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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K/A

AMENDMENT TO CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): May 1, 2002

SONIC AUTOMOTIVE, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

1-13395	56-201079
(Commission File Number)	(I.R.S. Employer Indentification No.)

5401 E. Independence Boulevard Charlotte, North Carolina	28212
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (704) 566-2400

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Item 5. Other Events

On November 21, 2000, Sonic Automotive, Inc. ("Sonic") filed a registration statement on Form S-3 (Reg. Nos. 333-50430 and 333-50430-01 through 333-50430-G7) with the Securities and Exchange Commission (the "Commission") relating to the public offering pursuant to Rule 415 under the Securities Act of 1933, as amended, of up to $300 million in securities of Sonic (as amended, the "Registration Statement"). On December 14, 2000, the Commission declared the Registration Statement effective.

On May 2, 2002, Sonic filed a preliminary prospectus supplement with the Commission relating to the offer and sale of $130 million ($149.5 million if the underwriters' over-allotment is exercised in full) of 5 1/4% Convertible Senior Subordinated Notes due 2009 (the "Notes"). The Notes will be issued pursuant to a supplement to the form of subordinated indenture (the "Supplemental Indenture") by and among Sonic and U.S. Bank National Association ("U.S. Bank"). The form of indenture was previously filed with the Commission as an exhibit to the Registration Statement. The form of Supplemental Indenture which governs the terms of the Notes, the form of Note and the Form T-1 of U.S. Bank with respect to U.S. Bank acting as Trustee under the Indenture are filed as exhibits hereto.

(c) Exhibits

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Exhibit No.	Description
<S>	<C>
1.1	Purchase Agreement dated as of May 1, 2002 between Sonic Automotive, Inc. and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith, Incorporated, Banc of America Securities LLC and First Union Securities, Inc.
4.1	Form of Supplemental Indenture by and among Sonic and U.S. Bank National Association
4.2	Form of 5-1/4% Convertible Senior Subordinated Note due 2009 (included in Exhibit 4.1)
4.3	Form of Subordination Agreement dated as of May 7, 2002 between O. Bruton Smith and U.S. Bank National Association
5.1	Opinion of Moore & Van Allen PLLC regarding the validity of the Notes
23.1	Consent of Moore & Van Allen PLLC (included in Exhibit 5.1)
25.1*	Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of U.S. Bank National Association

</TABLE>

* Previously filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this amendment to current report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

SONIC AUTOMOTIVE, INC.

By: /s/ Stephen K. Coss

Stephen K. Coss
Vice President and General Counsel

Dated: May 6, 2002

Exhibit 1.1

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SONIC AUTOMOTIVE, INC. (a Delaware corporation)

$130,000,000

5 1/4% Convertible Senior Subordinated Notes due 2009

PURCHASE AGREEMENT

Dated: May 1, 2002

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PURCHASE AGREEMENT

May 1, 2002

MERRILL LYNCH & CO.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated

Banc of America Securities LLC
First Union Securities, Inc.

c/o Merrill Lynch & Co.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
4 World Financial Center,
New York, New York 10080

Ladies and Gentlemen:

Sonic Automotive, Inc., a Delaware corporation (the "Company"), confirms its agreement with Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), Banc of America Securities LLC and First Union Securities, Inc. (together, the "Underwriters"), (which term shall also include any underwriter 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 Underwriters, acting severally and not jointly, of the respective principal amounts set forth in Schedule A of $130,000,000 aggregate principal amount of the Company's 5 1/4% Convertible Senior Subordinated Notes due 2009 (the "Initial Securities") and (ii) the grant by the Company to the Underwriters of the option described in Section 2(b) hereof to purchase all or a part of $19,500,000 aggregate principal amount of the Company's 5 1/4% Convertible Senior Subordinated Notes due 2009 to cover over-allotments, if any (the "Option Securities" and, together with the Initial Securities, the "Securities"). The Securities are to be issued pursuant to an indenture (the "Base Indenture") as supplemented by the first supplemental indenture to the Base Indenture, dated as of May 7, 2002 (the "Supplemental Indenture," and, together with the Base Indenture, the "Indenture") among the Company, certain of its Subsidiaries (as defined below in Section 1(a)(vii) 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(c)) (the "DTC Agreement"), among the Company, the Trustee and DTC.

The Securities will be convertible into shares of Class A Common Stock, par value $.01 per share, of the Company (the "Class A Common Stock") in accordance with the terms of the Securities and the Indenture. "Underlying Securities" shall mean the Class A Common Stock issuable upon conversion of the Securities.

The Company understands that the Underwriters propose to make a public offering of the Securities on the terms and in the manner set forth herein as soon as the Representative deems advisable after the execution and delivery of this Agreement and after the Indenture has been qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act").

The Company and certain of its Subsidiaries have filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-3 (Registration No. 333-50430 and Registration Nos. 333-50430-01 through 333-50430-G7), including the related base prospectus, for the registration of Class A Common Stock, debt securities, warrants, preferred securities and guarantees (including the Securities and the Underlying Securities) under the Securities Act of 1933, as amended (the "1933 Act"), and the offering thereof from time to time in accordance with Rule 415 of the rules and regulations of the Commission under the 1933 Act (the "1933 Act Regulations"). The registration statement, including any Rule 462(b) Registration Statement (as defined below), has been declared effective by the Commission, and the Indenture has been qualified under the 1939 Act. Such registration statements (as so amended, if applicable), including the information, if any, deemed to be a part thereof pursuant to Rule 430A(b) of the 1933 Act Regulations (the "Rule 430A Information") or Rule 434(d) of the 1933 Act Regulations (the "Rule 434 Information"), are referred to herein collectively as the "Registration Statement"; and the final prospectus and the final prospectus supplement relating to the offering of the Securities, in the forms first furnished to the Underwriters by the Company for use in connection with the offering of the Securities, are collectively referred to herein as the "Prospectus"; provided, however, that all references to the "Registration Statement" and the "Prospectus" shall also be deemed to include all documents incorporated therein by reference pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), prior to the execution of this Agreement; provided, further, that if the Company files a registration statement with the Commission pursuant to Rule 462(b) of the 1933 Act Regulations (the "Rule 462(b) Registration Statement"), then all references to "Registration Statement" shall also be deemed to include the Rule 462 (b) Registration Statement; and provided, further, that if the Company elects to rely upon Rule 434 of the 1933 Act Regulations, then all references to "Prospectus" shall also be deemed to include the final or preliminary prospectus and the applicable term sheet or abbreviated term sheet (the "Term Sheet"), as the case may be, in the forms first furnished to the Underwriters by the Company in reliance upon Rule 434 of the 1933 Act Regulations, and all references to the date of the Prospectus shall mean the date of the Term Sheet. A "Preliminary Prospectus" shall be deemed to refer to (i) each prospectus used before the Registration Statement became effective and (ii) any prospectus and related preliminary prospectus supplement that omitted, as applicable, the Rule 430A Information, the Rule 434 Information or other information to be included upon pricing in a form of prospectus filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations and was used after such effectiveness and prior to the initial delivery of the Prospectus to

the Underwriters by the Company; provided, that a prospectus supplement shall be deemed to have supplemented the Prospectus only with respect to the offering of the underwritten Securities to which it relates. For purposes of this Agreement, all references to the Registration Statement, Prospectus, Term Sheet or Preliminary Prospectus or to any amendment or supplement to any of the foregoing shall be deemed to include any copy

filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval system ("EDGAR").

All references in this Agreement to financial statements and schedules and other information which is "contained," "included" or "stated" (or other references of like import) in the Registration Statement, Prospectus or Preliminary Prospectus shall be deemed to mean and include all such financial statements and schedules and other information which are incorporated by reference in the Registration Statement, Prospectus or Preliminary Prospectus, as the case may be, prior to the execution of this Agreement; and all references in this Agreement to amendments or supplements to the Registration Statement, Prospectus or Preliminary Prospectus shall be deemed to mean and include the filing of any document under the 1934 Act, which is incorporated by reference in the Registration Statement, Prospectus or Preliminary Prospectus, as the case may be, after the execution of this Agreement.

SECTION 1. Representations and Warranties.

(a) Representations and Warranties by the Company. The Company represents and warrants to the Underwriters as of the date hereof, as of the Closing Time referred to in Section 2(b) hereof and as of each Date of Delivery (if any) referred to in Section 2(b) hereof, and agrees with each Underwriter as follows:

(i) Compliance with Registration Requirements. (i) The Company meets the requirements for use of Form S-3 under the 1933 Act. Each of the Registration Statement and any Rule 462(b) Registration Statement has become effective under the 1933 Act and no stop order suspending the effectiveness of the Registration Statement or any Rule 462(b) Registration Statement has been issued under the 1933 Act and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Company, are contemplated by the Commission, and any request on the part of the Commission for additional information has been complied with.

At the respective times the Registration Statement, any Rule 462(b) Registration Statement and any post-effective amendments thereto became effective and at the Closing Time (and, if any Option Securities are purchased, at the Date of Delivery), the Registration Statement, the Rule 462(b) Registration Statement and any amendments and supplements thereto complied and will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and the 1939 Act and the rules and regulations of the Commission under the 1939 Act (the "1939 Act Regulations"), and did not and will 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; provided, that this representation, warranty and agreement shall not apply to statements or omissions from the Registration Statement made in reliance upon and in conformity with information furnished to the Company in writing by any Underwriter through Merrill Lynch expressly for use in the Registration Statement.

Neither the Prospectus nor any amendments or supplements thereto, at the time the Prospectus or any such amendment or supplement was issued and at the Closing Time (and, if any Option Securities are purchased, at the Date of Delivery), included or will include an untrue statement of a material fact or omitted or will 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 or omissions from the Registration Statement made in reliance upon and in conformity with information furnished to the Company in writing by any Underwriter through Merrill Lynch expressly for use in the Registration Statement. If Rule 434 is used, the Company will comply with the requirements of Rule 434.

Each preliminary prospectus and the prospectus filed as part of the Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the 1933 Act, complied when so filed in all material respects with the 1933 Act Regulations and did 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, and each preliminary prospectus and the Prospectus delivered to the Underwriters for use in connection with this offering was identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(ii) Incorporated Documents. The documents incorporated or deemed to be incorporated by reference in the Registration Statement and the Prospectus, at the time they were or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the 1934 Act and the rules and regulations of the Commission thereunder (the "1934 Act Regulations"), and, when read together with the other information in the Prospectus, at the time the Registration Statement became effective, at the time the Prospectus was issued and at the Closing Time (and if any Option Securities are purchased, at the Date of Delivery), did not and will 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; provided, that this representation, warranty and agreement shall not apply to statements or omissions from the Registration Statement made in reliance upon and in conformity with information furnished to the Company in writing by any Underwriter through Merrill Lynch expressly for use in the Registration Statement.

(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 Registration Statement are independent certified public accountants within the meaning of Regulation S-X under the 1933 Act with respect to the Company and its respective Subsidiaries.

(iv) Financial Statements. The financial statements included in the Registration Statement and the Prospectus present fairly the financial position of the Company and its consolidated Subsidiaries at the dates indicated and the consolidated balance sheets and consolidated statements of income, stockholders' equity and cash flows of the Company and its consolidated Subsidiaries for the periods specified; said financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods involved. The supporting schedules, if any, included in the Registration Statement present fairly in accordance with GAAP the information required to be stated therein. The selected financial data and the summary financial information included in the Prospectus present fairly the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included in the Registration Statement. 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 Registration Statement or the Prospectus or to use the Prospectus in connection with the sale of the Securities.

(v) No Material Adverse Change in Business. Since the respective dates as of which information is given in the Registration Statement and the Prospectus, 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 Prospectus and to enter into and perform its obligations under this Agreement, the Indenture, the Securities, the Underlying Securities, and the DTC Agreement and to enter into and consummate all the transactions in connection therewith as contemplated in the Prospectus; 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 (each, whether directly or indirectly held, a "Subsidiary" and collectively the "Subsidiaries") 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 Prospectus and is duly qualified as a foreign corporation, limited liability company or limited partnership 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 Prospectus, 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 (a) shares of capital stock, (b) membership interests or (c) limited partnership interests 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 B, no Subsidiary of the Company produced or accounted for more than 5% of the Company's total revenues for the 3 months ended March 31, 2002 (the "Significant Subsidiaries").

(viii) Capitalization. The authorized, issued and outstanding capital stock of the Company is as set forth in the Prospectus in the column entitled "Actual" under the caption "Capitalization" (except for subsequent issuances, if any, pursuant to employee benefit plans referred to in the Prospectus or pursuant to the exercise of convertible securities or options referred to in the Prospectus and subsequent purchases of the Class A Common Stock). 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 Prospectus, 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 has been duly authorized by the Company. This Agreement has been duly executed and delivered by the Company and constitutes a valid and binding obligation of the Company, enforceable against the Company 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 duly qualified under the 1939 Act

and, at the Closing Time, will

have been duly executed and delivered by the Company and will constitute a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms.

(xi) Authorization of the Securities. The Securities have been duly authorized by the Company and, at the time of their issuance by the Company, will have been duly issued 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.

(xii) Authorization of the Underlying Securities. The Underlying Securities have been duly authorized by the Company and reserved for issuance by the Company upon conversion by all necessary corporate action and such shares, when issued upon such conversion will be duly issued, fully paid and non-assessable, and the issuance of such Underlying Securities will not be subject to preemptive or other similar rights of any stockholder of the Company arising by law, under the charter or by-laws of the Company or under any agreement to which the Company or any of its subsidiaries is a party. When executed and authenticated in the manner described in the Indenture and issued and delivered by the Company in exchange for the Securities pursuant to the Indenture, the Underlying Securities will constitute valid and binding obligations of the Company. No holder of the Underlying Securities will be subject to personal liability by reason of being such a holder.

(xiii) Description of the Securities, the Underlying Securities and the Indenture. The Securities, the Indenture, the Company's floor plan facilities, credit facilities and mortgage facilities do and/or will conform in all material respects to the respective statements relating thereto contained in the Prospectus and will be in substantially the respective forms filed or incorporated by reference, as the case may be, as exhibits to the Registration Statement. The Underlying Securities will, upon their issuance, conform in all material respects to the statements relating thereto contained in the Prospectus, which statements conform to those in the instruments defining the same.

(xiv) Absence of Defaults and Conflicts. (1) Except as disclosed in the Prospectus, 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 Prospectus, the execution, delivery and performance of this Agreement, the Indenture, the DTC Agreement, the Securities, the Underlying Securities and any other agreement or instrument entered into or issued or to be entered into or issued by the Company in connection with the transactions contemplated hereby or thereby or in the Registration Statement and the Prospectus or in connection with the consummation of the transactions contemplated herein and in the Registration Statement and the Prospectus (including the issuance and sale of the Securities, the use of the proceeds from the sale of the Securities as described in the Prospectus under the caption "Use of Proceeds," the issuance of any Underlying Securities and compliance by the Company with its 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.

(xv) Absence of Labor Disputes. No material labor dispute with
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the employees of the Company or any of the Subsidiaries exists or, to the knowledge of the Company, is imminent, and except as disclosed in the Prospectus, the Company is 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.

(xvi) Absence of Proceedings. Except as disclosed in the

Prospectus, 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, 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, (x) is required to be disclosed in the Registration Statement or the Prospectus or (y) 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 of its obligations hereunder or under the Securities or the Underlying 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 Registration Statement and the Prospectus, including ordinary routine litigation incidental to the business, would not reasonably be expected to result in a Material Adverse Effect.

(xvii) Possession of Intellectual Property. The Company and
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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.

(xviii) Accuracy of Exhibits. There are no contracts or
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documents which are required to be described in the Registration Statement, the Prospectus or the documents incorporated by reference therein or to be filed as exhibits thereto which have not been so described and filed as required.

(xix) Absence of Further Requirements. Except as may be required under state securities laws, 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 of its obligations hereunder, in connection with the offering, issuance or sale of the Securities hereunder or the issuance of the Underlying Securities or the consummation of the transactions contemplated by or for the due execution, delivery or performance of this Agreement, the Indenture, the DTC Agreement, the Securities, the Underlying 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 Registration Statement and Prospectus (including the issuance and sale of the Securities and the use of the proceeds from the sale of the Securities as described in the Prospectus under the caption "Use of Proceeds").

(xx) 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, 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.

(xxi) 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 Prospectus 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 Prospectus, 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.

(xxii) 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.

(xxiii) Insurance. The Company and the Subsidiaries carry or
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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.

(xxiv) Solvency. The Company is, and immediately after the

Closing will be, Solvent. As used herein, the term "Solvent" means, with respect to the Company, on a particular date, that on such date (A) the fair market value of the assets of the Company is greater than the total amount of liabilities (including contingent liabilities) of the Company, (B) the present fair salable value of the assets of the Company is greater than the amount that will be required to pay the probable liabilities of the Company on its debts as they become absolute and mature, (C) the Company is able to realize upon its assets and pay its debts and other liabilities, including contingent obligations, as they mature, and (D) the Company does not have an unreasonably small amount of capital and surplus.

