

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2009

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number 1-13395

SONIC AUTOMOTIVE, INC.

(Exact Name of Registrant as Specified in its Charter)

DELAWARE
(State or Other Jurisdiction of
Incorporation or Organization)

6415 IDLEWILD ROAD, SUITE 109
CHARLOTTE, NORTH CAROLINA
(Address of Principal Executive Offices)

56-2010790
(I.R.S. Employer
Identification No.)

28212
(Zip Code)

(704) 566-2400

(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of Each Class	Name of Each Exchange on Which Registered
Class A Common Stock, \$0.01 Par Value	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

(Title of class)

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

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

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

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

The aggregate market value of the voting common stock held by non-affiliates of the registrant was approximately \$295,098,683 based upon the closing sales price of the registrant's Class A common stock on June 30, 2009 of \$10.16 per share. As of February 18, 2010 there were 40,109,558 shares of Class A common stock, par value \$0.01 per share, and 12,029,375 shares of Class B common stock, par value \$0.01 per share, outstanding.

Documents incorporated by reference. Portions of the registrant's Proxy Statement for the Annual Meeting of Stockholders to be held April 21, 2010 are incorporated by reference into Part III of this Form 10-K.

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This Annual Report on Form 10-K contains numerous “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements address our future objectives, plans and goals, as well as our intent, beliefs and current expectations regarding future operating performance, and can generally be identified by words such as “may,” “will,” “should,” “believe,” “expect,” “anticipate,” “intend,” “plan,” “foresee” and other similar words or phrases. Specific events addressed by these forward-looking statements include, but are not limited to:

- future acquisitions or dispositions;
- industry trends;
- future liquidity trends or needs;
- general economic trends, including employment rates and consumer confidence levels;
- vehicle sales rates and same store sales growth;
- future covenant compliance;
- our financing plans and our ability to repay or refinance existing debt when due; and
- our business and growth strategies.

These forward-looking statements are based on our current estimates and assumptions and involve various risks and uncertainties. As a result, you are cautioned that these forward-looking statements are not guarantees of future performance, and that actual results could differ materially from those projected in these forward-looking statements. Factors which may cause actual results to differ materially from our projections include those risks described in Item 1A of this Form 10-K and elsewhere in this report, as well as:

- the number of new and used cars sold in the United States generally, and as compared to our expectations and the expectations of the market;
- our ability to generate sufficient cash flows or obtain additional financing to fund acquisitions, capital expenditures, our share repurchase program, dividends on our Common Stock, and general operating activities;
- the reputation and financial condition of vehicle manufacturers whose brands we represent, the financial incentives vehicle manufacturers offer and their ability to design, manufacture, deliver and market their vehicles successfully;
- our relationships with manufacturers, which may affect our ability to complete additional acquisitions;
- changes in laws and regulations governing the operation of automobile franchises, accounting standards, taxation requirements, and environmental laws;
- adverse resolutions of one or more significant legal proceedings against us or our dealerships;
- general economic conditions in the markets in which we operate, including fluctuations in interest rates, employment levels, the level of consumer spending and consumer credit availability;
- high competition in the automotive retailing industry, which not only creates pricing pressures on the products and services we offer, but also on businesses we seek to acquire;
- our ability to successfully integrate future acquisitions or complete disposition activities; and
- the rate and timing of overall economic recovery or further decline.

PART I

Item 1. **Business.**

Sonic Automotive, Inc. was incorporated in Delaware in 1997. We are one of the largest automotive retailers in the United States. As of January 31, 2010, we operated 145 dealership franchises at 122 dealership locations, representing 29 different brands of cars and light trucks, and 26 collision repair centers in 15 states. Our dealerships provide comprehensive services including (1) sales of both new and used cars and light trucks; (2) sales of replacement parts and performance of vehicle maintenance, warranty, paint and repair services (collectively, "Fixed Operations"); and (3) arrangement of extended service contracts, financing and insurance and other aftermarket products (collectively, "F&I") for our automotive customers.

The following chart depicts the multiple sources of continuing operations revenue and gross profit for the year ended December 31, 2009:



As of December 31, 2009, we operated dealerships (classified in our financial statements as continuing operations or discontinued operations) in the following markets:

Market	Number of Dealerships	Number of Franchises	Percent of 2009 Total Revenue
Houston	19	25	20.9%
North/South Carolina/Georgia	15	16	10.2%
Alabama/Tennessee	16	23	10.2%
Los Angeles South/San Diego	6	6	8.2%
North Bay (San Francisco)	10	9	7.3%
Los Angeles North	9	12	6.9%
Dallas	6	8	6.4%
Florida	9	10	6.3%
South Bay (San Francisco)	8	9	6.1%
Mid-Atlantic	5	6	6.0%
Oklahoma	6	6	3.4%
Ohio	4	6	2.5%
Colorado	2	2	2.0%
Michigan	5	5	1.9%
Las Vegas	3	3	1.7%
Total	123	146	100.0%

Over the long-term, we plan to continue to purchase franchises that enrich our franchise portfolio and divest franchises that we believe will not yield acceptable returns over the long-term. Currently, we are not pursuing any significant acquisition opportunities. Although we believe growth through acquisitions will be a significant source of growth for us in the future, we do not see this being a significant source of growth in the near-term. See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources" for a discussion of our plans for the use of capital generated through operations. Our ability to carry out acquisition activity in the future will depend on many factors, including the availability of financing and the existence of any contractual provisions that may restrict our acquisition activity.

The automotive retailing industry remains highly fragmented, and we believe that further consolidation may occur over the long-term. We believe that attractive acquisition opportunities continue to exist for dealership groups with the capital and experience to identify, acquire and professionally manage dealerships.

Business Strategy

Diverse Revenue Streams. We have multiple revenue streams. In addition to new vehicle sales, our revenue sources include used vehicle sales, which we believe are less sensitive to economic cycles and seasonal influences that exist with new vehicle sales. Our fixed operations sales carry a higher gross margin and, in the past, have not been as economically sensitive as vehicle sales. We also offer customers assistance in obtaining financing and a range of automobile related insurance products.

Process Execution. We believe the identification of business best practices and implementing those best practices at all of our dealerships enables us to offer a more favorable buying experience to our customers and to create efficiencies in our business processes. While the ultimate goal of these activities is to ensure our customers are completely satisfied with the products and services we offer, these processes also drive growth in our diverse set of revenue streams and minimize costs associated with those activities.

Portfolio Management. We continue to evaluate our portfolio of franchises. Efforts are made to divest franchises that do not yield, or are not expected to yield, acceptable long-term returns. Although we are not currently pursuing any significant acquisition opportunities, our long-term growth strategy is focused on large metropolitan markets, predominantly in the Southeast, Southwest, Midwest and California. We also seek to acquire luxury and mid-line import dealerships and other stable franchises that we believe have above average sales prospects. A majority of our dealerships are either luxury or mid-line import brands. For the year ended December 31, 2009, 83.1% of our total revenue was generated by import and luxury dealerships, which generally have higher operating margins, more stable fixed operations departments, lower associate turnover and lower inventory levels.

The following table depicts the breakdown of our new vehicle revenues by brand:

Brand(1)	Percentage of New Vehicle Revenue		
	Year Ended December 31,		
	2007	2008	2009
BMW	16.9%	18.4%	17.1%
Honda	14.1%	14.2%	14.4%
Toyota	12.2%	11.7%	11.8%
Mercedes	10.4%	10.4%	9.6%
Ford	7.4%	8.6%	9.3%
General Motors(2)	7.8%	7.3%	7.0%
Lexus	7.0%	5.9%	6.1%
Cadillac	6.9%	5.8%	4.8%
Other(3)	2.4%	3.4%	3.9%
Audi	1.3%	1.7%	2.6%
Volkswagen	1.4%	1.8%	2.1%
Hyundai	1.5%	1.4%	1.8%
Land Rover	1.5%	1.2%	1.7%
Porsche	1.3%	1.4%	1.5%
Volvo	1.9%	1.2%	1.4%
Nissan	1.3%	1.3%	1.3%
Infiniti	1.3%	1.2%	1.2%
Other Luxury(4)	1.2%	1.1%	1.0%
Acura	1.2%	1.1%	0.8%
Chrysler(5)	1.0%	0.9%	0.6%
Total	100.0%	100.0%	100.0%

(1) In accordance with the provisions of "Presentation of Financial Statements" in the Accounting Standards Codification (the "ASC"), prior years' income statement data reflect reclassifications to exclude franchises sold, identified for sale, or terminated subsequent to December 31, 2008 which had not been previously included in discontinued operations or includes previously held for sale which subsequently were reclassified to held and used. See Notes 1 and 2 to our accompanying Consolidated Financial Statements which discusses these and other factors that affect the comparability of the information for the periods presented.

(2) Includes Buick, Chevrolet, GMC and Pontiac

(3) Includes Isuzu, KIA, Mini, Scion and Subaru

(4) Includes Hummer, Jaguar and Saab

(5) Includes Chrysler, Dodge and Jeep

Increase Sales of Higher Margin Products and Services. We continue to pursue opportunities to increase our sales of higher- margin products and services by expanding the following:

Finance, Insurance and Other Aftermarket Products ("F&I"): Each sale of a new or used vehicle gives us an opportunity to provide our customer with financing and insurance options and earn financing fees and insurance commissions. We also offer our customers the opportunity to purchase extended service contracts and other aftermarket products. We currently offer a wide range of nonrecourse financing, leasing, other aftermarket products, service contracts and insurance products to our customers. We emphasize menu-selling techniques and other best practices to increase our sales of F&I products at both newly acquired and existing dealerships.

Parts, Service & Repair: Each of our dealerships offers a fully integrated service and parts department. Manufacturers permit warranty work to be performed only at franchised dealerships such as ours. As a result, our franchised dealerships are uniquely qualified and positioned to perform work covered by manufacturer warranties on increasingly complex vehicles. We believe we can continue to grow our profitable parts and service business over the long-term by increasing service capacity, investing in sophisticated equipment and well trained technicians, using variable rate pricing structures, focusing on customer service and efficiently managing our parts inventory. In addition, we believe our emphasis on selling extended service contracts associated with new and used vehicle retail sales will drive further service and parts business in our dealerships as we increase the potential to retain current customers beyond the term of the standard manufacturer warranty period.

Certified Pre-Owned Vehicles. Various manufacturers provide franchised dealers the opportunity to sell certified pre-owned (“CPO”) vehicles. This certification process extends the standard manufacturer warranty on the CPO vehicle. We typically earn higher revenues and gross profits on CPO vehicles compared to non-certified pre-owned vehicles. We also believe the extended manufacturer warranty increases our potential to retain the pre-owned purchaser as a future parts and service customer. Since CPO warranty work can only be performed at franchised dealerships, we believe CPO warranty work will increase our fixed operations business.

