center 180 East Fifth Street St. Paul, Minnesota	55101
(Address of Principal Executive Offices)	(Zip Code)

SONIC AUTOMOTIVE, INC.
(Exact name of Registrant as specified in its charter)

Delaware	56-2010790
(State of Incorporation)	(I.R.S. Employer Identification No.)
5401 East Independence Boulevard P.O. Box 18747 Charlotte, North Carolina	28212
(Address of Principal Executive Offices)	(Zip Code)

11% Senior Subordinated Notes due 2008, Series D
(Title of the Indenture Securities)

GENERAL

1. General Information Furnish the following information as to the Trustee.

(a) Name and address of each examining or supervising authority to which it is subject.
Comptroller of the Currency
Washington, D.C.

(b) Whether it is authorized to exercise corporate trust powers.
Yes

2. AFFILIATIONS WITH OBLIGOR AND UNDERWRITERS If the obligor or any underwriter for the obligor is an affiliate of the Trustee, describe each such affiliation.
None

See Note following Item 16.

Items 3-15 are not applicable because to the best of the Trustee's knowledge the obligor is not in default under any Indenture for which the Trustee acts as Trustee.

16. LIST OF EXHIBITS List below all exhibits filed as a part of this statement of eligibility and qualification.

1. Copy of Articles of Association.*

2. Copy of Certificate of Authority to Commence Business.*

3. Authorization of the Trustee to exercise corporate trust powers (included in Exhibits 1 and 2; no separate instrument).*

4. Copy of existing By-Laws.*

5. Copy of each Indenture referred to in Item 4. N/A.

6. The consents of the Trustee required by Section 321(b) of the act.

7. Copy of the latest report of condition of the Trustee published pursuant to law or the requirements of its supervising or examining authority.

* Incorporated by reference to Registration Number 22-27000.

NOTE

The answers to this statement insofar as such answers relate to what persons have been underwriters for any securities of the obligors within three years prior to the date of filing this statement, or what persons are owners of 10% or more of the voting securities of the obligors, or affiliates, are based upon information furnished to the Trustee by the obligors. While the Trustee has no reason to doubt the accuracy of any such information, it cannot accept any responsibility therefor.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, the Trustee, U.S. Bank Trust National Association, an Association organized and existing under the laws of the United States, has duly caused this statement of eligibility and qualification to be signed on its behalf by the undersigned, thereunto duly authorized, and its seal to be hereunto affixed and attested, all in the City of Saint Paul and State of Minnesota on the 11th day of December, 2001.

U.S. BANK TRUST NATIONAL ASSOCIATION

/s/ Lori-Anne Rosenberg

Lori-Anne Rosenberg
Assistant Vice President

/s/ Julie Eddington
- ---
Julie Eddington
Assistant Secretary

EXHIBIT 6

CONSENT

In accordance with Section 321(b) of the Trust Indenture Act of 1939, the undersigned, U.S. BANK TRUST NATIONAL ASSOCIATION hereby consents that reports of examination of the undersigned by Federal, State, Territorial or District authorities may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Dated: December 11, 2001

U.S. BANK TRUST NATIONAL ASSOCIATION

/s/ Lori-Anne Rosenberg

Lori-Anne Rosenberg
Assistant Vice President

<TABLE>
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<S>	<C>	<C>
RI-1.a.1.a	RIAD4011 RE Loans	2817427
RI-1.a.1.b	RIAD4024 Ag/Farmer Loans	92589
RI-1.a.1.c	RIAD4012 Coml/Indl Loans	2228230
RI-1.a.1.d.1	RIADB485 Credit Card Loans	503365
RI-1.a.1.d.2	RIADB486 Other(Sngl Pymt,Instl,Stdnt,Rev Crdt)	766319
RI-1.a.1.e	RIAD4056 Loans to Foreign Govts	11
RI-1.a.1.f	RIADB487 All Other Loans in Domestic	171574
RI-1.a.2	RIAD4059 Foreign Loans	4335
RI-1.a.3	RIAD4010 Total Interest & Fee Inc	6583850
RI-1.b	RIAD4065 Inc from Lease Financing Recv	616090
RI-1.c	RIAD4115 Interest on Balances Due	5017
RI-1.d.1	RIADB488 U.S. Treas Securities/US Gvt Agncy Ob	57916
RI-1.d.2	RIADB489 Mortgage-backed securities	757370
RI-1.d.3	RIAD4060 All Other Securities	111704
RI-1.e	RIAD4069 Interest on Trading Assets	3058
RI-1.f	RIAD4020 Interest on Fed Funds Sold Etc	64022
RI-1.g	RIAD4518 Other Interest Inc	33066
RI-1.h	RIAD4107 Total Interest Income	8232093
RI-2.a.1.a	RIAD4508 Transaction Accounts	89183
RI-2.a.1.b.1	RIAD0093 Savings Deposits	719038
RI-2.a.1.b.2	RIADA517 Int Exp: Time Deposits (greater than)=$100,000	433887
RI-2.a.1.b.3	RIADA518 Int Exp: Time Deposits (less than)$100,000	964914
RI-2.a.2	RIAD4172 Interest on For Deposits	156683
RI-2.b	RIAD4180 Fed Funds Purchased Etc	305267
RI-2.c	RIAD4185 Interest on Demand Notes to US Treasu	676585
RI-2.d	RIAD4200 Interest on Subordinated Notes/Debent	236601
RI-2.e	RIAD4073 Total Interest Expense	3582158
RI-3	RIAD4074 Net Interest Income	4649935
RI-4	RIAD4230 Provision (Loan/Lease)	2165311
RI-5.a	RIAD4070 Income from Fiduciary Activities	561756
RI-5.b	RIAD4080 Service Charges on Deposit Accounts	727299
RI-5.c	RIADA220 Trading Revenue	23274
RI-5.d	RIADB490 Investment Banking	68869
RI-5.e	RIADB491 Venture Capital Revenue	0
RI-5.f	RIADB492 Net Servicing Fees	94255
RI-5.g	RIADB493 Net Securitization Inc	54153
RI-5.h	RIADB494 Insurance Comm/Fees	15353
RI-5.i	RIAD5416 Other non-interest income (RI-5.f.2)	112967
RI-5.j	RIAD5415 Other non-interest income (RI-5.f.2)	2642
RI-5.k	RIADB496 Net Gains (losses) on Other Assets	66742
RI-5.l	RIADB497 Other Noninterest Inc	1134867
RI-5.m	RIAD4079 Total Noninterest Income	2862177
RI-6.a	RIAD3521 Gain/Loss Sec Held to Maturities	0
RI-6.b	RIAD3196 Gain/Loss Sec Available-for-sale	298069
RI-7.a	RIAD4135 Salaries and Benefits	1304362
RI-7.b	RIAD4217 Expense on Premises/Fixed Assets	405915
RI-7.c	RIAD4531 Amortization Exp of Intangible Assets	318901
RI-7.d	RIAD4092 Other Noninterest Expense	1918649
RI-7.e	RIAD4093 Total Noninterest Expense	3947827
RI-8	RIAD4301 Income (loss) Before Income Taxes	1697043
RI-9	RIAD4302 Income Taxes	599089
RI-10	RIAD4300 Income (loss) Before Extraordinary	1097954
RI-11	RIAD4320 Extraordinary Items Net Of Taxes	0
RI-12	RIAD4340 Net Income/Loss	1097954
RI-M.1	RIAD4513 Interest Exp on Exempt After 8/7/86	6992
RI-M.2	RIAD8431 Memoranda: Income Sale Mutuals	68790

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RI-M.3	RIAD4313 Memoranda: Inc. Tax-exempt loans/leases	17723
RI-M.4	RIAD4507 Exempt State/Local Securities	70377
RI-M.5	RIAD4150 Number of Full-Time Employees	38782
RI-M.7	RIAD9106 Balance Sheet Restate - Bank's Acq Date	N/A
RI-M.8.a	RIAD8757 Memoranda: Trading Rev - Interest	6016
RI-M.8.b	RIAD8758 Memoranda: Trading Rev - Foreign Exch	17259
RI-M.8.c	RIAD8759 Memoranda: Trading Rev - Equity/Index	0
RI-M.8.d	RIAD8760 Memoranda: Trading Rev - Commodity	0
RI-M.9.a	RIAD8761 Memoranda: Impact - Interest Income	32425
RI-M.9.b	RIAD8762 Memoranda: Impact - Interest Expense	36599
RI-M.9.c	RIAD8763 Memoranda: Impact - Other Allocations	7283
RI-M.10	RIADA251 Memo: Credit losses on derivatives	0
RI-M.11	RIADA530 Does Bank have Subchapter-S Y/N	NO
RIA-1	RIAD3217 Total Equity Capital	5446052
RIA-2	RIADB507 Restate/Changes in Accting Principles	0
RIA-3	RIADB508 Balance-End of Previous Calendar Year	5446052
RIA-4	RIAD4340 Net Income/Loss	1097954
RIA-5	RIADB509 Net-Cap Stock(Sale,Conv,Acq,or Retire)	0
RIA-6	RIADB510 Net-Treasury Stock Transactions	0
RIA-7	RIAD4356 Changes Incident to Combinations	13080285
RIA-8	RIAD4470 LESS: Cash Dividends on Preferred	0
RIA-9	RIAD4460 LESS: Cash Dividends on Common	1300000
RIA-10	RIADB511 Other Comprehensive Income	270369

RIA-11	RIAD4415 Other Parent H/C Transactions	-572394
RIA-12	RIAD3210 Total Eq/Cap End of Period	18022266
RIB(P1)-1.a(a)	RIAD3582 Memo: Charge-offs: Loans sec construc	7466
RIB(P1)-1.a(b)	RIAD3583 Memo: Recoveries: Loans sec construct	742
RIB(P1)-1.b(a)	RIAD3584 Memo: Charge-offs: Loans sec farmland	7138
RIB(P1)-1.b(b)	RIAD3585 Memo: Recoveries: Loans sec farmland	20
RIB(P1)-1.c.1(a)	RIAD5411 Memo: Charge-offs: Revolv loans 1-4 r	13250
RIB(P1)-1.c.1(b)	RIAD5412 Memo: Recoveries: Revolv loans 1-4 rs	2947
RIB(P1)-1.c.2(a)	RIAD5413 Memo: Charge-offs: Other loans 1-4 rs	63303
RIB(P1)-1.c.2(b)	RIAD5414 Memo: Recoveries: Other loans 1-4 res	9606
RIB(P1)-1.d(a)	RIAD3588 Memo: Charge-offs: Loans sec multifam	1231
RIB(P1)-1.d(b)	RIAD3589 Memo: Recoveries: Loans sec multifaml	255
RIB(P1)-1.e(a)	RIAD3590 Memo: Charge-offs: Loans sec nonfarm	34192
RIB(P1)-1.e(b)	RIAD3591 Memo: Recoveries: Loans sec nonfarm	7939
RIB(P1)-1.f(a)	RIADB512 Memo: Charge-offs: Foreign	0
RIB(P1)-1.f(b)	RIADB513 Memo: Recoveries: Foreign	0
RIB(P1)-2.a(a)	RIAD4653 Loans to US Banks: Charge-Offs	0
RIB(P1)-2.a(b)	RIAD4663 Loans to US Banks: Recoveries	0
RIB(P1)-2.b(a)	RIAD4654 Loans to For Banks: Charge-Offs	0
RIB(P1)-2.b(b)	RIAD4664 Loans to For Banks: Recoveries	0
RIB(P1)-3(a)	RIAD4655 Ag/Farm Loans: Charge-Offs	39858
RIB(P1)-3(b)	RIAD4665 Ag/Farm Loans: Recoveries	383
RIB(P1)-4.a(a)	RIAD4645 Coml/Indl Loans US: Charge-Offs	820472
RIB(P1)-4.a(b)	RIAD4617 Coml/Indl Loans US: Recoveries	35257
RIB(P1)-4.b(a)	RIAD4646 Coml/Indl Loans non-US: Charge-Offs	0
RIB(P1)-4.b(b)	RIAD4618 Coml/Indl Loans non-US: recoveries	0
RIB(P1)-5.a(a)	RIADB514 Memo: Charge-Offs: Loans-Credit Cards	186825
RIB(P1)-5.a(b)	RIADB515 Memo:Recoveries: Loans-Credit Cards	45679
RIB(P1)-5.b(a)	RIADB516 Memo:Charge-offs: Loans-Other	178927
RIB(P1)-5.b(b)	RIADB517 Memo: Recoveries: Loans-Other	28785
RIB(P1)-6(a)	RIAD4643 Loans to For Govts: Charge-Offs	0
RIB(P1)-6(b)	RIAD4627 Loans to For Govts: Recoveries	0
RIB(P1)-7(a)	RIAD4644 Other Loans: Charge-Offs	75722

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RIB(P1)-7(b)	RIAD4628 Other Loans: Recoveries	1913
RIB(P1)-8.a(a)	RIAD4658 Leases US: Charge-Offs	152507
RIB(P1)-8.a(b)	RIAD4668 Leases US: Recovereies	25356
RIB(P1)-8.b.(a)	RIAD4659 Leases non-US: Chatge-Offs	0
RIB(P1)-8.b.(b)	RIAD4669 Leases non-US: Recoveries	0
RIB(P1)-9(a)	RIAD4635 Total Charge-offs (year-to-date)	1580891
RIB(P1)-9(b)	RIAD4605 Total Recoveries (year-to-date)	158882
RIB(P1)-M.1(a)	RIAD5409 Memo: Charge-offs: Loans to fin comm.	5730
RIB(P1)-M.1(b)	RIAD5410 Memo: Recoveries: Loans to fin commcl	866
RIB(P1)-M.2(a)	RIAD4652 RE Loans: non-US: Charge-Offs	0
RIB(P1)-M.2(b)	RIAD4662 RE Loans: non-US: Recoveries	0
RIB(P2)-1	RIADB522 Balance	639811
RIB(P2)-2	RIAD4605 Recoveries	158882
RIB(P2)-4	RIAD4230 Provision (Loan/Lease)	2165311
RIB(P2)-5	RIAD4815 Adjustments (Loan/Lease)	747138
RIB(P2)-6	RIAD3123 Balance - End of Current	2341530
RID-1.a	RIADB523 Int. Inc/International Ops - Gross Inc	N/A
RID-1.b	RIADB524 Int. Inc/International Ops - Gross Exp	N/A
RID-2.	RIADB525 Net Inc Income - International	N/A
RID-3.a	RIAD4097 Noninterest Intl Income	N/A
RID-3.b	RIAD4235 Provision for Intl Loan/Lease Losses	N/A
RID-3.c	RIAD4239 Other Intl Nonint Expense	N/A
RID-3.d	RIAD4843 Net Non-Int Income	N/A
RID-4	RIAD4844 Est. Pre-Tax Inc - Intl before cap	N/A
RID-5	RIAD4845 Adjustment to Pretax Income Etc	N/A
RID-6	RIAD4846 Est. Pre-Tax Inc - Intl after cap	N/A
RID-7	RIAD4797 Intl Income Taxes	N/A
RID-8	RIAD4341 Estimated Net Inc - Intl Ops	N/A
RIE-1.a	RIADC013 Other non-interest income (RI-5.l)	11497
RIE-1.b	RIADC014 Other non-interest income (RI-5.l)	1130
RIE-1.c	RIADC016 Other non-interest income (RI-5.l)	88119
RIE-1.d	RIAD4042 Other non-interest income (RI-5.l)	0
RIE-1.e	RIADC015 Other non-interest income (RI-5.l)	17267
RIE-1.f	RIAD4461 Other non-interest income (RI-5.l)	95488
RIE-1.g	RIAD4462 Other non-interest income (RI-5.l)	194009
RIE-1.h	RIAD4463 Other non-interest income (RI-5.l)	311300
RIE-2.a	RIADC017 Other non-interest expense (RI-7.d)	106023
RIE-2.b	RIAD0497 Other non-interest expense (RI-7.d)	176422
RIE-2.c	RIAD4136 Other non-interest expense (RI-7.d)	1854
RIE-2.d	RIADC018 Other non-interest expense (RI-7.d)	39829
RIE-2.e	RIAD8403 Other non-interest expense (RI-7.d)	40070
RIE-2.f	RIAD4141 Other non-interest expense (RI-7.d)	13199
RIE-2.g	RIAD4146 Other non-interest expense (RI-7.d)	14390
RIE-2.h	RIAD4464 Other non-interest expense (RI-7.d)	583671
RIE-2.I	RIAD4467 Other non-interest expense (RI-7.d)	123905
RIE-2.j	RIAD4468 Other non-interest expense (RI-7.d)	100756
RIE-3.a.1	RIAD6373 Effect of adopting FAS 133	0

RIE-3.a.2	RIAD4486	Applicable tax effect (RI-11)	0
RIE-3.b.1	RIAD4487	Applicable tax effect (RI-11)	0
RIE-3.b.2	RIAD4488	Applicable tax effect (RI-11)	0
RIE-3.c.1	RIAD4489	Applicable tax effect (RI-11)	0
RIE-3.c.2	RIAD4491	Applicable tax effect (RI-11)	0
RIE-4.a	RIADB526	Restatements Due (RI-A.2)	0
RIE-4.b	RIADB527	Restatements Due (RI-A.2)	0
RIE-5.a	RIAD4498	Transactions w/parent (RIA-11)	-1350000
RIE-5.b	RIAD4499	Transactions w/parent (RIA-11)	777547