(xxv) Stabilization or Manipulation. Neither the Company nor
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any of its 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 in order to facilitate the sale or resale of the Securities. The Company has not distributed and, prior to the later to occur of (i) the Closing Time and (ii) completion of the distribution of the Securities, will not distribute any offering material in connection with the offering and sale of the Securities other than any Preliminary Prospectus filed with the Commission or the Prospectus or other materials, if any, permitted by the 1933 Act and approved by the Representative.

(xxvi) Related Party Transactions. No relationship, direct or
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indirect, exists between or among any of the Company or any affiliate of the Company, 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 the Registration Statement including those business relationships described in the Commission's MD&A Pronouncement (as defined below) which is not so described or is not described as required in the Registration Statement or the Prospectus.

(xxvii) Suppliers. No supplier of merchandise to the Company
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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.

(xxviiii) Environmental Laws. Except as described in the

Prospectus 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.

(xxix) Registration Rights. Except as described in the Prospectus or on Schedule C hereof, there are no holders of securities (debt or equity) of the Company, or holders of rights (including, without limitation, preemptive rights), warrants or options to obtain securities of the Company, who in connection with the issuance, sale and delivery of the Securities and the Underlying Securities, if any, and the execution, delivery and performance of this Agreement, have the right to request the Company to register securities held by them under the 1933 Act.

(xxx) 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.

(xxxi) Investment Company Act. The Company is not, and upon the issuance and sale of the Securities as herein contemplated and the application of the net proceeds therefrom as described in the Prospectus 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").

(xxxii) 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 transactions contemplated hereby or by the Prospectus.

(xxxiii) Statistical and Market Data. The statistical and market-related data included or incorporated by reference in the Registration Statement and the Prospectus are based on or derived from sources which the Company reasonably believes to be reliable and accurate or represent the Company's good faith estimates that are made on the basis of data derived from such sources.

(xxxiv) Smith Subordination Agreement. The Subordinated Smith Loan will be subordinated to the Securities and governed by a Subordination Agreement to be dated May 7, 2002 and shall be binding and enforceable against O. Bruton Smith, and under which the debt owed to Mr. Smith is subordinated to the Securities.

(xxxv) Liquidity and Off Balance Sheet Arrangements. There are no transactions, arrangements and other relationships between and/or among the Company, any of its affiliates (as such term is defined in Rule 405 of the 1933 Act Regulations) and any unconsolidated entity, including but not limited to, any structural finance, special purpose or limited purpose entity (each, an "Off Balance Sheet Transaction") that could reasonably be expected to affect materially the Company's liquidity or the availability of or requirements for its capital resources, including those Off Balance Sheet Transactions described in the Commission's Statement about Management's Discussion and Analysis of Financial Condition and Results of Operations (Release Nos. 33-8056; 34-45321 FR-61) (the "Commission's MD&A Pronouncement"), required to be described in the Prospectus which have not been described as required and the Company has otherwise complied with the Commission's MD&A Pronouncement.

(b) Officer's Certificates. Any certificate signed by any officer of the Company or any of the Subsidiaries delivered to the Underwriters or to counsel for the Underwriters shall be deemed a representation and warranty by the Company or any of the Subsidiaries to the Underwriters as to the matters covered thereby.

SECTION 2. Sale and Delivery to Underwriters; Closing.

(a) Initial Securities. On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company agrees to sell to

each Underwriter and each Underwriter, severally and not jointly, agrees to purchase from the Company, at the price set forth in Schedule D, the aggregate principal amount of Initial Securities set forth in Schedule A opposite the name of such Underwriter, plus any additional principal amount of Securities which such Underwriter may become obligated to purchase pursuant to the provisions of Section 10 hereof.

(b) Option Securities. In addition, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company hereby grants an option to the Underwriters, severally and not jointly, to purchase up to an additional $19,500,000 aggregate principal amount of the Securities, at the price set forth in Schedule D. The option hereby granted will expire 30 days after the date hereof and may be exercised in whole or in part from time to time for the purpose of covering over-allotments which may be made in connection with the offering and distribution of the Initial Securities upon notice by the Representative to the Company setting forth the number of Option Securities as to which the several Underwriters are then exercising the option and the time and date of payment and delivery for such Option Securities. Any such time and date of delivery (a "Date of Delivery") shall be determined by the Representative, but shall not be later than seven full business days after the exercise of said option, nor in any event prior to the Closing Time, as hereinafter defined. If the option is exercised as to all or any portion of the Option Securities, each of the Underwriters, acting severally and not jointly, will purchase that proportion of the total number of Option Securities then being purchased which the number of Initial Securities set forth in Schedule A opposite the name of such Underwriter bears to the total number of Initial Securities, subject in each case to such adjustments as the Representative in its discretion shall make to eliminate any sales or purchases of fractional shares.

(c) Payment. Payment of the purchase price for the Initial Securities 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 at 9:00 A.M. (New York Time) on May 7, 2002 (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 (such time and date of payment and delivery being herein called the "Closing Time").

In addition, in the event that any or all of the Option Securities are purchased by the Underwriters, payment of the purchase price for such Option Securities shall be made at the above-mentioned offices, or at such other place as shall be agreed upon by the Representative and the Company on each Date of

Delivery as specified in the notice from the Representative to the Company.

Payment shall be made to the Company by wire transfer of immediately available funds to a bank account designated by the Company, against delivery to the respective accounts of the Underwriters of certificates for the Securities to be purchased by them. It is understood that each Underwriter has authorized the Representative, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Securities which it has agreed to purchase. Merrill Lynch, individually and not as representative of the Underwriters, may (but shall not be

obligated to) make payment of the purchase price for the Initial Securities or the Option Securities, if any, to be purchased by any Underwriter whose funds have not been received by the Closing Time or the relevant Date of Delivery, as the case may be, but such payment shall not relieve such Underwriter from its obligations hereunder The certificates representing the Securities shall be registered in the name of Cede & Co. pursuant to the DTC Agreement, or physical certificates representing the Securities shall be registered in the names and denominations requested by each Underwriter, and in either case shall be made available for examination and packaging by the Underwriters in The City of New York not later than 9:00 A.M. on the last business day prior to the Closing Time.

(d) Denominations; Registration. Certificates representing the Initial Securities and the Option Securities, if any, 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 or the relevant Date of Delivery, as the case may be.

SECTION 3. Covenants of the Company. The Company covenants with each Underwriter as follows:

(a) Compliance with Securities Regulations and Commission Requests. (a) The Company, subject to Section 3(b), will comply with the requirements of Rule 430A of the 1933 Act Regulations and/or Rule 434 of the 1933 Act Regulations, if and as applicable, and will notify the Representative immediately, and confirm the notice in writing, of (i) the effectiveness of any post-effective amendment to the Registration Statement or the filing of any supplement or amendment to the Prospectus, (ii) the receipt of any comments from the Commission with respect to the Registration Statement or to the Commission's review of the Company's Form S-3, filed on April 19, 2002, (iii) any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for additional information, and (iv) the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of any order preventing or suspending the use of any preliminary prospectus, or of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes. The Company will promptly effect the filings necessary pursuant to Rule 424 and will take such steps as it deems necessary to ascertain promptly whether the Prospectus transmitted for filing under Rule 424 was received for filing by the Commission and, in the event that it was not, it will promptly file the Prospectus. The Company will make every reasonable effort to prevent the issuance of any stop order and, if any stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) Filing of Amendments. The Company will give the Representative notice of its intention to file or prepare any amendment to the Registration Statement (including any filing under Rule 462(b) of the 1933 Act Regulations), any Term Sheet or any amendment, supplement or revision to either the prospectus included in the Registration Statement at the time it became effective or to the Prospectus, whether pursuant to the 1933 Act, the 1934 Act or otherwise, will furnish the Representatives with copies of any such documents a reasonable amount of time prior

to such proposed filing or use, as the case may be, and will not file or use any such document to which the Representatives or counsel for the Underwriters shall object.

(c) Delivery of Registration Statements. The Company has furnished or will deliver to the Representative and counsel for the Underwriters, without charge, signed copies of the Registration Statement as originally filed and of each amendment thereto (including exhibits filed therewith or incorporated by reference therein and documents incorporated or deemed to be incorporated by reference therein) and signed copies of all consents and certificates of experts, and will also deliver to the Representatives, without charge, a

conformed copy of the Registration Statement as originally filed and of each amendment thereto (without exhibits) for each of the Underwriters. The Registration Statement and each amendment thereto furnished to the Underwriters will be identical to any electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(d) Delivery of Prospectuses. The Company will deliver (via electronic mail) to each Underwriter, without charge, as many copies of each Preliminary Prospectus as such Underwriter may reasonably request, and the Company hereby consents to the use of such copies for purposes permitted by the 1933 Act. The Company will furnish to each Underwriter, without charge, during the period when the Prospectus is required to be delivered under the 1933 Act or the 1934 Act, such number of copies of the Prospectus as such Underwriter may reasonably request. The Prospectus and any amendments or supplements thereto furnished to the Underwriters will be identical to any electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(e) Continued Compliance with Securities Laws. The Company will comply with the 1933 Act and the 1933 Act Regulations and the 1934 Act and the 1934 Act Regulations so as to permit the completion of the distribution of the Securities as contemplated in this Agreement and in the Registration Statement and the Prospectus. If at any time when the Prospectus is required by the 1933 Act or the 1934 Act to be delivered in connection with sales of the Securities, any event shall occur or condition shall exist as a result of which it is necessary, in the opinion of counsel for the Underwriters or for the Company, to amend the Registration Statement in order that the Registration Statement will 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 or to amend or supplement the Prospectus in order that the Prospectus 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 not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, or if it shall be necessary, in the opinion of such counsel, at any such time to amend the Registration Statement or amend or supplement the Prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, the Company will promptly prepare and file with the Commission, subject to Section 3(b), such amendment or supplement as may be necessary to correct such statement or omission or to make the Registration Statement or the Prospectus comply with such requirements, and the Company will furnish to the Underwriters, without charge, such number of copies of such amendment or supplement as the Underwriters may reasonably request.

(f) Blue Sky Qualifications. The Company will endeavor, in cooperation with the Underwriters, to qualify the Securities and the Underlying Securities for offering and sale under the applicable securities laws of such states and other jurisdictions as the Representative may designate and to maintain such qualifications in effect for a period of not less than one year from the later of the effective date of the Registration Statement and any Rule 462(b) Registration Statement; provided, however, that the Company 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. In each jurisdiction in which the Securities or Underlying Securities have been so qualified, the Company will file such statements and reports as may be required by the laws of such jurisdiction to continue such qualification in effect for a period of not less than one year from the effective date of the Registration Statement and any Rule 462(b) Registration Statement. The Company will also supply the Underwriters with such information as is necessary for the determination of the legality of the Securities or the Underlying Securities, as the case may be, for investment under the laws of such jurisdictions as the Underwriters may request.

(g) Listing. The Company will use its best efforts to effect and maintain the listing of any shares of Class A Common Stock issuable upon conversion of any Securities on the New York Stock Exchange.

(h) Reservation of Shares/Absence of Preemptive Rights. The Company will reserve and keep available at all times, free of preemptive or other similar rights, shares of Class A

Common Stock for the purpose of enabling the Company to satisfy any obligation to issue such shares upon conversion of any Securities

(i) Rating of Securities. The Company 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.

(j) Use of Proceeds. The Company will use the net proceeds received by it from the sale of the Securities in the manner specified in the Prospectus under "Use of Proceeds."

(k) Restriction on Sale of Securities. (i) During a period of 90 days from the date hereof (the "Lock-Up Period"), the Company will not, without the prior written consent of the Representative, directly or indirectly, issue, sell, offer to sell, grant any option for the sale of, or otherwise dispose of, any Class A Common Stock or Class B Common Stock, par value $.01 per share, debt securities or guarantees of debt securities of the Company, or any securities convertible or exchangeable into or exercisable for any such securities or guarantees of debt securities of the Company, and will not file a registration statement in connection therewith (other than a registration statement registering solely the Securities and/or the Underlying Securities); provided, however, the Company may incur indebtedness under its existing revolving credit, floor plan and construction/mortgage facilities and may issue securities in connection with acquisition of auto dealerships. The Company will during the Lock-Up Period enforce, and will not waive, any lock-up or similar agreements that exist on the date hereof with third parties or come to exist prior to the end of that period.

(ii) During the Lock-up Period, the Company will monitor the activities of the parties listed on Schedule E hereof and use its reasonable best efforts to ensure that such parties do not conduct transactions that violate the provisions of the form of "Lock-up Agreement" attached hereto as Exhibit A. Upon becoming aware that the 300,000 share threshold discussed in the Lock-up Agreement has been reached, the Company will promptly notify the parties set forth on Schedule E that they may not conduct any further transactions of the type set forth in the Lock-up Agreement during the Lock-up Period. Promptly following the execution and delivery of this Agreement, the Company will instruct its "transfer agent" (A) as to the details of this clause 3(k)(ii) and (B) to use its reasonable best efforts to ensure that none of the parties listed on Schedule E violate the provisions of the Lock-up Agreement.

(l) DTC Clearance. The Company will use all reasonable efforts in cooperation with the Underwriters to permit the Securities to be eligible for clearance and settlement through DTC.

(m) Rule 158. The Company will timely file such reports pursuant to the 1934 Act as are necessary in order to make generally available to its securityholders as soon as practicable an earnings statement for the purposes of, and to provide the benefits contemplated by, the last paragraph of Section 11(a) of the 1933 Act.

(n) Interim Financial Statements. Prior to the Closing Time, the Company shall furnish to the Underwriters 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 Registration Statement or the Prospectus.

(o) Reporting Requirements. The Company, during the period when the Prospectus is required to be delivered under the 1933 Act or the 1934 Act, will file all documents required to be filed with the Commission pursuant to the 1934 Act within the time periods required by the 1934 Act and the 1934 Act Regulations.

SECTION 4. Payment of Expenses.

(a) Expenses. The Company 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 Prospectus and the Registration Statement (including financial statements and any schedules or exhibits) and of each amendment or supplement thereto, including the Prospectus and any prospectus to be contained in the Registration Statement, (ii) the preparation, printing and delivery to the Underwriters of this Agreement, the Indenture and such other documents as may be required in connection with the offering, purchase, sale and delivery of the Securities or Underlying Securities, (iii) the preparation, issuance and delivery of the Securities and any related Underlying Securities or any certificates for the Securities or such Underlying Securities to the Underwriters, including any charges of DTC in connection therewith, (iv) the fees and disbursements of the Company's counsel, accountants and other advisors, (v) the qualification of the Securities and Underlying Securities under securities laws in accordance with the provisions of Section 3(f) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection therewith and in connection with the preparation, printing and delivery to the

Underwriters 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, (vii) any fees payable in connection with the rating of the Securities, (viii) any filing fees incident to, and any reasonable fees and disbursements of counsel to the Underwriters in connection with, the review by the National Association of Securities Dealers, Inc. of the terms of the sale of the Securities and (ix) the fees and expenses, if any, incurred with respect to the listing of the Underlying Securities upon conversion of the Securities on the New York Stock Exchange.

(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 shall reimburse the Underwriters for all of their out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Underwriters.

SECTION 5. Conditions of Underwriters' Obligations. The obligations of the several Underwriters hereunder are subject to the accuracy of the representations and warranties of the

Company 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 of its covenants and other obligations hereunder, and to the following further conditions:

(a) Effectiveness of Registration Statement. If, at the time this Agreement is executed and delivered, it is necessary for the Registration Statement or a post-effective amendment thereto to be declared effective before the offering of the Securities may commence, the Registration Statement, including any Rule 462(b) Registration Statement, or such post-effective amendment shall have become effective under the 1933 Act and no stop order suspending the effectiveness of the Registration Statement shall have been issued under the 1933 Act and no proceedings for that purpose shall have been instituted or be pending or threatened by the Commission, and any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of counsel to the Underwriters. A prospectus containing information relating to the description of the Securities and any related Underlying Securities, the specific method of distribution and similar matters shall have been filed with the Commission in accordance with Rule 424(b)(1), (2), (3), (4) or (5), as applicable (or any required post-effective amendment providing such information shall have been filed and declared effective in accordance with the requirements of Rule 430A), or, if the Company has elected to rely upon Rule 434 of the 1933 Act Regulations, a Term Sheet including the Rule 434 Information shall have been filed with the Commission in accordance with Rule 424(b)(7).

(b) Opinion of Counsel for the Company. At the Closing Time, the Underwriters shall have received the favorable opinion, dated as of the Closing Time, of Moore & Van Allen PLLC, counsel for the Company, in form and substance satisfactory to counsel for the Underwriters, together with signed or reproduced copies of such letters for each of the other Underwriters, to the effect previously agreed to by the parties and to such further effect as counsel for the Underwriters may reasonably request. 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 and the Subsidiaries and certificates of public officials.

(c) Opinion of Counsel for the Underwriters. At the Closing Time, the Underwriters shall have received the favorable opinion, dated as of the Closing Time, of Fried, Frank, Harris, Shriver & Jacobson, counsel for the Underwriters, together with signed or reproduced copies of such letter for each of the other Underwriters, 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 and the Subsidiaries and certificates of public officials.