“Value” Used Vehicles. We believe the market for “value” vehicles (used vehicles with retail prices below \$10,000) is broad and not as sensitive to market fluctuations as higher priced used vehicles. Our strategy in retailing these vehicles includes the use of technology and market data to determine optimal pricing and placement of these vehicles at our stores.

Expand our eCommerce Capabilities. Automotive customers have become increasingly more comfortable using technology to research their vehicle buying alternatives and communicate with dealership personnel. Our technology platforms have given us the ability to leverage technology to more efficiently integrate systems, customize our dealership websites and use our customer data to improve the effectiveness of our advertising and interaction with our customers.

Achieve High Levels of Customer Satisfaction. We focus on maintaining high levels of customer satisfaction. Our personalized sales process is designed to satisfy customers by providing high-quality vehicles in a positive, “consumer friendly” buying environment. Several manufacturers offer specific financial incentives on a per vehicle basis if certain Customer Satisfaction Index (“CSI”) levels (which vary by manufacturer) are achieved by a dealership. In addition, all manufacturers consider CSI scores in approving acquisitions. In order to keep management focused on customer satisfaction, we include CSI results as a component of our incentive-based compensation programs.

Train, Develop and Retain Associates. We believe our associates are the cornerstone of our business and crucial to our financial success. Our goal is to develop our associates and foster an environment where our associates can contribute and grow with the company. Associate satisfaction is very important to us and we believe a high level of associate satisfaction will reduce turnover and enhance our customers’ experience at our stores by pairing our customers with well-trained, seasoned associates. We believe that our comprehensive training of all employees provides us with a competitive advantage over other dealership groups.

Relationships with Manufacturers

Each of our dealerships operates under a separate franchise or dealer agreement that governs the relationship between the dealership and the manufacturer. In general, each dealer agreement specifies the location of the dealership for the sale of vehicles and for the performance of certain approved services in a specified market area. The designation of such areas generally does not guarantee exclusivity within a specified territory. In addition, most manufacturers allocate vehicles on a “turn and earn” basis that rewards high volume. A dealer agreement requires the dealer to meet specified standards regarding showrooms, facilities and equipment for servicing vehicles, inventories, minimum net working capital, personnel training and other aspects of the business. Each dealer agreement also gives the related manufacturer the right to approve the dealer operator and any material change in management or ownership of the dealership. Each manufacturer may terminate a dealer agreement under certain circumstances, such as a change in control of the dealership without manufacturer approval, the impairment of the

reputation or financial condition of the dealership, the death, removal or withdrawal of the dealer operator, the conviction of the dealership or the dealership's owner or dealer operator of certain crimes, the failure to adequately operate the dealership or maintain new vehicle financing arrangements, insolvency or bankruptcy of the dealership or a material breach of other provisions of the dealer agreement.

Many automobile manufacturers have developed policies regarding public ownership of dealerships. Policies implemented by manufacturers include the following restrictions:

- The ability to force the sale of their respective franchises upon a change in control of our company or a material change in the composition of our Board of Directors;
- The ability to force the sale of their respective franchises if an automobile manufacturer or distributor acquires more than 5% of the voting power of our securities; and
- The ability to force the sale of their respective franchises if an individual or entity (other than an automobile manufacturer or distributor) acquires more than 20% of the voting power of our securities, and the manufacturer disapproves of such individual's or entity's ownership interest.

To the extent that new or amended manufacturer policies restrict the number of dealerships which may be owned by a dealership group or the transferability of our common stock, such policies could have a material adverse effect on us. We believe that we will be able to renew at expiration all of our existing franchise and dealer agreements.

Many states have placed limitations upon manufacturers' and distributors' ability to sell new motor vehicles directly to customers in their respective states in an effort to protect dealers from practices they believe constitute unfair competition. In general, these statutes make it unlawful for a manufacturer or distributor to compete with a new motor vehicle dealer in the same brand operating under an agreement or franchise from the manufacturer or distributor in the relevant market area. Certain states, such as Florida, Georgia, Oklahoma, South Carolina, North Carolina and Virginia, limit the amount of time that a manufacturer may temporarily operate a dealership.

In addition, all of the states in which our dealerships currently do business require manufacturers to show "good cause" for terminating or failing to renew a dealer's franchise agreement. Further, each of the states provides some method for dealers to challenge manufacturer attempts to establish dealerships of the same brand in their relevant market area.

Competition

The retail automotive industry is highly competitive. Depending on the geographic market, we compete both with dealers offering the same brands and product lines as ours and dealers offering other manufacturers' vehicles. We also compete for vehicle sales with auto brokers, leasing companies and services offered on the Internet that provide customer referrals to other dealerships or who broker vehicle sales between customers and other dealerships. We compete with small, local dealerships and with large multi-franchise auto dealerships.

We believe that the principal competitive factors in vehicle sales are the location of dealerships, the marketing campaigns conducted by manufacturers, the ability of dealerships to offer an attractive selection of the most popular vehicles, pricing (including manufacturer rebates and other special offers) and the quality of customer service. Other competitive factors include customer preference for makes of automobiles and manufacturer warranties.

In addition to competition for vehicle sales, we also compete with other auto dealers, service stores, auto parts retailers and independent mechanics in providing parts and service. We believe that the principal competitive factors in parts and service sales are price, the use of factory-approved replacement parts, factory-trained technicians, the familiarity with a dealer's makes and models and the quality of customer service. A number of regional and national chains offer selected parts and services at prices that may be lower than our prices.

In arranging or providing financing for our customers' vehicle purchases, we compete with a broad range of financial institutions. In addition, financial institutions are now offering F&I products through the Internet, which may reduce our profits on these items. We believe the principal competitive factors in providing financing are convenience, interest rates and contract terms.

Our success depends, in part, on national and regional automobile-buying trends, local and regional economic factors and other regional competitive pressures. Conditions and competitive pressures affecting the markets in which we operate, such as price-cutting by dealers in these areas, or in any new markets we enter, could adversely affect us, even though the retail automobile industry as a whole might not be affected.

Governmental Regulations and Environmental Matters

Numerous federal and state regulations govern our business of marketing, selling, financing and servicing automobiles. We are also subject to laws and regulations relating to business corporations generally.

Under the laws of the states in which we currently operate as well as the laws of other states into which we may expand, we must obtain a license in order to establish, operate or relocate a dealership or operate an automotive repair service. These laws also regulate our conduct of business, including our sales, operating, advertising, financing and employment practices, including federal and state wage-hour, anti-discrimination and other employment practices laws.

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

Federal, state and local environmental regulations, including regulations governing air and water quality, the clean-up of contaminated property and the use, storage, handling, recycling and disposal of gasoline, oil and other materials, also apply to us and our dealership properties.

We believe that we comply in all material respects with the laws affecting our business. However, claims arising out of actual or alleged violations of laws may be asserted against us or our dealerships by individuals or governmental entities, and may expose us to significant damages or other penalties, including possible suspension or revocation of our licenses to conduct dealership operations and fines.

As with automobile dealerships generally, and service, parts and body shop operations in particular, our business involves the use, storage, handling and contracting for recycling or disposal of hazardous or toxic substances or wastes and other environmentally sensitive materials. Our business also involves the past and current operation and/or removal of above ground and underground storage tanks containing such substances or wastes. Accordingly, we are subject to regulation by federal, state and local authorities that establish health and environmental quality standards, provide for liability related to those standards, and in certain circumstances provide penalties for violations of those standards. We are also subject to laws, ordinances and regulations governing remediation of contamination at facilities we own or operate or to which we send hazardous or toxic substances or wastes for treatment, recycling or disposal.

We do not have any known material environmental liabilities and we believe that compliance with environmental laws and regulations will not, individually or in the aggregate, have a material adverse effect on our results of operations, financial condition and cash flows. However, soil and groundwater contamination is known to exist at certain properties used by us. Further, environmental laws and regulations are complex and subject to frequent change. In addition, in connection with our acquisitions, it is possible that we will assume or become subject to new or unforeseen environmental costs or liabilities, some of which may be material. We cannot assure you that compliance with current or amended, or new or more stringent, laws or regulations, stricter interpretations of existing laws or the future discovery of environmental conditions will not require additional expenditures by us, or that such expenditures will not be material.

Executive Officers of the Registrant

Our executive officers as of the date of this Form 10-K, are as follows:

<u>Name</u>	<u>Age</u>	<u>Position(s) with Sonic</u>
O. Bruton Smith	83	Chairman, Chief Executive Officer and Director
B. Scott Smith	42	President, Chief Strategic Officer and Director
Jeff Dyke	42	Executive Vice President of Operations
David P. Cospers	55	Vice Chairman and Chief Financial Officer
David B. Smith	35	Executive Vice President and Director

O. Bruton Smith, 83, is our Founder, Chairman, Chief Executive Officer and a director and has served as such since our formation in January 1997, and he currently is a director and executive officer of many of our subsidiaries. Mr. Smith has worked in the retail automobile industry since 1966. Mr. Smith is also the Chairman and Chief Executive Officer, a director and controlling stockholder of Speedway Motorsports, Inc. ("SMI"). SMI is a public company traded on the New York Stock Exchange (the "NYSE"). Among other things, SMI owns and operates the following NASCAR racetracks: Atlanta Motor Speedway, Bristol Motor Speedway, Charlotte Motor Speedway, Infineon Raceway, Las Vegas Motor Speedway, New Hampshire Motor Speedway, Texas Motor Speedway, and Kentucky Speedway. He is also an executive officer or a director of most of SMI's operating subsidiaries.

B. Scott Smith, 42, is our Co-Founder, President, Chief Strategic Officer and a director. Prior to his appointment as President in March 2007, Mr. Smith served as our Vice Chairman and Chief Strategic Officer since October 2002. He held the position of President and Chief Operating Officer from April 1997 to October 2002. Mr. Smith has been a director of our company since our organization was formed in January 1997. Mr. Smith also serves as a director and executive officer of many of our subsidiaries. Mr. Smith, who is the son of O. Bruton Smith and brother of David B. Smith, has been an executive officer of Town & Country Ford since 1993, and was a minority owner of both Town & Country Ford and Fort Mill Ford before our acquisition of these dealerships in 1997. Mr. Smith became the General Manager of Town & Country Ford in November 1992 where he remained until his appointment as President and Chief Operating Officer in April 1997. Mr. Smith has over twenty years experience in the automobile dealership industry.