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RIE-6.b	RIAD4522	Adjs. to allow for l & l loss (RIB.2.5)	-62786
RIE-7	RIAD4769	RI-E Other Explanations (Y/N)	Y
RC-1.a	RCFD0081	Cash and Noninterest-bearing Balances	7424578
RC-1.b	RCFD0071	Interest-bearing Balances	98102
RC-2.a	RCFD1754	Securities Held-to-Maturity	278690
RC-2.b	RCFD1773	Total Avail-for-sale - Fair Value	25107852
RC-3	RCFD1350	Fed Funds Sold & Secs Purchased	1509608
RC-4.a	RCFD5369	Loans & leases held for sale	3300036
RC-4.b	RCFDB528	Loans & leases, net Unearned Inc	110352733
RC-4.c	RCFD3123	LESS: Allowance for Loan and Lease Lo	2341530
RC-4.d	RCFDB529	Loans & leases, net Unearned Inc & Allow	108011203
RC-5	RCFD3545	Total Trading Assets	179817
RC-6	RCFD2145	Premises and Fixed Assets	1455348
RC-7	RCFD2150	Othr Real Estate - Total	55170
RC-8	RCFD2130	Investmnts in unconsold subs - Total	707366
RC-9	RCFD2155	Customers' Liability on Acceptances	184931
RC-10.a	RCFD3163	Goodwill	4519721
RC-10.b	RCFD0426	Other intangible assets	3669399
RC-11	RCFD2160	Total Other Assets	6597674
RC-12	RCFD2170	Total Assets	163099495
RC-13.a	RCON2200	Deposits: Domestic Offices	101929065
RC-13.a.1	RCON6631	Domestic Deposits: Noninterest-bearin	26037605
RC-13.a.2	RCON6636	Domestic Deposits: Interest-bearing	75891460
RC-13.b	RCFN2200	Total Deps in Foreign Offices	4799676
RC-13.b.1	RCFN6631	Foreign Deposits: Noninterest-bearing	0
RC-13.b.2	RCFN6636	Foreign Deposits: Interest-bearing	4799676
RC-14	RCFD2800	Fed Funds Purchased & Secs Sold	3823703
RC-15	RCFD3548	Total trading liabilities	168430
RC-16	RCFD3190	Other borrowed money	24037743
RC-18	RCFD2920	Bank's Liability on Acceptances	184931
RC-19	RCFD3200	Subordinated Notes and Debentures	5477870
RC-20	RCFD2930	Total Other Liabilities	3711905
RC-21	RCFD2948	Total Liabilities	144133323
RC-22	RCFD3000	Minority Interest in Subsidiaries	943906
RC-23	RCFD3838	Perpetual Preferred Stock & Surplus	0
RC-24	RCFD3230	Common Stock	310004
RC-25	RCFD3839	Surplus	11775689
RC-26.a	RCFD3632	Undivided Profits/Capital Reserves	5573045
RC-26.b	RCFDB530	Accumulated other comprehensive Inc	363528
RC-27	RCFDA130	Other equity captial components	0
RC-28	RCFD3210	Total Equity Capital	18022266
RC-29	RCFD3300	Total Liabs, Pref. Stck, & Equity Cap	163099495
RC-M.1	RCFD6724	Auditor memo	N/A
RCA-1	RCFD0022	Cash - process collect, debits, currency	6585338
RCA-1.a	RCON0020	Cash Items in Process of Collection	5385157
RCA-1.b	RCON0080	Currency and Coin	1198140
RCA-2	RCON0082	Bal Due - Dep Inst (US)	698446
RCA-2.a	RCFD0083	Due from US Dep'y/Foreign Banks	0
RCA-2.b	RCFD0085	Due from Other US Dep'y	698607
RCA-3	RCON0070	Bal Due - Foreign	40823
RCA-3.a	RCFD0073	Due from For Branches/US Banks	0
RCA-3.b	RCFD0074	Due from Other For Banks/Countries	53862
RCA-4(a)	RCFD0090	Due from Fed Rsv Banks - Cons	184873
RCA-4(b)	RCON0090	Due from Fed Rsv Banks - Domestic	184873
RCA-5(a)	RCFD0010	Consolidated Bank - Total	7522680
RCA-5(b)	RCON0010	Domestic Office - Total	7507439

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RCB-1(a)	RCFD0211	Held: Cost: US Treasury Securities	0
RCB-1(b)	RCFD0213	Held: Value: US Treasury Securities	0
RCB-1(c)	RCFD1286	Sale: Cost: US Treasury Securities	367457
RCB-1(d)	RCFD1287	Sale: Value: US Treasury Securities	371002
RCB-2.a(a)	RCFD1289	Held: Cost: Obligations US agencies	0
RCB-2.a(b)	RCFD1290	Held: Value: Obligations US agencies	0
RCB-2.a(c)	RCFD1291	Sale: Cost: Obligations US agencies	127484
RCB-2.a(d)	RCFD1293	Sale: Value: Obligations US agencies	129881
RCB-2.b(a)	RCFD1294	Held: Cost: Obligations US sponsored	0
RCB-2.b(b)	RCFD1295	Held: Value: Obligations US sponsored	0

RCB-2.b(c)	RCFD1297	Sale: Cost: Obligations US sponsored	984938
RCB-2.b(d)	RCFD1298	Sale: Value: Obligations US sponsored	1002381
RCB-3(a)	RCFD8496	Held: Cost: Sec-States/Pol subdiv in US	252144
RCB-3(b)	RCFD8497	Held: Value: Sec-States/Pol subdiv in US	261263
RCB-3(c)	RCFD8498	Sale: Cost: Sec-States/Pol subdiv in US	992400
RCB-3(d)	RCFD8499	Sale: Value: Sec-States/Pol subdiv in US	1021664
RCB-4.a.1(a)	RCFD1698	Held: Cost: Security Guaranteed GNMA	0
RCB-4.a.1(b)	RCFD1699	Held: Value: Security Guaranteed GNMA	0
RCB-4.a.1(c)	RCFD1701	Sale: Cost: Security Guaranteed GNMA	445563
RCB-4.a.1(d)	RCFD1702	Sale: Value: Security Guaranteed GNMA	459546
RCB-4.a.2(a)	RCFD1703	Held: Cost: Security Issued FNMA	0
RCB-4.a.2(b)	RCFD1705	Held: Value: Security Issued FNMA	0
RCB-4.a.2(c)	RCFD1706	Sale: Cost: Security Issued FNMA	8733965
RCB-4.a.2(d)	RCFD1707	Sale: Value: Security Issued FNMA	8871120
RCB-4.a.3(a)	RCFD1709	Held: Cost: Other Pass-Through Secs	26546
RCB-4.a.3(b)	RCFD1710	Held: Value: Other Pass-Through Secs	26546
RCB-4.a.3(c)	RCFD1711	Sale: Cost: Other Pass-Through Secs	1249
RCB-4.a.3(d)	RCFD1713	Sale: Value: Other Pass-Through Secs	1230
RCB-4.b.1(a)	RCFD1714	Held: Cost: Issued/Guar. FNMA, Etc.	0
RCB-4.b.1(b)	RCFD1715	Held: Value: Issued/Guar. FNMA, Etc.	0
RCB-4.b.1(c)	RCFD1716	Sale: Cost: Issued/Guar. FNMA, Etc.	11635388
RCB-4.b.1(d)	RCFD1717	Sale: Value: Issued/Guar. FNMA, Etc.	11830050
RCB-4.b.2(a)	RCFD1718	Held: Cost: Collateralized MBS -FNMA	0
RCB-4.b.2(b)	RCFD1719	Held: Value: Collateralized MBS -FNMA	0
RCB-4.b.2(c)	RCFD1731	Sale: Cost: Collateralized MBS -FNMA	171
RCB-4.b.2(d)	RCFD1732	Sale: Value: Collateralized MBS -FNMA	172
RCB-4.b.3(a)	RCFD1733	Held: Cost: All Other MBS	0
RCB-4.b.3(b)	RCFD1734	Held: Value: All Other MBS	0
RCB-4.b.3(c)	RCFD1735	Sale: Cost: All Other MBS	555874
RCB-4.b.3(d)	RCFD1736	Sale: Value: All Other MBS	562318
RCB-5.a(a)	RCFDB838	Held: Cost: Credit card rec	0
RCB-5.a(b)	RCFDB839	Held: Value: Credit card rec	0
RCB-5.a(c)	RCFDB840	Sale: Cost: Credit card rec	4635
RCB-5.a(d)	RCFDB841	Sale: Value: Credit card rec	4760
RCB-5.b(a)	RCFDB842	Held: Cost: Home equity lines	0
RCB-5.b(b)	RCFDB843	Held: Value: Home equity lines	0
RCB-5.b(c)	RCFDB844	Sale: Cost: Home equity lines	1307
RCB-5.b(d)	RCFDB845	Sale: Value: Home equity lines	1308
RCB-5.c(a)	RCFDB846	Held: Cost: Automobile Loans	0
RCB-5.c(b)	RCFDB847	Held: Value: Automobile Loans	0
RCB-5.c(c)	RCFDB848	Sale: Cost: Automobile Loans	5835
RCB-5.c(d)	RCFDB849	Sale: Value: Automobile Loans	5840
RCB-5.d(a)	RCFDB850	Held: Cost: Other Consumer Loans	0
RCB-5.d(b)	RCFDB851	Held: Value: Other Consumer Loans	0
RCB-5.d(c)	RCFDB852	Sale: Cost: Other Consumer Loans	0
RCB-5.d(d)	RCFDB853	Sale: Value: Other Consumer Loans	0

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RCB-5.e(a)	RCFDB854	Held: Cost: Coml/Indust Loans	0
RCB-5.e(b)	RCFDB855	Held: Value: Coml/Indust Loans	0
RCB-5.e(c)	RCFDB856	Sale: Cost: Coml/Indust Loans	146495
RCB-5.e(d)	RCFDB857	Sale: Value: Coml/Indust Loans	150287
RCB-5.f(a)	RCFDB858	Held: Cost: Other ABS	0
RCB-5.f(b)	RCFDB859	Held: Value: Other ABS	0
RCB-5.f(c)	RCFDB860	Sale: Cost: Other ABS	0
RCB-5.f(d)	RCFDB861	Sale: Value: Other ABS	0
RCB-6.a(a)	RCFD1737	Held: Cost: Other Domestic Debt Sec.	0
RCB-6.a(b)	RCFD1738	Held: Value: Other Domestic Debt Sec.	0
RCB-6.a(c)	RCFD1739	Sale: Cost: Other Domestic Debt Sec.	455331
RCB-6.a(d)	RCFD1741	Sale: Value: Other Domestic Debt Sec.	435775
RCB-6.b(a)	RCFD1742	Held: Cost: Foreign Debt Securities	0
RCB-6.b(b)	RCFD1743	Held: Value: Foreign Debt Securities	0
RCB-6.b(c)	RCFD1744	Sale: Cost: Foreign Debt Securities	19620
RCB-6.b(d)	RCFD1746	Sale: Value: Foreign Debt Securities	19550
RCB-7(c)	RCFDA510	Sale: Cost: Securities Mutual Funds	240968
RCB-7(d)	RCFDA511	Sale: Value: Securities Mutual Funds	240968
RCB-8(a)	RCFD1754	Total Held-to-maturity - Amort Cost	278690
RCB-8(b)	RCFD1771	Total Held-to-maturity - Fair Value	287809
RCB-8(c)	RCFD1772	Total Avail-for-sale - Amort Cost	24718680
RCB-8(d)	RCFD1773	Total Avail-for-sale - Fair Value	25107852
RCB-M.1	RCFD0416	Memoranda: Pledged	16647938
RCB-M.2.a.1	RCFDA549	Memoranda: Non-Mort Debt (less than) 3 MO	1003595
RCB-M.2.a.2	RCFDA550	Memoranda: Non-Mort Debt 3-12 MO	253188
RCB-M.2.a.3	RCFDA551	Memoranda: Non-Mort Debt 1-3 YRS	1140126
RCB-M.2.a.4	RCFDA552	Memoranda: Non-Mort Debt 3-5 YRS	281052
RCB-M.2.a.5	RCFDA553	Memoranda: Non-Mort Debt 5-15 YRS	593590
RCB-M.2.a.6	RCFDA554	Memoranda: Non-Mort Debt (greater than) 15 YRS	123041
RCB-M.2.b.1	RCFDA555	Memoranda: Mort Pass Thru (less than) 3 MO	604577
RCB-M.2.b.2	RCFDA556	Memoranda: Mort Pass Thru 3-12 MO	38894
RCB-M.2.b.3	RCFDA557	Memoranda: Mort Pass Thru 1-3 YRS	18890
RCB-M.2.b.4	RCFDA558	Memoranda: Mort Pass Thru 3-5 YRS	87357
RCB-M.2.b.5	RCFDA559	Memoranda: Mort Pass Thru 5-15 YRS	7579512

RCB-M.2.b.6	RCFDA560	Memoranda: Mort Pass Thru (greater than) 15 YRS	1029212
RCB-M.2.c.1	RCFDA561	Memoranda: Other Mort-backed (less than) 3 YRS	325470
RCB-M.2.c.2	RCFDA562	Memoranda: Other Mort-backed (greater than) 3 YRS	12067070
RCB-M.2.d	RCFDA248	Memoranda: Tot Debt (less than) 1 YR	754288
RCB-M.3	RCFD1778	Amortized Cost Held Securities Sold	0
RCB-M.4.a	RCFD8782	Structured Notes - Amortized Cost	2668
RCB-M.4.b	RCFD8783	Structured Notes - Fair Value	2673
RCC(P1)-1	RCFD1410	Loans Sec by Real Estate	45814357
RCC(P1)-1.a	RCON1415	Construction and Land Development	6647302
RCC(P1)-1.b	RCON1420	Secured by Farmland	636144
RCC(P1)-1.c.1	RCON1797	Secured by 1-4: Revolving	5362063
RCC(P1)-1.c.2.a	RCON5367	Secured by 1-4: Other (first liens)	9558902
RCC(P1)-1.c.2.b	RCON5368	Secured by 1-4: Other (junior liens)	5667551
RCC(P1)-1.d	RCON1460	Secured by 5+	2142922
RCC(P1)-1.e	RCON1480	Secured by Nonfarm Nonresidential	15799473
RCC(P1)-2.a	RCONB531	Commercial Banks - US	24841
RCC(P1)-2.a.1	RCFDB532	US branches/agencies of foreign banks	0
RCC(P1)-2.a.2	RCFDB533	US branches/agencies of foreign banks	24841
RCC(P1)-2.b(a)	RCFDB534	Other commerc banks in US	59731
RCC(P1)-2.b(b)	RCONB534	Other deposit inst in US	59731
RCC(P1)-2.c	RCONB535	Foreign Banks	158622
RCC(P1)-2.c1	RCFDB536	Foreign branches of other US banks	187