(d) Officers' Certificate. At the Closing Time, (i) the Registration Statement and the Prospectus, as they 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 Prospectus, 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 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 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 Underwriters shall have received a certificate of the Chief Executive Officer of the Company and the Chief Financial Officer of the Company, dated as of the Closing Time, to such effect.

(e) Accountants' Letter. At the Closing Time, the Underwriters 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 Underwriters, together with signed or reproduced copies of such letters for each of the other Underwriters, containing statements and information of the type ordinarily included in accountants' "comfort letters" to the Underwriters with respect to the financial statements and certain financial information contained in the Registration Statement and the Prospectus.

(f) Maintenance of Rating. At the Closing Time, the Securities shall be rated at least B-3 by Moody's and B+ by S&P, and the Company 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 have such ratings; and since the date of this Agreement, there shall not have occurred a downgrading in the rating assigned to the Securities or any of the Company's other debt securities by any nationally recognized statistics rating agency (as such term is defined by the Commission for purposes of Rule 436(g)(2) under the Securities Act), 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 or any of the Company's other securities.

(g) No Objection. The NASD has not raised any objection with respect to the fairness and reasonableness of the underwriting terms and arrangements.

(h) Chief Financial Officer's Certificate. At the Closing Time, the Underwriters shall have received a certificate of the principal financial officer of the Company as to certain agreed upon accounting matters.

(i) Indenture. The Company shall have duly authorized, executed and delivered the Indenture to the Underwriters in a form and substance satisfactory to the Representative and counsel for the Underwriters.

(j) 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 transactions contemplated hereby or by the Prospectus and such consents and approvals, if any, shall be in a form satisfactory to the Representative.

(k) 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 in a form satisfactory to the Representative.

(l) Approval of Listing. At the Closing Time, the Underlying Securities shall have been approved for listing on the New York Stock Exchange, subject only to official notice of issuance.

(m) Lock-Ups. Prior or at the Closing Time, the Company shall have received lock-up agreements in the form attached hereto as Exhibit A from the parties set forth on Schedule E.

(n) Conditions to Purchase of Option Securities. In the event that the Underwriters exercise their option provided in Section 2(b) hereof to purchase all or any portion of the Option Securities, the representations and warranties of the Company contained herein and the statements in any certificates furnished by the Company and any subsidiary of the Company shall be true and correct as of each Date of Delivery and, at the relevant Date of Delivery, the Representatives shall have received:

(i) Officers' Certificate. A certificate, dated such

Date of Delivery, of the President or a Vice President of the Company and of the chief financial or chief accounting officer of the Company confirming that the certificate delivered at the Closing Time pursuant to Section 5(d) hereof remains true and correct as of such Date of Delivery.

(ii) Opinion of Counsel for Company. The favorable opinion of Moore & Van Allen PLLC, counsel for the Company, in form and substance satisfactory to counsel for the Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(b) hereof.

(iii) Opinion of Counsel for Underwriters. The favorable opinion of Fried, Frank, Harris, Shriver & Jacobson, counsel for the Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(c) hereof.

(iv) Bring-down Comfort Letter. A letter from Deloitte & Touche LLP, in form and substance satisfactory to the Representatives and dated such Date of Delivery, substantially in the same form and substance as the letter furnished to the Representatives pursuant to Section 5(e) hereof, except that the "specified date" in the letter furnished pursuant to this paragraph shall be a date not more than five days prior to such Date of Delivery.

(m) Additional Documents. At the Closing Time, and at each Date of Delivery, counsel for the Underwriters 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 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 in connection with the issuance and sale of the Securities as herein contemplated shall be satisfactory in form and substance to the Underwriters and counsel for the Underwriters.

(n) Termination of Agreement. If any condition specified in this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement, or, in the case of any condition to the purchase of Option Securities on a Date of Delivery which is after the Closing Time, the obligations of the several Underwriters to purchase the relevant Option Securities, may be terminated by the Representative by notice to the Company at any time at or prior to Closing Time or such Date of Delivery, as the case may be, 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 Underwriters. The Company agrees to indemnify and hold harmless each Underwriter and each person, if any, who controls any 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 the Registration Statement (or any amendment thereto), including the Rule 430A Information and the Rule 434 Information, if applicable, 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 included in any Preliminary Prospectus or the 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 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 by any Underwriter through Merrill Lynch expressly for use in the Registration Statement (or any amendment thereto), including the Rule 430A Information and the Rule 434 Information, if applicable, or any Preliminary Prospectus (or any amendment or supplement thereto).

(b) Indemnification of Company, Directors and Officers. Each Underwriter severally agrees to indemnify and hold harmless the Company and its directors, each of its officers who signed the Registration Statement and each person, if any, who controls the Company 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 Registration Statement (or any amendment thereto), including the Rule 430 Information and the Rule 434 Information deemed to be a part thereof, if applicable, or any Preliminary Prospectus or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by such Underwriters through Merrill Lynch expressly for use in the Registration Statement (or any amendment or supplement thereto) or such Preliminary Prospectus or the Prospectus (or any amendment or supplement thereto). The Company hereby acknowledges that the only information that the Underwriters have furnished to the Company expressly for use in the Registration Statement (or any amendment or supplement thereto) or such Preliminary Prospectus or the Prospectus (or any amendment or supplement thereto) are the statements set forth in the first sentence under "Commissions and Discounts" and the first paragraph under "Other Relationships" under the caption "Underwriting" in the Prospectus.

(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 on the one hand and the Underwriters on the other hand from the offering of the Securities 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 on the one hand and of the Underwriters 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 on the one hand and the Underwriters on the other hand in connection with the offering of the Securities 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 pursuant to this Agreement (before deducting expenses) received by the Company and the total underwriting discount received by the Underwriters, bear to the aggregate initial offering price of the Securities.

The relative fault of the Company on the one hand and the Underwriters 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 by the Underwriters, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the Underwriters 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 Underwriters 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 Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities purchased by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter 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 Underwriter 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 Underwriter, and each director of the Company, and each person, if any, who controls the Company 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 Underwriters' respective obligations to contribute pursuant to this Section 7 are several in proportion to the principal amount of Securities set forth opposite their respective names in Schedule A hereto and not joint.

SECTION 8. Representations, Warranties and Agreements to Survive
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Delivery. All representations, warranties and agreements contained in this
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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 Underwriter or controlling person, or by or on behalf of the Company, and shall survive (i) delivery of the Securities to the Underwriters 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, 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 Prospectus (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 any of the Company'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 or any of the Company's 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 to enforce contracts for the sale of the Securities, or (iv) if trading in any securities of the Company 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, terrorist attack, 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 such termination and remain in full force and effect.

SECTION 10. Default by One or More of the Underwriters. If one or more
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of the Underwriters shall fail at Closing Time or a Date of Delivery 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 Underwriters, 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 on the Closing Date or on any subsequent Date of Delivery, each of the non-defaulting Underwriters 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 Underwriters;

(b) if the number of Defaulted Securities exceeds 10% of the aggregate principal amount of the Securities to be purchased on the Closing Date, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter; and

(c) if the number of Defaulted Securities exceeds 10% of the aggregate principal amount of the Securities to be purchased on a Delivery Date subsequent to the Closing Time, the obligation of the Underwriters to purchase and of the Company to sell the Option Securities to be purchased and sold on such Date of Delivery shall terminate without any liability on the part of any non-defaulting Underwriter.

No action taken pursuant to this Section shall relieve any defaulting Underwriter from liability in respect of its default.

In the event of any such default which does not result in a termination of this Agreement or, in the case of a Date of Delivery which is after the Closing Time, which does not result in a termination of the obligation of the Underwriters to purchase and the Company to sell the relevant Option Securities, as the case may be, either (i) the Representative or (ii) the Company shall have the right to postpone Closing Time or the relevant Date of Delivery, as the case may be, for a period not exceeding seven days in order to effect any required changes in the Registration Statement or the Prospectus or in any other documents or arrangements. As used herein, the term "Underwriter" includes any person substituted for an Underwriter 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 Underwriters shall be directed to (i) the Representative at 4 World Financial Center, New York, New York 10080, attention of Scott Lemone 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 shall be directed to them at Sonic Automotive, Inc., 6415 Idlewild Road, Building 2, 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 Underwriters, the Company 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 Underwriters, the Company 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 Underwriters, the Company 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 from any Underwriter 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 Prospectus.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Underwriters and the Company in accordance with its terms.

Very truly yours,

SONIC AUTOMOTIVE, INC.

By: /s/ Theodore M. Wright

Name: Theodore M. Wright
Title: Vice President 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/ Perry Hall

Authorized Signatory

SCHEDULE A

Aggregate Principal Amounts of Securities to be Purchased by each Underwriter

Merrill Lynch, Pierce, Fenner & Smith Incorporated	$84,500,000
Banc of America Securities LLC	$39,000,000
First Union Securities, Inc.	$6,500,000

SCHEDULE B

5% Subsidiaries

None

SCHEDULE C

Registration Rights

None

SCHEDULE D

Securities

1. The initial offering price of the Securities shall be 100% of the principal amount thereof, plus accrued interest, if any, from the date of issuance.

2. The purchase price to be paid by the Underwriters for the Initial Securities shall be 97% of the principal amount thereof.

3. The purchase price to be paid by the Underwriters for the Option Securities shall be 97% of the principal amount thereof plus unpaid interest that has accrued with respect to the Initial Securities from the Closing Time to, but not including, the Date of Delivery less the amount of any cash dividend paid on the Underlying Securities as a percentage of a Security, from the Closing Time to, but not including, the date of delivery.

SCHEDULE E

Parties to Lock-up Agreements

O. Bruton Smith

B. Scott Smith

Thomas A. Price

Theodore M. Wright

Jeffrey C. Rachor

Mark J. Iuppenlatz

William R. Brooks

William P. Benton

William I. Belk

H. Robert Heller

Maryann N. Keller

Robert L. Rewey

Thomas P. Capo

Sonic Financial Corporation

EXHIBIT A

Form of Lock-up Agreement

'

May____, 2002

Merrill Lynch & Co.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
Banc of America Securities LLC
First Union Securities, Inc.
Underwriters to be named in the
within-mentioned Purchase Agreement

c/o Merrill Lynch & Co.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
North Tower
World Financial Center
New York, New York 10281-1209

Re: Proposed Public Offering of __% Convertible Senior Subordinated

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Notes by Sonic Automotive, Inc.

Dear Sirs:

The undersigned, an officer, director, and/or stockholder of Sonic Automotive, Inc., a Delaware corporation (the "Company"), understands that Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), Banc of America Securities LLC, and First Union Securities, Inc. propose to enter into a Purchase Agreement (the "Purchase Agreement") with the Company providing for the public offering of __% Convertible Senior Subordinated Notes (the "Securities"). In recognition of the benefit that such an offering will confer upon the undersigned as an officer, director, and/or stockholder of the Company, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees with each Underwriter to be named in the Purchase Agreement that, during a period from the date of the preliminary prospectus supplement first mailed, delivered, or shown to investors to the date ninety (90) days after the date of the Purchase Agreement, the undersigned will not, without the prior written consent of Merrill Lynch, directly or indirectly, (i) offer, pledge, sell, sell short, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, lend or otherwise dispose of or transfer any shares of the Company's Class A Common Stock, par value $0.01 per share (the "Class A Common Stock"), or any securities convertible into or exchangeable or exercisable for or repayable with Class A Common Stock (including the Company's Class B Common Stock) whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition, or request that the Company file any registration statement under the Securities Act of 1933, as amended, with respect to any of the foregoing; or (ii) enter into any swap or any other

agreement or hedging arrangement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of Class A Common Stock, whether any such swap or transaction is to be settled by delivery of Class A Common Stock or other securities, in cash or otherwise.

Notwithstanding the foregoing, this letter agreement shall not prohibit the sale by the undersigned, when combined with all other sales by the undersigned and any person listed on Schedule A hereto, of up to three hundred thousand (300,000) shares of Class A Common Stock (including shares of Class B Common Stock which are converted into Class A Common Stock) during the aforementioned ninety (90) day period. During this period, the undersigned agrees to provide advance notice to and consult with Steve Coss prior to any contemplated sale in order to determine the number of shares of Class A Common Stock which have previously been sold during such period by the persons listed on Schedule A hereto (it being acknowledged that the persons listed on Schedule A collectively may sell no more than three hundred thousand (300,000) shares of Class A Common Stock during this period).

This letter shall be binding on the undersigned and the heirs, legal representatives, successors and assigns of the undersigned. This letter shall be construed in accordance with the laws of the State of New York.

Very truly yours,

Signature:_____

Print Name:_____

Schedule A to
Lock-up Agreement

O. Bruton Smith

B. Scott Smith

Thomas A. Price

Theodore M. Wright

Jeffrey C. Rachor

Mark J. Iuppenlatz

William R. Brooks

William P. Benton

William I. Belk

H. Robert Heller

Maryann N. Keller

Robert L. Rewey

Thomas P. Capo

Sonic Financial Corporation

Exhibit 4.1

SONIC AUTOMOTIVE, INC. (A DELAWARE CORPORATION), AS ISSUER,

AND

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

FIRST SUPPLEMENTAL INDENTURE, DATED AS OF MAY 7, 2002 TO THE INDENTURE, DATED AS OF MAY 7, 2002, AMONG THE ISSUER, THE TRUSTEES AND THE GUARANTORS SET FORTH THEREIN

5 1/4% CONVERTIBLE SENIOR SUBORDINATED NOTES DUE 2009

Reconciliation and tie between Trust Indenture Act of 1939, as amended, Base Indenture and First Supplemental Indenture, dated as of May 7, 2002

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FIRST SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE (this "First Supplemental Indenture"), dated as of May 7, 2002 among SONIC AUTOMOTIVE, INC., a Delaware corporation (the "Company"), the Guarantors (as hereinafter defined) and U.S. BANK NATIONAL ASSOCIATION, a [New York banking corporation], as Trustee (the "Trustee").

RECITALS OF THE COMPANY

WHEREAS, the Company, the Trustee and the Guarantors executed and delivered an Indenture, dated as of May 7, 2002 (the "Base Indenture," and as supplemented by this First Supplemental Indenture, the "Indenture"), to provide for the issuance by the Company from time to time of Securities to be issued in one or mores series as provided in the Indenture;

WHEREAS, the issuance and sale of $149,500,000 aggregate principal amount of a new series of the Company's 5 1/4% Convertible Senior Subordinated Notes due May 7, 2009 (the "Notes") has been authorized by resolutions adopted by the Board of Directors of the Company as of April 10, 2002;

WHEREAS, the Company desires to issue and sell $149,500,000 aggregate principal amount of the Notes on the date hereof plus any portion of the Option Amount;

WHEREAS, Section 901 of the Indenture provides that without the consent of any Holders, the Company, when authorized by a Board Resolution, the Guarantors, when authorized by their respective Board Resolutions, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental to the Base Indenture to, among other things, to (a) add to the covenants of the Company for the benefit of the Holders of all or any series of Securities, (b) to add additional Events of Default for the benefit of the Holders of all or any series of Securities, (c) to establish the form or terms of any series of Securities, and (d) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision in the Base Indenture, or to make any other provisions with respect to matters or questions arising under the Base Indenture;

WHEREAS, the Company and the Guarantors desire to (a) add covenants of the Company and additional Events of Default for the benefit of the Holders of all series of Securities, including the Notes (except as may be provided in a future supplemental indenture to the Indenture (a "Future Supplemental Indenture"), (b) establish the form and terms of the Notes and (c) provide whether certain Articles of the Indenture will apply to all series of Securities, including the Notes (except as may be provided in a Future Supplement Indenture); and

WHEREAS, all things necessary to make this First Supplemental Indenture a valid supplement to the Indenture according to its terms and the terms of the Indenture have been done;

NOW, THEREFORE, for and in consideration of the premises stated herein and the purchase of the Notes by the Holders thereof, the parties hereto herby enter into this First

Supplemental Indenture, for the equal and proportionate benefit of all Holders of the Notes, as follows:

ARTICLE ONE

DEFINITIONS

SECTION 1.1. Certain Terms Defined in the Base Indenture.

Except as may be provided in a Future Supplemental Indenture, all capitalized terms used but not defined in this First Supplemental Indenture shall have the meanings ascribed to such terms in the Base Indenture, as amended hereby; provided, however, that any term defined in the Base Indenture that is also defined in this First Supplemental Indenture shall for all purposes of this First Supplemental Indenture and all matters relating to the Notes, have the meaning set forth in this First Supplemental Indenture.

SECTION 1.2. Definitions.

(a) Except as may be provided in a Future Supplemental Indenture, with respect to the Notes and no other class or series of Securities issued pursuant to the Indenture, Section 101 of the Indenture shall be amended (i) by adding the following new definitions if such definitions are not contained in the Base Indenture and (ii) if the terms set forth below are found in the Base Indenture, by replacing the terms and their meanings set forth in the Base Indenture with those set forth below:

"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.

"Business Day" means any 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.