Jeff Dyke, 42, is our Executive Vice President of Operations and is responsible for direct oversight for all retail automotive operations of Sonic. From March 2007 to October 2008, Mr. Dyke served as our Division Chief Operating Officer — South East Division, where he oversaw retail automotive operations for the states of Alabama, Georgia, Florida, North Carolina, Tennessee, Texas and South Carolina. Mr. Dyke first joined Sonic in October 2005 as its Vice President of Retail Strategy, a position that he held until April 2006, when he was promoted to Division Vice President — Eastern Division, a position he held from April 2006 to March 2007. Prior to joining Sonic, Mr. Dyke worked in the automotive retail industry at AutoNation from 1996 to 2005, where he held several positions in divisional, regional and dealership management with that company.

David P. Cospers, 55, is our Vice Chairman and Chief Financial Officer. In March 2007, Mr. Cospers was appointed to Vice Chairman after serving as Executive Vice President since March 2006. He joined Sonic Automotive on March 1, 2006 as an Executive Vice President and became our Chief Financial Officer and Treasurer on March 16, 2006. Mr. Cospers served as Treasurer through the end of 2006 and relinquished the position in February 2007. Prior to joining Sonic, he was Vice Chairman and Chief Financial Officer of Ford Motor Credit Company, a position held since 2003. From 1979, when he joined Ford Motor Company, Mr. Cospers served in a variety of positions in Ford Motor Company and Ford Motor Credit Company, including Vice President and Treasurer of Ford Motor Credit Company and Executive Director of Corporate Finance at Ford Motor Company. In such positions, he was responsible for worldwide profit analysis and treasury matters, risk management, business planning, and competitive and strategic analysis.

David B. Smith, 35, is our Executive Vice President and a director and has served our organization beginning in October 2000. Prior to being named a director and Executive Vice President of Sonic in October 2008, Mr. Smith, also a son of O. Bruton Smith and brother of B. Scott Smith, served as our Senior Vice President of Corporate Development since March 2007. Prior to that appointment, Mr. Smith served as our Vice President of Corporate Strategy from October 2005 to March 2007, and also served us prior to that time as Dealer Operator of our Arnold

Palmer Cadillac dealership from January 2004 to October 2005, our Fort Mill Ford dealership from January 2003 to January 2004, and our Town and Country Ford dealership from October 2000 to December 2002.

Employees

As of January 31, 2010, we employed approximately 9,200 people. We believe that our relationships with our employees are good. Approximately 239 of our employees, primarily service technicians in our Northern California markets are represented by a labor union. However, due to our dependence on automobile manufacturers, we may be affected by labor strikes, work slowdowns and walkouts at the manufacturers' manufacturing facilities.

Company Information

Our website is located at www.sonicautomotive.com. Our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as well as proxy statements and other information we file with, or furnish to, the Securities and Exchange Commission ("SEC") are available free of charge on our website. We make these documents available as soon as reasonably practicable after we electronically file them with, or furnish them to, the SEC. Except as otherwise stated in these documents, the information contained on our website or available by hyperlink from our website is not incorporated into this Annual Report on Form 10-K or other documents we file with, or furnish to, the SEC.

Item 1A: *Risk Factors*

Risks Related to Our Sources of Financing and Liquidity

Our significant indebtedness could materially adversely affect our financial health, limit our ability to finance future acquisitions and capital expenditures and prevent us from fulfilling our financial obligations.

As of December 31, 2009, our total outstanding indebtedness was approximately \$1.3 billion, including the following:

- \$766.7 million under the secured new and used inventory floor plan facilities, including \$3.3 million classified as liabilities associated with assets held for sale;
- \$142.7 million in 5.0% Convertible Senior Notes due 2029 which are redeemable by us and puttable by the holders after October 1, 2014 (the "5.0% Convertible Notes"), representing \$172.5 million in aggregate principal amount outstanding less unamortized discount of approximately \$29.8 million;
- \$16.4 million in 4.25% Senior Subordinated Convertible Notes due 2015 (the "4.25% Convertible Notes"), representing \$17.0 million in aggregate principal amount outstanding less unamortized discount of approximately \$0.6 million, all of which is classified as current;
- \$273.5 million in 8.625% Senior Subordinated Notes due 2013 (the "8.625% Notes"), representing \$275.0 million in aggregate principal amount outstanding less unamortized net discount of approximately \$1.5 million;
- \$116.9 million of mortgage notes, representing \$116.7 million in aggregate principal amount plus unamortized premium of approximately \$0.2 million, due from June 2013 to December 2029, with a weighted average interest rate of 5.1%; and
- \$26.6 million of other secured debt, representing \$24.1 million in aggregate principal amount plus unamortized premium of approximately \$2.5 million.

We refer to the \$150.0 million of availability under a syndicated revolving credit facility (the "2010 Revolving Credit Facility"), up to \$321.0 million in borrowing availability for new vehicle inventory floor plan financing and up to \$50.0 million in borrowing availability for used vehicle inventory floor plan financing (the "2010 Floor Plan Facilities"). We refer to the 2010 Revolving Credit Facility and 2010 Floor Plan Facilities collectively as our "2010 Credit Facilities". Effective upon the closing of our 2010 Revolving Credit Facility on January 15, 2010, we had

\$48.6 million available for additional borrowings under the 2010 Revolving Credit Facility based on the borrowing base calculation (as of December 31, 2009), which is affected by numerous factors including eligible asset balances, and the market value of certain additional collateral. We are able to borrow under our 2010 Revolving Credit Facility only if, at the time of the borrowing, we have met all representations and warranties and are in compliance with all financial and other covenants contained therein. We also have capacity to finance new and used vehicle inventory purchases under bilateral floor plan agreements with various manufacturer-affiliated finance companies and other lending institutions ("Silo Floor Plan Facilities") as well as our 2010 Floor Plan Facilities. In addition, the indentures relating to our 8.625% Notes, 5.0% Convertible Notes, 4.25% Convertible Notes and our other debt instruments allow us to incur additional indebtedness, including secured indebtedness, as long as we comply with the terms thereunder.

In addition, the majority of our dealership properties are leased under long-term operating lease arrangements that generally have initial terms of fifteen to twenty years with one or two ten-year renewal options. These operating leases require compliance with financial and operating covenants similar to those under our 2010 Credit Facilities, and monthly payments of rent that may fluctuate based on interest rates and local consumer price indices. The total future minimum lease payments related to these operating leases and certain equipment leases are significant and are disclosed in the notes to our financial statements under the heading "Commitments and Contingencies" in this Annual Report on Form 10-K.

As of December 31, 2009, we had approximately \$783.7 million of debt maturing in 2010. This amount included \$766.7 million outstanding related to our syndicated credit facility providing revolving credit and new and used floorplan financing by commercial banks and commercial finance entities (the "2006 Credit Facility") and the remaining \$17.0 million principal outstanding related to our 4.25% Convertible Notes. On January 15, 2010, we successfully refinanced the amounts outstanding under our 2006 Credit Facility with the 2010 Credit Facilities and the Silo Floor Plan Facilities. See Note 6 to the accompanying consolidated financial statements for further discussion of the terms under the 2010 Credit Facilities and Silo Floor Plan Facilities.

An acceleration of our obligation to repay all or a substantial portion of our outstanding indebtedness or lease obligations would have a material adverse effect on our business, financial condition or results of operations.

Our 2010 Credit Facilities, the indenture governing our 8.625% Notes and many of our facility operating leases contain numerous financial and operating covenants. A breach of any of these covenants could result in a default under the applicable agreement or indenture. If a default were to occur, we may be unable to adequately finance our operations and the value of our common stock would be materially adversely affected because of acceleration and cross default. In addition, a default under one agreement or indenture could result in a default and acceleration of our repayment obligations under the other agreements or indentures, including the indentures governing our outstanding 4.25% Convertible Notes, 5.0% Convertible Notes and the 8.625% Notes, under the cross default provisions in those agreements or indentures. If a cross default were to occur, we may not be able to pay our debts or borrow sufficient funds to refinance them. Even if new financing were available, it may not be on terms acceptable to us. As a result of this risk, we could be forced to take actions that we otherwise would not take, or not take actions that we otherwise might take, in order to comply with the covenants in these agreements and indentures.

Our ability to make interest and principal payments when due to holders of our debt securities depends upon our future performance.

Our ability to meet our debt obligations and other expenses will depend on our future performance, which will be affected by financial, business, domestic and foreign economic conditions, the regulatory environment and other factors, many of which we are unable to control. If our cash flow is not sufficient to service our debt as it becomes due, we may be required to refinance the debt, sell assets or sell shares of our common stock on terms that we do not find attractive. Further, our failure to comply with the financial and other restrictive covenants relating to the 2010 Credit Facilities and the indentures pertaining to our outstanding notes could result in a default under these agreements that would prevent us from borrowing under the 2010 Revolving Credit Facility, which would adversely affect our business, financial condition and results of operations.

Our ability to make interest and principal payments when due to holders of our debt securities depends upon the receipt of sufficient funds from our subsidiaries.

Substantially all of our consolidated assets are held by our subsidiaries and substantially all of our consolidated cash flow and net income are generated by our subsidiaries. Accordingly, our cash flow and ability to service debt depends to a substantial degree on the results of operations of our subsidiaries and upon the ability of our subsidiaries to provide us with cash. We may receive cash from our subsidiaries in the form of dividends, loans or distributions. We may use this cash to service our debt obligations or for working capital. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to distribute cash to us or to make funds available to service debt. In addition, the ability of our subsidiaries to pay dividends or make loans to us is subject to minimum net capital requirements under manufacturer franchise agreements and laws of the state in which a subsidiary is organized and depends to a significant degree on the results of operations of our subsidiaries and other business considerations.

The conversion of the 5.0% Convertible Notes and 4.25% Convertible Notes, if triggered, may adversely affect our liquidity and financial condition and results of operations.

If the conversion features of the 5.0% Convertible Notes and/or 4.25% Convertible Notes are triggered, holders of those notes will be entitled to convert their notes in accordance with the terms of the respective indenture governing such notes. We may be required to make cash payments to satisfy our conversion obligations. The amounts of these cash payments could have a material adverse effect on our liquidity. In addition, even if the holders of the 5.0% Convertible Notes do not elect to convert their respective notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the notes as a current rather than long-term liability, which could result in a material reduction of our net working capital or could have a material adverse effect on our financial condition and results of operations.

We depend on the performance of sublessees to offset costs related to certain of our lease agreements.