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RCC(P1)-2.c2	RCFDB537	Other banks in foreign countries	158435
RCC(P1)-3(a)	RCFD1590	Consolidated to Farmers	1002615
RCC(P1)-3(b)	RCON1590	Domestic to Farmers	1002615
RCC(P1)-4.a(a)	RCFD1763	Consolidated US Coml	34830339
RCC(P1)-4.a(b)	RCON1763	Domestic US Coml	34790784
RCC(P1)-4.b(a)	RCFD1764	Consolidated non-US Coml	137882
RCC(P1)-4.b(b)	RCON1764	Domestic non-US Coml	39590
RCC(P1)-6.a(a)	RCFDB538	Loans to individuals - CC (Cons)	4802936
RCC(P1)-6.a(b)	RCONB538	Loans to individuals - CC (Dom)	4802936
RCC(P1)-6.b(a)	RCFDB539	Loans to individuals-Other (Cons)	2492691
RCC(P1)-6.b(b)	RCONB539	Loans to individuals-Other (Dom)	2492691
RCC(P1)-6.c(a)	RCFD2011	Cons Other Consumer (Cons)	8666443
RCC(P1)-6.c(b)	RCON2011	Cons Other Consumer (Dom)	8666443
RCC(P1)-7(a)	RCFD2081	Consolidated Loans to For Govts	0
RCC(P1)-7(b)	RCON2081	Domestic Loans to For Govts	0
RCC(P1)-8(a)	RCFD2107	Consolidated Obligations US	1436737
RCC(P1)-8(b)	RCON2107	Domestic Obligations US	1436737
RCC(P1)-9	RCFD1563	Consolidated Other	3592044
RCC(P1)-9.a	RCON1545	Domestic Loans for Securities	614681
RCC(P1)-9.b	RCON1564	Domestic Other	2977363
RCC(P1)-10	RCON2165	Domestic Leases	10632598
RCC(P1)-10.a	RCFD2182	Consolidated US Leases	10631346
RCC(P1)-10.b	RCFD2183	Consolidated For Leases	2185
RCC(P1)-11(a)	RCFD2123	LESS: Consolidated Unearned Income	0
RCC(P1)-11(b)	RCON2123	LESS: Domestic Unearned Income	0
RCC(P1)-12(a)	RCFD2122	Total Loans & Leases (Consolidated)	113652769
RCC(P1)-12(b)	RCON2122	Total Loans & Leases (Domestic)	113513989
RCC(P1)-M.1	RCFD1616	Loans and leases restructured	0
RCC(P1)-M.2.a.1	RCONA564	Memo: Loans Secd by Real Est (less than) 3 MO	1040370
RCC(P1)-M.2.a.2	RCONA565	Memo: Loans Secd by Real Est 3-12 MO	1093349
RCC(P1)-M.2.a.3	RCONA566	Memo: Loans Secd by Real Est 1-3 YRS	1604784
RCC(P1)-M.2.a.4	RCONA567	Memo: Loans Secd by Real Est 3-5 YRS	624339
RCC(P1)-M.2.a.5	RCONA568	Memo: Loans Secd by Real Est 5-15 YRS	1470139
RCC(P1)-M.2.a.6	RCONA569	Memo: Loans Secd by Real Est (greater than) 15 YRS	3640443
RCC(P1)-M.2.b.1	RCFDA570	Memo: Other Loans/Leases (less than) 3 MO	53307237
RCC(P1)-M.2.b.2	RCFDA571	Memo: Other Loans/Leases 3-12 MO	4987987
RCC(P1)-M.2.b.3	RCFDA572	Memo: Other Loans/Leases 1-3 YRS	17428625
RCC(P1)-M.2.b.4	RCFDA573	Memo: Other Loans/Leases 3-5 YRS	15090640
RCC(P1)-M.2.b.5	RCFDA574	Memo: Other Loans/Leases 5-15 YRS	10599986
RCC(P1)-M.2.b.6	RCFDA575	Memo: Other Loans/Leases (greater than) 15 YRS	1755143
RCC(P1)-M.2.c	RCFDA247	Memo: Tot Remg Loans/Leases (less than) 1 YR	26155640
RCC(P1)-M.3	RCFD2746	Loans to fin. comm. real est., constr	1152164
RCC(P1)-M.4	RCON5370	Adj. rate closed-end loans secured	2741964
RCC(P1)-M.5	RCFDB837	Loan secured by real estate to non-US	0
RCC(P2)-1	RCON6999	YES/NO - RCC01.E & RCC04 (greater than)= $ 100,000	N/A
RCC(P2)-2.a	RCON5562	Number of Loans RCC01.E	N/A
RCC(P2)-2.b	RCON5563	Number of Loans RCC04	N/A
RCC(P2)-3.a(a)	RCON5564	Number of Loans RCC01.E Orig (less than)= $100K	N/A
RCC(P2)-3.a(b)	RCON5565	Amount of Loans RCC01.E Orig (less than)= $100K	N/A
RCC(P2)-3.b(a)	RCON5566	# of Loans RCC01.E $100K(less than)Orig(less than)=$250K	N/A
RCC(P2)-3.b(b)	RCON5567	$ of Loans RCC01.E $100K(less than)Orig(less than)=$250K	N/A
RCC(P2)-3.c(a)	RCON5568	# of Loans RCC01.E $250K (less than) Orig (less than)=$1M	N/A
RCC(P2)-3.c(b)	RCON5569	$ of Loans RCC01.E $250K (less than) Orig (less than)=$1M	N/A
RCC(P2)-4.a(a)	RCON5570	Number of Loans RCC04 Orig (less than)= $100K	N/A
RCC(P2)-4.a(b)	RCON5571	Amount of Loans RCC04 Orig (less than)= $100K	N/A
RCC(P2)-4.b(a)	RCON5572	# of Loans RCC04 $100K(less than) Orig (less than)= $250K	N/A

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RCC(P2)-4.b(b) RCON5573 $ of Loans RCC04 $100K(less than) Orig (less than)= $250K N/A
RCC(P2)-4.c(a) RCON5574 # of Loans RCC04 $250K (less than) Orig (less than)= $1M N/A
RCC(P2)-4.c(b) RCON5575 $ of Loans RCC04 $250K (less than) Orig (less than)= $1M N/A
RCC(P2)-5 RCON6860 YES/NO - RCC01.B & RCC03 (greater than)= $ 100,000 N/A
RCC(P2)-6.a RCON5576 Number of Loans RCC01.B N/A
RCC(P2)-6.b RCON5577 Number of Loans RCC03 N/A
RCC(P2)-7.a(a) RCON5578 Number of Loans RCC01.B Orig (less than)= $100K N/A
RCC(P2)-7.a(b) RCON5579 Amount of Loans RCC01.B Orig (less than)= $100K N/A
RCC(P2)-7.b(a) RCON5580 # of Loans RCC01.B $100K(less than)Orig(less than)=$250K N/A
RCC(P2)-7.b(b) RCON5581 $ of Loans RCC01.B $100K(less than)Orig(less than)=$250K N/A
RCC(P2)-7.c(a) RCON5582 # of Loans RCC01.B $250K(less than)Orig(less than)=$500K N/A
RCC(P2)-7.c(b) RCON5583 $ of Loans RCC01.B $250K(less than)Orig(less than)=$500K N/A
RCC(P2)-8.a(a) RCON5584 Number of Loans RCC03 - Orig (less than)= $100K N/A
RCC(P2)-8.a(b) RCON5585 Amount of Loans RCC03 - Orig (less than)= $100K N/A
RCC(P2)-8.b(a) RCON5586 # of Loans RCC03 - $100K(less than)Orig(less than)=$250K N/A
RCC(P2)-8.b(b) RCON5587 $ of Loans RCC03 - $100K(less than)Orig(less than)=$250K N/A
RCC(P2)-8.c(a) RCON5588 # of Loans RCC03 - $250K(less than)Orig(less than)=$500K N/A
RCC(P2)-8.c(b) RCON5589 $ of Loans RCC03 - $250K(less than)Orig(less than)=$500K N/A
RCD-1 RCON3531 US Treasury securities 0
RCD-2 RCON3532 US Govt agency obligations 0
RCD-3 RCON3533 Securities issued by State and Subdiv 0
RCD-4.a RCON3534 Pass-through secs by FNMA/FHLMC/GNMA 0
RCD-4.b RCON3535 CMOs and REMICs issued by FNMA/FHLMC 0
RCD-4.c RCON3536 All other mortgage-backed securities 0
RCD-5 RCON3537 Other debt securities 0
RCD-9 RCON3541 Other trading assets domestic 0
RCD-10 RCFN3542 Trading assets foreign 0
RCD-11.a RCON3543 Gains on rate & contracts domestic 179246
RCD-11.b RCFN3543 Gains on rate & contracts foreign 571
RCD-12 RCFD3545 Total Trading Assets 179817
RCD-13 RCFD3546 Liability for short positions 0
RCD-14 RCFD3547 Losses on rate & contracts 168430
RCD-15 RCFD3548 Total trading liabilities 168430
RCE(P1)-1(a) RCONB549 Indv, partner, & corp - Transaction 25503598
RCE(P1)-1(c) RCONB550 Indv,partner,& corp - Non-Transaction 70522655
RCE(P1)-2(a) RCON2202 USG Transaction 27442
RCE(P1)-2(c) RCON2520 USG Nontransaction 13870
RCE(P1)-3(a) RCON2203 State/Local Transaction 1161614
RCE(P1)-3(c) RCON2530 State/Local Nontransaction 4167297
RCE(P1)-4(a) RCONB551 Cml banks/Other US - Transaction 439227
RCE(P1)-4(c) RCONB552 Cml banks/Other US - Transaction 15886
RCE(P1)-5(a) RCON2213 Banks in Foreign Count - Transaction 77442
RCE(P1)-5(c) RCON2236 Banks in Foreign Count - Nontransaction 8
RCE(P1)-6(a) RCON2216 For Govt Transaction 0
RCE(P1)-6(c) RCON2377 For Govt Nontransaction 26
RCE(P1)-7(a) RCON2215 Total Transaction Accounts 27209323
RCE(P1)-7(b) RCON2210 Total Demand Deposits 18990535
RCE(P1)-7(c) RCON2385 Total Nontransaction Accounts 74719742
RCE(P1)-M.1.a RCON6835 IRA/Keogh 1925328
RCE(P1)-M.1.b RCON2365 Brokered 3619639
RCE(P1)-M.1.c.1 RCON2343 Brokered (less than) $100K 526
RCE(P1)-M.1.c.2 RCON2344 Brokered Participated to (less than) $100K 273408
RCE(P1)-M.1.d.1 RCONA243 Matur data:denom (less than) 100k,matur(less than)= 1 yr 477
RCE(P1)-M.1.d.2 RCONA244 Matur data:denom =(greater than)100k,matur(less than)= 1 yr 3389178
RCE(P1)-M.1.e RCON5590 Memoranda: Preferred Deposits N/A
RCE(P1)-M.2.a.1 RCON6810 MMDAs 39023412
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RCE(P1)-M.2.a.2 RCON0352 Other Savings 4596659
RCE(P1)-M.2.b RCON6648 Time Deposits (less than) $100K 21431239
RCE(P1)-M.2.c RCON2604 Memoranda: Time Deposits (greater than)=$100 000 9668433
RCE(P1)-M.3.a.1 RCONA579 Memo: Time Deps (less than) 100K (less than) 3 MO 4816082
RCE(P1)-M.3.a.2 RCONA580 Memo: Time Deps (less than) 100K 3-12 MO 9580148
RCE(P1)-M.3.a.3 RCONA581 Memo: Time Deps (less than) 100K 1-3 YRS 5708209
RCE(P1)-M.3.a.4 RCONA582 Memo: Time Deps (less than) 100K (greater than) 3 YRS 1326800
RCE(P1)-M.3.b RCONA241 Memo: Time Deps (less than) 100K (less than) 1 YR 14289477
RCE(P1)-M.4.a.1 RCONA584 Memo: Time Deps (greater than) 100K (less than) 3 MO 4321570
RCE(P1)-M.4.a.2 RCONA585 Memo: Time Deps (greater than) 100K 3-12 MO 3710204
RCE(P1)-M.4.a.3 RCONA586 Memo: Time Deps (greater than) 100K 1-3 YRS 1120045
RCE(P1)-M.4.a.4 RCONA587 Memo: Time Deps (greater than) 100K (greater than) 3 YRS 516614
RCE(P1)-M.4.b RCONA242 Memo: Time Deps (greater than) 100K (less than) 1 YR 7898845
RCE(P2)-1 RCFNB553 Deposits: Individual, partner, corp. 1446867
RCE(P2)-2 RCFNB554 Deposits: US Banks 3352809
RCE(P2)-3 RCFN2625 Deposits: Foreign Banks 0
RCE(P2)-4 RCFN2650 Deposits: Foreign Govts. 0
RCE(P2)-5 RCFNB555 Deposits: US Govt.,states,political 0
RCE(P2)-6 RCFN2200 Total Deps in Foreign Offices 4799676
RCE(P2)-M.1 RCFNA245 Memo:TD with remaining maturity(less than)=1 yr" 4799676
RCF-1 RCFDB556 Accrued interest receivable 841290

RCF-2	RCFD2148	Net Deferred Tax Assets	0
RCF-3.a	RCFDA519	Interest Only Strip: Mortgage Loans	0
RCF-3.b	RCFDA520	Interest Only Strip: Other Assets	30560
RCF-4	RCFD1752	Sale: Cost: Other Equity Securities	779245
RCF-5	RCFD2168	Other Assets	4946579
RCF-5.a	RCFD2166	Other Assets - Line A	0
RCF-5.b	RCFDC009	Other Assets - Line B	1387482
RCF-5.c	RCFD1578	Other Assets - Line C	0
RCF-5.d	RCFDC010	Other Assets - Line D	525403
RCF-5.e	RCFD3549	Other Assets - Line E	1633351
RCF-5.f	RCFD3550	Other Assets - Line F	0
RCF-5.g	RCFD3551	Other Assets - Line G	0
RCF-6	RCFD2160	Total Other Assets	6597674
RCG-1.a	RCON3645	Expenses Accrued and Unpaid on deposi	448454
RCG-1.b	RCFD3646	Other Expenses Accrued and Unpaid	1268983
RCG-2.	RCFD3049	Net Deferred Tax Liabilities	1097898
RCG-3	RCFDB557	Allowance for credit losses	5550
RCG-4.	RCFD2938	Other Liabilities	891020
RCG-4.a	RCFD3066	Other Liabilities - Line A	0
RCG-4.b	RCFDC011	Other Liabilities - Line B	0
RCG-4.c	RCFD2932	Other Liabilities - Line C	0
RCG-4.d	RCFDC012	Other Liabilities - Line D	1017
RCG-4.e	RCFD3552	Other Liabilities - Line E	626576
RCG-4.f	RCFD3553	Other Liabilities - Line F	0
RCG-4.g	RCFD3554	Other Liabilities - Line G	0
RCG-5.	RCFD2930	Total Other Liabilities	3711905
RCH-1	RCON2155	Customers' Liability on Acceptances	184931
RCH-2	RCON2920	Bank's Liability on Acceptances	184931
RCH-3	RCON1350	Fed Funds Sold	1509608
RCH-4	RCON2800	Fed Funds Purchased	3823703
RCH-5	RCON3190	Other Borrowed Money	24037743
RCH-6	RCON2163	Net Due from Own For Offices	N/A
RCH-7	RCON2941	Net Due to Own For Offices	4799676
RCH-8	RCON2192	Total Assets	163099495
RCH-9	RCON3129	Total Liabilities	139333647

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RCH-10	RCON1039	US Treasury Securities	367457
RCH-11	RCON1041	US Government agency obligations	1112422
RCH-12	RCON1042	Securities issued by states in the US	1244544
RCH-13.a.1	RCON1043	MBS: Pass-Through: FNMA/FHLMC/GNMA	9179528
RCH-13.a.2	RCON1044	MBS: Pass-Through: Other Pass-Through	26546
RCH-13.b.1	RCON1209	MBS: Other MBS: FNMA/FHLMC/GNMA	11635388
RCH-13.b.2	RCON1280	MBS: Other MBS: All Other MBS	556045
RCH-14	RCON1281	Other Domestic Debt Securities	613603
RCH-15	RCON1282	Foreign Debt Securities	19620
RCH-16	RCONA510	Equity Securities: Mutual Fund/Eq Sec	240968
RCH-17	RCON1374	Total Securities Held and Sale	24996121
RCH-18	RCON1752	Equity Securities: All others	779245
RCI-1	RCFN2133	Total IBF Assets	N/A
RCI-2	RCFN2898	Total IBF Liabilities	N/A
RCK-1	RCFD3381	Interest-bearing Balances	106426
RCK-2	RCFDB558	US-Treasury securities/agency oblig	1426735
RCK-3	RCFDB559	Mortgage-backed securities	19347829
RCK-4	RCFDB560	All other securities	1902630
RCK-5	RCFD3365	Fed Funds Sold	1147025
RCK-6.a.1	RCON3360	Total Loans	105790026
RCK-6.a.2	RCON3385	RE Loans	47208833
RCK-6.a.3	RCON3386	Agricultural & Farm Loans	1043645
RCK-6.a.4	RCON3387	Commercial/Industrial Loans	38263404
RCK-6.a.5.a	RCONB561	Indv. Loans-Credit cards	4789597
RCK-6.a.5.b	RCONB562	Indv. Loans-Other	11167032
RCK-6.b	RCFN3360	Foreign Office Loans	148847
RCK-7	RCFD3401	Assets Held in Trading Accounts	139982
RCK-8	RCFD3484	Lease Fin'g Receivables	10541768
RCK-9	RCFD3368	Total Assets	157674051
RCK-10	RCON3485	Domestic Transaction Accounts	7806466
RCK-11.a	RCONB563	Savings Deposits	42125835
RCK-11.c	RCONA514	Time Deposits (greater than)= $100,000	13001116
RCK-11.d	RCONA529	Time Deposits (less than) $100,000	22143566
RCK-12	RCFN3404	Interest-bearing Deposits in For Offi	3294118
RCK-13	RCFD3353	Fed Funds Purchased	7949047
RCK-14	RCFD3355	Other Borrowed Money	17641270
RCL-1.a	RCFD3814	Unused Commits: Revolv Lines Secured	6946016
RCL-1.b	RCFD3815	Unused Commits: Credit Card Lines	38480547
RCL-1.c.1	RCFD3816	Unused Commits: Fund loans secured	4904632
RCL-1.c.2	RCFD6550	Unused Commits: Fund loans not secure	1466903
RCL-1.d	RCFD3817	Unused Commits: Securities Underwrit	0
RCL-1.e	RCFD3818	Unused Commits: Other Unused Commits	43880070
RCL-2	RCFD3819	Fincl Standby Letters of Credit	7300978
RCL-2.a	RCFD3820	Amount Fincl Standby Letters Conveyed	520927
RCL-3.	RCFD3821	Perfm Standby Letters of Credit	454070