"Change in Control" means the occurrence of any of the following: (i) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the Company's and the Company's Subsidiaries' assets, taken as a whole, to any Person or group; (ii) the adoption of a plan relating to the Company's liquidation or dissolution; (iii) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person or group (as such terms are used in Section 13(d) and 14(d) of the Exchange Act), other than the Permitted Holders, becomes the beneficial owner, directly or indirectly, of more than 50% of the voting power of the Company's outstanding Voting Stock; (iv) the occurrence of any "going private transaction" with respect to the Class A common stock under Rule 13e-3 of the Securities Act; (v) any person or group acquires in one or more transactions an amount of Class A common stock which is at the time great enough to result in the Class A common stock being delisted from the principal United States national securities exchange (or the Nasdaq

National Market) on which the shares are then listed; or (vi) the first day on which more than a majority of the members of the Company's Board of Directors are not Continuing Directors.

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

"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 hereof, and thereafter "Company" shall mean such successor Person. All references to the Company exclude, unless otherwise expressly stated or the context otherwise requires, its Subsidiaries.

"Consolidated Net Income (Loss)" of any Person means, for any period, the Consolidated net income (or loss) of such Person and its

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 Subsidiaries on a Consolidated basis allocable to minority interests in unconsolidated Persons or Subsidiaries to the extent that cash dividends or distributions have not actually been received by such Person or one of its Consolidated Subsidiaries, (iii) net income (or loss) of any Person combined with such Person or any of its 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 Subsidiary to the extent that the declaration of dividends or similar distributions by that 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 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 the Issue Date, or (viii) any net gain arising from the acquisition of any securities or extinguishment, under GAAP, of any Indebtedness of such Person.

"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.

"Continuing directors" means any member of our board of directors who (i) was a member of our board of directors on the date of original issuance of the Notes; or (ii) was nominated for election to our board of directors with the approval of, or whose election to our board of directors was ratified by, at least a majority of the continuing directors who were members of our board of directors at the time of such nomination or election.

"Conversion Agent" means any Person (including the Company) authorized by the Company receive Notes (and related documentation) upon conversion thereof.

"Conversion Price" means, initially, $43.87, and at any point, the price obtained by dividing $1,000 by the Conversion Rate then in effect, rounded to the nearest cent.

"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.

"Family Controlled Entity" means (i) any not-for-profit corporation if at least 80% of its board of directors is composed of Mr. Smith, Mr. Egan and/or Descendants; (ii) any other corporation if at least 80% of the value of its outstanding equity is owned by a Permitted Holder; (iii) any partnership if at least 80% of the value of the partnership interests are owned by a Permitted Holder; (iv) any limited liability or similar company if at least 80%of the value of the Company is owned by a Permitted Holder; and (v) any trusts created for the benefit of any of the persons listed in clauses (i) or (ii) of this definition.

"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 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 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.

"Future Supplemental Indenture" means any supplemental indenture other than this First Supplemental Indenture which relates to, amends, or supplements the Base Indenture, this First Supplemental Indenture or any Future Supplemental Indenture.

"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 First Supplemental Indenture were in effect as of the Issue Date and (ii) for purposes of complying with the reporting requirements contained in this First Supplemental Indenture are in effect from time to time.

"Global Note" means a Note that evidences all or part of the Notes and bears the legend set forth in Section 2.1 of this First Supplemental Indenture.

"Holder" or "Noteholder" means any holder of any Notes.

"Indenture Obligations" means the obligations of the Company and any other obligor with respect to the Notes under this Indenture or under the Notes 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 (with respect to the Notes), the Notes and the performance of all other obligations to the trustee and the holders under the Indenture and the Notes, according to the respective terms thereof.

"Issue Date" means the date hereof.

"Legal Holiday" means any day other than a Business Day.

"Manufacturer" means a vehicle manufacturer which is a party to a dealership franchise agreement with the Company or any Subsidiary.

"Maturity" means, when used with respect to the Notes, the date on which the principal of the Notes becomes due and payable as therein provided or as provided in this Indenture, whether at Stated Maturity, the purchase date and whether by declaration of acceleration, Change of Control Offer in respect of a Change of Control, call for redemption or otherwise.

"Outstanding 11% Notes" means the Company's outstanding (a) 11% Senior Subordinated Notes due 2008, Series B and (b) 11% Senior Subordinated Notes due 2008, Series D.

"Pari Passu Indebtedness" means any Indebtedness of the Company that is pari passu in right of payment to the Notes, including without limitation, the Outstanding 11% 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 each "Family Controlled Entity."

"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 Notes" means every previous Note, including without limitation, any Notes evidencing all or a portion of the same debt as that evidenced by such particular Note; and, for the purposes of this definition, any Note authenticated and delivered under Section 306 in exchange for a mutilated Note or in lieu of a lost, destroyed or stolen Note shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Note.

"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.

"Redemption Date" means, when used with respect to any Note to be redeemed pursuant to any provision in this Indenture, the date fixed for such redemption by or pursuant to this Indenture.

"Revolving Facility" means the Credit Agreement among the Company, certain of the Company's subsidiaries 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.

"Sale Price" of Capital Stock on any Trading Day or any other day means the closing per share sale price (or, if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on such date on the principal United States securities exchange on which the Capital Stock is listed or, if the Capital Stock is not listed on a United States national securities exchange, as reported by the National Association of Securities

Dealers Automated Quotation System or by the National Quotation Bureau Incorporated. In the absence of such quotation, the Company shall be entitled to determine the Sale Price on the basis of such quotations as it considers appropriate.

"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 the Issue Date or thereafter created, incurred or assumed, and whether at anytime 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 any 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 Outstanding 11% 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 or Preferred 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.

"Special Payment Date" means, for the payment of any Defaulted Interest, the payment date fixed by the Company with respect to such interest in accordance with Section 307 of the Base Indenture.

"Subordinated Indebtedness" means Indebtedness of the Company subordinated in right of payment to the Notes.

"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.

"Trading Day" means any day on which the New York Stock Exchange is open for trading, or if the applicable security is quoted on the Nasdaq national market, a day on which trades may be made on such market, or, if the applicable security is not so listed, admitted for trading or quoted, any Business Day.

(b) Other definitions used and defined in this First Supplemental Indenture:

<TABLE>
<CAPTION>

Term	Defined in Section (of this First Supplemental Indenture)
<S>	<C>
"Average Sale Price"	2.23
"Base Indenture"	Recitals
"Change in Control Offer"	2.15
"Change in Control Purchase Date"	2.15
"Change in Control Purchase Notice"	2.15
"Change in Control Purchase Price"	2.15
"control," "controlling" and "controlled"	definition of Affiliate
"Conversion Date"	2.23
"Conversion Rate"	2.23
"Event of Default"	2.9
"Ex-Dividend Date"	2.23
"Ex-Dividend Time"	2.23
"Extraordinary Cash Dividend"	2.23
"F"	2.23
"First Supplemental Indenture"	Preamble
"herein" and "hereof"	Recitals
"Indenture"	2.23
"Initial Period"	2.19
"maximum fixed repurchase price"	definition of Indebtedness
"Measurement Period"	2.23
"Non-payment Default"	2.19
"Note Register"	2.7
"Note Registrar"	2.7
"Noteholder"	definition of Holder
"Notes"	Recitals
"Payment Blockage Period"	2.19
"Payment Default"	2.19
"Permitted Junior Notes"	2.19
"Post-Distribution Price"	2.23
"Regular Record Date"	2.1
"Relevant Cash Dividends"	2.23
"Required Filing Date"	2.16
"Rights"	2.23
"Rights Agreement"	2.23
"Surviving Entity"	2.12
"Trustee"	Preamble
"Time of Determination"	2.23

</TABLE>

ARTICLE TWO

FORM AND TERMS OF THE NOTES

SECTION 2.1. Form of Face of Note.

The form of the face of any Notes authenticated and delivered hereunder and of the Trustee's Certificate of Authentification shall be substantially as follows:

[Legend if Note is a Global Note]

THIS NOTE IS A GLOBAL NOTE 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 NOTE 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 NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTION 305 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 TWELVE OF THE INDENTURE TO THE OBLIGATIONS (INCLUDING INTEREST) OWED BY THE COMPANY 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 TWELVE OF THE INDENTURE.

SONIC AUTOMOTIVE, INC.

5 1/4% CONVERTIBLE SENIOR SUBORDINATED NOTE DUE 2009

CUSIP NO. 83545GAE2

No. 1 $149,500,000

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 $149,500,000 United States dollars, or such other principal amount (which, when taken together with the principal amounts of all other Notes then Outstanding, shall not exceed $149,500,000 less the principal amount of Notes redeemed by the Company in accordance with the Indenture) as may be set forth on the Note Register on Appendix A hereto in accordance with the Indenture, on May 7, 2009, at the office or agency of the Company referred to below, and to pay interest thereon from May 7, 2002, semiannually on May 7 and November 7 in each year, commencing November 7, 2002 at the rate of 5 1/4% per annum 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 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 Note (or any Predecessor Notes) is registered at the close of business on the Regular Record Date for such interest, which shall be the April 22 or October 23 (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 Notes, 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 Note (or any Predecessor Notes) 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 Notes 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 Notes 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 Note, and exchange or transfer of the Note, 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 Note Register.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

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 Note 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 5 1/4% Convertible Senior Subordinated Notes due 2009, referred to in the within-mentioned Indenture.

U.S Bank National Association,
as Trustee

By: ----------
Authorized Signer

Dated:

OPTION OF HOLDER TO ELECT PURCHASE

If you wish to have this Note purchased by the Company pursuant to Section Section 1010 of the Indenture, check the Box: [ ].

If you wish to have a portion of this Note purchased by the Company pursuant to Section 1010 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 Note)

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 Notes and Exchange Commission Rule 17Ad-15]

SECTION 2.2. Form of Reverse of Note.

Except as may be provided in a Future Supplemental Indenture, the provisions of Section 203 of the Base Indenture are amended (with respect to the Notes only) in its entirety and restated as follows:

The form of the reverse of the Notes shall be substantially as

follows:

Sonic Automotive, Inc.
5 1/4% Convertible Senior Subordinated Note due 2009

This Note is one of a duly authorized issue of Notes of the Company designated as its 5 1/4% Convertible Senior Subordinated Notes due 2009 (herein called the "Notes"), limited in aggregate principal amount to $149,500,000, issued under and subject to the terms of an indenture, dated as of May 7, 2002, among the Company, the Guarantors (as defined in the Base Indenture), if any, (to the extent party thereto) and U.S. Bank National Association, as trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture) (the "Base Indenture," and as supplemented by a "First Supplemental Indenture" of the same date, 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 Trustee and the Holders of the Notes, and of the terms upon which the Notes are, and are to be, authenticated and delivered.

Redemption of Notes at the Option of the Company

The Notes are subject to redemption at any time on or after May 7, 2005, 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 as indicated below:

<TABLE>
<CAPTION>

Period	Redemption Price
<S>	<C>
Beginning on May 7, 2005 and ending on May 6, 2006	103%
Beginning on May 7, 2006 and ending on May 6, 2007	102.25%
Beginning on May 7, 2007 and ending on May 6, 2008	101.50%
Beginning on May 7, 2008 and thereafter	100.75%

</TABLE>

, in each case, together with accrued and unpaid interest, if any, to (but excluding) 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 Notes are to be redeemed, the Trustee shall select the Notes or portions thereof to be redeemed by lot, or in its discretion, on a pro rata basis. If a portion of a Holder's Notes is selected for partial redemption and that Holder converts (as described below) a portion of his Notes, the converted portion will be deemed to be of the portion selected for redemption. No sinking fund is provided for the Notes.

In the case of any redemption or repurchase of Notes 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 Notes of record as of the close of business on the relevant Regular Record Date or Special Record Date referred to on the face hereof. Notes (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 of this Note in accordance with the Indenture in part only, a new Note or Notes for the unredeemed portion hereof shall be issued in the name of the Holder hereof upon the cancellation hereof.

Change in Control Permits Purchase of Notes by Us at the Option of the Holder

Upon the occurrence of a Change in Control, each Holder may require the Company to purchase such Holder's Notes in whole or in part in integral multiples of $1,000, at a purchase price in cash in an amount equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to (but excluding) the date of the purchase, in accordance with the procedures set forth in the Indenture.

Conversion

Conversion Based on Class A Common Stock Price

Subject to the provisions hereof and the Indenture and notwithstanding the fact that any other condition to conversion has not been satisfied, Holders may convert the Notes into the Company's Class A common stock in any fiscal quarter commencing after June 30, 2002, if, as of the last day of the preceding fiscal quarter, the Sale Price of the Class A common stock for at least 20 Trading Days in a period of 30 consecutive Trading Days ending on the last Trading Day of such preceding fiscal quarter is more than 110% of the

Conversion Price per share of Class A common stock on the last day of such preceding fiscal quarter. If the foregoing condition is satisfied, then the Notes will be convertible at any time, at the option of the Holder, through Maturity.

The Conversion Price per share of Class A common stock as of any day will initially equal $46.87. Upon adjustment to the Conversion Rate (as described below), the Conversion Price shall be adjusted to equal $1,000 divided by the Conversion Rate and rounded to the nearest cent.

Conversion Based on Trading Price of the Notes

Subject to the provisions hereof and the Indenture and notwithstanding the fact that any other condition to conversion has not been satisfied, on or before May 7, 2007, a Holder also may convert his Notes into shares of the Company's Class A common stock at any time after a 10 consecutive Trading Day period in which the average of the trading prices for the Notes for that 10 Trading Day period was less than 103% of the average conversion value for the Notes during that period.

The conversion value of a Note is equal to the product of the closing sale price for shares of the Company's Class A common stock on a given day multiplied by the then current Conversion Rate, which is the number of shares of Class A common stock into which each $1,000 principal amount of Notes is then convertible. The trading price of the Notes on any date of determination is the average of the secondary market bid quotations per Note obtained by the Company or the calculation agent (which may be reasonably selected by the Company and may be the Trustee) for $2,500,000 principal amount of Notes at approximately 3:30 p.m., New York City time, on such determination date from two independent nationally recognized securities dealers the Company's selects, provided that if at least two such bids cannot reasonably be obtained by the Company or the calculation agent, but one such bid is obtained, then this one bid shall be used.

Conversion Based on Redemption.

Subject to the provisions hereof and the Indenture and notwithstanding the fact that any other condition to conversion has not been satisfied, a Holder also may convert into Class A common stock a Note or a portion thereof called for redemption at any time prior to the close of business on the second Business Day immediately preceding the Redemption Date, even if it is not otherwise convertible at such time. A Note for which a Holder has delivered a Change in Control Purchase Notice, as described in the Indenture, requiring us to purchase such Note may be surrendered for conversion only if such notice is withdrawn in accordance with the Indenture.

Conversion Upon Certain Distributions by the Company

Subject to the provisions hereof and the Indenture and notwithstanding the fact that any other condition to conversion has not been satisfied, in the event that the Company declares a dividend or distribution described in Section 1707 of the Indenture, or a dividend or a distribution described in Section 1708 of the Indenture where the Fair Market Value, per share, of such dividend or distribution per share of Class A common stock, as determined in the Indenture, exceeds 15% of the Sale Price of the Class A common stock on the Business Day immediately preceding the date of declaration for such dividend or distribution, the Notes may be surrendered for conversion beginning on the date the Company gives notice to the Holders of such right (which notice the Company is hereby required to give at least 20 days prior to the Ex-Dividend Time for such dividend or distribution), and Notes may be surrendered for conversion at any time thereafter until the close of business on the Business Day prior to the Ex-Dividend Time or until the Company announces that such dividend or distribution will not take place.

Conversion Upon Occurrence of Certain Corporate Transactions.

Subject to the provisions hereof and the Indenture and notwithstanding the fact that any other condition to conversion has not been satisfied, if the Company is party to a consolidation, merger or binding share exchange or a transfer of all or substantially all of its assets, a Note may be surrendered for conversion at any time from and after the date which is 15 days prior to the anticipated effective date of the transaction until 15 days after the actual effective date of such transaction and, at the effective date, the right to convert a Note into Class A common stock will be changed into a right to convert it into the kind and amount of securities,

cash or other assets of the Company or another person which the Holder would have received if the Holder had converted the Holder's Notes immediately prior to the transaction. If such transaction also constitutes a Change in Control of the Company, the holder will be able to require the Company to purchase all or a portion of such Holder's Notes.

The initial Conversion Rate is 21.3379 shares of Class A common stock per $1,000 principal amount of Notes, subject to adjustment in certain events described in the Indenture and as described below. The Company will deliver cash or a check in lieu of any fractional share of Class A common stock in such amount as is equal to the applicable portion of the then current sale price of the Company's Class A common stock on the Trading Day immediately preceding the Conversion Date.

To convert a Note, a Holder must (1) complete and manually sign the conversion notice below (or complete and manually sign a facsimile of such notice) and deliver such notice to the Conversion Agent, (2) surrender the Note to the Conversion Agent, (3) furnish appropriate endorsements and transfer documents if required by the Conversion Agent, the Company or the Trustee and (4) pay any transfer or similar tax, if required.