In most cases when we sell a dealership franchise, the buyer of the franchise will sublease the dealership property from us, but we are not released from the underlying lease obligation to the primary landlord. We rely on the sublease income from the buyer to offset the expense incurred related to our obligation to pay the primary landlord. We also rely on the buyer to maintain the property in accordance with the terms of the sublease (which in most cases mirror the terms of the lease we have with the primary landlord). Although we assess the financial condition of a buyer at the time we sell the franchise, and seek to obtain guarantees of the buyer's sublease obligation from the stockholders or affiliates of the buyer, the financial condition of the buyer and/or the sublease guarantors may deteriorate over time. In the event the buyer does not perform under the terms of the sublease agreement (due to the buyer's financial condition or other factors), we may not be able to recover amounts owed to us under the terms of the sublease agreement or the related guarantees. Our operating results, financial condition and cash flows may be materially adversely affected if sublessees do not perform their obligations under the terms of the sublease agreements.

Our use of hedging transactions could limit our gains and result in financial losses.

To reduce our exposure to fluctuations in cash flow due to interest rate fluctuations, we have entered into, and in the future expect to enter into, derivative instruments (or hedging agreements). No hedging activity can completely insulate us from the risks associated with changes in interest rates. As of December 31, 2009, we had interest rate swap agreements to effectively convert a portion of our LIBOR-based variable rate debt to a fixed rate. See "*Derivative Instruments and Hedging Activities*" under Note 6 to our accompanying consolidated financial statements. We generally intend to hedge as much of the interest rate risk as management determines is in our best interests given the cost of such hedging transactions.

Our hedging transactions expose us to certain risks and financial losses, including, among other things:

- counterparty credit risk;

- available interest rate hedging may not correspond directly with the interest rate risk for which we seek protection;
- the duration of the amount of the hedge may not match the duration or amount of the related liability;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs our ability to sell or assign our side of the hedging transaction; and
- the value of derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair-value. Downward adjustments, or “mark-to-market losses,” would reduce our stockholders’ equity.

A failure on our part to effectively hedge against interest rate changes may adversely affect our financial condition and results of operations.

Risks Related to Our Relationships with Vehicle Manufacturers

Our operations may be adversely affected if one or more of our manufacturer franchise agreements is terminated or not renewed.

Each of our dealerships operates under a franchise agreement with the applicable automobile manufacturer or distributor. Without a franchise agreement, we cannot obtain new vehicles from a manufacturer or advertise as an authorized factory service center. As a result, we are significantly dependent on our relationships with the manufacturers.

Manufacturers exercise a great degree of control over the operations of our dealerships through the franchise agreements. The franchise agreements govern, among other things, our ability to purchase vehicles from the manufacturer and to sell vehicles to customers. Each of our franchise agreements provides for termination or non-renewal for a variety of causes, including certain changes in the financial condition of the dealerships and any unapproved change of ownership or management. Manufacturers may also have a right of first refusal if we seek to sell dealerships.

Actions taken by manufacturers to exploit their superior bargaining position in negotiating the terms of franchise agreements or renewals of these agreements or otherwise could also have a material adverse effect on our results of operations, financial condition and cash flows. We cannot guarantee that any of our existing franchise agreements will be renewed or that the terms and conditions of such renewals will be favorable to us.

Our sales volume and profit margin on each sale may be materially adversely affected if manufacturers discontinue or change their incentive programs.

Our dealerships depend on the manufacturers for certain sales incentives, warranties and other programs that are intended to promote and support dealership new vehicle sales. Manufacturers routinely modify their incentive programs in response to changing market conditions. Some of the key incentive programs include:

- customer rebates or below market financing on new and used vehicles;
- employee pricing;
- dealer incentives on new vehicles;
- manufacturer floor plan interest and advertising assistance;
- warranties on new and used vehicles; and
- sponsorship of used vehicle sales by authorized new vehicle dealers.

Manufacturers frequently offer incentives to potential customers. A reduction or discontinuation of a manufacturer’s incentive programs may materially adversely impact vehicle demand and affect our profitability.

Our sales volume may be materially adversely affected if manufacturer captives change their customer financing programs or are unable to provide floor plan financing.

One of the primary finance sources used by consumers in connection with the purchase of a new or used vehicle is the manufacturer captive finance companies. These captive finance companies rely, to a certain extent, on the public debt markets to provide the capital necessary to support their financing programs. In addition, the captive finance companies will occasionally change their loan underwriting criteria to alter the risk profile of their loan portfolio. A limitation or reduction of available consumer financing for these or other reasons could affect consumers' ability to purchase a vehicle, and thus, could have a material adverse effect on our sales volume.

Our parts and service sales volume and profitability are dependent on manufacturer warranty programs.

Franchised automotive retailers perform factory authorized service work and sell original replacement parts on vehicles covered by warranties issued by the automotive manufacturer. Dealerships which perform work covered by a manufacturer warranty are reimbursed at rates established by the manufacturer. For the year ended December 31, 2009, approximately 18.6% of our parts and service revenue was for work covered by manufacturer warranties. To the extent a manufacturer reduces the labor rates or markup of replacement parts for such warranty work, our fixed operations sales volume and profitability could be adversely affected.

We depend on manufacturers to supply us with sufficient numbers of popular and profitable new models.

Manufacturers typically allocate their vehicles among dealerships based on the sales history of each dealership. Supplies of popular new vehicles may be limited by the applicable manufacturer's production capabilities. Popular new vehicles that are in limited supply typically produce the highest profit margins. We depend on manufacturers to provide us with a desirable mix of popular new vehicles. Our operating results may be materially adversely affected if we do not obtain a sufficient supply of these vehicles.

A decline in the quality of vehicles we sell, or consumers' perception of the quality of those vehicles may adversely affect our business.

Our business is highly dependent on consumer demand and preferences. Events such as manufacturer recalls, negative publicity or legal proceedings related to these events may have a negative impact on the products we sell. If such events are significant, the profitability of our franchises related to those manufacturers' could be adversely affected and we could experience a material adverse affect on our overall results of operations, financial position and cash flows.

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

On June 1, 2009, General Motors Corp. and certain of its subsidiaries ("General Motors") filed for Chapter 11 bankruptcy protection. On July 10, 2009, General Motors emerged from bankruptcy as the new General Motors Company, with the former General Motors Corp. henceforth known as Motors Liquidation Company. Six of our General Motors dealerships, representing twelve franchises, including three Hummer franchises at multi-franchise dealerships, two Saab franchises at multi-franchise dealerships and one additional General Motors franchise at a multi-franchise dealership received letters stating that the franchise agreements between General Motors and us will not be continued by General Motors on a long-term basis. General Motors has offered assistance with winding down the operations of these franchises in exchange for our execution of termination agreements. We executed all of the termination agreements. Assistance to be received from General Motors totals \$3.3 million, of which \$0.8 million has been received as of December 31, 2009. Approximately \$0.4 million has been recorded as a receivable from General Motors as of December 31, 2009 related to one of our terminated franchises, however, the remaining assistance has not been recorded as a receivable from General Motors as of December 31, 2009 due to certain conditions required for the additional payments to occur which had not yet been satisfied. We recorded certain impairment charges and lease exit accruals in results of operations related to several of the General Motors franchises which received termination letters. See the heading "Impairments and Other Charges" included in

Management's Discussion and Analysis of Financial Condition and Results of Operations for further discussion of these charges. The termination agreements provide for the following:

- The termination of the franchise agreement no earlier than January 1, 2010 and no later than October 31, 2010 (we were allowed to terminate six franchises at six dealership locations during the fourth quarter of 2009);
- The assignment and assumption of the franchise agreement by the purchaser of General Motors' assets;
- The payment of financial assistance to the franchisee in installments in connection with the orderly winding down of the franchise operations;
- The waiver of any other termination assistance of any kind that may have been required under the franchise agreement;
- The release of claims against General Motors or the purchaser of General Motors' assets and their related parties;
- The continuation of franchise operations pursuant to the franchise agreement, as supplemented by the termination agreement, through the effective date of termination of the franchise agreement, except that we shall not be entitled to order any new vehicles from General Motors or the purchaser of General Motors' assets; and
- A restriction on our ability to transfer the franchise agreement to another party.

For the remaining General Motors franchises we executed "continuation agreements" which require, among other things, that existing franchise agreements will expire no later than October 31, 2010. In consideration of the execution of the "continuation agreements" General Motors recommended to the bankruptcy court the continuation or assumption of our existing franchise agreements, as amended by the "continuation agreements". All of our franchises that executed "continuation agreements" were assumed by the post-bankruptcy General Motors. We cannot be assured that General Motors will renew our franchise agreements when they expire on October 31, 2010.

With the exception of (1) product liability indemnifications, (2) amounts owed to us through incentive programs, (3) amounts currently owed to our franchisees under their open accounts with General Motors and (4) warranty claims occurring within 90 days prior to June 1, 2009, all amounts owed to us from General Motors were extinguished as a result of the execution of the termination and continuation agreements. A motion was made by General Motors to the bankruptcy court and the motion was granted by the bankruptcy court allowing General Motors to pay the claims noted in (1) — (4) above. As a result, we have received payments related to all pre-bankruptcy claims.

On June 2, 2009, General Motors announced that Chinese equipment manufacturer Sichuan Tengzhong Heavy Industrial Machinery Co. ("STHIMC") will buy its Hummer brand. On October 9, 2009, the two parties signed a definitive asset purchase agreement. As of December 31, 2009, we operated three Hummer franchises at three dealership locations. It is uncertain whether STHIMC will continue supporting the Hummer brand or whether STHIMC's ownership of the Hummer brand will have a positive or negative impact on our Hummer franchisees' operations, however all three of our Hummer franchisees are scheduled to be terminated prior to October 31, 2010 in accordance with the termination agreement reached with General Motors, discussed above.

Although General Motors originally attempted to sell its Saturn brand, on September 30, 2009, General Motors announced it plans to discontinue the Saturn brand. As of December 31, 2009, we no longer operated any Saturn franchisees.

On April 30, 2009, Chrysler LLC filed for bankruptcy protection and submitted a plan of reorganization. On June 10, 2009, Fiat SpA purchased a substantial portion of Chrysler's assets which include rights related to our franchise agreements. As of December 31, 2009, we owned six Chrysler franchisees at two dealership locations. It is uncertain whether Fiat will continue supporting the Chrysler brand or whether Fiat's ownership of the Chrysler brand will have a positive or negative impact on our Chrysler franchisees' operations.

At December 31, 2009 we had the following balances recorded related to General Motors and Chrysler:

	December 31,
	2009
	(Dollars in millions)
General Motors	
New Vehicle Inventory	\$ 77.8
Parts Inventory	9.8
Factory Receivables	8.9
Property and Equipment, net	15.9
Franchise Assets	15.9
Chrysler	
New Vehicle Inventory	4.9
Parts Inventory	1.0
Factory Receivables	0.3
Property and Equipment, net	1.3
Franchise Assets	—

The manner in which these manufactures maintain relations with their franchisees may change as a result of the bankruptcy filings and subsequent emergence from bankruptcy. We can give no assurances that future practices of these manufactures will be consistent with the way they have historically operated.