RCL-3.a	RCFD3822	Amount Perfm Standby Letters Conveyed	58136
RCL-4	RCFD3411	Commercl & Similar Letters of Credit	438402
RCL-5	RCFD3428	Participations in Acceptncs Conveyed	12226
RCL-6	RCFD3433	Securities Lent	1023763
RCL-7.a	RCFDA534	Credit Derivatives: Guarantor	0
RCL-7.b	RCFDA535	Credit Derivatives: Beneficiary	0
RCL-8	RCFD8765	Spot Foreign Exchange Contracts	261569
RCL-9	RCFD3430	All Other Off-Balance Sheet Liabs	0
RCL-9.a	RCFD3432	Other Off-Balance Sheet Liabilities-A	0
RCL-9.b	RCFD3434	Other Off-Balance Sheet Liabilities-B	0
RCL-9.c	RCFD3555	Other Off-Balance Sheet Liabilities-C	0
RCL-9.d	RCFD3556	Other Off-Balance Sheet Liabilities-D	0
RCL-9.e	RCFD3557	Other Off-Balance Sheet Liabilities-E	0
RCL-10	RCFD5591	All Other Off-Balance Sheet Assets	0
RCL-10.a	RCFD3435	Other Off-Balance Sheet Assets - A	0
RCL-10.b	RCFD5592	Other Off-Balance Sheet Assets - B	0
RCL-10.c	RCFD5593	Other Off-Balance Sheet Assets - C	0
RCL-10.d	RCFD5594	Other Off-Balance Sheet Assets - D	0
RCL-10.e	RCFD5595	Other Off-Balance Sheet Assets - E	0
RCL-11.a(a)	RCFD8693	Int Rate Contracts - Gross Futures	0
RCL-11.a(b)	RCFD8694	Forgn Exch Contracts - Gross Futures	0
RCL-11.a(c)	RCFD8695	Equity Contracts - Gross Futures	0
RCL-11.a(d)	RCFD8696	Commodity Contracts - Gross Futures	0
RCL-11.b(a)	RCFD8697	Int Rate Contracts - Gross Forwards	0
RCL-11.b(b)	RCFD8698	Forgn Exch Contracts - Gross Forwards	3702314
RCL-11.b(c)	RCFD8699	Equity Contracts - Gross Forwards	0
RCL-11.b(d)	RCFD8700	Commodity Contracts - Gross Forwards	0
RCL-11.c.1(a)	RCFD8701	Int Rate Contracts - Exchg Trad Wrttn	0
RCL-11.c.1(b)	RCFD8702	Forgn Exch Contracts - Exchg Trad Wrt	0
RCL-11.c.1(c)	RCFD8703	Equity Contracts - Exchg Trad Written	0
RCL-11.c.1(d)	RCFD8704	Commodity Contracts - Exchg Trad Wrtn	0
RCL-11.c.2(a)	RCFD8705	Int Rate Contracts - Exchg Trad Purch	0
RCL-11.c.2(b)	RCFD8706	Forgn Exch Contracts - Exchg Trad Pur	0
RCL-11.c.2(c)	RCFD8707	Equity Contracts - Exchg Trad Purchas	0
RCL-11.c.2(d)	RCFD8708	Commodity Contracts - Exchg Trade Pur	0
RCL-11.d.1(a)	RCFD8709	Int Rate Contracts - OTC Written Optn	651725
RCL-11.d.1(b)	RCFD8710	Forgn Exch Contracts - OTC Wrtn Optns	392373
RCL-11.d.1(c)	RCFD8711	Equity Contracts - OTC Written Option	0
RCL-11.d.1(d)	RCFD8712	Commodity Contracts - OTC Written Opt	0
RCL-11.d.2(a)	RCFD8713	Int Rate Contracts - OTC Purchased Op	658125
RCL-11.d.2(b)	RCFD8714	Forgn Exch Contracts - OTC Purchased	392373
RCL-11.d.2(c)	RCFD8715	Equity Contracts - OTC Purchased Optn	0
RCL-11.d.2(d)	RCFD8716	Commodity Contracts - OTC Purch Optn	0
RCL-11.e(a)	RCFD3450	Int Rate Contracts - Gross Swaps	19007234
RCL-11.e(b)	RCFD3826	Forgn Exch Contracts - Gross Swaps	0
RCL-11.e(c)	RCFD8719	Equity Contracts - Gross Swaps	4740
RCL-11.e(d)	RCFD8720	Commodity Contracts - Gross Swaps	0
RCL-12(a)	RCFDA126	Int Rate Contracts - Gross Held Trade	6168534
RCL-12(b)	RCFDA127	Forgn Exch Contracts - Gross Held Trd	4487061
RCL-12(c)	RCFD8723	Equity Contracts - Gross Held Trading	0
RCL-12(d)	RCFD8724	Commodity Contracts - Gross Held Trad	0
RCL-13(a)	RCFD8725	Int Rate Contracts - Marked to Market	14148550
RCL-13(b)	RCFD8726	Forgn Exch Contracts - Marked to Mrkt	0
RCL-13(c)	RCFD8727	Equity Contracts - Marked to Market	4740
RCL-13(d)	RCFD8728	Commodity Contracts - Marked to Mrkt	0
RCL-13.a(a)	RCFDA589	Int Rate Contracts - Bank Pays Fixed	0
RCL-14.a.1(a)	RCFD8733	Int Rate Contracts Held - Pos Values	112153
RCL-14.a.1(b)	RCFD8734	Forgn Exch Contracts Held - Pos Value	55560
RCL-14.a.1(c)	RCFD8735	Equity Contracts Held - Pos Values	0
RCL-14.a.1(d)	RCFD8736	Commodity Contracts Held - Pos Value	0
RCL-14.a.2(a)	RCFD8737	Int Rate Contracts Held - Neg Values	103049
RCL-14.a.2(b)	RCFD8738	Forgn Exch Contracts Held - Neg Value	53477
RCL-14.a.2(c)	RCFD8739	Equity Contracts Held - Neg Values	0
RCL-14.a.2(d)	RCFD8740	Commodity Contracts Held - Neg Value	0
RCL-14.b.1(a)	RCFD8741	Int Rate Contracts Markd- Pos Values	524499
RCL-14.b.1(b)	RCFD8742	Forgn Exch Contracts Markd- Pos Value	0
RCL-14.b.1(c)	RCFD8743	Equity Contracts Markd- Pos Values	904
RCL-14.b.1(d)	RCFD8744	Commodity Contracts Markd- Pos Value	0
RCL-14.b.2(a)	RCFD8745	Int Rate Contracts Markd- Neg Values	113
RCL-14.b.2(b)	RCFD8746	Forgn Exch Contracts Markd- Neg Value	0
RCL-14.b.2(c)	RCFD8747	Equity Contracts Markd- Neg Values	904
RCL-14.b.2(d)	RCFD8748	Commodity Contracts Markd- Neg Value	0
RCM-1.a	RCFD6164	Credit to Executives/Principals	673

RCM-1.b	RCFD6165	Number of Execs Who Borrowed $500K/5%	0
RCM-2.a	RCFD3164	Mtge Servicing Rights	325904
RCM-2.a.1	RCFDA590	Mort Serv Rights - Est Fair Value	308000
RCM-2.b	RCFDB026	Other intangible - Purch cc rels	48906
RCM-2.c	RCFD5507	Other Intangible - All Other	3294589
RCM-2.d	RCFD0426	Other Intangible - Total	3669399
RCM-3.a	RCFD5372	Othr Real Estate - Direct & Indirect	0
RCM-3.b.1	RCON5508	Othr Real Estate - All other Real Est	2005
RCM-3.b.2	RCON5509	Othr Real Estate - Farmland	17224
RCM-3.b.3	RCON5510	Othr Real Estate - 1-4 Family Residnt	29114
RCM-3.b.4	RCON5511	Othr Real Estate - Multifamily Resid	116
RCM-3.b.5	RCON5512	Othr Real Estate - Nonfarm Nonresiden	6711
RCM-3.b.6	RCFN5513	Othr Real Estate - In Foreign Offices	0
RCM-3.c	RCFD2150	Othr Real Estate - Total	55170
RCM-4.a	RCFD5374	Inves - Direct & Indirect invest R/E	0
RCM-4.b	RCFD5375	Inves - All othr invest unconsol subs	707366
RCM-4.c	RCFD2130	Investmnts in unconsold subs - Total	707366
RCM-5.a.1	RCFD2651	FHLB advance -maturity (less than)1 year	1956525
RCM-5.a.2	RCFDB565	FHLB advance -maturity 1 to 3 years	4233086
RCM-5.a.3	RCFDB566	FHLB advance -maturity (greater than)3 years	2990755
RCM-5.b.1	RCFDB571	Other borrowings -maturity (less than)1 year	11230726
RCM-5.b.2	RCFDB567	Other borrowings -maturity 1 to 3 years	2268808
RCM-5.b.3	RCFDB568	Other borrowings -maturity (greater than)3 years	1357843
RCM-5.c	RCFD3190	Other Borrowed Money - Total	24037743
RCM-6	RCFDB569	Sell prvt party mutual funds/annuit?Y/N	YES
RCM-7	RCFDB570	Assets - mutual funds/annuities	50943162
RCN-1.a(a)	RCON2759	Secured Loans - Const: 30-89 Days	70690
RCN-1.a(b)	RCON2769	Secured Loans - Const: 90+ Days	33221
RCN-1.a(c)	RCON3492	Secured Loans - Const: Nonaccrual	55735
RCN-1.b(a)	RCON3493	Secured Loans - Farmland: 30-89 Days	5287
RCN-1.b(b)	RCON3494	Secured Loans - Farmland: 90+ Days	952
RCN-1.b(c)	RCON3495	Secured Loans - Farmland: Nonaccrual	9907
RCN-1.c.1(a)	RCON5398	Secd Loans 1-4 Fam-Revol: 30-89 Days	26418
RCN-1.c.1(b)	RCON5399	Secd Loans 1-4 Fam-Revol: 90+ Days	10142
RCN-1.c.1(c)	RCON5400	Secd Loans 1-4 Fam-Revol: Nonaccrual	3841
RCN-1.c.2(a)	RCON5401	Secd Loans 1-4 Fam-Other: 30-89 Days	208870
RCN-1.c.2(b)	RCON5402	Secd Loans 1-4 Fam-Other: 90+ Days	90961
RCN-1.c.2(c)	RCON5403	Secd Loans 1-4 Fam-Other: Nonaccrual	85478
RCN-1.d(a)	RCON3499	Secured Loans - Multifam: 30-89 Days	23214
RCN-1.d(b)	RCON3500	Secured Loans - Multifam: 90+ Days	1295
RCN-1.d(c)	RCON3501	Secured Loans - Multifam: Nonaccrual	5076
RCN-1.e(a)	RCON3502	Secured Loans - Non Farm: 30-89 Days	91316
RCN-1.e(b)	RCON3503	Secured Loans - Non Farm: 90+ Days	9736
RCN-1.e(c)	RCON3504	Secured Loans - Non Farm: Nonaccrual	108955
RCN-1.f(a)	RCFNB572	Secured Loans - Foreign: 30-89 Days	0
RCN-1.f(b)	RCFNB573	Secured Loans - Foreign: 90+ Days	0
RCN-1.f(c)	RCFNB574	Secured Loans - Foreign: Nonaccrual	0
RCN-2.a(a)	RCFD5377	Loans US Deps: US Banks: 30-89 Days	2250
RCN-2.a(b)	RCFD5378	Loans US Deps: US Banks: 90+ Days	750
RCN-2.a(c)	RCFD5379	Loans US Deps: US Banks: Nonaccrual	0

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RCN-2.b(a)	RCFD5380	Loans US Deps: Foreign: 30-89 Days	0
RCN-2.b(b)	RCFD5381	Loans US Deps: Foreign: 90+ Days	0
RCN-2.b(c)	RCFD5382	Loans US Deps: Foreign: Nonaccrual	0
RCN-3(a)	RCFD1594	Ag US: 30-89 Days	30393
RCN-3(b)	RCFD1597	Ag US: 90+ Days	4627
RCN-3(c)	RCFD1583	Ag US: Nonaccrual	51347
RCN-4.a(a)	RCFD1251	Coml/Indl US: 30-89 Days	479218
RCN-4.a(b)	RCFD1252	Coml/Indl US: 90+ Days	61935
RCN-4.a(c)	RCFD1253	Coml/Indl US: Nonaccrual	523593
RCN-4.b(a)	RCFD1254	Coml/Indl non-US: 30-89 Days	1072
RCN-4.b(b)	RCFD1255	Coml/Indl non-US: 90+ Days	182
RCN-4.b(c)	RCFD1256	Coml/Indl non-US: Nonaccrual	0
RCN-5.a(a)	RCFDB575	Indv. Loans-Credit cards: 30-89 Days	101160
RCN-5.a(b)	RCFDB576	Indv. Loans-Credit cards: 90+ Days	83009
RCN-5.a(c)	RCFDB577	Indv. Loans-Credit cards: Nonaccrual	0
RCN-5.b(a)	RCFDB578	Indv. Loans-Other: 30-89 Days	358465
RCN-5.b(b)	RCFDB579	Indv. Loans-Other: 90+ Days	91272
RCN-5.b(c)	RCFDB580	Indv. Loans-Other: Nonaccrual	18338
RCN-6(a)	RCFD5389	Foreign: 30-89 Days	0
RCN-6(b)	RCFD5390	Foreign: 90+ Days	0
RCN-6(c)	RCFD5391	Foreign: Nonaccrual	0
RCN-7(a)	RCFD5459	Other: 30-89 Days	156129
RCN-7(b)	RCFD5460	Other: 90+ Days	1793
RCN-7(c)	RCFD5461	Other: Nonaccrual	5588
RCN-8.a(a)	RCFD1257	Leases US: 30-89 Days	355115
RCN-8.a(b)	RCFD1258	Leases US: 90+ Days	37503
RCN-8.a(c)	RCFD1259	Leases US: Nonacrual	141867
RCN-8.b(a)	RCFD1271	Leases non-US: 30-89 Days	175
RCN-8.b(b)	RCFD1272	Leases non-US: 90+ Days	0
RCN-8.b(c)	RCFD1791	Leases non-US: Nonaccrual	0

RCN-9(a)	RCFD3505	Debt Securities: 30-89 Days	0
RCN-9(b)	RCFD3506	Debt Securities: 90+ Days	0
RCN-9(c)	RCFD3507	Debt Securities: Nonaccrual	0
RCN-10(a)	RCFD5612	Loans/Leases US Guaranteed-30-89 Days	13337
RCN-10(b)	RCFD5613	Loans/Leases US Guaranteed- 90+ Days	4072
RCN-10(c)	RCFD5614	Loans/Leases US Guaranteed-Nonaccrual	43718
RCN-10.a(a)	RCFD5615	Loans/Leases Guaranteed: 30-89 Days	7801
RCN-10.a(b)	RCFD5616	Loans/Leases Guaranteed: 30-89 Days	862
RCN-10.a(c)	RCFD5617	Loans/Leases Guaranteed: 30-89 Days	33017
RCN-M.1(a)	RCFD1658	Restruc'd Loans: 30-89 Days	0
RCN-M.1(b)	RCFD1659	Restruc'd Loans: 90+ Days	0
RCN-M.1(c)	RCFD1661	restruc'd Loans: Nonaccrual	0
RCN-M.2(a)	RCFD6558	Comm Real Estate Loans: 30-89 Days	29943
RCN-M.2(b)	RCFD6559	Comm Real Estate Loans: 90+ Days	1757
RCN-M.2(c)	RCFD6560	Comm Real Estate Loans: Nonaccrual	21068
RCN-M.3(a)	RCFD1248	RE non-US: 30-89 Days	0
RCN-M.3(b)	RCFD1249	RE non-US: 90+ Days	0
RCN-M.3(c)	RCFD1250	RE non-US: Nonaccrual	0
RCN-M.5(a)	RCFD3529	Rate/Contract: Replacement:30-89 Days	0
RCN-M.5(b)	RCFD3530	Rate/Contract: Replacement: 90+ Days	0
RCO-1.a	RCON0030	Unposted Debits	0
RCO-1.b.1	RCON0031	Unposted Debits: Demand	N/A
RCO-1.b.2	RCON0032	Unposted Debits: Time/Savings	N/A
RCO-2.a	RCON3510	Unposted Credits	0
RCO-2.b.1	RCON3512	Unposted Credits: Demand	N/A
RCO-2.b.2	RCON3514	Unposted Credits: Time/Savings	N/A

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RCO-3	RCON3520	Uninvested Trust Fund Cash	0
RCO-4.a	RCON2211	Demand Deposits of Unconsolidaed Subs	248700
RCO-4.b	RCON2351	Time/Savings Deposits of Unconsolida	0
RCO-4.c	RCON5514	Int accrued/unpaid on deps of con sub	0
RCO-5.a	RCON2229	Demand Deposits: Insured Branches	0
RCO-5.b	RCON2383	Time/Savings Deposits: Insured Branc	0
RCO-5.c	RCON5515	Int accrued/unpaid on deps in ins brc	0
RCO-6.a	RCON2314	Pass-through Reserve Balances: Demand	0
RCO-6.b	RCON2315	Pass-through-Reserve Balances: Time/S	0
RCO-7.a	RCON5516	Unamortized premiums	0
RCO-7.b	RCON5517	Unamortized discounts	11939
RCO-8.a.1	RCONA531	OAKAR: Total Deposits Purchased	53718084
RCO-8.a.2	RCONA532	OAKAR: Amt of Purchased Deposits	6204534
RCO-8.b	RCONA533	OAKAR: Total Deposits Sold	0
RCO-10	RCON8432	Deposit Institution Invest. Contracts	0
RCO-11.a	RCON8785	Reciprocal Demand Bals - Savings Asc.	0
RCO-11.b	RCONA181	Reciprocal Demand Bals - Foreign Brch	0
RCO-11.c	RCONA182	Reciprocal Demand Bals - Cash Items	0
RCO-12.a	RCONA527	Amt of Assets Netted agst Dem Deps	0
RCO-12.b	RCONA528	Amt of Assets Netted agst Tim/Svg Dep	0
RCO-M.1.a.1	RCON2702	Amount of Deposit Accounts (less than) $100K	58029395
RCO-M.1.a.2	RCON3779	(June Only) Number of Deposit Accts (less than)	N/A
RCO-M.1.b.1	RCON2710	Amount of Deposit Accounts (greater than) $100K	43899670
RCO-M.1.b.2	RCON2722	Number of Deposit Accounts (greater than) $100K	109853
RCO-M.2.a	RCON6861	Yes/No: Bank has a better method/proc	NO
RCO-M.2.b	RCON5597	Uninsured Deposits Amount	N/A
RCO-M.3	RCONA545	Cert No of consolidated inst.	N/A
RCR-1	RCFD3210	Total Equity Capital	18022266
RCR-2	RCFD8434	Unrealized holding gain(loss) secur.	241313
RCR-3	RCFDA221	LESS: loss on avail-for-sale securities	0
RCR-4	RCFD4336	Accm net gains(loss) on cash flow hedges	125010
RCR-5	RCFDB588	LESS: nonqual perpetual preferred stock	0
RCR-6	RCFDB589	Qualifying minority interests	943906
RCR-7	RCFDB590	LESS:Disallowed goodwill/intangbl assets	7630725
RCR-8	RCFDB591	LESS:Disallowd svc assets/purchased cca	48704
RCR-9	RCFD5610	LESS:Disallowed deferred tax assets	0
RCR-10	RCFDB592	Other add to(deduct from)Tier 1 capt	0
RCR-11	RCFD8274	Tier 1 capital	10920420
RCR-12	RCFD5306	Qual subord debt/redeem preferred stock	4881580
RCR-13	RCFDB593	Cml perpetual preferred stock	0
RCR-14	RCFD5310	Allowance for loan/lease losses	1964477
RCR-15	RCFD2221	Unrealized gains on avail-for-sale sec	0
RCR-16	RCFDB594	Other Tier 2 cptl components	1400
RCR-17	RCFD5311	Tier 2 Capital	6847457
RCR-18	RCFD8275	Allowable Tier 2 cptl	6847457
RCR-19	RCFD1395	Tier 3 cptl allocated for market risk	0
RCR-20	RCFDB595	LESS: Deductions for ttl risk-based cptl	0
RCR-21	RCFD3792	Total risk-based capital	17767877
RCR-22	RCFD3368	Avg total assets	157674051
RCR-23	RCFDB590	LESS:Disallowed goodwill/intangbl assets	7630725
RCR-24	RCFDB591	LESS:Disallowd svc assets/purchased cca	48704
RCR-25	RCFD5610	LESS:Disallowed deferred tax assets	0
RCR-26	RCFDB596	LESS:Other deduct from assets/lev cptl	0