A Holder may convert a portion of a Note if the principal amount of such portion is $1,000 or an integral multiple of $1,000. No payment or adjustment will be made for dividends on the Class A common stock except as provided in the Indenture. On conversion of a Note, a Holder will not receive any cash payment of interest representing accrued and unpaid interest, except as described below. Delivery to the Holder of the full number of shares of Class A common stock into which the Note is convertible, together with any cash payment of such Holder's fractional shares, will be deemed: (i) to satisfy the Company's obligation to pay the principal amount at maturity of the Note; and (ii) to satisfy the Company's obligation to pay accrued and unpaid interest attributable to the period from the date of the most recent interest payment through the Conversion Date.

As a result, accrued and unpaid interest is deemed paid in full rather than cancelled, extinguished or forfeited. Notwithstanding the foregoing, accrued and unpaid interest, if any, will be payable upon any conversion of Notes at the option of the Holder made concurrently with or after acceleration of the Notes following an Event of Default. Holders of Notes surrendered for conversion during the period from the close of business on any Regular Record Date next preceding any interest payment date to the opening of business of such interest payment date will receive the semiannual interest payable on such Notes on the corresponding interest payment date notwithstanding the conversion, and such Notes (except Notes called for redemption) upon surrender must be accompanied by funds equal to the amount of semiannual interest payable on the principal amount of Notes so converted.

The Conversion Rate will not be adjusted for accrued and unpaid interest. A certificate for the number of full shares of Class A common stock into which any Note is converted, together with any cash payment for fractional shares, will be delivered through the Conversion Agent as soon as practicable following the Conversion Date.

The Conversion Rate will be adjusted for dividends or distributions on Class A common stock payable in Class A common stock or other of the Company's Capital Stock;

subdivisions, combinations or certain reclassifications of Class A common stock; distributions to all holders of Class A common stock of certain rights to purchase Class A common stock for a period expiring within 60 days issuance for such distribution at less than the then current Sale Price of the Class A common stock at the Time of Determination; and distributions to the holders of the Company's Class A common stock of a portion of the Company's assets (including shares of Capital Stock of a Subsidiary) or debt securities issued by the Company or certain rights to purchase the Company's securities (excluding cash dividends or other cash distributions from current or retained earnings unless the annualized amount thereof per share exceeds 5% of the sale price of the Company's Class A common stock on the day preceding the date of declaration of such dividend or other distribution). However, no adjustment need be made if Noteholders may participate in the transaction without conversion or in certain other cases. The Company from time to time may voluntarily increase the Conversion Rate.

If the Company is a party to a consolidation, merger or binding share exchange or a transfer of all or substantially all of its assets, or upon certain distributions described in the Indenture, the right to convert a Note into Class A common stock may be changed into a right to convert it into the kind and amount of securities, cash or other assets of the Company or another person which the Holder would have received if the Holder had converted the Holder's Notes immediately prior to the transaction.

In lieu of delivery of shares of the Company's Class A common stock upon notice of conversion of any Notes (for all or any portion of the Notes), the Company may elect to pay Holders surrendering Notes an amount in cash per Note (or a portion of a Note) equal to the average sale price of the Company's Class A common stock for the five consecutive Trading Days immediately following either (a) the date of the notice of the Company's election to deliver cash as described below if it has not given notice of redemption, or (b) the Conversion Date, in the case of conversion following the notice of redemption specifying that the Company intends to deliver cash upon conversion, in either

case multiplied by the Conversion Rate in effect on that date. The Company will inform the Holders through the Trustee no later than two Business Days following receipt of conversion notice of its election to deliver shares of the Company's Class A common stock or to pay cash in lieu of delivery of the shares, unless the Company has already informed Holders of its election in connection with the optional redemption of the Notes. If the Company elects to deliver all of such payment in shares of Class A common stock, the shares will be delivered through the Conversion Agent no later than the fifth Business Day following the Conversion Date. If the Company elects to pay all or a portion of such payment in cash, the payment, including any delivery of the Class A common stock, will be made to Holders surrendering Notes no later than the tenth Business Day following the applicable Conversion Date. If an Event of Default, as described in the Indenture (other than a default in a cash payment upon conversion of the Notes), has occurred and is continuing, the Company may not pay cash upon conversion of any Notes or portion of a Note (other than cash for fractional shares).

Event of Default

If an Event of Default shall occur and be continuing, the principal amount of all the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.

Amendment and Waiver

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 rights of the Holders under the Indenture and the Notes 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 Notes at the time Outstanding. The Indenture also contains provisions permitting the Holders of at least a majority in aggregate principal amount of the Notes (100% of the Holders in certain circumstances) at the time Outstanding, on behalf of the Holders of all the Notes, to waive compliance by the Company with certain provisions of the Indenture and the Notes and certain past Defaults under the Indenture and the Notes and their consequences. Any such consent or waiver by or on behalf of the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note 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 Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company or any other obligor on the Notes (in the event such other obligor is obligated to make payments in respect of the Notes), which is absolute and unconditional, to pay the principal of, premium, if any, and interest on, this Note 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 Note is registrable in the Note Register, upon surrender of this Note 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 Note Registrar duly executed by, the Holder hereof or its attorney duly authorized in writing, and thereupon one or more new Notes, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

Certificated Notes shall be transferred to all beneficial holders in exchange for their beneficial interests in the Global Notes, if any, if (x) the Depositary notifies the Company that it is unwilling or unable to continue as Depositary or if it ceases to be a clearing agency registered under the Exchange Act and a successor Depositary is not appointed by the Company within 90 days, (y) the Company decides to discontinue use of the system of book-entry transfer though the Depositary (or any successor depositary) or (z) there shall have occurred and be continuing an Event of Default and the Note Registrar has received a request from the Depositary. Upon any such issuance, the Trustee is required to register such certificated Notes in the name of, and cause the same to be delivered to, such Person or Persons (or the nominee of any thereof).

Notes 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 Notes are exchangeable for a like aggregate

principal amount of Notes 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 Notes, 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 Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note is overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

THIS NOTE 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 Note which are defined in the Indenture and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

CONVERSION NOTICE

To convert this Note into Class A common stock of the Company, check the box:

[ ]

To convert only part of this Note, state the principal amount to be converted (which must be $1,000 or an integral multiple of $1,000):

$----------

If you want the stock certificate made out in another person's name, fill in the form below:

- ----------
(Insert other person's soc. sec. or tax ID no.)

- ----------

- ----------

- ----------

- ----------

(Print or type other person's name, address and zip code)

- ----------

Date: ---------- Your Signature: ----------

- ----------
(Sign exactly as your name appears on the other side of this Note)

OPTION OF HOLDER TO ELECT PURCHASE

If you wish to have this Note purchased by the Company pursuant to Section 1010 of the Indenture, check the Box: [ ].

If you wish to have a portion of this Security purchased by the Company pursuant to Section 1010 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 2.3. Applicability of Provisions Regarding Form of Subsidiary Guarantee.

Except as may be provided in a Future Supplemental Indenture, with respect to the Notes and no other class or series of Securities issued pursuant to the Indenture, Section 204 of the Base Indenture shall not apply.

SECTION 2.4. Applicability of Provisions Regarding Form of Legend for Global Securities.

Except as may be provided in a Future Supplemental Indenture, with respect to the Notes and no other class or series of Securities issued pursuant to the Indenture, Section 205 of the Base Indenture, shall not apply.

SECTION 2.5. Applicability of Provisions Regarding Form of Trustee's Certificate of Authentication.

Except as may be provided by a Future Supplemental Indenture, for the sole benefit of the Holders of the Notes, Section 206 of the Base Indenture, shall not apply to the Notes.

SECTION 2.6. Execution, Authentication, Delivery and Discharge.

Except as may be provided in a Future Supplemental Indenture, with respect to the Notes and no other class or series of Securities issued pursuant to the Indenture, Section 303 of the Base Indenture shall be replaced in its entirety with the following:

Section 303 Execution, Authentication, Delivery and Discharge.

The Notes 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 attested by its Secretary or one of its Assistant Secretaries. The signatures of any of these officers on the Notes may be manual or facsimile.

Notes 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 Notes or did not hold such offices at the date of such Notes.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Notes executed by the Company to the Trustee (with or without Guarantees, if applicable, endorsed thereon) for authentication, together with a Company Order for the authentication and delivery of such Notes; and the Trustee in accordance with such Company Order shall authenticate and make available for delivery such Notes as provided in this Indenture and not otherwise.

Each Note shall be dated the date of its authentication.

No Note endorsed thereon shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Note 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 Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture.

In case the Company, 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 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 Notes 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 Notes 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 Notes surrendered for such exchange and of like principal amount; and the Trustee, upon Company Request of the successor Person, shall authenticate and deliver Notes as specified in such request for the purpose of such exchange. If Notes 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 Notes, such successor Person, at the option of the Holders but without expense to them, shall provide for the exchange of all Notes at the time Outstanding for Notes authenticated and delivered in such new name.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Notes on behalf of the Trustee. Unless limited by the terms of such appointment, an authenticating agent may authenticate Notes 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 Note Registrar or Paying Agent to deal with the Company and its Affiliates.

If an officer whose signature is on a Note no longer holds that office at the time the Trustee authenticates such Note such Note shall be valid nevertheless.

SECTION 2.7. Registration, Registration of Transfer and Exchange.

Except as may be provided in a Future Supplemental Indenture, with respect to the Notes and no other class or series of Securities issued pursuant to the Indenture, Section 305 of the Base Indenture shall be replaced in its entirety with the following:

Section 305. Registration, Registration of Transfer and Exchange.

The Company shall cause the Trustee to keep, so long as it is the Note 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 "Note Register") in which, subject to such reasonable regulations as the Note Registrar may prescribe, the Company shall provide for the registration of Notes and of transfers of Notes. The Trustee shall initially be the "Note Registrar" for the purpose of registering Notes and transfers of Notes as herein provided. The Company may change the Note Registrar or appoint one or more co-Note Registrars without notice.

Upon surrender for registration of transfer of any Note 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 Notes) authenticate and make available for delivery, in the name of the designated transferee or transferees, one or more new Notes of the same series of any authorized denomination or denominations, of a like aggregate principal amount.

Furthermore, any Holder of the Global Note shall, by acceptance of such Global Note, agree that transfers of beneficial interests in such Global Note may be effected only through a book-entry system maintained by the Holder of such Global Note (or its agent), and that ownership of a beneficial interest in a Note shall be required to be reflected in a book entry.

At the option of the Holder, Notes may be exchanged for other Notes of any authorized denomination or denominations, of a like aggregate principal amount, upon surrender of the Notes to be exchanged at such office or agency. Whenever any Notes are so surrendered for exchange, the Company shall execute, and the Trustee shall (in accordance with a Company Order for the authentication of such Notes) authenticate and make available for delivery, Notes of the same series which the Holder making the exchange is entitled to receive.

All Notes issued upon any registration of transfer or exchange of Notes shall be the valid obligations of the Company, evidencing the same Indebtedness, and entitled to the same benefits under this Indenture, as the Notes surrendered upon such registration of transfer or exchange.

Every Note 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 Note 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 Notes, except for any tax or other governmental charge that may be imposed in connection therewith, other than exchanges pursuant to Sections 303, 304, 305, 306, 906, 1010 or 1108 not involving any transfer.

The Company shall not be required (a) to issue, register the transfer of or exchange any Note during a period beginning at the opening of business 15 days before the

mailing of a notice of redemption of the Notes 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 Note so selected for redemption in whole or in part, except the unredeemed portion of Notes being redeemed in part.

Every Note shall be subject to the restrictions set forth in this Section 305, and the Holder of each Note, 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 Note authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, any Global Note, whether pursuant to this Section 305, Section 304, 308, 906 or 1108 or otherwise, shall also be a Global Note and bear the legend specified in Section 202.

SECTION 2.8. Satisfaction and Discharge.

Except as may be provided in a Future Supplemental Indenture, with respect to the Notes and no other class or series of Securities issued pursuant to the Indenture, Article Four of the Base Indenture shall be replaced in its entirety with the following:

ARTICLE FOUR

SATISFACTION AND DISCHARGE

Section 401. Satisfaction and Discharge of Indenture.

When (i) the Company delivers to the Trustee all Notes then Outstanding (other than Notes replaced pursuant to Section 306) for cancellation or (ii) all Notes then Outstanding have become due and payable and the Company irrevocably deposits with the Trustee, the Paying Agent (if the Paying Agent is not the Company or any of its Affiliates) or the Conversion Agent cash or, if expressly permitted by the terms of the Notes or the Indenture, Class A common stock sufficient to pay all amounts due and owing on all Notes then Outstanding (other than Notes replaced pursuant to Section 306), and if in either case the Company pays all other sums payable hereunder by the Company, then this Indenture shall, subject to Section 607, cease to be of further effect. The Trustee shall join in the execution of a document prepared by the Company acknowledging satisfaction and discharge of this Indenture on demand of the Company accompanied by an Officers' Certificate and Opinion of Counsel and at the cost and expense of the Company.

Section 402. Repayment to the Company.

The Trustee and the Paying Agent shall return to the Company upon written request any money or securities held by them for the payment of any amount with respect to the Notes that remains unclaimed for two years, subject to applicable unclaimed property law. After return to the Company, Holders entitled to the money or securities must look to the Company for payment as general creditors unless an applicable abandoned property law designates another person and the Trustee and the Paying Agent shall have no further liability to the Holders with respect to such money or securities for that period commencing after the return thereof.

SECTION 2.9. Events of Default.

Except as may be provided in a Future Supplemental Indenture, with respect to the Notes and no other class or series of Securities issued pursuant to the Indenture, Article Five of the Base Indenture shall be replaced in its entirety with the following:

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 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 this Indenture);

(b) there shall be a default in the payment of the principal of (or premium, if any, on) any Note at its Maturity (upon acceleration, conversion, 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 under this Indenture (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 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 Notes then Outstanding; (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 a Change in Control Offer in accordance with the provisions of Section 1010; or (iv) there shall have been a default by the Company in the performance of its obligations with respect to Conversion rights;

(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 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) 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 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;

(f) any holder or holders of at least $20 million in aggregate principal amount of Indebtedness of the Company or any Subsidiary after a default under such Indebtedness shall notify the Trustee of the intended sale or disposition of any assets of the Company 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 or any Subsidiary (including funds on deposit or held pursuant to lock-box and other similar arrangements);

(g) 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 Subsidiary in an involuntary case or proceeding under any applicable Bankruptcy Law or (ii) a decree or order adjudging the Company or any Significant Subsidiary bankrupt or insolvent, or seeking reorganization, arrangement, adjustment of or composition of or in respect of the Company or any Significant 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 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

(h) (i) the Company or any Significant 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 Subsidiary consents to the entry of a decree or order for relief in respect of the Company or such Significant 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 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 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 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 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(g) and (h)) 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 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 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 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 (g) or (h) of Section 501 occurs and is continuing, then all the Notes shall ipso facto become and be due and payable immediately in an amount equal to the principal amount of the Notes, together with accrued and unpaid interest, if any, to the date the 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 the Notes by appropriate judicial proceedings.

After a declaration of acceleration with respect to the Notes, 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 Notes then 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 then Notes then Outstanding,

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

(iv) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate borne by the 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 Notes 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 covenants that if

(a) default is made in the payment of any interest on any Note 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 Note at the Stated Maturity thereof or otherwise,

the Company will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Notes, the whole amount then due and payable on such Notes 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 Notes; 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 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 other obligor upon the Notes and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon the Notes, 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 by such appropriate private or judicial proceedings as the Trustee shall deem most effectual to protect and enforce such rights, 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, or to enforce any other proper remedy, subject however to Section 512. No recovery of any such judgment upon any property of the Company 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 upon the Notes or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have 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 Notes 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 Notes 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 Notes.

All rights of action and claims under this Indenture or the

Notes may be prosecuted and enforced by the Trustee without the possession of any of the Notes 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 Notes 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 dates fixed by the Trustee and, in case of the distribution of such money on account of principal, premium, if any, or interest, upon presentation of the Notes and 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 Notes 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 Notes 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 Notes shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture or the Notes, 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 Notes then Outstanding 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 Notes then Outstanding;

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 or any Note 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 or any Note, 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 Note 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 Note on the respective Stated Maturities expressed in such Note (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 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 other obligor on the Notes, 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 Note 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 Notes then Outstanding 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), 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 Notes then Outstanding may on behalf of the Holders of all Notes then Outstanding waive any past Default hereunder and its consequences, except a Default

(a) in the payment of the principal amount at maturity, accrued and unpaid interest, redemption price, Change in Control Purchase Price or obligation to deliver Class A common stock (or cash in lieu thereof) upon conversion with respect to any Note (which may only be waived with the consent of each Holder of the Notes 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 Note then 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 Note 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 Notes then Outstanding, 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 Note on or after the respective Stated Maturities expressed in such Note (or, in the case of redemption, on or after the Redemption Date).

Section 515. Waiver of Stay, Extension or Usury Laws.

The Company 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 from paying all or any portion of the principal of, premium, if any, or interest on the Notes contemplated herein or in the Notes or which may affect the covenants or the performance of this Indenture; and the Company (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.

SECTION 2.10. Merger, Conversion, Consolidation or Succession to Business.

Except as may be provided in a Future Supplemental Indenture, with respect to the Notes and no other class or series of Securities issued pursuant to the Indenture, Section 612 of the Base Indenture shall be amended by replacing the word "night" where it appears in the second paragraph of such section with the word "right."