In addition, we rely on the affiliated manufacturer captive finance company of General Motors for new vehicle floor plan financing. Deteriorating financial condition of domestic manufacturers or other vehicle manufacturers could result in an attempt by the related captive finance company to terminate our floor plan financing, which would have a material adverse impact on our operations and liquidity position.

Manufacturer stock ownership restrictions may impair our ability to maintain or renew franchise agreements or issue additional equity.

Some of our franchise agreements prohibit transfers of any ownership interests of a dealership and, in some cases, its parent, without prior approval of the applicable manufacturer. A number of manufacturers impose restrictions on the transferability of our Class A common stock and our ability to maintain franchises if a person acquires a significant percentage of the voting power of our common stock. Our existing franchise agreements could be terminated if a person or entity acquires a substantial ownership interest in us or acquires voting power above certain levels without the applicable manufacturer's approval. Violations of these levels by an investor are generally outside of our control and may result in the termination or non-renewal of existing franchise agreements or impair our ability to negotiate new franchise agreements for dealerships we acquire in the future. In addition, if we cannot obtain any requisite approvals on a timely basis, we may not be able to issue additional equity or otherwise raise capital on terms acceptable to us. These restrictions may also prevent or deter a prospective acquirer from acquiring control of us.

The current holders of our Class B common stock maintain voting control over us. However, we are unable to prevent our stockholders from transferring shares of our common stock, including transfers by holders of the Class B common stock. If such transfer results in a change in control, it could result in the termination or non-renewal of one or more of our existing franchise agreements, the triggering of provisions in our agreements with certain manufacturers requiring us to sell our dealerships franchised with such manufacturers and/or a default under our credit arrangements.

Our dealers depend upon new vehicle sales and, therefore, their success depends in large part upon customer demand for the particular vehicles they carry.

The success of our dealerships depends in large part on the overall success of the vehicle lines they carry. New vehicle sales generate the majority of our total revenue and lead to sales of higher-margin products and services such as finance, insurance, vehicle protection products and other aftermarket products, and parts and service operations.

Although we have sought to limit our dependence on any one vehicle brand, and our parts and service operations and used vehicle sales may serve to offset some of this risk, we have focused our new vehicle sales operations in mid-line import and luxury brands.

Our failure to meet a manufacturer's customer satisfaction, financial and sales performance and facility requirements may adversely affect our ability to acquire new dealerships and our profitability.

Many manufacturers attempt to measure customers' satisfaction with their sales and warranty service experiences through manufacturer-determined CSI scores. The components of CSI vary from manufacturer to manufacturer and are modified periodically. Franchise agreements also may impose financial and sales performance standards. Under our agreements with certain manufacturers, a dealership's CSI scores, sales and financial performance may be considered a factor in evaluating applications for additional dealership acquisitions. From time to time, some of our dealerships have had difficulty meeting various manufacturers' CSI requirements or performance standards. We cannot assure you that our dealerships will be able to comply with these requirements in the future. A manufacturer may refuse to consent to an acquisition of one of its franchises if it determines our dealerships do not comply with its CSI requirements or performance standards, which could impair the execution of our acquisition strategy. In addition, we receive incentive payments from the manufacturers based, in part, on CSI scores, which could be materially adversely affected if our CSI scores decline.

In addition, a manufacturer may condition its allotment of vehicles, participation in bonus programs, or acquisition of additional franchises upon our compliance with its facility standards. This may put us in a competitive disadvantage with other competing dealerships and may ultimately result in our decision to sell a franchise when we believe it may be difficult to recover the cost of the required investment to reach the manufacturer's facility standards.

If state dealer laws are repealed or weakened, our dealerships will be more susceptible to termination, non-renewal or renegotiation of their franchise agreements.

State dealer laws generally provide that a manufacturer may not terminate or refuse to renew a franchise agreement unless it has first provided the dealer with written notice setting forth good cause and stating the grounds for termination or nonrenewal. Some state dealer laws allow dealers to file protests or petitions or attempt to comply with the manufacturer's criteria within the notice period to avoid the termination or nonrenewal. Though unsuccessful to date, manufacturers' lobbying efforts may lead to the repeal or revision of state dealer laws. If dealer laws are repealed in the states in which we operate, manufacturers may be able to terminate our franchises without providing advance notice, an opportunity to cure or a showing of good cause. Without the protection of state dealer laws, it may also be more difficult for our dealers to renew their franchise agreements upon expiration.

In addition, these laws restrict the ability of automobile manufacturers to directly enter the retail market in the future. However, the ability of a manufacturer to grant additional franchises is based on several factors which are not within our control. If manufacturers grant new franchises in areas near or within our existing markets, this could significantly impact our revenues and/or profitability. Further, if manufacturers obtain the ability to directly retail vehicles and do so in our markets, such competition could have a material adverse effect on us.

Risks Related to Our Acquisition Strategy

Pursuant to the terms of the 2010 Credit Facilities, our ability to make acquisitions is restricted.

Pursuant to the 2010 Credit Facilities, we are restricted from making acquisitions in any fiscal year if the aggregate cost of all acquisitions occurring in such fiscal year is in excess of \$25.0 million, without the written consent of the Required Lenders (as that term is defined in the 2010 Credit Facilities). With this restriction on our ability to make acquisitions, our growth strategy may be limited. In addition, we may have to forfeit the opportunity to acquire profitable dealerships at attractive valuations.

We may not be able to capitalize on acquisition opportunities because our ability to obtain capital to fund these acquisitions is limited.

We intend to finance our acquisitions with cash generated from operations, through issuances of our stock or debt securities and through borrowings under credit arrangements. We may not be able to obtain additional financing by issuing stock or debt securities due to the market price of our Class A common stock, overall market conditions, and covenants under our 2010 Credit Facilities which restrict our ability to issue additional indebtedness, or the need for manufacturer consent to the issuance of equity securities. Using cash to complete acquisitions could substantially limit our operating or financial flexibility.

In addition, we are dependent to a significant extent on our ability to finance our new vehicle inventory with “floor plan financing.” Floor plan financing arrangements allow us to borrow money to buy a particular vehicle from the manufacturer and pay off the loan when we sell that particular vehicle. We must obtain new floor plan financing or obtain consents to assume existing floor plan financing in connection with our acquisition of dealerships.

Substantially all the assets of our dealerships are pledged to secure the indebtedness under our Silo Floor Plan Facilities and the 2010 Credit Facilities. These pledges may impede our ability to borrow from other sources. Moreover, because the identified manufacturer-affiliated finance subsidiaries are either owned or affiliated with BMW, Mercedes, Ford, General Motors and Toyota, respectively, any deterioration of our relationship with the particular manufacturer-affiliated finance subsidiary could adversely affect our relationship with the affiliated manufacturer, and vice-versa.

Manufacturers’ restrictions on acquisitions could limit our future growth.

We are required to obtain the approval of the applicable manufacturer before we can acquire an additional dealership franchise of that manufacturer. In determining whether to approve an acquisition, manufacturers may consider many factors such as our financial condition and CSI scores. Obtaining manufacturer approval of acquisitions also takes a significant amount of time, typically three to five months. We cannot assure you that manufacturers will approve future acquisitions or do so on a timely basis, which could impair the execution of our acquisition strategy.

Certain manufacturers also limit the number of its dealerships that we may own, our national market share of that manufacturer’s products or the number of dealerships we may own in a particular geographic area. In addition, under an applicable franchise agreement or under state law, a manufacturer may have a right of first refusal to acquire a dealership that we seek to acquire.

A manufacturer may condition approval of an acquisition on the implementation of material changes in our operations or extraordinary corporate transactions, facilities improvements or other capital expenditures. If we are unable or unwilling to comply with these conditions, we may be required to sell the assets of that manufacturer’s dealerships or terminate our franchise agreement.

Failure to effectively integrate acquired dealerships with our existing operations could adversely affect our future operating results.

Our future operating results depend on our ability to integrate the operations of recently acquired dealerships, as well as dealerships we acquire in the future, with our existing operations. In particular, we need to integrate our management information systems, procedures and organizational structures, which can be difficult. Our growth strategy has focused on the pursuit of strategic acquisitions that either expand or complement our business.

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

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

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

We may not adequately anticipate all of the demands that growth through acquisitions will impose.

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

- incurring significantly higher capital expenditures and operating expenses;
- failing to assimilate the operations and personnel of acquired dealerships;
- entering new markets with which we are unfamiliar;
- potential undiscovered liabilities and operational difficulties at acquired dealerships;
- disrupting our ongoing business;
- diverting our management resources;
- failing to maintain uniform standards, controls and policies;
- impairing relationships with employees, manufacturers and customers as a result of changes in management;
- increased expenses for accounting and computer systems, as well as integration difficulties;
- failure to obtain a manufacturer's consent to the acquisition of one or more of its dealership franchises or renew the franchise agreement on terms acceptable to us; and
- incorrectly valuing entities to be acquired.

We may not adequately anticipate all of the demands that growth will impose on our systems, procedures and structures.

We may not be able to reinstitute our acquisition strategy without the costs of future acquisitions escalating.

We have grown our business primarily through acquisitions. We may not be able to consummate any future acquisitions at acceptable prices and terms or identify suitable candidates. In addition, increased competition for acquisition candidates could result in fewer acquisition opportunities for us and higher acquisition prices. The magnitude, timing, pricing and nature of future acquisitions will depend upon various factors, including:

- the availability of suitable acquisition candidates;
- competition with other dealer groups for suitable acquisitions;
- the negotiation of acceptable terms with the seller and with the manufacturer;
- our financial capabilities and ability to obtain financing on acceptable terms;
- our stock price; and
- the availability of skilled employees to manage the acquired companies.

We may not be able to determine the actual financial condition of dealerships we acquire until after we complete the acquisition and take control of the dealerships.

The operating and financial condition of acquired businesses cannot be determined accurately until we assume control. Although we conduct what we believe to be a prudent level of investigation regarding the operating and financial condition of the businesses we purchase, in light of the circumstances of each transaction, an unavoidable level of risk remains regarding the actual operating condition of these businesses. Similarly, many of the dealerships we acquire, including some of our largest acquisitions, do not have financial statements audited or prepared in accordance with generally accepted accounting principles. We may not have an accurate understanding of the historical financial condition and performance of our acquired entities. Until we actually assume control of business

assets and their operations, we may not be able to ascertain the actual value or understand the potential liabilities of the acquired entities and their operations.

Although O. Bruton Smith, our chairman and chief executive officer, and his affiliates have previously assisted us with obtaining financing, we cannot assure you that he or they will be willing or able to do so in the future.