RCR-27	RCFDA224	Avg total assets for leverage cptl	149994622
RCR-28	RCFDB503	Adj to total risk-based cptl reported	0
RCR-29	RCFDB504	Adj to risk-weighted assets reported	0

RCR-30	RCFDB505	Adj to avg total assers reported	0
RCR-31(a)	RCFD7273	Tier 1 leverage ratio-financial subs	N/A
RCR-31(b)	RCFD7204	Tier 1 leverag -All Banks	7.28%
RCR-32(a)	RCFD7274	T1 risk-based cptl ratio-financial subs	N/A
RCR-32(b)	RCFD7206	T1 risk-based cptl ratio-All banks	6.97%
RCR-33(a)	RCFD7275	Ttl risk-based cptl-financial subs	N/A
RCR-33(b)	RCFD7205	Ttl risk-based cptl-All banks	11.34%
RCR-34(a)	RCFD0010	Ttl: Cash & bal due from deposit inst	7522680
RCR-34(c)	RCFDB600	0% Risk Weight: Cash & bal due	1365556
RCR-34(d)	RCFDB601	20% Risk Weight: Cash & bal due	6157124
RCR-34(f)	RCFDB602	100% Risk Weight: Cash & bal due	0
RCR-35(a)	RCFD1754	Ttl: Securities Held-to-Maturity	278690
RCR-35(b)	RCFDB603	No Risk-Weighting: Sec Held-to-Maturity	0
RCR-35(c)	RCFDB604	0% Risk Weight: Sec Held-to-Maturity	0
RCR-35(d)	RCFDB605	20% Risk Weight: Sec Held-to-Maturity	0
RCR-35(e)	RCFDB606	50% Risk Weight: Sec Held-to-Maturity	0
RCR-35(f)	RCFDB607	100% Risk Weight: Sec Held-to-Maturity	278690
RCR-36(a)	RCFD1773	Ttl: Available-for-sale	25107852
RCR-36(b)	RCFDB608	No Risk-Weighting: Available-for-sale	389152
RCR-36(c)	RCFDB609	0% Risk Weight: Available-for-sale	1986888
RCR-36(d)	RCFDB610	20% Risk Weight: Available-for-sale	21149687
RCR-36(e)	RCFDB611	50% Risk Weight: Available-for-sale	723509
RCR-36(f)	RCFDB612	100% Risk Weight: Available-for-sale	858616
RCR-37(a)	RCFD1350	Ttl: Fed Funds Sold & Secs Purchased	1509608
RCR-37(c)	RCFDB613	0% Risk Weight: Fed Funds Sold & Sec	0
RCR-37(d)	RCFDB614	20% Risk Weight: Fed Funds Sold & Sec	1509608
RCR-37(f)	RCFDB616	100% Risk Weight: Fed Funds Sold & Sec	0
RCR-38(a)	RCFD5369	Loans & leases held for sale	3300036
RCR-38(b)	RCFDB617	No Risk-Weighting:Loans & leases held	0
RCR-38(c)	RCFDB618	0% Risk Weight: Loans & leases held	0
RCR-38(d)	RCFDB619	20% Risk Weight: Loans & leases held	856602
RCR-38(e)	RCFDB620	50% Risk Weight: Loans & leases held	1677078
RCR-38(f)	RCFDB621	100% Risk Weight: Loans & leases held	766356
RCR-39(a)	RCFDB528	Ttl: Loans & leases,net of unearned Inc	110352733
RCR-39(b)	RCFDB622	No Risk-Weighting:Loans & leases,net	0
RCR-39(c)	RCFDB623	0% Risk Weight:Loans & leases,net	734674
RCR-39(d)	RCFDB624	20% Risk Weight:Loans & leases,net	1143878
RCR-39(e)	RCFDB625	50% Risk Weight:Loans & leases,net	7646408
RCR-39(f)	RCFDB626	100% Risk Weight:Loans & leases,net	100827773
RCR-40(a)	RCFD3123	LESS:Allow for Ln and Lse Loss-Total	2341530
RCR-40(b)	RCFD3123	LESS:Allow for Ln & Lse Loss-No Rsk Wght	2341530
RCR-41(a)	RCFD3545	Ttl: Trading assets	179817
RCR-41(b)	RCFDB627	No Risk-Weighting: Trading assets	179817
RCR-41(c)	RCFDB628	0% Risk Weight: Trading assets	0
RCR-41(d)	RCFDB629	20% Risk Weight: Trading assets	0
RCR-41(e)	RCFDB630	50% Risk Weight: Trading assets	0
RCR-41(f)	RCFDB631	100% Risk Weight: Trading assets	0
RCR-42(a)	RCFDB639	Ttl: All other assets	17189609
RCR-42(b)	RCFDB640	No Risk-Weighting: All other assets	7706627
RCR-42(c)	RCFDB641	0% Risk Weight: All other assets	321593
RCR-42(d)	RCFDB642	20% Risk Weight: All other assets	2013009
RCR-42(e)	RCFDB643	50% Risk Weight: All other assets	17314
RCR-42(f)	RCFD5339	100% Risk Weight: All other assets	7131066
RCR-43(a)	RCFD2170	Ttl: Total assets	163099495
RCR-43(b)	RCFDB644	No Risk-Weighting: Total assets	5934066
RCR-43(c)	RCFD5320	0% Risk Weight: Total assets	4408711

RCR-43(d)	RCFD5327	20% Risk Weight: Total assets	32829908
RCR-43(e)	RCFD5334	50% Risk Weight: Total assets	10064309
RCR-43(f)	RCFD5340	100% Risk Weight: Total assets	109862501
RCR-44(a)	RCFD3819	Value/Amount: Fncl Stndby Ltrs of Crdt	7300978
RCR-44(b)	RCFDB645	Credit Equiv: Fncl Stndby Ltrs of Crdt	7300978
RCR-44(c)	RCFDB646	0% Risk Weight: Fncl Stndby Ltrs of Crdt	0
RCR-44(d)	RCFDB647	20% Risk Weight:Fncl Stndby Ltrs of Crdt	0
RCR-44(e)	RCFDB648	50% Risk Weight:Fncl Stndby Ltrs of Crdt	0
RCR-44(f)	RCFDB649	100% Risk Weight:Fncl Stndby Ltr of Crdt	7300978
RCR-45(a)	RCFD3821	Value/Amount: Prf Stndby Ltrs of Crdt	454070
RCR-45(b)	RCFDB650	Credit Equiv: Prf Stndby Ltrs of Crdt	227035
RCR-45(c)	RCFDB651	0% Risk Weight: Prf Stndby Ltrs of Crdt	0
RCR-45(d)	RCFDB652	20% Risk Weight:Prf Stndby Ltrs of Crdt	0
RCR-45(e)	RCFDB653	50% Risk Weight:Prf Stndby Ltrs of Crdt	0
RCR-45(f)	RCFDB654	100% Risk Weight:Prf Stndby Ltr of Crdt	227035

RCR-46(a)	RCFD3411 Value/Amount: Cml & Similar Ltrs of Crdt	438402
RCR-46(b)	RCFDB655 Credit Equiv: Cml & Similar Ltrs of Crdt	87680
RCR-46(c)	RCFDB656 0% Risk Weight: Cml & Sim Ltrs of Crdt	0
RCR-46(d)	RCFDB657 20% Risk Weight: Cml & Sim Ltrs of Crdt	469
RCR-46(e)	RCFDB658 50% Risk Weight: Cml & Sim Ltrs of Crdt	0
RCR-46(f)	RCFDB659 100% Risk Weight: Cml & Sim Ltrs of Crdt	87211
RCR-47(a)	RCFD3429 Value/Amount: Prts in Accpt Acquired	250
RCR-47(b)	RCFDB660 Credit Equiv: Prts in Accpt Acquired	250
RCR-47(c)	RCFDB661 0% Risk Weight: Prts in Accpt Acquired	0
RCR-47(d)	RCFDB662 20% Risk Weight: Prts in Accpt Acquired	0
RCR-47(f)	RCFDB663 100% Risk Weight: Prts in Accpt Acquired	250
RCR-48(a)	RCFD3433 Value/Amount: Securities lent	1023763
RCR-48(b)	RCFDB664 Credit Equiv: Securities lent	1023763
RCR-48(c)	RCFDB665 0% Risk Weight: Securities lent	1023763
RCR-48(d)	RCFDB666 20% Risk Weight: Securities lent	0
RCR-48(e)	RCFDB667 50% Risk Weight: Securities lent	0
RCR-48(f)	RCFDB668 100% Risk Weight: Securities lent	0
RCR-49(a)	RCFDA250 Value/Amount:Rtnd recse on SB oblig	0
RCR-49(b)	RCFDB669 Credit Equiv:Rtnd recse on SB oblig	0
RCR-49(c)	RCFDB670 0% Risk weight:Rtnd recse on SB oblig	0
RCR-49(d)	RCFDB671 20% Risk weight:Rtnd recse on SB oblig	0
RCR-49(e)	RCFDB672 50% Risk weight:Rtnd recse on SB oblig	0
RCR-49(f)	RCFDB673 100% Risk weight:Rtnd recse on SB oblig	0
RCR-50(a)	RCFD1727 Value/Amount: Rtnd recse on fin assets	27198
RCR-50(b)	RCFD2243 Credit Equiv: Rtnd recse on fin assets	239829
RCR-50(f)	RCFDB674 100% Rsk wght:Rtnd recse on fin assets	239829
RCR-51(a)	RCFDB675 Value/Amount: All other fin assets	7552444
RCR-51(b)	RCFDB676 Credit Equiv: All other fin assets	7552444
RCR-51(c)	RCFDB677 0% Risk weight: All other fin assets	0
RCR-51(d)	RCFDB678 20% Risk weight: All other fin assets	0
RCR-51(e)	RCFDB679 50% Risk weight: All other fin assets	19603
RCR-51(f)	RCFDB680 100% Risk weight: All other fin assets	7532841
RCR-52(a)	RCFDB681 Value/Amount: All other off-bal liab	0
RCR-52(b)	RCFDB682 Credit Equiv: All other off-bal liab	0
RCR-52(c)	RCFDB683 0% Risk Weight: All other off-bal liab	0
RCR-52(d)	RCFDB684 20% Risk Weight: All other off-bal liab	0
RCR-52(e)	RCFDB685 50% Risk Weight: All other off-bal liab	0
RCR-52(f)	RCFDB686 100% Risk Weight: All other off-bal liab	0
RCR-53(a)	RCFD3833 Value/Amount: Unused Commit (greater than) 1 yr	42978066
RCR-53(b)	RCFDB687 Credit Equiv: Unused Commit (greater than) 1 yr	21489033
RCR-53(c)	RCFDB688 0% Risk Weight: Unused Commit (greater than) 1 yr	0

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RCR-53(d)	RCFDB689 20% Risk Weight: Unused Commit (greater than) 1 yr	1900303
RCR-53(e)	RCFDB690 50% Risk Weight: Unused Commit (greater than) 1 yr	63620
RCR-53(f)	RCFDB691 100% Risk Weight: Unused Commit (greater than) 1 yr	19525110
RCR-54(b)	RCFDA167 Credit Equiv: Derivative contracts	794695
RCR-54(c)	RCFDB693 0% Risk Weight: Derivative contracts	0
RCR-54(d)	RCFDB694 20% Risk Weight: Derivative contracts	449922
RCR-54(e)	RCFDB695 50% Risk Weight: Derivative contracts	344773
RCR-55(c)	RCFDB696 0% Rsk Wght: Ttl assets,derv, off bal	5432474
RCR-55(d)	RCFDB697 20% Rsk Wght: Ttl assets,derv, off bal	35180602
RCR-55(e)	RCFDB698 50% Rsk Wght: Ttl assets,derv, off bal	10492305
RCR-55(f)	RCFDB699 100% Rsk Wght: Ttl assets,derv, off bal	144775755
RCR-57(c)	RCFDB700 0% Rsk Wght: Rsk Weighted Assets	0
RCR-57(d)	RCFDB701 20% Rsk Wght: Rsk Weighted Assets	7036120
RCR-57(e)	RCFDB702 50% Rsk Wght: Rsk Weighted Assets	5246153
RCR-57(f)	RCFDB703 100% Rsk Wght: Rsk Weighted Assets	144775755
RCR-58	RCFD1651 Regulatory capt ratios: Mrkt Risk-equiv	0
RCR-59	RCFDB704 Rsk weighted before deduct for excess	157058028
RCR-60	RCFDA222 Regulatory capt ratios:Excess allownc	382603
RCR-61	RCFD3128 LESS: Allocated Transfer Risk Reserve	0
RCR-62	RCFDA223 Regulatory capt ratios:Risk-wtd assts	156675425
RCR-M.1	RCFD8764 Credit Exp - Off-Bal Sheet Derivative	610530
RCR-M.2.a(a)	RCFD3809 Derivative Int Rate Contracts (less than) 1 YR	4106118
RCR-M.2.a(b)	RCFD8766 Derivative Int Rate Contracts 1-5 YRS	11691170
RCR-M.2.a(c)	RCFD8767 Derivative Int Rate Contracts (greater than) 5 YRS	3868071
RCR-M.2.b(a)	RCFD3812 Derivative Fgn Exch Contracts (less than) 1 YR	3325932
RCR-M.2.b(b)	RCFD8769 Derivative Fgn Exch Contracts 1-5 YRS	768755
RCR-M.2.b(c)	RCFD8770 Derivative Fgn Exch Contracts (greater than) 5 YRS	0
RCR-M.2.c(a)	RCFD8771 Derivative Gold Contracts (less than) 1 YR	0
RCR-M.2.c(b)	RCFD8772 Derivative Gold Contracts 1-5 YRS	0
RCR-M.2.c(c)	RCFD8773 Derivative Gold Contracts (greater than) 5 YRS	0
RCR-M.2.d(a)	RCFD8774 Derivative P Metals Contracts (less than) 1 YR	0
RCR-M.2.d(b)	RCFD8775 Derivative P Metals Contracts 1-5 YRS	0
RCR-M.2.d(c)	RCFD8776 Derivative P Metals Contracts (greater than) 5 YRS	
0		
RCR-M.2.e(a)	RCFD8777 Derivative Commodity Contrcts (less than) 1 YR	0
RCR-M.2.e(b)	RCFD8778 Derivative Commodity Contrcts 1-5 YRS	0
RCR-M.2.e(c)	RCFD8779 Derivative Commodity Contrcts (greater than) 5 YRS	0
RCR-M.2.f(a)	RCFDA000 Derivative Equity Contracts (less than) 1 YR	0
RCR-M.2.f(b)	RCFDA001 Derivative Equity Contracts 1-5 YRS	0

RCR-M.2.f(c)	RCFDA002	Derivative Equity Contracts (greater than) 5 YRS	0
RCS-1(a)	RCFDB705	BSA-Outstndng prncpl: 1-4 Res	0
RCS-1(b)	RCFDB706	BSA-Outstndng prncpl: Hme Equity	0
RCS-1(c)	RCFDB707	BSA-Outstndng prncpl: C Card Rcv	0
RCS-1(d)	RCFDB708	BSA-Outstndng prncpl: Auto Loans	536931
RCS-1(e)	RCFDB709	BSA-Outstndng prncpl: Other Cons	0
RCS-1(f)	RCFDB710	BSA-Outstndng prncpl: Cml/Indus	7532841
RCS-1(g)	RCFDB711	BSA-Outstndng prncpl: All Other	0
RCS-2.a(a)	RCFDB712	BSA-Max amount(Retained inst):1-4 Res	0
RCS-2.a(b)	RCFDB713	BSA-Max amount(Retained inst):Hme Equity	0
RCS-2.a(c)	RCFDB714	BSA-Max amount(Retained inst):C Card Rcv	0
RCS-2.a(d)	RCFDB715	BSA-Max amount(Retained inst):Auto Loans	0
RCS-2.a(e)	RCFDB716	BSA-Max amount(Retained inst):Other Cons	0
RCS-2.a(f)	RCFDB717	BSA-Max amount(Retained inst):Cml/Indus	0
RCS-2.a(g)	RCFDB718	BSA-Max amount(Retained inst):All Other	0
RCS-2.b(a)	RCFDB719	BSA-Max amount(Stndby Lttrs):1-4 Res	0
RCS-2.b(b)	RCFDB720	BSA-Max amount(Stndby Lttrs):Hme Equity	0
RCS-2.b(c)	RCFDB721	BSA-Max amount(Stndby Lttrs):C Card Rcv	0