SECTION 2.11. Applicability of Provisions Regarding Appointment of Authenticating Agent.

Except as may be provided in a Future Supplemental Indenture, with respect to the Notes and no other class or series of Securities issued pursuant to the Indenture, Section 614 of the Base Indenture shall not apply to the Notes.

SECTION 2.12. Consolidation, Merger, Sale or Conveyance.

Except as may be provided in a Future Supplemental Indenture, with respect to the Notes and no other class or series of Securities issued pursuant to the Indenture, Article Eight of the Base Indenture shall be replaced in its entirety with the following:

ARTICLE EIGHT

CONSOLIDATION, MERGER, SALE OR CONVEYANCE

Section 801. Company May Consolidate, etc., Only on Certain Terms.

(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 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 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 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 Notes and this Indenture, as the case may be, and the Notes and this Indenture 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 Subsidiaries which becomes the

obligation of the Company or any of its 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) 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.

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 in accordance with Section 801, the successor Person formed by such consolidation or into which the Company 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 under this Indenture and/or the Notes, as the case may be, with the same effect as if such successor had been named as the Company herein and/or in the Notes, as the case may be, and the Company shall be discharged from all obligations and covenants under this Indenture and the Notes; provided that in the case of a transfer by lease or a sale of substantially all of the assets of the Company 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, the predecessor shall not be released from the payment of principal and interest on the Notes.

SECTION 2.13. Supplemental Indentures.

Except as may be provided in a Future Supplemental Indenture, with respect to the Notes and no other class or series of Securities issued pursuant to the Indenture, Article Nine of the Base Indenture shall be replaced in its entirety with the following:

ARTICLE NINE

SUPPLEMENTAL INDENTURES

Section 901. Supplemental Indentures and Agreements without Consent of Holders.

Without the consent of any Holders, the Company and any other obligor under the Notes 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 or the Notes in form and substance satisfactory to the Trustee, for any of the following purposes:

(a) to cure any ambiguity, omission, defect or inconsistency;

(b) to comply with Article Eight or Section 1714 of this Indenture;

(c) 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 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.;

(d) to add to the covenants of the Company or any other obligor upon the Notes for the benefit of the Holders or to add any other obligor upon the Notes, or to surrender any right or power conferred upon the Company or any other obligor upon the Notes, as applicable, herein, in the Notes;

(e) to make any change to comply with the Trust Indenture Act, or any amendment thereto, or to comply with any requirement or request of the Commission in connection with the qualification of the Indenture under the Trust Indenture Act; or

(f) to make any change that does not adversely affect the rights of any Holders (it being understood that any amendment described in clause (a) above made solely to conform this Indenture to the final offering memorandum provided to investors in connection with the offering of the Notes will be deemed not to adversely affect the rights or interests of Holders);

(g) to evidence the succession of another Person to the Company or any other obligor upon the Notes, and the assumption by any such successor of the covenants of the Company or such obligor herein and in the Notes in accordance with Article Eight; or

(h) to evidence and provide the acceptance of the appointment of a successor Trustee hereunder.

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 Notes then Outstanding, by Act of said Holders delivered to the Company and the Trustee, the Company, 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 or the Notes (including but not limited to, for the purpose of modifying in any manner the rights of the Holders under this Indenture or the Notes) or (ii) waive compliance with any provision in this Indenture or the Notes (other than waivers of past Defaults covered by Section 513 and waivers of covenants which are covered by Section 1012; provided, however, that no such supplemental indenture,

agreement or instrument shall, without the consent of the Holder of each Note then Outstanding affected thereby:

(a) change the provisions of this Indenture that relate to modifying or amending this Indenture;

(b) reduce the principal amount, change the manner of calculation or the rate of accrual of Interest or change the Stated Maturity of principal or interest on any Note;

(c) reduce the Redemption Price, or Change in Control Purchase Price of any Note;

(d) make any Note payable in money or securities other than that stated in the Note;

(e) make any change in Section 508, Section 513 or this

Section 902, except to increase any percentage set forth therein;

(f) make any change that adversely affects the right to convert any Note;

(g) increase the Conversion Price, except as allowed by the Notes or hereunder;

(h) make any change that adversely affects the right to require the Company to purchase the Notes in accordance with the terms thereof and this Indenture;

(i) except as otherwise permitted under Article Eight, consent to the assignment or transfer by the Company of any of its rights and obligations hereunder; or

(j) impair the right to institute suit for the enforcement of any payment with respect to the Notes or with respect to conversion of, the Notes.

Upon the written request of the Company, accompanied by a copy of Board Resolutions authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Holders as aforesaid, the Trustee shall join with the Company in the execution of such supplemental indenture.

A Future Supplemental Indenture which changes or eliminates any covenant or other provision of the Base Indenture which has been expressly included solely for the benefit of one or more particular series of Securities (other than the Notes) under the Indenture, or which modifies the rights of the holders of Securities (other than the Notes) with respect to such covenant or provision shall be deemed not to affect the rights of the Noteholders.

Upon a Company Request accompanied by a copy of a Board Resolution authorizing the execution of any such Future Supplemental Indenture, and upon the filing with the Trustee of evidence of the consent of Holders as aforesaid, the Trustee shall join with the Company in the execution of Such Future Supplemental Indenture.

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 agreement, 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 or any 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 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 Notes 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 Notes to Supplemental Indentures.

Notes 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 Notes 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 authenticated and delivered by the Trustee in exchange for Notes then Outstanding.

Section 907. Notice of Supplemental Indentures.

Promptly after the execution by the Company 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 Note then Outstanding 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.

SECTION 2.14. Application of Certain Sections of the Indenture Regarding Covenants of the Company.

The provisions of Section 1006, 1007, 1008 and 1009 of the Indenture shall not apply to the Notes or the Holders.

SECTION 2.15. Purchase of Notes upon a Change in Control.

Except as may be provided in a Future Supplemental Indenture, with respect to the Notes and no other class or series of Securities issued pursuant to the Indenture, a new Section 1010 shall be added to added to the Indenture as follows:

Section 1010. Purchase of Notes upon a Change in Control.

(a) If a Change in Control shall occur at any time, then each Holder shall have the right to require that the Company purchase such Holder's Notes in whole or in part in integral multiples of $1,000, at a purchase price (the "Change in Control Purchase Price") in cash in an amount equal to 100% of the principal amount of such Notes, plus accrued and unpaid interest, if any, to (but excluding) the date of purchase (the "Change in Control Purchase Date"), pursuant to the offer described below in this Section 1010 (the "Change in Control Offer") and in accordance with the other procedures set forth this Section 1010.

(b) Within 30 days after the occurrence of a Change in Control, the Company shall mail a written notice of Change in Control by first-class mail to the Trustee and to each Holder (and to beneficial owners as required by applicable law). The notice shall include a form of Change in Control Purchase Notice to be completed by the Noteholder and shall state:

(1) briefly, the events causing a Change in Control and the date of such Change in Control;

(2) the date by which the Change in Control Purchase Notice pursuant to this Section 1010 must be given;

(3) the Change in Control Purchase Date;

(4) the Change in Control Purchase Price and, to the extent known at the time of such notice, the amount of interest, if any, that will be accrued and payable with respect to the Notes as of the Change in Control Purchase Date;

(5) the name and address of the Paying Agent and the Conversion Agent;

(6) the Conversion Rate and any adjustments thereto resulting from the Change in Control;

(7) that Notes as to which a Change in Control Purchase Notice has been given may be converted pursuant to Article 17 hereof only if the

Change in Control Purchase Notice has been withdrawn in accordance with the terms of this Indenture;

(8) that Notes must be surrendered to the Paying Agent to collect payment of the Change in Control Purchase Price;

(9) that the Change in Control Purchase Price for any Note as to which a Change in Control Purchase Notice has been duly given and not withdrawn, together with any accrued interest payable with respect thereto, will be paid promptly following the Change in Control Purchase;

(10) briefly, the procedures the Holder must follow to exercise rights under this Section 1010;

(11) briefly, the conversion rights of the Notes;

(12) the procedures for withdrawing a Change in Control Purchase Notice;

(13) that, unless the Company defaults in making payment of such Change in Control Purchase Price, interest on Notes surrendered for purchase will cease to accrue on and after the Change in Control Purchase Date; and

(14) the CUSIP number of the Notes.

(c) A Holder may exercise its rights specified in Section 1010(a) upon delivery of a written notice of purchase (a "Change in Control Purchase Notice") to the Paying Agent at any time prior to the close of business on the Change in Control Purchase Date, stating:

(1) if certificated Notes have been issued, the certificate number of the Note which the Holder will deliver to be purchased;

(2) the portion of the principal amount of the Note which the Holder will deliver to be purchased, which portion must be $1,000 or an integral multiple thereof; and

(3) that such Note shall be purchased pursuant to the terms and conditions specified in the Notes.

The delivery of such Note to the Paying Agent prior to or on the Change in Control Purchase Date (together with all necessary endorsements) at the offices of the Paying Agent shall be a condition to the receipt by the Holder of the Change in Control Purchase Price therefor; provided, however, that such Change in Control Purchase Price shall be so paid pursuant to this Section 1010 only if the Note so delivered to the Paying Agent shall conform in all respects to the description thereof set forth in the related Change in Control Purchase Notice.

(d) Upon receipt by the Company of the proper tender of Notes, the Holder of the Note in respect of which such proper tender was made shall (unless the tender of such Note is properly withdrawn) thereafter be entitled to receive solely the Change in Control Purchase Price with respect to such Note. Upon surrender of any such Note for purchase in accordance with the foregoing provisions, such Note shall be paid by the Company at the Change in Control Purchase Price; provided, however, that installments of interest whose Stated Maturity is on or prior to the Change in Control Purchase Date shall be payable to the Holders of such Notes, or one or more Predecessor Notes, registered as such on the relevant Regular Record Dates according to the terms and the provisions of Section 309. If any Note tendered for purchase in accordance with the provisions of this Section 1010 shall not be so paid upon surrender thereof, the principal thereof (and premium, if any, thereon) shall, until paid, bear interest from the Change in Control Purchase Date at the rate borne by such Note. Holders electing to have Notes purchased will be required to surrender such Notes to the Paying Agent at the address specified in the Change in Control Purchase Notice at least one Business Day prior to the Change in Control Purchase Date. Any Note 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 Note Registrar or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Note 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 Note, without service charge, one or more new Notes 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 Note so

surrendered that is not purchased.

(e) The Company shall (i) not later than the Change in Control Purchase Date, accept for payment Notes or portions thereof tendered pursuant to the Change in Control Offer, (ii) not later than 10:00 a.m. (New York time) on the Change in 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 in Control Purchase Price of all the Notes or portions thereof which are to be purchased as of the Change in Control Purchase Date and (iii) not later than 10:00 a.m. (New York time) on the Change in Control Purchase Date, deliver to the Paying Agent an Officers' Certificate stating the Notes or portions thereof accepted for payment by the Company. The Paying Agent shall promptly mail or deliver to Holders of Notes so accepted payment in an amount equal to the Change in Control Purchase Price of the Notes 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 Note equal in principal amount to any unpurchased portion of the Note surrendered. Any Notes 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 in Control Offer on the Change in Control Purchase Date. For purposes of this Section 1010, the Company shall choose a Paying Agent which shall not be the Company.

(f) A tender made in response to a Change in Control Purchase Notice may be withdrawn if the Company receives, not later than the close of business on the Business Day prior to the Change in Control Purchase Date, a telegram, telex, facsimile transmission or letter, specifying, as applicable:

(1) the name of the Holder;

(2) if certificated Notes have been issued, the certificate number of the Note in respect of which such notice of withdrawal is being submitted;

(3) the principal amount of the Note (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 Note purchased; and

(5) the principal amount, if any, of such Note (which shall be $1,000 or an integral multiple thereof) that remains subject to the original Change in Control Purchase Notice and that has been or will be delivered for purchase by the Company.

(g) 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 in 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 in Control Purchase Price of the Notes 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 in Control Purchase Date the Trustee shall return any such excess to the Company together with interest, if any, thereon.

(h) 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 in Control Offer.

(i) Notwithstanding the foregoing, the Company will not be required to make a Change in Control Offer if a third party makes the Change in Control Offer, in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change in Control Offer made by the Company and purchases all the Notes validly tendered and not withdrawn under such Change in Control Offer.

SECTION 2.16. Provision of Financial Statements.

Except as may be provided in a Future Supplemental Indenture, with respect to the Notes and no other class or series of Securities issued pursuant to the Indenture, a new Section 1011 shall be added to added to the Indenture as follows:

Section 1011 Provision of Financial Statements.

Whether or not the Company is subject to Section 13(a) or 15(d) of the Exchange Act, the Company will, to the extent permitted under the Exchange Act, file with the Commission the annual reports, quarterly reports and other documents which the Company

would have been required to file with the Commission pursuant to Sections 13(a) or 15(d) if the Company 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 would have been required so to file such documents if the Company 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 Note 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 would have been required to file with the Commission pursuant to Sections 13(a) or 15(d) of the Exchange Act if the Company were subject to either of such Sections and (y) if filing such documents by the Company and 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.

SECTION 2.17. Waiver of Certain Covenants.

Except as may be provided in a Future Supplemental Indenture, with respect to the Notes and no other class or series of Securities issued pursuant to the Indenture, a new Section 1012 shall be added to added to the Indenture as follows:

Section 1012 Waiver of Certain Covenants.

The Company may omit in any particular instance to comply with any covenant or condition set forth in Sections 1004 and 1011, if, before or after the time for such compliance, the Holders of not less than a majority in aggregate principal amount of the Notes 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.

SECTION 2.18. Redemption of Notes.

Except as may be provided in a Future Supplemental Indenture, with respect to the Notes and no other class or series of Securities issued pursuant to the Indenture, Article Eleven of the Base Indenture shall be replaced in its entirety with the following:

ARTICLE 11

REDEMPTION OF THE NOTES

Section 1101. Rights of Redemption.

The Notes are subject to redemption at any time on or after May 7, 2005, at the option of the Company, in whole or in part, subject to the conditions, and at the Redemption Price, specified in the form of Note, together with accrued and unpaid interest, if any, to (but excluding) 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 Notes 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 Notes 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 Notes to be redeemed.

Section 1104. Selection by Trustee of Notes to Be Redeemed.

If less than all the Notes are to be redeemed, the Trustee will select the Notes to be redeemed by lot, or in its discretion, on a pro rata basis.

The Trustee shall promptly notify the Company and the Note Registrar in writing of the Notes selected for redemption and, in the case of any Notes 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 Notes shall relate, in the case of any Note redeemed or to be redeemed only in part, to the portion of the principal amount of such Note 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 Notes to be redeemed, at its address appearing in the Note Register.

All notices of redemption shall state:

(a) the Redemption Date;

(b) the Redemption Price;

(c) the Conversion Rate;

(d) the name and address of the Paying and Conversion Agent;

(e) that Notes called for redemption may be converted at any time before the close of business on the second Business Day immediately preceding the Redemption Date;

(f) that Holders who want to convert Notes must satisfy the requirements set forth under the heading "Conversion" in the Notes;

(g) if less than all Notes then Outstanding are to be redeemed, the identification of the particular Notes to be redeemed;

(h) in the case of a Note to be redeemed in part, the principal amount of such Note to be redeemed and that after the Redemption Date upon surrender of such Note, new Note or Notes in the aggregate principal amount equal to the unredeemed portion thereof will be issued;

(i) that Notes called for redemption must be surrendered to the Paying Agent to collect the Redemption Price;

(j) that on the Redemption Date the Redemption Price will become due and payable upon each such Note 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;

(k) the names and addresses of the Paying Agent and the offices or agencies referred to in Section 1002 where such Notes are to be surrendered for payment of the Redemption Price;

(l) the CUSIP number, if any, relating to such Notes; and

(m) the procedures that a Holder must follow to surrender the Notes to be redeemed.

Notice of redemption of Notes 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 Note designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Note.

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 Notes or portions thereof which are to be redeemed on that date. The Paying Agent shall promptly mail or deliver

to Holders of Notes so redeemed payment in an amount equal to the Redemption Price of the Notes 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. Notes Payable on Redemption Date.

Notice of redemption having been given as aforesaid, the Notes 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 Notes shall cease to bear interest. Holders will be required to surrender the Notes 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 Note for redemption in accordance with said notice, such Note 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 Notes, or one or more Predecessor Notes, 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 Note 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 Note.

Section 1108. Notes Redeemed or Purchased in Part.

Any Note which is to be redeemed or purchased only in part (whether pursuant to this Article Eleven or to Section 1010 hereof) 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 Note Registrar or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company, the Note 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 Note without service charge, a new Note or Notes, 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 Note so surrendered that is not redeemed or purchased.

SECTION 2.19. Subordination of the Notes.

Except as may be provided in a Future Supplemental Indenture, with respect to the Notes and no other class or series of Securities issued pursuant to the Indenture, Article Twelve of the Base Indenture shall be replaced in its entirety with the following:

ARTICLE 12

SUBORDINATION OF THE NOTES

Section 1201. Notes Subordinate to Senior Indebtedness.