Our obligations under the 2010 Credit Facilities are secured with a pledge of five million shares of Speedway Motorsports, Inc. Common Stock, a publicly traded owner and operator of automobile racing facilities. These shares of Speedway Motorsports, Inc. Common Stock are owned by Sonic Financial Corporation ("SFC"), an entity controlled by Mr. Smith. Presently, the \$150.0 million borrowing limit of our 2010 Revolving Credit Facility is subject to a borrowing base calculation that is based, in part, on the value of the Speedway Motorsports shares pledged by SFC. Consequently, a withdrawal of this pledge by SFC or a significant decrease in the value of Speedway Motorsports common stock could reduce the amount we can borrow under the 2010 Revolving Credit Facility.

Risks Related to the Automotive Retail Industry

Increasing competition among automotive retailers reduces our profit margins on vehicle sales and related businesses. Further, the use of the Internet in the vehicle purchasing process could materially adversely affect us.

Automobile retailing is a highly competitive business. Our competitors include publicly and privately owned dealerships, some of which are larger and have greater financial and marketing resources than we do. Many of our competitors sell the same or similar makes of new and used vehicles that we offer in our markets at competitive prices. We do not have any cost advantage in purchasing new vehicles from manufacturers due to economies of scale or otherwise. We typically rely on advertising, merchandising, sales expertise, service reputation and dealership location to sell new vehicles. Our revenues and profitability could be materially adversely affected if manufacturers decide to enter the retail market directly.

Our F&I business and other related businesses, which have higher margins than sales of new and used vehicles, are subject to strong competition from various financial institutions and other third parties.

The Internet has become a significant part of the sales process in our industry. Customers are using the Internet to compare pricing for vehicles and related F&I services, which may further reduce margins for new and used vehicles and profits for related F&I services. If Internet new vehicle sales are allowed to be conducted without the involvement of franchised dealers, our business could be materially adversely affected. In addition, other franchise groups have aligned themselves with services offered on the Internet or are investing heavily in the development of their own Internet capabilities, which could materially adversely affect our business.

Our franchise agreements do not grant us the exclusive right to sell a manufacturer's product within a given geographic area. Our revenues or profitability could be materially adversely affected if any of our manufacturers award franchises to others in the same markets where we operate or if existing franchised dealers increase their market share in our markets.

We may face increasingly significant competition as we strive to gain market share through acquisitions or otherwise. Our operating margins may decline over time as we expand into markets where we do not have a leading position.

Our business will be harmed if overall consumer demand continues to suffer from a severe or sustained downturn.

Our business is heavily dependent on consumer demand and preferences. Our revenues have been materially and adversely affected by the recent downturn in overall levels of consumer spending. Retail vehicle sales are cyclical and historically have experienced periodic downturns characterized by oversupply and weak demand. These cycles are often dependent on general economic conditions and consumer confidence, as well as the level of

discretionary personal income and credit availability. Economic conditions may have a material adverse effect on our retail business, particularly sales of new and used automobiles.

In addition, severe or sustained increases in gasoline prices may lead to a reduction in automobile purchases or a shift in buying patterns from luxury and sport utility vehicle models (which typically provide high margins to retailers) to smaller, more economical vehicles (which typically have lower margins).

A decline of available financing in the lending market has, and may continue to, adversely affect our vehicle sales volume.

A significant portion of vehicle buyers, particularly in the used car market, finance their purchases of automobiles. Sub-prime lenders have historically provided financing for consumers who, for a variety of reasons including poor credit histories and lack of down payment, do not have access to more traditional finance sources. In the event lenders further tighten their credit standards or there is a further decline in the availability of credit in the lending market, the ability of these consumers to purchase vehicles could be limited which could have a material adverse effect on our business, revenues and profitability.

Our business may be adversely affected by import product restrictions and foreign trade risks that may impair our ability to sell foreign vehicles profitably.

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

The seasonality of our business magnifies the importance of second and third quarter operating results.

Our business is subject to seasonal variations in revenues. In our experience, demand for automobiles is generally lower during the first and fourth quarters of each year. We therefore receive a disproportionate amount of revenues generally in the second and third quarters and expect our revenues and operating results to be generally lower in the first and fourth quarters. Consequently, if conditions surface during the second and third quarters that impair vehicle sales, such as higher fuel costs, depressed economic conditions or similar adverse conditions, our revenues for the year could be adversely affected.

General Risks Related to Investing in Our Securities

Concentration of voting power and anti-takeover provisions of our charter, bylaws, Delaware law and our dealer agreements may reduce the likelihood of any potential change of control.

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

- “going private” transaction;
- disposition of substantially all of our assets;
- transfer resulting in a change in the nature of our business; or
- merger or consolidation in which current holders of common stock would own less than 50% of the common stock following such transaction.

The holders of Class B common stock currently hold less than a majority of our outstanding common stock, but a majority of our voting power (which include O. Bruton Smith, Sonic's Chairman, Chief Executive Officer and Director, his family members and entities they control). This may prevent or discourage a change of control of us even if the action was favored by holders of Class A common stock.

Our charter and bylaws make it more difficult for our stockholders to take corporate actions at stockholders' meetings. In addition, stock options, restricted stock and restricted stock units granted under our 1997 Stock Option Plan and 2004 Stock Incentive Plan become immediately exercisable or automatically vest upon a change in control. Delaware law also makes it difficult for stockholders who have recently acquired a large interest in a company to consummate a business combination transaction with the company against its directors' wishes. Finally, restrictions imposed by our dealer agreements may impede or prevent any potential takeover bid. Generally, our franchise agreements allow the manufacturers the right to terminate the agreements upon a change of control of our company and impose restrictions upon the transferability of any significant percentage of our stock to any one person or entity who may be unqualified, as defined by the manufacturer, to own one of its dealerships. The inability of a person or entity to qualify with one or more of our manufacturers may prevent or seriously impede a potential takeover bid. In addition, provisions of our lending arrangements create an event of default on a change in control. These agreements, corporate governance documents and laws may have the effect of delaying or preventing a change in control or preventing stockholders from realizing a premium on the sale of their shares if we were acquired.

The outcome of legal and administrative proceedings we are or may become involved in could have an adverse effect on our business, results of operations and profitability.

We are involved, and expect to continue to be involved, in numerous legal and administrative proceedings arising out of the conduct of our business, including regulatory investigations and private civil actions brought by plaintiffs purporting to represent a potential class or for which a class has been certified.

Several private civil actions have been filed against Sonic Automotive, Inc. and several of our dealership subsidiaries that purport to represent classes of customers as potential plaintiffs and make allegations that certain products sold in the finance and insurance departments were done so in a deceptive or otherwise illegal manner. One of these private civil actions has been filed in South Carolina state court against Sonic Automotive, Inc. and ten of our South Carolina subsidiaries. This group of plaintiffs' attorneys has filed another one of these private civil class action lawsuits in state court in North Carolina seeking certification of a multi-state class of plaintiffs. The South Carolina state court action and the North Carolina state court action have since been consolidated into a single proceeding in private arbitration. On November 12, 2008, claimants in the consolidated arbitration filed a Motion for Class Certification as a national class action including all of the states in which we operate dealerships. Claimants are seeking monetary damages and injunctive relief on behalf of this class of customers. The parties have briefed and argued the issue of class certification and an order from the arbitrator on class certification is expected in 2010. If a class is certified against us and our dealerships, there would still be a hearing to determine the merits of claimants' claims and potential liability. We currently intend to continue our vigorous defense of this combined arbitration proceeding and to assert all available defenses.

Several of our South Carolina dealership subsidiaries are defendants, along with most of the automobile dealerships in the State of South Carolina, in a private civil lawsuit filed in Aiken County, South Carolina state court, *Herron, et al. v CarMax, et al.* and/or two related lawsuits. The plaintiffs in these lawsuits allege that the manner in which South Carolina dealerships charged customers administrative fees in connection with the sale of motor vehicles violated applicable South Carolina law and seek monetary damages. Our dealership named in the *Herron* suit, Century BMW, previously moved to compel arbitration of the claims asserted against it. The trial court denied that Motion to Compel Arbitration. Century BMW appealed the decision and the appeal was taken by the South Carolina Supreme Court and argued in January 2010. The South Carolina Supreme Court will likely render a decision on that appeal in 2010. If the trial court's decision is affirmed, Century BMW will proceed in the *Herron* lawsuit like the other defendants. If the trial court's decision is reversed, then Century BMW's claim will proceed in arbitration. We currently intend to continue our vigorous defense of these lawsuits and to assert all available defenses.

The outcomes of the civil actions brought by plaintiffs purporting to represent a class of customers, as well as other pending and future legal proceedings arising out of the conduct of our business, including litigation with customers, employment related lawsuits, contractual disputes, class actions, purported class actions and actions brought by governmental authorities, cannot be predicted with certainty. An unfavorable resolution of one or more of these matters could result in the payment of significant costs and damages, which could have a material adverse effect on our business, financial condition, results of operations, cash flows or prospects.

Our company is a defendant in the matter of *Galura, et al. v. Sonic Automotive, Inc.*, a private civil action filed in the Circuit Court of Hillsborough County, Florida. In this action, originally filed on December 30, 2002, the plaintiffs allege that we and our Florida dealerships sold an anti-theft protection product in a deceptive or otherwise illegal manner, and further sought representation on behalf of any customer of any of our Florida dealerships who purchased the anti-theft protection product since December 30, 1998. The plaintiffs are seeking monetary damages and injunctive relief on behalf of this class of customers. In June 2005, the court granted the plaintiffs' motion for certification of the requested class of customers, but the court has made no finding to date regarding actual liability in this lawsuit. We have subsequently filed a notice of appeal of the court's class certification ruling with the Florida Court of Appeals. In April 2007, the Florida Court of Appeals affirmed a portion of the trial court's class certification, and overruled a portion of the trial court's class certification. In November 2009, the Florida trial court granted Summary Judgment in our favor against Plaintiff Enrique Galura, and his claim has been dismissed. Marisa Hazelton's claim is still pending. We currently intend to continue our vigorous defense of this lawsuit, including the aforementioned appeal of the trial court's class certification order, and to assert available defenses. However, an adverse resolution of this lawsuit could result in the payment of significant costs and damages, which could have a material adverse effect on our future results of operations, financial condition and cash flows.

Our business may be adversely affected by claims alleging violations of laws and regulations in our advertising, sales and finance and insurance activities.