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RCS-2.b(d)	RCFDB722	BSA-Max amount(Stndby Lttrs):Auto Loans	27683
RCS-2.b(e)	RCFDB723	BSA-Max amount(Stndby Lttrs):Other Cons	0
RCS-2.b(f)	RCFDB724	BSA-Max amount(Stndby Lttrs):Cml/Indus	7532841
RCS-2.b(g)	RCFDB725	BSA-Max amount(Stndby Lttrs):All Other	0
RCS-3(a)	RCFDB726	BSA-Rpt Bnk's unused commit: 1-4 Res	0
RCS-3(b)	RCFDB727	BSA-Rpt Bnk's unused commit: Hme Equity	0
RCS-3(c)	RCFDB728	BSA-Rpt Bnk's unused commit: C Card Rcv	0
RCS-3(d)	RCFDB729	BSA-Rpt Bnk's unused commit: Auto Loans	0
RCS-3(e)	RCFDB730	BSA-Rpt Bnk's unused commit: Other Cons	0
RCS-3(f)	RCFDB731	BSA-Rpt Bnk's unused commit: Cml/Indus	7532841
RCS-3(g)	RCFDB732	BSA-Rpt Bnk's unused commit: All Other	0
RCS-4.a(a)	RCFDB733	BSA-Pst due loans,30-89 days:1-4 Res	0
RCS-4.a(b)	RCFDB734	BSA-Pst due loans,30-89 days:Hme Equity	0
RCS-4.a(c)	RCFDB735	BSA-Pst due loans,30-89 days:C Card Rcv	0
RCS-4.a(d)	RCFDB736	BSA-Pst due loans,30-89 days:Auto Loans	16214
RCS-4.a(e)	RCFDB737	BSA-Pst due loans,30-89 days:Other Cons	0
RCS-4.a(f)	RCFDB738	BSA-Pst due loans,30-89 days:Cml/Indus	0
RCS-4.a(g)	RCFDB739	BSA-Pst due loans,30-89 days:All Other	0
RCS-4.b(a)	RCFDB740	BSA-Pst due loans,90+ days:1-4 Res	0
RCS-4.b(b)	RCFDB741	BSA-Pst due loans,90+ days:Hme Equity	0
RCS-4.b(c)	RCFDB742	BSA-Pst due loans,90+ days:C Card Rcv	0
RCS-4.b(d)	RCFDB743	BSA-Pst due loans,90+ days:Auto Loans	3596
RCS-4.b(e)	RCFDB744	BSA-Pst due loans,90+ days:Other Cons	0
RCS-4.b(f)	RCFDB745	BSA-Pst due loans,90+ days:Cml/Indus	0
RCS-4.b(g)	RCFDB746	BSA-Pst due loans,90+ days:All Other	0
RCS-5.a(a)	RIADB747	BSA-C/O & Rcv on assets(C/O):1-4 Res	0
RCS-5.a(b)	RIADB748	BSA-C/O & Rcv on assets(C/O):Hme Equity	0
RCS-5.a(c)	RIADB749	BSA-C/O & Rcv on assets(C/O):C Card Rcv	0
RCS-5.a(d)	RIADB750	BSA-C/O & Rcv on assets(C/O):Auto Loans	12034
RCS-5.a(e)	RIADB751	BSA-C/O & Rcv on assets(C/O):Other Cons	0
RCS-5.a(f)	RIADB752	BSA-C/O & Rcv on assets(C/O):Cml/Indus	0
RCS-5.a(g)	RIADB753	BSA-C/O & Rcv on assets(C/O):All Other	0
RCS-5.b(a)	RIADB754	BSA-C/O & Rcv on assets(Rcvs):1-4 Res	0
RCS-5.b(b)	RIADB755	BSA-C/O & Rcv on assets(Rcvs):Hme Equity	0
RCS-5.b(c)	RIADB756	BSA-C/O & Rcv on assets(Rcvs):C Card Rcv	0
RCS-5.b(d)	RIADB757	BSA-C/O & Rcv on assets(Rcvs):Auto Loans	2744
RCS-5.b(e)	RIADB758	BSA-C/O & Rcv on assets(Rcvs):Other Cons	0
RCS-5.b(f)	RIADB759	BSA-C/O & Rcv on assets(Rcvs):Cml/Indus	0
RCS-5.b(g)	RIADB760	BSA-C/O & Rcv on assets(Rcvs):All Other	0
RCS-6.a(b)	RCFDB761	BSA-Amt of ownrshp-Securities:Hme Equity	0
RCS-6.a(c)	RCFDB762	BSA-Amt of ownrshp-Securities:C Card Rcv	0
RCS-6.a(f)	RCFDB763	BSA-Amt of ownrshp-Securities:Cml/Indus	0
RCS-6.b(b)	RCFDB500	BSA-Amt of ownrshp-Loans:Hme Equity	0
RCS-6.b(c)	RCFDB501	BSA-Amt of ownrshp-Loans:C Card Rcv	0
RCS-6.b(f)	RCFDB502	BSA-Amt of ownrshp-Loans:Cml/Indus	0
RCS-7.a(b)	RCFDB764	BSA-Pst due loans,30-89 days:Hme Equity	0
RCS-7.a(c)	RCFDB765	BSA-Pst due loans,30-89 days:C Card Rcv	0
RCS-7.a(f)	RCFDB766	BSA-Pst due loans,30-89 days:Cml/Indus	0
RCS-7.b(b)	RCFDB767	BSA-Pst due loans,90+ days:Hme Equity	0
RCS-7.b(c)	RCFDB768	BSA-Pst due loans,90+ days:C Card Rcv	0
RCS-7.b(f)	RCFDB769	BSA-Pst due loans,90+ days:Cml/Indus	0
RCS-8.a(b)	RIADB770	BSA-C/O & Rcv on loans(C/O):Hme Equity	0
RCS-8.a(c)	RIADB771	BSA-C/O & Rcv on loans(C/O):C Card Rcv	0
RCS-8.a(f)	RIADB772	BSA-C/O & Rcv on loans(C/O):Cml/Indus	0
RCS-8.b(b)	RIADB773	BSA-C/O & Rcv on loans(Rcvs):Hme Equity	0
RCS-8.b(c)	RIADB774	BSA-C/O & Rcv on loans(Rcvs):C Card Rcv	0

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RCS-8.b(f)	RIADB775	BSA-C/O & Rcv on loans(Rcvs):Cml/Indus	0
RCS-9(a)	RCFDB776	Sec Fac-Max amt credit expose:1-4 Res	0
RCS-9(b)	RCFDB777	Sec Fac-Max amt credit expose:Hme Equity	0
RCS-9(c)	RCFDB778	Sec Fac-Max amt credit expose:C Card Rcv	0
RCS-9(d)	RCFDB779	Sec Fac-Max amt credit expose:Auto Loans	0
RCS-9(e)	RCFDB780	Sec Fac-Max amt credit expose:Other Cons	0
RCS-9(f)	RCFDB781	Sec Fac-Max amt credit expose:Cml/Indus	0
RCS-9(g)	RCFDB782	Sec Fac-Max amt credit expose:All other	0
RCS-10(a)	RCFDB783	Sec Fac-Rpt bank's unusd cmt:1-4 Res	0
RCS-10(b)	RCFDB784	Sec Fac-Rpt bank's unusd cmt:Hme Equity	0
RCS-10(c)	RCFDB785	Sec Fac-Rpt bank's unusd cmt:C Card Rcv	0
RCS-10(d)	RCFDB786	Sec Fac-Rpt bank's unusd cmt:Auto Loans	0
RCS-10(e)	RCFDB787	Sec Fac-Rpt bank's unusd cmt:Other Cons	0
RCS-10(f)	RCFDB788	Sec Fac-Rpt bank's unusd cmt:Cml/Indus	0
RCS-10(g)	RCFDB789	Sec Fac-Rpt bank's unusd cmt:All Other	0
RCS-11(a)	RCFDB790	Bnk Assts-Assets sold w/recourse:1-4 Res	30061
RCS-11(b)	RCFDB791	Bnk Assts-Assets sold w/rcrse:Hme Equity	0
RCS-11(c)	RCFDB792	Bnk Assts-Assets sold w/rcrse:C Card Rcv	0
RCS-11(d)	RCFDB793	Bnk Assts-Assets sold w/rcrse:Auto Loans	0
RCS-11(e)	RCFDB794	Bnk Assts-Assets sold w/rcrse:Other Cons	0
RCS-11(f)	RCFDB795	Bnk Assts-Assets sold w/rcrse:Cml/Indus	0
RCS-11(g)	RCFDB796	Bnk Assts-Assets sold w/rcrse:All Other	0
RCS-12(a)	RCFDB797	Bnk Assts-Max amt crdt expose:1-4 Res	21961
RCS-12(b)	RCFDB798	Bnk Assts-Max amt crdt expose:Hme Equity	0
RCS-12(c)	RCFDB799	Bnk Assts-Max amt crdt expose:C Card Rcv	0
RCS-12(d)	RCFDB800	Bnk Assts-Max amt crdt expose:Auto Loans	0
RCS-12(e)	RCFDB801	Bnk Assts-Max amt crdt expose:Other Cons	0
RCS-12(f)	RCFDB802	Bnk Assts-Max amt crdt expose:Cml/Indus	0
RCS-12(g)	RCFDB803	Bnk Assts-Max amt crdt expose:All Other	0
RCS-M.1.a	RCFDA249	Sml busns obligations:Outstanding bal	0
RCS-M.1.b	RCFDA250	Sml busns obligations:retaind recours	0
RCS-M.2.a	RCFDB804	OPB:1-4 Fam Res with recourse	10458
RCS-M.2.b	RCFDB805	OPB:1-4 Fam Res w/o recourse	20825351
RCS-M.2.c	RCFDA591	OPB: Other financial assets	7532841
RCS-M.3.a.1	RCFDB806	Asset-backed,max amt-Cndts spnsrd by bnk	17283525
RCS-M.3.a.2	RCFDB807	Asset-bckd,max amt-Cndts spnsrd by other	0
RCS-M.3.b.1	RCFDB808	Asset-bckd,unused-Cndts spnsrd by bnk	17283525
RCS-M.3.b.2	RCFDB809	Asset-bckd,unused-Cndts spnsrd by other	0
RCT-1	RCFDA345	Y/N-Does inst have fiduciary powers?	N/A
RCT-2	RCFDA346	Y/N-Does inst exercise fid pwrs granted?	N/A
RCT-3	RCFDB867	Y/N-Does inst have any act to report?	N/A
RCT-4(a)	RCFDB868	Assets-Prsnl Trust: Managed Assts	N/A
RCT-4(b)	RCFDB869	Assets-Prsnl Trust: Non-Managed Assts	N/A
RCT-4(c)	RCFDB870	Assets-Prsnl Trust: # Managed Accts	N/A
RCT-4(d)	RCFDB871	Assets-Prsnl Trust: # Non-Mngd Accts	N/A
RCT-5.a(a)	RCFDB872	Assets-Ret Rel,Emp contr: Mngd Assts	N/A
RCT-5.a(b)	RCFDB873	Assets-Ret Rel,Emp contr: Non-Mngd Assts	N/A
RCT-5.a(c)	RCFDB874	Assets-Ret Rel,Emp contr:# Mngd Accts	N/A
RCT-5.a(d)	RCFDB875	Assets-Ret Rel,Emp cont:# Non-Mngd Accts	N/A
RCT-5.b(a)	RCFDB876	Assets-Ret Rel,Emp benft:Mngd Assts	N/A
RCT-5.b(b)	RCFDB877	Assets-Ret Rel,Emp benft:Non-Mngd Assts	N/A
RCT-5.b(c)	RCFDB878	Assets-Ret Rel,Emp benft:# Mngd Accts	N/A
RCT-5.b(d)	RCFDB879	Assets-Ret Rel,Emp benft:# Non-Mgd Accts	N/A
RCT-6(a)	RCFDB880	Assets-Ret Rel,Other ret: Mngd Assts	N/A
RCT-6(b)	RCFDB881	Assets-Ret Rel,Other ret: Non-Mngd Assts	N/A
RCT-6(c)	RCFDB882	Assets-Ret Rel,Other ret:# Mngd Accts	N/A

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RCT-6(d)	RCFDB883	Assets-Ret Rel,Other ret:# Non-Mgd Accts	N/A
RCT-(a)	RCFDB884	Assets-Corp trust/agency:Mngd Assts	N/A
RCT-(b)	RCFDB885	Assets-Corp trust/agency:Non-Mngd Assts	N/A
RCT-(c)	RCFDC001	Assets-Corp trust/agency:# Mngd Accts	N/A
RCT-(d)	RCFDC002	Assets-Corp trust/agency:# Non-Mgd Accts	N/A
RCT-7(a)	RCFDB886	Assets-Invst Mgmnt Accts:Mngd Assts	N/A
RCT-7(c)	RCFDB888	Assets-Invst Mgmnt Accts:# Mngd Accts	N/A
RCT-8(a)	RCFDB890	Assets-Other Fiduciary Accts:Mngd Assts	N/A
RCT-8(b)	RCFDB891	Assets-Other Fid Accts:Non-Mngd Assts	N/A
RCT-8(c)	RCFDB892	Assets-Other Fid Accts:# Mngd Accts	N/A
RCT-8(d)	RCFDB893	Assets-Other Fid Accts:# Non-Mngd Accts	N/A
RCT-9(a)	RCFDB894	Assets-Total Fid Accts:Mngd Assts	N/A
RCT-9(b)	RCFDB895	Assets-Total Fid Accts:Non-Mngd	N/A
RCT-9(c)	RCFDB896	Assets-Total Fid Accts:# Mngd Accts	N/A
RCT-9(d)	RCFDB897	Assets-Total Fid Accts:# Non-Mngd Accts	N/A
RCT-10(b)	RCFDB898	Assets-Cust/Safekpng:Non-Mngd Assts	N/A
RCT-10(d)	RCFDB899	Assets-Cust/Safekpng:# Non-Mngd Assts	N/A
RCT-11(a)	RCFDB900	Assets-Fid Accts Foreign:Mngd Assts	N/A
RCT-11(b)	RCFDB901	Assets-Fid Accts For:Non-Mngd Assts	N/A
RCT-11(c)	RCFDB902	Assets-Fid Accts For:# Mngd Assts	N/A
RCT-11(d)	RCFDB903	Assets-Fid Accts For:# Non-Mngd Assts	N/A
RCT-12	RIADB904	Income-Personal Trust/Agency Accts	N/A
RCT-13.a	RIADB905	Income-Ret Rel,Emp benefit-def contr	N/A
RCT-13.b	RIADB906	Income-Ret Ret,Emp benefit-def benefit	N/A

RCT-13.c	RIADB907	Income-Ret Rel,Other Retirement Accts	N/A
RCT-14	RIADA479	Income-Corporate Trust/Agency Accts	N/A
RCT-15	RIADB908	Income-Investment Mngmnt Agency Accts	N/A
RCT-16	RIADA480	Income-Other Fiduciary Accts	N/A
RCT-17	RIADB909	Income-Custody/Safekeeping Accts	N/A
RCT-18	RIADB910	Income-Other Fid/Related	N/A
RCT-19	RIAD4070	Income-Total Gross Fid/Related	N/A
RCT-19.a	RIADB912	Income-Total Gross Fid/Related - For	N/A
RCT-21	RIADA488	Income-Less:Net losses from Fid/Related	N/A
RCT-22	RIADB911	Income-Plus:Intracompany Inc Credits	N/A
RCT-23	RIADA491	Income-Net Fiduciary/Related Inc	N/A
RCT-M.1.a	RCFDB913	Memo-Mngd Assets:Non-Int Bearing Dep	N/A
RCT-M.1.b	RCFDB914	Memo-Mngd Assets:Int-Bearing Deposits	N/A
RCT-M.1.c	RCFDB915	Memo-Mngd Asets:Treas/Gov (US) Oblig	N/A
RCT-M.1.d	RCFDB916	Memo-Mngd Assets:Sate,Cnty,Muni Oblig	N/A
RCT-M.1.e	RCFDB917	Memo-Mngd Assets:Money Mkt Mutual Funds	N/A
RCT-M.1.f	RCFDB918	Memo-Mngd Assets:Other short-term oblig	N/A
RCT-M.1.g	RCFDB919	Memo-Mngd Assets:Other notes/bonds	N/A
RCT-M.1.h	RCFDB920	Memo-Mngd Assets:Common/Preferred Stock	N/A
RCT-M.1.i	RCFDB921	Memo-Mngd Assets:Real Estate Mortgages	N/A
RCT-M.1.j	RCFDB922	Memo-Mngd Assets:Real Estate	N/A
RCT-M.1.k	RCFDB923	Memo-Mngd Assets:Miscellaneous Assets	N/A
RCT-M.1.l	RCFDB868	Memo-Mngd Assets:Total Mngd Assets held	N/A
RCT-M.2.a(a)	RCFDB927	Corp Trust-Corp/Muni:# of Issues	N/A
RCT-M.2.a(b)	RCFDB928	Corp Trust-Corp/Muni:Prncpl Amt	N/A
RCT-M.2.b(a)	RCFDB929	Corp Trust - xfer agent:# of Issues	N/A
RCT-M.3.a(a)	RCFDB931	Memo-Collective,Dom Equity:# of Funds	N/A
RCT-M.3.a(b)	RCFDB932	Memo-Collective,Dom Equity:Mkt Value	N/A
RCT-M.3.b(a)	RCFDB933	Memo-Collective,Inter/Global:# of Funds	N/A
RCT-M.3.b(b)	RCFDB934	Memo-Collective,Inter/Global:Mkt Value	N/A
RCT-M.3.c(a)	RCFDB935	Memo-Collective,Stock/Bond:# of Funds	N/A
RCT-M.3.c(b)	RCFDB936	Memo-Collective,Stock/Bond:Mkt Value	N/A