The Company covenants and agrees, and each Holder of a Note, 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 Notes and the payment of the principal of, premium, if any, and interest on, the Notes 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 Twelve 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 1202. 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 Notes 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 Notes are so subordinated as provided in this Article ("Permitted Junior Notes")) on account of the principal of, premium, if any, or interest on the Notes or on account of the purchase, redemption, other acquisition or conversion of, or in respect of, the Notes; 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 Notes), 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 Note 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 Notes), in respect of principal, premium, if any, and interest on the Notes before all Senior Indebtedness is paid in full, then and in such event such payment or distribution (excluding Permitted Junior Notes) 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 1203. Suspension of Payment When Designated Senior Indebtedness in Default.

(a) Unless Section 1202 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 Notes) may be made by the Company on account of the principal of, premium, if any, or interest on, the Notes, or on account of the purchase, redemption, other acquisition or conversion of or in respect of, the Notes 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 Twelve) resume making any and all required payments in respect of the Notes, including any missed payments.

(b) Unless Section 1202 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 Notes) may be made by the Company or any Subsidiary on account of the principal of, premium, if any, or interest on, the Notes, or on account of the purchase, redemption, other acquisition or conversion of, or in respect of, the Notes 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 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 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 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 Note 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 1204. Payment Permitted if No Default.

Nothing contained in this Article, elsewhere in this Indenture or in any of the Notes 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 1202 or under

the conditions described in Section 1203, from making payments at any time of principal of, premium, if any, or interest on the Notes.

Section 1205. Subrogation to Rights of Holders of Senior Indebtedness.

After the payment in full, the Holders of the Notes 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 Notes 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 Notes 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 Notes or the Trustee, shall, as among the Company, its creditors other than holders of Senior Indebtedness, and the Holders of the Notes, be deemed to be a payment or distribution by the Company to or on account of the Senior Indebtedness.

Section 1206. 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 Notes 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 Notes is intended to or shall (a) impair, as among the Company, its creditors other than holders of Senior Indebtedness and the Holders of the Notes, the obligation of the Company, which is absolute and unconditional, to pay to the Holders of the Notes the principal of, premium, if any, and interest on, the Notes 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 Notes and creditors of the Company other than the holders of Senior Indebtedness; or (c) prevent the Trustee or the Holder of any Note 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 1202, 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 1207. Trustee to Effectuate Subordination.

Each Holder of a Note 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 1208. 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 Notes, without incurring responsibility to the Holders of the Notes and without impairing or releasing the subordination provided in this Article or the obligations hereunder of the Holders of the Notes 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 Notes to take any action to accelerate the maturity of the Notes 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 1209. 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 Notes. 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 Notes, 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, New York City 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 Note), 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 1210. 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 Notes 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 Notes 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 1211. 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 1212. rticle 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 1211 shall not apply to the Company or any Affiliate of the Company if it or such Affiliate acts as Paying Agent.

Section 1213. No Suspension of Remedies.

Nothing contained in this Article shall limit the right of the Trustee or the Holders of Notes to take any action to accelerate the maturity of the Notes 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 1214. 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.

SECTION 2.20. Application of the Article of the Indenture Regarding Subsidiary Guarantee.

The provisions of Article Thirteen of the Base Indenture shall not apply to the Notes, and the Notes shall not be deemed guaranteed by any Subsidiary Guarantor.

SECTION 2.21. Application of the Article of the Indenture Regarding Defeasance and Covenant Defeasance.

The provisions of Article Fifteen of the Base Indenture shall not apply to the Notes.

SECTION 2.22. Applicability of the Article of the Indenture Regarding Sinking Funds.

The provisions of Article Sixteen of the Base Indenture shall not apply to the Notes.

SECTION 2.23. Conversion.

Except as may be provided in a Future Supplemental Indenture, with respect to the Notes and no other class or series of Securities issued pursuant to the Indenture, a new Article Seventeen shall be added to added to the Indenture as follows:

ARTICLE SEVENTEEN

CONVERSION OF THE NOTES

Section 1701. Conversion Privilege.

A Holder of a Note may convert such Note into Class A common stock at any time during the period stated under the heading "Conversion" set forth in the Notes. The number of shares of Class A common stock issuable upon

conversion of a Note per $1,000 of principal amount thereof (the "Conversion Rate") shall be that set forth under the heading "Conversion" in the Notes, subject to adjustment as herein set forth.

A Holder may convert a portion of the principal amount of a Note if the portion is $1,000 or an integral multiple of $1,000. Provisions of this Indenture that apply to conversion of all of a Note also apply to conversion of a portion of a Note.

"Average Sale Price" means the average of the Sale Prices of the Class A common stock for the shorter of

(i) 30 consecutive Trading Days ending on the last full Trading Day prior to the Time of Determination with respect to the rights, warrants or options or distribution in respect of which the Average Sale Price is being calculated, or

(ii) the period (x) commencing on the date next succeeding the first public announcement of (a) the issuance of rights, warrants or options or (b) the distribution, in each case, in respect of which the Average Sale Price is being calculated and (y) proceeding through the last full Trading Day prior to the Time of Determination with respect to the rights, warrants or options or distribution in respect of which the Average Sale Price is being calculated (excluding days within such period, if any, which are not Trading Days), or

(iii) the period, if any, (x) commencing on the date next succeeding the Ex-Dividend Time with respect to the next preceding (a) issuance of rights, warrants or options or (b) distribution, in each case, for which an adjustment is required by the provisions of Section 1706(4), 1707 or 1708 and (y) proceeding through the last full Trading Day prior to the Time of Determination with respect to the rights, warrants or options or distribution in respect of which the Average Sale Price is being calculated (excluding days within such period, if any, which are not Trading Days).

In the event that the Ex-Dividend Time (or in the case of a subdivision, combination or reclassification, the effective date with respect thereto) with respect to a

dividend, subdivision, combination or reclassification to which Section 1706(1), (2), (3) or (5) applies occurs during the period applicable for calculating "Average Sale Price" pursuant to the definition in the preceding sentence, "Average Sale Price" shall be calculated for such period in a manner determined by the Board of Directors to reflect the impact of such dividend, subdivision, combination or reclassification on the Sale Price of the Class A common stock during such period.

"Time of Determination" means the time and date of the earlier of (i) the determination of stockholders entitled to receive rights, warrants or options or a distribution, in each case, to which Section 1707 or 1708 applies and (ii) the time ("Ex-Dividend Time") immediately prior to the commencement of "ex-dividend" trading for such rights, warrants or options or distribution on the New York Stock Exchange or such other principal national or regional exchange or market on which the Class A common stock is then listed or quoted.

Section 1702. Conversion Procedure.

To convert a Note a Holder must satisfy the applicable requirements under the heading "Conversion" of the Notes for such Note to be convertible. The date on which the Holder satisfies all those requirements is the Conversion Date (the "Conversion Date"). As soon as practicable after the Conversion Date (but in no event later than as set forth in the Notes), the Company shall deliver to the Holder, through the Conversion Agent, a certificate for the number of full shares of Class A common stock issuable upon the conversion and cash in lieu of any fractional share determined pursuant to Section 1703. The person in whose name the certificate is registered shall be treated as a stockholder of record on and after the Conversion Date; provided, however, that no surrender of a Note on any date when the stock transfer books of the Company shall be closed shall be effective to constitute the person or persons entitled to receive the shares of Class A common stock upon such conversion as the record holder or holders of such shares of Class A common stock on such date, but such surrender shall be effective to constitute the Person or Persons entitled to receive such shares of Class A common stock as the record holder or holders thereof for all purposes at the close of business on the next succeeding day on which such stock transfer books are open; such conversion shall be at the Conversion Rate in effect on the date that such Note shall have been surrendered for conversion, as if the stock transfer books of

the Company had not been closed. Upon conversion of a Note, such person shall no longer be a Holder of such Note.

No payment or adjustment will be made for dividends on, or other distributions with respect to, any Class A common stock except as provided in this Article Seventeen. On conversion of a Note, a Holder will not receive any cash payment of interest representing accrued and unpaid interest, except as described below. Delivery to the holder of the full number of shares of Class A common stock into which the Note is convertible, together with any cash payment of such Holder's fractional shares, will be deemed: (i) to satisfy the Company's obligation to pay the principal amount of the Note; and (ii) to satisfy the Company's obligation to pay accrued and unpaid interest attributable to the period from the date of the most recent interest payment through the Conversion Date. As a result, accrued and unpaid interest is deemed paid in full rather than cancelled, extinguished or forfeited. Notwithstanding the foregoing, accrued and unpaid interest, if any, will be payable upon any conversion of Notes at the option of the Holder made concurrently with or after acceleration of the Notes following an

Event of Default described in the Indenture. Holders of Notes surrendered for conversion during the period from the close of business on any regular record date next preceding any interest payment date to the opening of business of such interest payment date will receive the semiannual interest payable on such Notes on the corresponding interest payment date notwithstanding the conversion and such Notes (except Notes called for redemption) upon surrender must be accompanied by funds equal to the amount of semiannual interest payable on the principal amount of Notes so converted.

If the Holder converts more than one Note at the same time, the number of shares of Class A common stock issuable upon the conversion shall be based on the total principal amount of the Notes converted.

If the last day on which a Note may be converted is a Legal Holiday, the Note may be surrendered on the next succeeding day that is not a Legal Holiday.

Upon surrender of a Note that is converted in part, the Company shall execute, and the Trustee shall authenticate and deliver to the Holder, a new Note in an authorized denomination equal in principal amount to the unconverted portion of the Note surrendered.

Section 1703. Fractional Shares.

The Company will not issue a fractional share of Class A common stock upon conversion of a Note. Instead, the Company will deliver cash for the current market value of the fractional share. The current market value of a fractional share shall be determined, to the nearest 1/1,000th of a share, by multiplying the Sale Price of the Class A common stock, on the last Trading Day prior to the Conversion Date, of a full share by the fractional amount and rounding the product to the nearest whole cent.

Section 1704. Taxes on Conversion.

If a Holder converts a Note, the Company shall pay any documentary, stamp or similar issue or transfer tax due on the issue of shares of Class A common stock upon the conversion. However, the Holder shall pay any such tax which is due because the Holder requests the shares to be issued in a name other than the Holder's name. The Conversion Agent may refuse to deliver the certificates representing the Class A common stock being issued in a name other than the Holder's name until the Conversion Agent receives a sum sufficient to pay any tax which will be due because the shares are to be issued in a name other than the Holder's name. Nothing herein shall preclude any tax withholding required by law or regulations.

Section 1705. Company to Provide Stock.

The Company shall, prior to issuance of any Class A common stock under this Article Four, and from time to time as may be necessary, reserve out of its authorized but unissued Class A common stock a sufficient number of shares of Class A common stock to permit the conversion of the Notes.

All shares of Class A common stock delivered upon conversion of the Notes shall be newly issued shares or treasury shares, shall be duly and validly issued and fully paid and

nonassessable and shall be free from preemptive rights and free of any Lien or adverse claim created by the Company.

The Company will endeavor promptly to comply with all federal and state securities laws regulating the offer and delivery of shares of Class A

common stock upon conversion of Notes, if any, and will list or cause to have quoted such shares of Class A common stock on each national securities exchange or in the over-the-counter market or such other market on which the Class A common stock is then principally listed or quoted.

Section 1706. Adjustment for Change In Capital Stock.

If, after the Issue Date of the Notes, the Company:

(1) pays a dividend or makes a distribution on its Class A common stock in shares of its Class A common stock;

(2) subdivides its outstanding shares of Class A common stock into a greater number of shares;

(3) combines its outstanding shares of Class A common stock into a smaller number of shares;

(4) pays a dividend or makes a distribution on its Class A common stock in shares of its Capital Stock (other than Class A common stock or rights, warrants or options for its Capital Stock);

(5) issues by reclassification of its Class A common stock any shares of its Capital Stock (other than rights, warrants or options for its Capital Stock), or

then the conversion privilege, Conversion Price and the Conversion Rate in effect immediately prior to such action shall be adjusted so that the Holder of a Note thereafter converted may receive the number of shares of Capital Stock of the Company which such Holder would have owned immediately following such action if such Holder had converted the Note immediately prior to such action.

The adjustment shall become effective immediately after the record date in the case of a dividend or distribution and immediately after the effective date in the case of a subdivision, combination or reclassification.

If after an adjustment a Holder of a Note upon conversion of such Note may receive shares of two or more classes of Capital Stock of the Company, the Conversion Rate shall thereafter be subject to adjustment upon the occurrence of an action taken with respect to any such class of Capital Stock as is contemplated by this Article Four with respect to the Class A common stock, on terms comparable to those applicable to Class A common stock in this Article Four.

Section 1707. Adjustment for Rights Issue.

If after the Issue Date of the Notes, the Company distributes any rights, warrants or options to all holders of its Class A common stock entitling them, for a period expiring within 60 days after the record date for such distribution, to purchase shares of Class A common stock at a price per share less than the Sale Price of the Class A common stock as of the Time of Determination, the Conversion Rate shall be adjusted in accordance with the formula:

$$R' = R \times \frac{(O + N)}{(O + (N \times P)/M)}$$

where:
R' = the adjusted Conversion Rate.

R = the current Conversion Rate.

O = the number of shares of Class A common stock outstanding on the record date for the distribution to which this Section 1707 is being applied.

N = the number of additional shares of Class A common stock offered pursuant to the distribution.

P = the offering price per share of the additional shares.

M = the Average Sale Price, minus, in the case of (i) a distribution to which Section 1706(4) applies or (ii) a distribution to which Section 1708 applies, for which, in each case, (x) the record date shall occur on or before the record date for the distribution to which this Section 1707 applies and (y) the Ex-Dividend Time shall occur on or after the date of the Time of Determination for the distribution to which this Section 1707 applies, the Fair Market Value (on the record date for the distribution to which this Section 1707 applies) of the

(1) Capital Stock of the Company distributed in respect of each share of Class A common stock in such Section 1706(4) distribution and

(2) assets of the Company or debt securities or any rights, warrants or options to purchase securities of the Company distributed in respect of each share of Class A common stock in such Section 1708 distribution.

The Board of Directors shall determine Fair Market Values for the purposes of this Section 1707.

The adjustment shall become effective immediately after the record date for the determination of shareholders entitled to receive the rights, warrants or options to which this Section 1707 applies. If all of the shares of Class A common stock subject to such rights, warrants or options have not been issued when such rights, warrants or options expire, then the Conversion Rate shall promptly be readjusted to the Conversion Rate which would then be in effect had the adjustment upon the issuance of such rights, warrants or options been made on the

basis of the actual number of shares of Class A common stock issued upon the exercise of such rights, warrants or options.

No adjustment shall be made under this Section 1707 if the application of the formula stated above in this Section 1707 would result in a value of R' that is equal to or less than the value of R.

Section 1708. Adjustment for Other Distributions.

(a) If, after the Issue Date of the Notes, the Company distributes to all holders of its Class A common stock any of its assets (including shares of Capital Stock of a Subsidiary) excluding distributions of Capital Stock or equity interests referred to in Section 1708(b), or debt securities or any rights, warrants or options to purchase securities of the Company (including securities or cash, but excluding (x) distributions of Capital Stock referred to in Section 1706 and distributions of rights, warrants or options referred to in Section 1707 and (y) cash dividends or other cash distributions that are paid out of consolidated current net earnings or earnings retained in the business as shown on the books of the Company unless such cash dividends or other cash distributions are Extraordinary Cash Dividends) the Conversion Rate shall be adjusted, subject to the provisions of Section 1708(c), in accordance with the formula:

$$R' = \frac{R \times M}{M - F}$$

where:

R' = the adjusted Conversion Rate.

R = the current Conversion Rate.

M = the Average Sale Price, minus, in the case of a distribution to which Section 1706(4) applies, for which (i) the record date shall occur on or before the record date for the distribution to which this Section 1708(a) applies and (ii) the Ex-Dividend Time shall occur on or after the date of the Time of Determination for the distribution to which this Section 1708(a) applies, the Fair Market Value (on the record date for the distribution to which this Section 1708(a) applies) of any Capital Stock of the Company distributed in respect of each share of Class A common stock in such Section 1706(4) distribution.

F = the Fair Market Value (on the record date for the distribution to which this Section 1708(a) applies) of the assets, securities, rights, warrants or options to be distributed in respect of each share of Class A common stock in the distribution to which this Section 1708(a) is being applied (including, in the case of cash dividends or other cash distributions giving rise to an adjustment, all such cash distributed concurrently).

The Board of Directors shall determine Fair Market Values for the purposes of this Section 1708(a).

The adjustment shall become effective immediately after the record date for the determination of shareholders entitled to receive the distribution to which this Section 1708(a) applies.

For purposes of this Section 1708(a), the term "Extraordinary Cash Dividend" shall mean any cash dividend with respect to the Class A common

stock the amount of which, together with the aggregate amount of cash dividends on the Class A common stock to be aggregated with such cash dividend in accordance with the provisions of this paragraph, equals or exceeds the threshold percentage set forth in item (i) below. For purposes of item (i) below, the "Measurement Period" with respect to a cash dividend on the Class A common stock shall mean the 365 consecutive day period ending on the date prior to the Ex-Dividend Time with respect to such cash dividend, and the "Relevant Cash Dividends" with respect to a cash dividend on the Class A common stock shall mean the cash dividends on the Class A common stock with Ex-Dividend Times occurring in the Measurement Period.