Our business is highly regulated. In the past several years, private plaintiffs and state attorney generals have increased their scrutiny of advertising, sales, and finance and insurance activities in the sale and leasing of motor vehicles. The conduct of our business is subject to numerous federal, state and local laws and regulations regarding unfair, deceptive and/or fraudulent trade practices (including advertising, marketing, sales, insurance, repair and promotion practices), truth-in-lending, consumer leasing, fair credit practices, equal credit opportunity, privacy, insurance, motor vehicle finance, installment finance, closed-end credit, usury and other installment sales. Claims arising out of actual or alleged violations of law may be asserted against us or any of our dealers by individuals, either individually or through class actions, or by governmental entities in civil or criminal investigations and proceedings. Such actions may expose us to substantial monetary damages and legal defense costs, injunctive relief and criminal and civil fines and penalties, including suspension or revocation of our licenses and franchises to conduct dealership operations.

Our business may be adversely affected by unfavorable conditions in our local markets, even if those conditions are not prominent nationally.

Our performance is subject to local economic, competitive, weather and other conditions prevailing in geographic areas where we operate. We may not be able to expand geographically and any geographic expansion may not adequately insulate us from the adverse effects of local or regional economic conditions. In addition, due to the provisions and terms contained in our operating lease agreements, we may not be able to relocate a dealership operation to a more favorable location without incurring significant costs or penalties.

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

Our success depends to a significant degree upon the continued contributions of our management team, particularly our senior management, and service and sales personnel. Additionally, manufacturer franchise agreements may require the prior approval of the applicable manufacturer before any change is made in franchise general managers. We do not have employment agreements with certain members of our senior management team,

our dealership managers and other key dealership personnel. Consequently, the loss of the services of one or more of these key employees could have a material adverse effect on our results of operations.

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

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

We are subject to a wide range of federal, state and local laws and regulations, such as local licensing requirements, retail financing and consumer protection laws and regulations, and wage-hour, anti-discrimination and other employment practices laws and regulations. Our facilities and operations are also subject to federal, state and local laws and regulations relating to environmental protection and human health and safety, including those governing wastewater discharges, air emissions, the operation and removal of underground and aboveground storage tanks, the use, storage, treatment, transportation, release, recycling and disposal of solid and hazardous materials and wastes and the cleanup of contaminated property or water. The violation of these laws and regulations can result in administrative, civil or criminal penalties against us or in a cease and desist order against our operations that are not in compliance. Our future acquisitions may also be subject to regulation, including antitrust reviews. We believe that we comply in all material respects with all laws and regulations applicable to our business, but future regulations may be more stringent and require us to incur significant additional compliance costs.

Our past and present business operations are subject to environmental laws and regulations. We may be required by these laws to pay the full amount of the costs of investigation and/or remediation of contaminated properties, even if we are not at fault for disposal of the materials or if such disposal was legal at the time. Like many of our competitors, we have incurred, and will continue to incur, capital and operating expenditures and other costs in complying with these laws and regulations. In addition, soil and groundwater contamination exists at certain of our properties. We cannot assure you that our other properties have not been or will not become similarly contaminated. In addition, we could become subject to potentially material new or unforeseen environmental costs or liabilities because of our acquisitions.

Climate change legislation or regulations restricting emission of "greenhouse gases" could result in increased operating costs and reduced demand for the vehicles we sell.

On December 15, 2009, the U.S. Environmental Protection Agency ("EPA") published its findings that emissions of carbon dioxide, methane and other "greenhouse gases" present an endangerment to public health and the environment because emissions of such gases are, according to the EPA, contributing to warming of the earth's atmosphere and other climatic changes. These findings allow the EPA to adopt and implement regulations that would restrict emissions of greenhouse gases under existing provisions of the federal Clean Air Act. Accordingly, the EPA has proposed regulations that would require a reduction in emissions of greenhouse gases from motor vehicles and could trigger permit review for greenhouse gas emissions from certain stationary sources. In addition, on October 30, 2009, the EPA published a final rule requiring the reporting of greenhouse gas emissions from specified large greenhouse gas emission sources in the United States, including facilities that emit more than 25,000 tons of greenhouse gases on an annual basis, beginning in 2011 for emissions occurring in 2010. At the state level, more than one-third of the states, either individually or through multi-state regional initiatives, already have begun implementing legal measures to reduce emissions of greenhouse gases. The adoption and implementation of any regulations imposing reporting obligations on, or limiting emissions of greenhouse gases from, our equipment and operations or from the vehicles that we sell could adversely affect demand for those vehicles and require us to incur costs to reduce emissions of greenhouse gases associated with our operations.

Potential conflicts of interest between us and our officers or directors could adversely affect our future performance.

O. Bruton Smith serves as the chairman and chief executive officer of Speedway Motorsports. Accordingly, we compete with Speedway Motorsports for the management time of Mr. Smith.

We have in the past and will likely in the future enter into transactions with Mr. Smith, entities controlled by Mr. Smith or our other affiliates. We believe that all of our existing arrangements with affiliates are as favorable to us as if the arrangements were negotiated between unaffiliated parties, although the majority of these transactions have neither been verified by third parties in that regard nor are likely to be so verified in the future. Potential conflicts of interest could arise in the future between us and our officers or directors in the enforcement, amendment or termination of arrangements existing between them.

We may be subject to substantial withdrawal liability assessments in the future related to a multi-employer pension plan to which certain of our dealerships make contributions pursuant to collective bargaining agreements.

Six of our dealership subsidiaries in Northern California currently make fixed-dollar contributions to the Automotive Industries Pension Plan (the "AI Pension Plan") pursuant to collective bargaining agreements between our subsidiaries and the International Association of Machinists (the "IAM"). The AI Pension Plan is a "multi-employer pension plan" as defined under the Employee Retirement Income Security Act of 1974, as amended, and our six dealership subsidiaries are among approximately 100 automobile dealerships that make contributions to the AI Pension Plan pursuant to collective bargaining agreements with the IAM. In June 2006, we received information that the AI Pension Plan was substantially underfunded as of December 31, 2005. In July 2007, we received updated information that the AI Pension Plan continued to be substantially underfunded as of December 31, 2006, with the amount of such underfunding increasing versus year end 2005. In March 2008, the Board of Trustees of the AI Pension Plan notified participants, participating employers and local unions that the Plan's actuary, in accordance with the requirements of the federal Pension Protection Act of 2006, had issued a certification that the AI Pension Plan is in Critical Status effective with the plan year commencing January 1, 2008. In conjunction with this finding, the Board of Trustees of the AI Pension Plan adopted a Rehabilitation Plan that implements reductions or eliminations of certain adjustable benefits that were previously available under the Plan (including some forms of early retirement benefits, and disability and death benefits), and also implements a requirement on all participating employers to increase employer contributions to the Plan for a seven year period commencing in 2013. Under applicable federal law, any employer contributing to a multiemployer pension plan that completely ceases participating in the plan while the plan is underfunded is subject to payment of such employer's assessed share of the aggregate unfunded vested benefits of the plan. In certain circumstances, an employer can be assessed withdrawal liability for a partial withdrawal from a multi-employer pension plan. In addition, if the financial condition of the AI Pension Plan were to deteriorate to the point that the Plan is forced to terminate and be assumed by the Pension Benefit Guaranty Corporation, the participating employers could be subject to assessments by the PBGC to cover the participating employers' assessed share of the unfunded vested benefits. If any of these adverse events were to occur in the future, it could result in a substantial withdrawal liability assessment that could have a material adverse effect on our business, financial condition, results of operations or cash flows.

A change in historical experience and/or assumptions used to estimate reserves could have a material impact on our earnings.

As described in Item 7 under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations — Use of Estimates and Critical Accounting Policies" management relies on estimates in various areas of accounting and financial reporting. For example, our estimates for finance, insurance and service contracts and insurance reserves are based on historical experience. Differences between actual results and our historical experiences and/or our assumptions could have a material impact on our earnings in the period of the change and in periods subsequent to the change.

Impairment of our goodwill could have a material adverse impact on our earnings.

Pursuant to applicable accounting pronouncements, we test goodwill for impairment annually or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. We describe the process for testing goodwill more thoroughly in Item 7 under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations — Use of Estimates and Critical Accounting Policies." If we determine that the amount of our goodwill is impaired at any point in time, we are required to reduce goodwill on our balance sheet. Based on the results of our impairment evaluation as of December 31, 2008, we recorded a goodwill impairment charge of \$797.4 million. If goodwill is further impaired based on a future impairment test, we will record another non-cash impairment charge that may also have a material adverse effect on our earnings for the period in which the impairment of goodwill occurs. As of December 31, 2009, our balance sheet reflected a carrying amount of approximately \$472.3 million in goodwill (including goodwill classified as assets held for sale).

Item 1B: *Unresolved Staff Comments*

None.

Item 2: *Properties.*

Our principal executive offices are located at 6415 Idlewild Road, Suite 109, Charlotte, North Carolina 28212, and our telephone number is (704) 566-2400. We lease these offices from a related party. See Note 8 to our accompanying consolidated financial statements.

Our dealerships are generally located along major U.S. or interstate highways. One of the principal factors we consider in evaluating an acquisition candidate is its location. We prefer to acquire dealerships or build dealership facilities located along major thoroughfares, which can be easily visited by prospective customers.

We lease the majority of the properties utilized by our dealership operations from affiliates of Capital Automotive REIT ("CARS") and other individuals and entities. The properties utilized by our dealership operations that are owned by us or one of our subsidiaries are pledged as security for our 2010 Credit Facilities or under mortgages. We believe that our facilities are adequate for our current needs.

Under the terms of our franchise agreements, each of our dealerships must maintain an appropriate appearance and design of its dealership facility and is restricted in its ability to relocate.

Item 3: *Legal Proceedings.*

We are a defendant in the matter of Galura, et al. v. Sonic Automotive, Inc., a private civil action filed in the Circuit Court of Hillsborough County, Florida. In this action, originally filed on December 30, 2002, the plaintiffs allege that we and our Florida dealerships sold an anti-theft protection product in a deceptive or otherwise illegal manner, and further sought representation on behalf of any customer of any of our Florida dealerships who purchased the anti-theft protection product since December 30, 1998. The plaintiffs are seeking monetary damages and injunctive relief on behalf of this class of customers. In June 2005, the court granted the plaintiffs' motion for certification of the requested class of customers, but the court has made no finding to date regarding actual liability in this lawsuit. We subsequently filed a notice of appeal of the court's class certification ruling with the Florida Court of Appeals. In April 2007, the Florida Court of Appeals affirmed a portion of the trial court's class certification, and overruled a portion of the trial court's class certification. In November 2009, the Florida trial court granted Summary Judgment in our favor against Plaintiff Enrique Galura, and his claim has been dismissed. Marisa Hazelton's claim is still pending. We currently intend to continue our vigorous appeal and defense of this lawsuit and to assert available defenses. However, an adverse resolution of this lawsuit could result in the payment of significant costs and damages, which could have a material adverse effect on our future results of operations, financial condition and cash flows. Currently, we are unable to estimate a range of potential loss related to this matter.