<TABLE>
<CAPTION>

<S>	<C>		<C>
RCT-M.3.d(a)	RCFDB937	Memo-Collective,Taxable Bond:# of Funds	N/A
RCT-M.3.d(b)	RCFDB938	Memo-Collective,Taxable Bond:Mkt Value	N/A
RCT-M.3.e(a)	RCFDB939	Memo-Collective,Muni Bond:# of Funds	N/A
RCT-M.3.e(b)	RCFDB940	Memo-Collective,Muni Bond:Mkt Value	N/A
RCT-M.3.f(a)	RCFDB941	Memo-Collective,ShtTrm/Mny Mkt:# of Fnds	N/A
RCT-M.3.f(b)	RCFDB942	Memo-Collective,ShtTrm/Mny Mkt:Mkt Value	N/A
RCT-M.3.g(a)	RCFDB943	Memo-Collective,Special/Other:# of Funds	N/A
RCT-M.3.g(b)	RCFDB944	Memo-Collective,Special/Other:Mkt Value	N/A
RCT-M.3.h(a)	RCFDB945	Memo-Collective,Total Collect:# of Funds	N/A
RCT-M.3.h(b)	RCFDB946	Memo-Collective,Total Collect:Mkt Value	N/A
RCT-M.4.a(a)	RIADB947	Memo-Fid/Other,Prsnl:Gross Mngd Accts	N/A
RCT-M.4.a(b)	RIADB948	Memo-Fid/Other,Prsnl:Gross Non-Mgd Accts	N/A
RCT-M.4.a(c)	RIADB949	Memo-Fid/Other,Prsnl:Recoveries	N/A
RCT-M.4.b(a)	RIADB950	Memo-Fid/Other,Retire:Gross Mngd Accts	N/A
RCT-M.4.b(b)	RIADB951	Memo-Fid/Other,Ret:Gross Non-Mngd Accts	N/A
RCT-M.4.b(c)	RIADB952	Memo-Fid/Other,Ret:Recoveries	N/A
RCT-M.4.c(a)	RIADB953	Memo-Fid/Other,Invst:Gross Mngd Accts	N/A
RCT-M.4.c(b)	RIADB954	Memo-Fid/Other,Invst:Gross Non-Mgd Accts	N/A
RCT-M.4.c(c)	RIADB955	Memo-Fid/Other,Invst:Recoveries	N/A
RCT-M.4.d(a)	RIADB956	Memo-Fid/Other,Other Fid:Gross Mngd	N/A
RCT-M.4.d(b)	RIADB957	Memo-Fid/Other,Other Fid:Gross Non-Mngd	N/A
RCT-M.4.d(c)	RIADB958	Memo-Fid/Other,Other Fid:Recoveries	N/A
RCT-M.4.e(a)	RIADB959	Memo-Fid/Other,Total Fid:Gross Mngd	N/A
RCT-M.4.e(b)	RIADB960	Memo-Fid/Other,Total Fid:Gross Non-Mngd	N/A
RCT-M.4.e(c)	RIADB961	Memo-Fid/Other,Total Fid:Recoveries	N/A
RC(OPTIONAL)	RCON6979	X/Y - Comment/No Comment	Y
RC(LOANS)a	RCFD3561	Number Of Loans To Executive Officers	2
RC(LOANS)b	RCFD3562	Amount Of Loans To Executive Officers	220
RC(LOANS)c(a)	RCFD7701	Start Rate (####.##%) Loans To Execs.	14.65%
RC(LOANS)c(b)	RCFD7702	Top Rate (####.##%) Loans To Execs.	16.50%
RC-R.50.p	RCONDPSC	Credit Conversion Factor	M%
RIE-6.a	RIAD5523	Adjs. to allow for l & l loss (RIB.2.5)	-211279
RCT-20	RIADC058	Income-Less:Expenses	N/A
RIB(P2)-3	RIADC079	LESS: Charge-offs	1369612

</TABLE>

Exhibit 99.1

SONIC AUTOMOTIVE, INC.

OFFER TO EXCHANGE

11% Senior Subordinated Notes
Due 2008, Series D,
Which Have Been Registered Under The Securities Act of 1933, As Amended
For Any And All Outstanding
11% Senior Subordinated Notes
Due 2008, Series B
and 11% Senior Subordinated Notes
Due 2008, Series C

Pursuant to the Prospectus dated January __, 2002.

- ---

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M. NEW YORK CITY TIME, ON FEBRUARY __, 2002, UNLESS EXTENDED (THE "EXPIRATION DATE"). TENDERS MAY BE WITHDRAWN PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON FEBRUARY __, 2002.

- ---

By Messenger, Mail, or Overnight Delivery:

U.S. Bank Trust National Association
180 East Fifth Street
St. Paul, Minnesota 55101
Attention: Specialized Finance Group

Facsimile Transmission:
(651) 244-1537 (MN)

Confirm by Telephone:
(800) 934-6802 (MN)
Attention: Specialized Finance Group

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

The undersigned acknowledges receipt of the Prospectus, dated January __, 2002 (the "Prospectus"), of Sonic Automotive, Inc., a Delaware corporation (the "Company"), and this Letter of Transmittal (this "Letter"), which together constitute the offer (the "Exchange Offer") to exchange an aggregate principal amount of up to $200,000,000 11% Senior Subordinated Notes Due 2008, Series D (the "New Notes") for an equal principal amount of the outstanding 11% Senior Subordinated Notes Due 2008, Series B (the "Series B Notes") and 11% Senior Subordinated Notes Due 2008, Series C (the "Series C Notes") (the Series B Notes and the Series C Notes are collectively referred to as the "Old Notes").

For each Old Note accepted for exchange, the holder of such Old Note will receive a New Note having a principal amount at maturity equal to that of the surrendered Old Note. The New Notes will bear interest at a rate equal to 11% per annum. Interest on the New Notes is payable semiannually, commencing August 1, 2002, on February 1 and August 1 of each year (each, an "Interest Payment Date") and shall accrue from November 19, 2001, or from the most recent Interest Payment Date with respect to the Old Notes to which interest was paid or for which interest was duly provided. The New Notes will mature on August 1, 2008.

Subject to certain exceptions, in the event of a Registration Default (as defined below), the interest rate borne by the Series C Notes shall be increased by one-quarter of one percent per annum upon the occurrence of each Registration Default, which rate (as increased aforesaid) will increase by an additional one quarter of one percent each 90-day period that such additional interest continues to accrue under any such circumstance, with an aggregate maximum increase in the interest rate equal to one percent (1%) per annum. A "Registration Default" with respect to the Exchange Offer shall occur if: (a) the Exchange Offer Registration Statement is not filed with the Commission on or prior to the 60th calendar day following the date of original issue of the Series C Notes, (b) the Exchange Offer Registration Statement has not been declared effective on or prior to the 135th calendar day following the date of original issue of the Series C Notes, (c) the Exchange Offer is not consummated or a Shelf Registration Statement is not declared effective, in either case, on or prior to the 165th calendar day following the date of original issue of the Series C Notes or (d) the Shelf Registration Statement is declared effective but shall thereafter become unusable for more than 30 days in the aggregate. The Shelf Registration Statement will be required to remain effective until the second anniversary of the issuance of the Series C Notes. Following the cure of all Registration Defaults, the accrual of additional interest will cease and the interest rate will revert to the original rate; provided, however, that, if

after any such reduction in interest rate, a different Registration Default occurs, the interest rate shall again be increased pursuant to the foregoing provisions. Holders of New Notes will not be and, upon consummation of the Exchange Offer, holders of Old Notes will no longer be, entitled to (i) the right to receive the increased interest specified above or (ii) certain other rights under the Registration Rights Agreement intended for holders of Old Notes. The Exchange Offer shall be deemed consummated upon the occurrence of the delivery by the Company to the Registrar under the Indenture of New Notes in the same aggregate principal amount as the aggregate principal amount of Old Notes that are tendered by holders thereof pursuant to the Exchange Offer.

The Company reserves the right, in its sole discretion, (i) to delay accepting any Old Notes, (ii) to extend the Exchange Offer, in which event the term "Expiration Date" shall mean the latest time and date to which the Exchange Offer is extended, (iii) if the Commission does not declare the Registration Statement effective, to terminate the Exchange Offer, by giving oral or written notice of such delay, extension, or termination to the Exchange Agent, and (iv) to amend the terms of the Exchange Offer in any manner. If the Exchange Offer is amended in a manner determined by the Company to constitute a material change, the Company will promptly disclose such amendments by means of a prospectus supplement that will be distributed to the registered holders of the Old Notes. Modifications of the Exchange Offer, including but not limited to (i) extension of the period during which the Exchange Offer is open and (ii) satisfaction of the conditions set forth under the caption "The Exchange Offer - Conditions of the Exchange Offer" in the Prospectus, may require that at least ten business days remain in the Exchange Offer. In order to extend the Exchange Offer, the Company will notify the Exchange Agent of any extension by oral or written notice and will make a public announcement thereof, each prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date.

This Letter must be completed and delivered by a holder of Old Notes if: (i) such holder is not a member of the ATOP system ("ATOP") of the Depository Trust Company (the "Book-Entry Transfer Facility"), (ii) such holder is an ATOP member but chooses not to use ATOP or (iii) the Old Notes are to be tendered in accordance with the guaranteed delivery procedures set forth in Instruction 1 to this Letter. Holders of Old Notes whose Notes are not immediately available, or who are unable to delivery their Notes or confirmation of the book-entry tender of their Old Notes into the Exchange Agent's account at the Book-Entry Transfer Facility (a "Book-Entry Confirmation"), as the case may be, and all other documents required by this Letter to the Exchange Agent on or prior to the Expiration Date, must tender their Old Notes according to the guaranteed delivery procedures set forth in "The Exchange Offer--Guaranteed Delivery Procedures" section of the Prospectus. See Instruction 1 to this Letter. Delivery of documents to the Book Entry Transfer Facility does not constitute delivery to the Exchange Agent.

The undersigned has completed the appropriate boxes below and signed this Letter to indicate the action the undersigned desires to take with respect to the Exchange Offer.

Listed below the Old Notes to which this Letter relates. If the space provided below is inadequate, the Note numbers and principal amount of Old Notes should be listed on a separate signed schedule affixed hereto.

DESCRIPTION OF OLD NOTES	1	2	3

<TABLE>

Name(s) and Address(es) of Registered Holder(s) (Please fill in, if blank)	Aggregate Note Number(s)*	Principal Amount Of Old Note(s)	Principal Amount Tendered**
<S>	<C>	<C>	<C>
Total			

</TABLE>

* Need not be complete if Old Notes are being tendered by book-entry transfer.

** Unless otherwise indicated in this column, a holder will be deemed to have tendered the entire principal amount represented by the Old Note indicated in column 2. See Instruction 2. Old Notes tendered hereby must be in denominations of principal amount of $1,000 and any integral multiple thereof. See Instruction 1.

[_] CHECK HERE IF TENDERED OLD NOTES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO THE ACCOUNT MAINTAINED BY THE EXCHANGE AGENT WITH THE BOOK-ENTRY TRANSFER FACILITY AND COMPLETE THE FOLLOWING:

Name of Tendering Institution _____

Account Number _____ Transaction Code Number _____

[_] CHECK HERE IF TENDERED OLD NOTES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE EXCHANGE AGENT AND COMPLETE THE FOLLOWING:

Name of Registered Holder(s) _____

Window Ticket Number (if any) _____

Date of Execution of Notice of Guaranteed Delivery _____

Name of Institution which guaranteed delivery _____

IF DELIVERED BY BOOK-ENTRY TRANSFER, COMPLETE THE FOLLOWING:

Account Number _____ Transaction Code Number _____

[_] CHECK HERE IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.

Name: _____

Address: _____

PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY

Ladies and Gentlemen:

Upon the terms and subject to the conditions of the Exchange Offer, the undersigned hereby tenders to the Company the aggregate principal amount of Old Notes indicated above. Subject to, and effective upon, the acceptance for exchange of the Old Notes tendered hereby, the undersigned hereby sells, assigns and transfers to, or upon the order of, the Company all right, title and interest in and to such Old Notes as are being tendered hereby.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Old Notes tendered hereby and that the Company will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim when the same are accepted by the Company. The undersigned hereby further represents that any New Notes acquired in exchange for Old Notes tendered hereby will have been acquired in the ordinary course of business of the person receiving such New Notes, whether or not such person is the undersigned, that neither the holder of such Old Notes nor any such other person is engaged in, or intends to engage in, a distribution of such New Notes, or has an arrangement or understanding with any person to participate in the distribution of such New Notes, and that neither the holder of such Old Notes nor any such other person is an "affiliate," as defined in Rule 405 under the Securities Act of 1933, as amended (the "Securities Act"), of the Company.

The undersigned also acknowledges that this Exchange Offer is being made based upon the Company's understanding of an interpretation by the staff of the Securities and Exchange Commission (the "Commission") as set forth in no-action letters issued to third parties, including Exxon Capital Holdings Corporation, SEC No-Action Letter (available April 13, 1989), Morgan Stanley & Co., Incorporated, SEC No-Action Letter (available June 5, 1991), Mary Kay Cosmetics, Inc., SEC No-Action Letter (available June 5, 1991), Warnaco, Inc., SEC No-Action Letter (available October 11, 1991) and Shearman & Sterling, SEC No-Action Letter (available July 2, 1993), that the New Notes issued in exchange for the Old Notes pursuant to the Exchange Offer may be offered for resale, resold and otherwise transferred by holders thereof (other than a broker-dealer who acquires such New Notes directly from the Company for resale pursuant to Rule 144A under the Securities Act or any other available exemption under the Securities Act or any such holder that is an "affiliate" of the Company within the meaning of Rule 405 under the Securities Act), without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such New Notes are acquired in the ordinary course of such holders' business and such holders are not engaged in, and do not intend to engage in, a

distribution of such New Notes and have no arrangement with any person to participate in the distribution of such New Notes. If a holder of Old Notes is engaged in or intends to engage in a distribution of the New Notes or has any arrangement or understanding with respect to the distribution of the New Notes to be acquired pursuant to the Exchange Offer, [which] holder could not rely on the applicable interpretations of the staff of the Commission and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any secondary resale transaction. If the undersigned is a broker-dealer that will receive New Notes for its own account in exchange for Old Notes, it represents that the Old Notes to be exchanged for the New Notes were acquired by it as a result of market-making activities or other trading activities and acknowledges that it will deliver a prospectus in connection with any resale of such New Notes; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

The undersigned will, upon request, execute and deliver any additional documents deemed by the Company to be necessary or desirable to complete the sale, assignment and transfer of the Old Notes tendered hereby. All authority conferred or agreed to be conferred in this Letter and every obligation of the undersigned hereunder shall be binding upon the successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of the undersigned and shall not be affected by, and shall survive, the death or incapacity of the undersigned. This tender may be withdrawn only in accordance with the procedures set forth in "The Exchange Offer - Withdrawal Rights" section of the Prospectus.

Unless otherwise indicated herein in the box entitled "Special Issuance Instructions" below, please deliver the New Notes (and, if applicable, substitute Notes representing the remaining principal balance of any Old Note exchanged only in part) in the name of the undersigned or, in the case of a book-entry delivery of Old Notes, please credit the account indicated above maintained at the Book-Entry Transfer Facility. Similarly, unless otherwise

indicated under the box entitled "Special Delivery Instructions" below, please send the New Notes (and, if applicable, substitute Notes representing the remaining principal balance of any Old Note exchanged only in part) to the undersigned at the address shown above in the box entitled "Description of Old Notes."

THE UNDERSIGNED, BY COMPLETING THE BOX ENTITLED "DESCRIPTION OF OLD NOTES ABOVE AND SIGNING THIS LETTER, WILL BE DEEMED TO HAVE TENDERED THE OLD NOTES AS SET FORTH IN SUCH BOX ABOVE.

- ---

SPECIAL ISSUANCE INSTRUCTIONS
(See Instructions 3 and 4)

To be completed ONLY if Notes for Old Notes not exchanged and/or New Notes are to be issued in the name of and sent to someone other than the person(s) whose signature(s) appear(s) on this Letter above, or if Old Notes delivered by book-entry transfer which are not accepted for exchange are to be returned by credit to an account maintained at the Book-Entry Transfer Facility other than the account indicated above.