(i) If, upon the date prior to the Ex-Dividend Time with respect to a cash dividend on the Class A common stock, the aggregate amount of such cash dividend together with the amounts of all Relevant Cash Dividends equals or exceeds on a per share basis the sum of 5% of the Sale Price of the Class A common stock on the last Trading Day preceding the date of declaration by the Board of Directors of the cash dividend with respect to which this provision is being applied, then such cash dividend together with all Relevant Cash Dividends, shall be deemed to be an Extraordinary Cash Dividend and for purposes of applying the formula set forth above in this Section 1708(a), the value of "F" shall be equal to (y) the aggregate amount of such cash dividend together with the amount of all Relevant Cash Dividends, minus (z) the aggregate amount of all Relevant Cash Dividends for which a prior adjustment in the Conversion Rate was previously made under this Section 1708(a).

In making the determinations required by item (i) above, the amount of cash dividends paid on a per share basis and the amount of any Relevant Cash Dividends specified in item (i) above, shall be appropriately adjusted to reflect the occurrence during such period of any event described in Section 1706.

(b) If, after the Issue Date of the Notes, the Company pays a dividend or makes a distribution to all holders of its Class A common stock consisting of Capital Stock of any class or series, or similar equity interests, of or relating to a Subsidiary or other business unit of the Company, the Conversion Rate shall be adjusted in accordance with the formula:

R' = R x (1 + F/M) where:

R' = the adjusted Conversion Rate.

R = the current Conversion Rate.

M = the average of the Post-Distribution Prices of the Class A common stock for the 10 Trading Days commencing on and including the fifth Trading Day after the date on which "ex-dividend trading" commences for such dividend or distribution on the principal United States exchange or market which such securities are then listed or quoted (the "Ex-Dividend Date").

F = the Fair Market Value of the securities distributed in respect of each share of Class A common stock for which this Section 1708(b) shall mean the number of securities distributed in respect of each share of Class A common stock multiplied by the average of the Post-Distribution Prices of those securities distributed for the 10 Trading Days commencing on and including the fifth Trading Day after the Ex-Dividend Date.

"Post-Distribution Price" of Capital Stock or any similar equity interest on any date means the closing per unit sale price (or, if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on such date for trading of such units on a "when issued" basis without due bills (or similar concept) as reported in the composite transactions for the principal United States securities exchange on which such Capital Stock or equity interest is traded or, if the Capital Stock or equity interest, as the case may be, is not listed on a United States national or regional securities exchange, as reported by the National Association of Notes Dealers Automated Quotation System or by the National Quotation Bureau Incorporated; provided that if on any date such units have not traded on a "when issued" basis, the Post-Distribution Price shall be the closing per unit sale price (or, if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on such date for trading of such units on a "regular way" basis without due bills (or similar concept) as reported in the composite transactions for the principal United States securities exchange on which such Capital Stock or equity interest is traded or, if the Capital Stock or equity interest, as the case may be, is not listed on a United States national or regional securities exchange, as reported by the National Association of Notes Dealers Automated Quotation System or by the National Quotation Bureau Incorporated. In the absence of such quotation, the Company shall be entitled to determine the Post-Distribution Price on the basis of such quotations which reflect the

post-distribution value of the Capital Stock or equity interests as it considers appropriate.

(c) In the event that, with respect to any distribution to which Section 1708(a) would otherwise apply, the difference "M-F" as defined in the formula set forth in Section 1708(a) is less than $1.00 or "F" is equal to or greater than "M", then the adjustment provided by Section 1708(a) shall not be made and in lieu thereof the provisions of Section 1714 shall apply to such distribution.

Section 1709. When Adjustment May Be Deferred.

No adjustment in the Conversion Rate need be made unless the adjustment would require an increase or decrease of at least 1% in the Conversion Rate. Any adjustments that are not made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Article Four shall be made to the nearest cent or to the nearest 1/1,000th of a share, as the case may be.

Section 1710. When No Adjustment Required.

No adjustment need be made for a transaction referred to in Section 1706, 1707, 1708 or 1714 if Noteholders are to participate in the transaction on a basis and with notice that the Board of Directors determines to be fair and appropriate in light of the basis and notice on which holders of Class A common stock participate in the transaction and such Holders are not required to convert.

No adjustment need be made for rights to purchase Class A common stock pursuant to a Company plan for reinvestment of dividends or interest.

No adjustment need be made for a change in the par value or no par value of the Class A common stock.

Section 1711. Notice of Adjustment.

Whenever the Conversion Rate is adjusted, the Company shall promptly mail to Noteholders a notice of the adjustment. The Company shall file with the Trustee and the Conversion Agent such notice and a certificate from the Company's independent public accountants briefly stating the facts requiring the adjustment and the manner of computing it. The certificate shall be conclusive evidence that the adjustment is correct. Neither the Trustee nor any Conversion Agent shall be under any duty or responsibility with respect to any such certificate except to exhibit the same to any Holder desiring inspection thereof.

Section 1712. Voluntary Increase.

The Company from time to time may increase the Conversion Rate by any amount for any period of time. Whenever the Conversion Rate is increased pursuant to this Section 1712, the Company shall mail to Noteholders and file with the Trustee and the Conversion Agent a notice of the increase. The Company shall mail the notice at least 15 days before the date the increased Conversion Rate takes effect. The notice shall state the increased Conversion Rate and the period it will be in effect.

A voluntary increase of the Conversion Rate does not change or adjust the Conversion Rate otherwise in effect for purposes of Section 1706, 1707 or 1708.

Section 1713. Notice of Certain Transactions. If:

(1) the Company takes any action that would require an adjustment in the Conversion Rate pursuant to Section 1706, 1707 or 1708 (unless no adjustment is to occur pursuant to Section 1710); or

(2) the Company takes any action that would require a supplemental indenture pursuant to Section 1714; or

(3) there is a liquidation or dissolution of the Company;

then the Company shall mail to Noteholders and file with the Trustee and the Conversion Agent a notice stating the proposed record date for a dividend or distribution or the proposed effective date of a subdivision, combination, reclassification, consolidation, merger, binding share exchange, transfer, liquidation or dissolution. The Company shall file and mail the notice at least

20 days before such date. Failure to file or mail the notice or any defect in it shall not affect the validity of the transaction.

Section 1714. Reorganization of Company; Special Distributions.

If the Company is a party to a transaction subject to Section 801 (other than a sale of all or substantially all of the assets of the Company in a transaction in which the holders of Class A common stock immediately prior to such transaction do not receive securities, cash or other assets of the Company or any other person) or a merger or binding share exchange which reclassifies or changes the outstanding Class A common stock of the Company, the person obligated to deliver securities, cash or other assets upon conversion of Notes shall enter into a supplemental indenture. If the issuer of securities deliverable upon conversion of Notes is an Affiliate of the successor Company, that issuer shall join in the supplemental indenture.

The supplemental indenture shall provide that the Holder of a Note may convert it into the kind and amount of securities, cash or other assets which such Holder would have received immediately after the consolidation, merger, binding share exchange or transfer if such Holder had converted the Note immediately before the effective date of the transaction, assuming (to the extent applicable) that such Holder (i) was not a constituent person or an Affiliate of a constituent person to such transaction; (ii) made no election with respect thereto; and (iii) was treated alike with the plurality of non-electing Holders. The supplemental indenture shall provide for adjustments which shall be as nearly equivalent as may be practical to the adjustments provided for in this Article 11. The successor Company shall mail to Noteholders a notice briefly describing the supplemental indenture.

If this Section applies, neither Section 1706 nor 1707 applies.

If the Company makes a distribution to all holders of its Class A common stock of any of its assets, or debt securities or any rights, warrants or options to purchase securities of the Company that, but for the provisions of Section 1708(c), would otherwise result in an adjustment in the Conversion Rate pursuant to the provisions of Section 1708, then, from and after the record date for determining the holders of Class A common stock entitled to receive the distribution, a Holder of a Note that converts such Note in accordance with the provisions of this Indenture shall upon such conversion be entitled to receive, in addition to the shares of Class A common stock into which the Note is convertible, the kind and amount of securities, cash or other assets comprising the distribution that such Holder would have received if such Holder had converted the Note immediately prior to the record date for determining the holders of Class A common stock entitled to receive the distribution.

Section 1715. Company Determination Final.

Any determination that the Company or the Board of Directors must make pursuant to Section 1703, 1706, 1707, 1708, 1709, 1710, 1714 or 1717 is conclusive.

Section 1716. Trustee's Adjustment Disclaimer.

The Trustee has no duty to determine when an adjustment under this Article Four should be made, how it should be made or what it should be. The Trustee has no duty to determine whether a supplemental indenture under Section 1714 need be entered into or whether any provisions of any supplemental indenture are correct. The Trustee shall not be accountable for and makes no representation as to the validity or value of any securities or assets issued upon conversion of Notes. The Trustee shall not be responsible for the Company's failure to comply with this Article Four. Each Conversion Agent shall have the same protection under this Section 1716 as the Trustee.

Section 1717. Simultaneous Adjustments.

In the event that this Article Four requires adjustments to the Conversion Rate under more than one of Sections 1706(4), 1707 or 1708, and the record dates for the distributions giving rise to such adjustments shall occur on the same date, then such adjustments shall be made by applying, first, the provisions of Section 1706, second, the provisions of Section 1708 and, third, the provisions of Section 1707.

Section 1718. Successive Adjustments.

After an adjustment to the Conversion Rate under this Article Four, any subsequent event requiring an adjustment under this Article Four shall cause an adjustment to the Conversion Rate as so adjusted.

Section 1719. Rights Issued in Respect of Class A common stock Issued Upon Conversion.

Each share of Class A common stock issued upon conversion of Notes pursuant to this Article Seventeen shall be entitled to receive the appropriate number of Class A common stock or preferred stock purchase rights, as the case may be (the "Rights"), if any, that all shares of Class A common stock are entitled to receive and the certificates representing the Class A common stock issued upon such conversion shall bear such legends, if any, in each case as may be provided by the terms of any shareholder rights agreement adopted by the Company, as the same may be amended from time to time (in each case, a "Rights Agreement"). Provided that such Rights Agreement requires that each share of Class A common stock issued by the Company (including those that might be issued upon conversion of Notes) at any time prior to the distribution of separate certificates representing the Rights be entitled to receive such Rights, then, notwithstanding anything else to the contrary in this Article Four, there shall not be any adjustment to the conversion privilege or Conversion Rate or any other term or provision of the Notes as a result of the issuance of Rights, the distribution of separate certificates representing the Rights, the exercise or redemption of such Rights in accordance with any such Rights Agreement, or the termination or invalidation of such Rights.

Section 1720. Cash in Lieu of Class A Stock at the Company's Option upon Conversion.

In lieu of delivery of shares of our Class A common stock upon notice of conversion of any Notes (for all or any portion of the Notes), the Company may elect to pay Holders surrendering Notes an amount in cash per Note (or a portion of a Note) as set forth in the Note.

ARTICLE THREE

MISCELLANEOUS

SECTION 3.1. Independence of Covenants.

All covenants and agreements in this First Supplemental 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 3.2. 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 3.3. Counterparts.

This Supplemental 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.

SECTION 3.4. Ratification.

The Base Indenture, as supplemented and amended by this First Supplemental Indenture, is in all respects ratified and confirmed, and the Base Indenture and this First Supplemental Indenture shall be read, taken and construed as one and the same instrument. All provisions included in this First Supplemental Indenture supersede any conflicting provisions included in the Base Indenture unless not permitted by law. The Trustee accepts the trusts created by the Indenture, as supplemented by this First Supplemental Indenture, and agrees to perform the same upon the terms and conditions of the Indenture, as supplemented by this First Supplemental Indenture.

SECTION 3.5. Construction.

As used in this First Supplemental Indenture, unless otherwise stated or unless context otherwise implies, the terms "herein," "hereof," "this Indenture" and "the Indenture" when used to refer to a document reference are intended to refer to the Base Indenture together with this First Supplemental Indenture.

SECTION 3.6. Effectiveness.

The provisions of this First Supplemental Indenture shall become effective as of the date hereof.

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: _____
Name: Theodore M. Wright
Title: Vice President, Treasurer and Chief Financial Officer

Attest: _____
Name: Stephen K. Coss
Title: Vice President, General Counsel and Secretary

U.S. BANK NATIONAL ASSOCIATION

By: _____
Name:
Title:

Exhibit 4.3

SUBORDINATION AGREEMENT

This Subordination Agreement (as the same may from time to time be amended, modified or restated, the "Agreement") is dated as of May 7, 2002 and is entered into by and between O. BRUTON SMITH (the "Junior Creditor") and U.S. Bank National Association (the "Trustee"), a bank organized under the laws of the United States, as Trustee under an Indenture dated as of May 7, 2002 (the "Indenture") among Sonic Automotive, Inc. (the "Issuer"), and the Trustee, and acting hereunder for the benefit of the holders (the "Holders") of the Issuer's 5 1/4% Convertible Senior Subordinated Notes Due 2009 of up to $149,500,000 in principal amount (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 Prospectus Supplement dated May 1, 2002 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 and principal, 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 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 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 7th day of May, 2002.

O. BRUTON SMITH

Acknowledged and accepted as of this 7th day of May 2002, by:

U.S. BANK NATIONAL ASSOCIATION
AS TRUSTEE UNDER THAT CERTAIN INDENTURE,
AS SUPPLEMENTED BY THAT CERTAIN FIRST
SUPPLEMENTAL INDENTURE, DATED AS OF MAY
7, 2002 FOR THE BENEFIT OF THE HOLDERS OF
SONIC AUTOMOTIVE, INC.'S 5-1/4% CONVERTIBLE SENIOR
SUBORDINATED NOTES DUE 2009

By:

Name:

Title:

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 7th day of May, 2002, and agrees to take no action or refrain from taking action inconsistent with the terms thereof.

SONIC AUTOMOTIVE, INC.

By:

Name:

Title:

Exhibit 5.1

Moor&VanAllen Logo

May 7, 2002

Moore & Van Allen PLLC
Attorneys at Law

Suite 4700
100 North Tryon Street
Charlotte, NC 28202-4003

T 704 331 1000
F 704 331 1059
www.mvalaw.com

Board of Directors
Sonic Automotive, Inc.
6415 Idlewild Road, Suite 109
Charlotte, North Carolina 28212

Dear Sirs:

We are acting as counsel to Sonic Automotive, Inc., a Delaware corporation (the "Company"), in connection with the preparation, execution, filing and processing with the Securities and Exchange Commission (the "Commission"), pursuant to the Securities Act of 1933, as amended (the "Act"), of a supplement to a base prospectus (the "Prospectus Supplement") included in a Registration Statement on Form S-3 (Nos. 333-50430 and 333-50430-01 to 333-50430-G7) (as amended through the date hereof, the "Registration Statement"). The Registration Statement was declared effective on December 14, 2000. This opinion is furnished to you for filing with the Commission pursuant to Item 601(b)(5) of Regulation S-K.

The Prospectus Supplement relates to the offer and sale of up to $149,500,000 aggregate principal amount of 5 1/4% Convertible Subordinated Notes due 2009 (the "Notes") and the shares of the Company's Class A Common Stock, par value $.01 per share (the "Common Stock"), that are issuable upon conversion of the Notes.

In our representation of the Company, we have examined (i) the Registration Statement, (ii) the Prospectus, (iii) the Indenture, dated as of May 7, 2002 (the "Base Indenture" and, the Base Indenture as supplemented by the First Supplemental Indenture, dated May 7, 2002, the "Indenture"), (iv) the Company's certificate of incorporation and bylaws, as amended to date, (v) all actions of the Company's board of directors recorded in the Company's minute book, (vi) the form of Note, (vii) a certificate of good standing from the State of Delaware, and (viii) such other documents as we have considered necessary for purposes of rendering the opinions expressed below.

Based upon the foregoing, we are of the following opinion:

1. The Notes, upon issuance in accordance with the terms of the Indenture, will be validly issued and binding obligations of the Company, except as may be limited by the effect of bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws now or hereafter in effect relating to or affecting the rights or remedies of creditors; the effect of general principles of equity, whether enforcement is considered in a proceeding in equity or at law, and the discretion of the court before which any proceeding therefor may be brought; and the unenforceability under certain circumstances under law or court decisions of provisions providing for the indemnification of or contribution to a party with respect to a liability where such indemnification or contribution is contrary to pubic policy.

2. The Common Stock issuable upon conversion of the Notes will, upon such issuance in accordance with the terms thereof, be validly issued, fully paid and non-assessable.

The opinions expressed herein are limited to the laws of the State of New York, the General Corporation Law of the State of Delaware and the Act.

We hereby consent to the use of this opinion letter as Exhibit 5.1 to the Registration Statement and to the use of our name under the heading "Legal Matters" in the Prospectus Supplement. In giving this consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission promulgated thereunder.

Very truly yours,

Moore & Van Allen PLLC

/s/ Moore & Van Allen PLLC