Issue New Notes and/or Old Notes to:

Name(s): _____
(Please Type or Print)

_____
(Please Type or Print)

Address: _____

_____
(Including Zip Code)

(Complete accompanying Substitute Form W-9)

Credit unexchanged Old Notes delivered by book-entry transfer to the Book-Entry Transfer Facility account set forth below.

(Book-Entry Transfer Facility Account Number, if applicable): _____

- ---

- ---

SPECIAL DELIVERY INSTRUCTIONS
(See Instructions 3 and 4)

To be completed ONLY if Notes or Old Notes not exchanged and/or New Notes are to be sent to someone other than the person(s) whose signature(s) appear(s) on this Letter above or to such person(s) at an address other than shown in the box entitled "Description of Old Notes" on this Letter above.

Mail New Notes and/or Old Notes to: _____

Name(s): _____
(Please Type or Print)

_____
(Please Type or Print)

Address: _____

_____
(Including Zip Code)

- ---

IMPORTANT: THIS LETTER OR A FACSIMILE HEREOF (TOGETHER WITH THE OLD NOTES AND ALL OTHER REQUIRED DOCUMENTS OR THE NOTICE OF GUARANTEED DELIVERY), OR A BOOK-ENTRY CONFIRMATION, AS THE CASE MAY BE, MUST BE RECEIVED BY THE EXCHANGE AGENT PRIOR TO 5:00 P.M., NEW YORK TIME, ON THE EXPIRATION DATE.

PLEASE READ THIS LETTER OF TRANSMITTAL
CAREFULLY BEFORE COMPLETING ANY BOX ABOVE

- ---

PLEASE SIGN HERE
(TO BE COMPLETED BY ALL TENDERING HOLDERS)
(COMPLETE ACCOMPANYING SUBSTITUTE FORM W-9)

Dated: _____, 2002

_____ X

_____ X
(Date)

Area Code and Telephone:_____

If a holder is tendering any Old Notes, this letter must be signed by the registered holder(s) as the name(s) appear(s) on the Note(s) for the Old Notes or by any person(s) authorized to become registered holder(s) by endorsements and documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, officer or other person acting in a fiduciary or representative capacity, please set forth full title. See Instructions 3.

Name(s):_____

_____
(Please Type or Print)

Capacity:_____

Address:_____

_____
(Including Zip Code)

SIGNATURE GUARANTEE
(IF REQUIRED BY INSTRUCTION 3)

Signature(s) Guaranteed by
an Eligible Institution:_____
(Authorized Signature)

_____
(Title)

_____
(Name and Firm)

Dated:_____, 2002

INSTRUCTIONS

FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER TO EXCHANGE
11% SENIOR SUBORDINATED NOTES DUE 2008, SERIES D, WHICH HAVE BEEN
REGISTERED UNDER THE SECURITIES ACT OF 1993, AS AMENDED, FOR ANY AND ALL
OUTSTANDING 11% SENIOR SUBORDINATED NOTES DUE 2008, SERIES B AND ALL
OUTSTANDING 11% SENIOR SUBORDINATED NOTES DUE 2008, SERIES C
OF SONIC AUTOMOTIVE, INC.

1. Delivery of this Letter and Old Notes; Guaranteed Delivery Procedures. Certificates for Old Notes as well as a properly completed and duly executed copy of this Letter (or facsimile thereof) and any other documents required by this Letter, or a Book Entry Confirmation, as the case may be, must be received by the Exchange Agent at its address set forth herein on or before the Expiration Date, or the tendering holder must comply with the guaranteed delivery procedures set forth below. This Letter must be used: (i) by all holders who are not ATOP members, (ii) by holders who are ATOP members but choose not to use ATOP or (iii) if the Old Notes are to be tendered in accordance with the guaranteed delivery procedures set forth below. Old Notes tendered hereby must be in denominations of principal amount of $1,000 or any integral multiple thereof.

Holders whose Old Notes are not immediately available or who cannot deliver their Notes or a Book-Entry Confirmation, as the case may be, and all other required documents to the Exchange Agent on or prior to the Expiration Date, may tender their Old Notes pursuant to the guaranteed delivery procedures set forth in "The Exchange Offer- Guaranteed Delivery Procedures" section of the Prospectus. Pursuant to such procedures, (i) such tender must be made by or through an Eligible Institution (as defined below) and a Notice of Guaranteed Delivery in the Form of Exhibit 99.2 to the Registration Statement of which the Prospectus forms a part, a copy of which may be obtained from the Exchange Agent (a "Notice of Guaranteed Delivery"), must be signed by such holder, (ii) on or prior to the Expiration Date, the Exchange Agent must receive from such Eligible Institution a properly completed and duly executed Notice of Guaranteed Delivery (by facsimile transmission, mail or hand delivery), setting forth the name and address of the holder of Old Notes, the certificate number or numbers of the tendered Old Notes and the principal amount of Old Notes tendered, stating that the tender is being made thereby and guaranteeing that within four business days after the date of delivery of the Notice of Guaranteed Delivery, this Letter together with the certificates representing the tendered Old Notes or a Book-Entry Confirmation, as the case may be, as well as all other documents required by this Letter will be deposited by the Eligible Institution with the Exchange Agent, and (iii) the certificates for all tendered Old Notes or a Book-Entry Confirmation, as the case may be, as well as all other documents required by this Letter (properly completed and duly executed), must be received by the Exchange Agent within four business days after the date of delivery of such Notice of Guaranteed Delivery.

The method of delivery of this Letter, certificates for the Old Notes or a Book-Entry Confirmation, as the case may be, and all other required documents is at the election and risk of the tendering holders, but the delivery will be deemed made only when actually received or confirmed by the Exchange Agent. If Old Notes are sent by mail, it is recommended that the mailing be made by registered mail, properly insured, with return receipt requested, and that such mailing be made sufficiently in advance of the Expiration Date to permit delivery to the Exchange Agent prior to 5:00 p.m., New York City time, on the Expiration Date. Instead of delivery by mail, it is recommended that the holder use an overnight or hand delivery service. In all cases, sufficient time should be allowed for timely delivery. See "The Exchange Offer" section of the Prospectus.

2. Partial Tenders (Not Applicable to Holders of Old Notes Who Tender by Book-entry Transfer). If less than the entire principal amount of any submitted Note is to be tendered, the tendering holder(s) should fill in the aggregate principal amount to be tendered in the box above entitled "Description of Old Notes -- Principal Amount Tendered." A reissued Note representing the balance of nontendered principal of any submitted Old Notes will be sent to such tendering holder, unless otherwise provided in the appropriate box on this Letter, promptly after the Expiration Date. THE ENTIRE PRINCIPAL AMOUNT OF ANY OLD NOTES DELIVERED TO THE EXCHANGE AGENT WILL BE DEEMED TO HAVE BEEN TENDERED UNLESS OTHERWISE INDICATED.

3. Signatures on this letter; Assignments and Endorsement; Guarantee of Signatures. If this Letter is signed by the registered holder of the Old Notes tendered hereby, the signature must correspond exactly with the name as written on the face of the Notes without any change whatsoever.

If any tendered Old Notes are owned of record by two or more joint owners, all

such owners must sign this Letter. If any tendered Old Notes are registered in different names on several Notes, it will be necessary to complete, sign and submit as many separate copies of this Letter as there are different registrations of Notes.

When this Letter is signed by the registered holder of the Old Notes specified herein and tendered hereby, no endorsements of the submitted Notes or separate instruments of assignment are required. If, however, the New Notes are to be issued, or any untendered Old Notes are to be reissued, to a person other than the registered holder, then endorsements of any Notes transmitted hereby or separate instruments of assignment are required. Signatures on such Notes must be guaranteed by an Eligible Institution.

If this Letter is signed by a person other than the registered holder of any Notes specified herein, such Notes must be endorsed or accompanied by appropriate instruments of assignment, in either case signed exactly as the name of the registered holder appears on the Notes and the signatures on such Notes must be guaranteed by an Eligible Institution.

If this Letter or any Notes or instruments of assignment are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and, unless waived by the Company, proper evidence satisfactory to the Company of their authority to so act must be submitted.

Endorsements on Old Notes or signatures on instruments of assignment required by this Instruction 3 must be guaranteed by a firm which is a member of a registered national securities exchange or a member of the National Association of Securities Dealers, Inc., by a commercial bank or trust company having an office or correspondent in the United States or by an "eligible guarantor" institution within the meaning of Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended (an "Eligible Institution").

Signatures on this Letter need not be guaranteed by an Eligible Institution, provided the Old Notes are tendered: (i) by a registered holder of Old Notes (which term, for purposes of the Exchange Offer, includes any participant in the Book-Entry Transfer Facility system whose name appears on a security position listing as the holder of such Old Notes) tendered who has not completed the box entitled "Special Issuance Instructions" or "Special Delivery Instructions" on this Letter, or (ii) for the account of an Eligible Institution.

4. Special Issuance and Delivery Instructions. Tendering holders of Old Notes should indicate in the applicable box the name and address to which New Notes issued pursuant to the Exchange Offer and/or substitute Notes evidencing Old Notes not exchanged are to be issued or sent, if different from the name or address of the person signing this Letter. In the case of issuance in a different name, the employer identification or social security number of the person named must also be indicated. A holder of Old Notes tendering Old Notes by book-entry transfer may request that Old Notes not exchanged be credited to such account maintained at the Book-Entry Transfer Facility as such holder of Old Notes may designate hereon. If no such instructions are given, such Old Notes not exchanged will be returned to the name or address of the person signing this Letter.

5. Tax Identification Number. Federal income tax law generally requires that a tendering holder whose Old Notes are accepted for exchange must provide the Company (as payor) with such Holder's correct Taxpayer Identification Number ("TIN") on Substitute Form W-9 below, which, in the case of a tendering holder who is an individual, is his or her social security number. If the Company is not provided with the current TIN or an adequate basis for an exemption, such tendering holder may be subject to a $50 penalty imposed by the Internal Revenue Service. In addition, delivery of New Notes to such tendering holder may be subject to backup withholding in an amount equal to 31% of all reportable payments made after the exchange. If withholding results in an overpayment of taxes, a refund may be obtained.

Exempt holders of Old Notes (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. See the enclosed Guidelines of Certification of Taxpayer identification Number on Substitute Form W-9 (the "W-9 Guidelines") for additional instructions.

To prevent backup withholding, each tendering holder of Old Notes must provide its correct TIN by completing "Substitute Form W-9"set forth below, certifying that the TIN provided is correct (or that such holder is awaiting a TIN), and that (i) the holder is exempt from backup withholding, (ii) the holder has not been notified by the Internal Revenue Service that such holder is subject to a backup withholding as a result of a failure to report all interest or dividends or (iii) the Internal Revenue Service has notified the holder that such holder is no longer subject to backup withholding. If the tendering holder

of Old Notes is a nonresident alien or foreign entity not subject to backup withholding, such holder must give the Company a completed Form W-8, Notice of Foreign Status. These forms may be obtained from the Exchange Agent. If the Old Notes are in more than one name or are not in the name of the actual owner, such holder should consult the W-9 Guidelines for information on which TIN to report. If such holder does not have a TIN, such holder should consult the W-9 Guidelines for instructions on applying for a TIN, check the box in Part 2 of the Substitute Form W-9 and write "applied for" in lieu of its TIN. Note: checking-this box and writing "applied for" on the form means that such holder has already applied for a TIN or that such holder intends to apply for one in the near future. If such holder does not provide its TIN to the Company.

6. Transfer Taxes. The Company will pay all transfer taxes, if any, applicable to the exchange of Old Notes pursuant to the Exchange Offer. If, however, a transfer tax is imposed for any reason other than the exchange of Old Notes pursuant to the Exchange Offer, the amount of any such transfer taxes (whether imposed on the registered holder or any other persons) will be payable by the tendering holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted herewith, the amount of such transfer taxes will be billed directly to such tendering holder.

EXCEPT AS PROVIDED IN THIS INSTRUCTION 6, IT IS NOT NECESSARY FOR TRANSFER TAX STAMPS TO BE AFFIXED TO THE OLD NOTES SPECIFIED IN THIS LETTER.

7. Waiver of Conditions. The Company reserves the absolute right to waive satisfaction of any or all conditions enumerated in the Prospectus.

8. No Conditional Tenders. No alternative, conditional, irregular or contingent tenders will be accepted. All tendering holders of Old Notes, by execution of this Letter, shall waive any right to receive notice of the acceptance of their Old Notes for exchange. Neither the Company, the Exchange Agent nor any other person is obligated to give notice of any defeat or irregularity with respect to any tender of Old Notes nor shall any of them incur any liability for failure to give any such notice.

9. Mutilated, Lost, Stolen or Destroyed Old Notes. Any holder whose Old Notes have been mutilated, lost, stolen or destroyed should contact the Exchange Agent at the address indicated above for further instructions.

10. Requests for Assistance or Additional Copies. Questions relating to the procedure for tendering, as well as requests for additional copies of the Prospectus, this Letter and other related documents, should be directed to the Exchange Agent, at the address and telephone number indicated above.

TO BE COMPLETED BY ALL TENDERING HOLDERS
(See Instruction 5)

PAYOR'S NAME: SONIC AUTOMOTIVE, INC.

<table>
<tr><td>SUBSTITUTE
TIN:_____</td><td>Part 1 - PLEASE PROVIDE YOUR TIN IN THE BOX AT
RIGHT AND CERTIFY BY SIGNING AND DATING BELOW. (Social Security Number or Employer Identification Number)</td></tr>
<tr><td>Form W-9</td><td>Part 2 - TIN Applied for [_]</td></tr>
<tr><td>Department of the Treasury
Internal Revenue Services</td><td>Certification: Under the penalties of perjury, I certify that:
(1) the number shown on this form is my correct Taxpayer Identification Number (or I am writing for a number to be issued to me),
(2) I am not subject to backup withholding either because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service ("IRS") that I</td></tr>
<tr><td>Payer's Request for
Taxpayer Identification
Number ("TIN")
and Certification</td><td>am subject to backup withholding as a result of a failure to report all interest or interest or dividends, or (c) the IRS has notified me that I am no longer longer subject to backup withholding, and
(3) any other information provided on this form is true and correct.</td></tr>
</table>

Signature:_____

Date:_____

You must cross out item (ii) above if you have been notified by the IRS that you are

subject
to backup withholding because of underreporting of interest or dividends on your tax return
and you have not been notified by the IRS that you are no longer subject to backup withholding.

</TABLE>

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE BOX IN PART 2 OF SUBSTITUTE FORM W-9

CERTIFICATE OF AWAITING TAXPAPER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number by the time of the exchange, thirty-one percent (31%) of all reportable payments made to me thereafter will be withheld until provide a number.

_____ _____
Signature Date

Exhibit 99.2

SONIC AUTOMOTIVE, INC.

This form or one substantially equivalent hereto must be used to accept the Exchange Offer of Sonic Automotive, Inc. (the "Company") made pursuant to the Prospectus, dated January __, 2002 (the "Prospectus"), and the enclosed Letter of Transmittal (the "Letter of Transmittal") if Old Notes are not immediately available or if time will not permit all documents required by the Letter of Transmittal to reach the U.S. Bank Trust National Association (the "Exchange Agent") prior to the Expiration Date of the Exchange Offer. Such form may be delivered or transmitted by facsimile transmission, mail, overnight or hand delivery to the Exchange Agent as set forth below. In addition, in order to utilize the guaranteed delivery procedure to tender Old Notes pursuant to the Exchange Offer, a completed, signed and dated Letter of Transmittal (or facsimile thereof) must also be received by the Exchange Agent on or prior to 5:00 P.M., New York City time, on the Expiration Date. Capitalized terms not defined herein are defined in the Prospectus.

Delivery To:
U.S. Bank Trust National Association, Exchange Agent

By Messenger, Mail, Overnight Delivery:
U.S. Bank Trust National Association
180 East Fifth Street
St. Paul, Minnesota 55101
Attention: Specialized Finance Group

Facsimile Transmission:
(651) 244-1537 (MN)

Confirm By Telephone:
(800) 934-6802 (MN)
Attention: Specialized Finance Group

Delivery of this instrument to an address other than as set forth above, or transmission of instructions via facsimile other than as set forth above, will not constitute a valid delivery.

Ladies and Gentlemen:

Upon the terms and conditions set forth in the Prospectus and the accompanying Letter of Transmittal, the undersigned hereby tenders to the Company the principal amount of Old Notes set forth below, pursuant to the guaranteed delivery procedure described in "The Exchange Offer -- Guaranteed Delivery Procedures" section of the Prospectus.

<TABLE>
<S> <C>

Principal Amount of Old Notes Tendered	Name(s) of Record Holder(s):
$_____	_____
Note Certificate Nos. (if available):	_____
_____	Address(es):_____
_____	_____
_____	_____
_____	_____
If Old Notes will be delivered by book-entry transfer to The Depository Trust Company, provide account number.	Area Code and Telephone Number(s): _____
	_____
Account Number:_____	Signature(s):_____

</TABLE>

THE ACCOMPANYING GUARANTEE MUST BE COMPLETED.

GUARANTEE

(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a firm that is a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office correspondent in the United States or any "eligible guarantor" institution within the meaning of Rule 17Ad-15 of the Exchange Act of 1934, as amended, hereby guarantees to deliver to the Exchange Agent, at its address set forth above, the Old Notes described above, in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required signature guarantees, and any other documents required by the Letter of Transmittal within four business days after the date of execution of this Notice of Guaranteed Delivery.

Name of Firm:_____

_____
(Authorized Signature)

Title:_____

Name:_____

Date:_____

Address:_____

_____

Area Code and
Telephone Number:_____

_____