Several private civil actions have been filed against Sonic Automotive, Inc. and several of our dealership subsidiaries that purport to represent classes of customers as potential plaintiffs and make allegations that certain

products sold in the finance and insurance departments were done so in a deceptive or otherwise illegal manner. One of these private civil actions has been filed in South Carolina state court against Sonic Automotive, Inc. and 10 of our South Carolina subsidiaries. This group of plaintiffs' attorneys has filed another private civil class action lawsuit in state court in North Carolina seeking certification of a multi-state class of plaintiffs. The South Carolina state court action and the North Carolina state court action have since been consolidated into a single proceeding in private arbitration. On November 12, 2008, claimants in the consolidated arbitration filed a Motion for Class Certification as a national class action including all of the states in which we operate dealerships. Claimants are seeking monetary damages and injunctive relief on behalf of this class of customers. The parties have briefed and argued the issue of class certification and an order from the arbitrator on class certification is expected in 2010. If a class is certified against us, and our dealerships, there would still be a hearing to determine the merits of claimants' claims and potential liability. We currently intend to continue our vigorous defense of this arbitration and to assert all available defenses. However, an adverse resolution of this arbitration could result in the payment of significant costs and damages, which could have a material adverse effect on our future results of operations, financial condition and cash flows. Currently, we are unable to estimate a range of potential loss related to this matter.

We are involved, and expect to continue to be involved, in numerous legal and administrative proceedings arising out of the conduct of our business, including regulatory investigations and private civil actions brought by plaintiffs purporting to represent a potential class or for which a class has been certified. Although we vigorously defend ourselves in all legal and administrative proceedings, the outcomes of pending and future proceedings arising out of the conduct of our business, including litigation with customers, employment related lawsuits, contractual disputes, class actions, purported class actions and actions brought by governmental authorities, cannot be predicted with certainty. An unfavorable resolution of one or more of these matters could have a material adverse effect on our business, financial condition, results of operations, cash flows or prospects.

Item 4: *Submission of Matters to a Vote of Security Holders.*

Not applicable.

PART II

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

Our Class A common stock is currently traded on the NYSE under the symbol "SAH." Our Class B Common Stock is not traded on a public market.

As of February 18, 2010, there were 40,109,558 shares of Sonic's Class A common stock and 12,029,375 shares of our Class B common stock outstanding. As of February 18 2010, there were 95 record holders of the Class A common stock and three record holders of the Class B common stock. As of February 18, 2010, the closing stock price for the Class A common stock was \$9.80.

Our Board of Directors approved four quarterly cash dividends on all outstanding shares of common stock totaling \$0.48 per share during 2007 and 2008. On February 11, 2009, our Board of Directors indefinitely suspended Sonic's dividend. See Note 6 to the accompanying consolidated financial statements and Item 7: *Management's Discussion and Analysis of Financial Condition and Results of Operations* for additional discussion of dividends and for a description of restrictions on the payment of dividends.

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The following table sets forth the high and low closing sales prices for Sonic's Class A common stock for each calendar quarter during the periods indicated as reported by the NYSE Composite Tape and the dividends declared during such periods.

	Market Price		Cash Dividend Declared
	High	Low	
2009			
First Quarter	\$ 4.16	\$ 0.95	\$ —
Second Quarter	11.03	1.06	—
Third Quarter	14.77	8.35	—
Fourth Quarter	13.04	8.54	—
2008			
First Quarter	\$ 21.29	\$ 16.45	\$ 0.12
Second Quarter	21.58	12.89	0.12
Third Quarter	12.84	8.39	0.12
Fourth Quarter	7.99	1.52	0.12

During the majority of 2009, share repurchases and the payment of dividends were expressly prohibited by our 2006 Credit Facility, with limited exceptions, and under the terms of our 6.0% Convertible Notes. Under our 2010 Credit Facilities, share repurchases and dividends are permitted to the extent that no event of default exists and we are in compliance with the financial covenants contained therein. See Note 6 to our Consolidated Financial Statements and Item 7: *Management's Discussion and Analysis of Financial Condition and Results of Operations* for additional discussion of dividends and for a description of restrictions on the payment of dividends.

Issuer Purchases of Equity Securities

The following table sets forth information about the shares of Class A Common Stock we repurchased during the quarter ended December 31, 2009.

	Total Number of Shares Purchased(1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(2)	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs
		(Amounts in thousands, except price per share amounts)		
October 2009	0	\$ —	0	\$ 44,624
November 2009	0	\$ —	0	\$ 44,624
December 2009	0	\$ —	0	\$ 44,624
Total	0	\$ —	0	\$ 44,624

(1) All shares repurchased were part of publicly announced share repurchase programs

(2) Our publicly announced Class A Common Stock repurchase authorizations occurred as follows:

	(Amounts in thousands)
November 1999	\$ 25,000
February 2000	25,000
December 2000	25,000
May 2001	25,000
August 2002	25,000
February 2003	20,000
December 2003	20,000
July 2004	20,000
July 2007	30,000
October 2007	40,000
April 2008	40,000
Total	\$ 295,000

Item 6: Selected Financial Data.

This selected consolidated financial data should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K.

We have accounted for all of our dealership acquisitions using the purchase method of accounting and, as a result, we do not include in our consolidated financial statements the results of operations of these dealerships prior to the date we acquired them. Our selected consolidated financial data reflect the results of operations and financial positions of each of our dealerships acquired prior to December 31, 2009. As a result of the effects of our acquisitions and other potential factors in the future, the historical consolidated financial information described in selected consolidated financial data is not necessarily indicative of the results of our operations and financial position in the future or the results of operations and financial position that would have resulted had such acquisitions occurred at the beginning of the periods presented in the selected consolidated financial data.

	Year Ended December 31,				
	2005	2006	2007	2008	2009
	(In millions, except per share data)				
Income Statement Data(1)(2):					
Total revenues	\$ 6,872.6	\$ 7,534.0	\$ 7,907.1	\$ 7,008.1	\$ 6,131.7
Impairment charges	\$ 0.6	\$ 4.8	\$ 1.0	\$ 823.0	\$ 24.5
Income (loss) from continuing operations before income taxes	\$ 152.6	\$ 141.0	\$ 173.6	\$ (771.0)	\$ 22.4
Income (loss) from continuing operations	\$ 96.3	\$ 84.1	\$ 105.7	\$ (645.6)	\$ 55.6
Basic earnings (loss) per share from continuing operations	\$ 2.30	\$ 1.97	\$ 2.47	\$ (16.00)	\$ 1.26
Diluted earnings (loss) per share from continuing operations	\$ 2.25	\$ 1.92	\$ 2.37	\$ (16.00)	\$ 1.05
Consolidated Balance Sheet Data(2):					
Total assets	\$ 3,025.5	\$ 3,124.8	\$ 3,282.7	\$ 2,405.5	\$ 2,068.9
Current maturities of long-term debt	\$ 2.7	\$ 2.7	\$ 4.2	\$ 738.4	\$ 24.0
Total long-term debt	\$ 672.5	\$ 567.8	\$ 678.4	\$ 738.4	\$ 576.1
Total long-term liabilities (including long-term debt)	\$ 851.4	\$ 768.2	\$ 915.8	\$ 809.6	\$ 717.2
Cash dividends declared per common share	\$ 0.48	\$ 0.48	\$ 0.48	\$ 0.48	\$ —

- (1) Income statement data reflect reclassifications from the prior year's presentation to exclude franchises sold, identified for sale, or terminated subsequent to December 31, 2008 which had not been previously included in discontinued operations or includes previously held for sale which subsequently were reclassified to held and used. See Note 2 to our accompanying consolidated financial statements, *Business Acquisitions and Dispositions*, which discusses these and other factors that affect the comparability of the information for the periods presented.
- (2) As mentioned in *Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources* and Note 2 to our accompanying consolidated financial statements, business combinations and dispositions have had a material impact on our reported financial information.

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

2009 Events

We were challenged by a difficult retail operating environment throughout 2009 and an even more challenging capital markets environment through most of 2009. During the first half of 2009, the new vehicle industry SAAR (Seasonally Adjusted Annual Rate of new vehicle sales) averaged 9.6 million units, while the second half averaged 11.2 million units due, in part, to the United States government's Cash Allowance Rebate System ("CARS") program. We responded to the weak economic environment through activities that included efforts to gain new and used vehicle market share through the implementation of best practices and leveraging technology to increase our digital footprint and communicate with our customers. We also aggressively evaluated our cost structure and reduced or eliminated costs to remain competitive in the marketplace. The bankruptcies of General Motors and Chrysler also negatively affected consumer confidence and retail activity related to those manufacturers' brands.

During 2009, we also had to address our near-term debt maturities which included a May 7, 2009 bond maturity of \$105.3 million, a revolving credit and floor plan facility expiring in February of 2010 and another bond maturity of \$160.0 million becoming puttable to us by the holders in November of 2010. During the last half of 2008 and the first half of 2009, the capital markets were effectively frozen. We encountered a very difficult situation related to the May 7, 2009 maturity of \$105.3 million in principal of our 5.25% Convertible Senior Subordinated Notes due 2009 (the "5.25% Convertible Notes"). Ordinarily, we would have been able to access the capital markets to refinance this obligation. However, since the capital markets were not active, our best option was to negotiate private repurchases with the holders of the 5.25% Convertible Notes and repay those 5.25% Convertible Notes with cash, shares of common stock and new convertible notes to satisfy the 5.25% Convertible Notes in full. In order to complete these private repurchases, we had to amend certain terms of our 2006 Credit Facility which allowed these private repurchases to occur and also agreed to pricing increases and additional restrictions on our operating activities. These private repurchases were completed at the maturity of the 5.25% Convertible Notes.

In the third quarter of 2009, we completed a debt and equity offering and used the capital raised in these transactions to effectively retire the new convertible notes issued in May 2009 to holders of the 5.25% Convertible Notes and repurchase all but \$17.0 million principal of our 4.25% Convertible Senior Subordinated Notes puttable November 2010 (the "4.25% Convertible Notes").

We continued our debt refinancing activities in January 2010 through the replacement of our 2006 Credit Facility with a new revolving credit and vehicle floor plan facility (the "2010 Credit Facilities") and additional manufacturer-affiliated finance company floor plan arrangements. As a result of these refinancing activities, with the exception of principal payments due on mortgage notes, the \$17.0 million principal payment due in November 2010 related to our 4.25% Convertible Notes and certain term notes, we do not have another significant debt maturity until the 2010 Credit Facilities expire in 2012 or when our 8.625% Senior Subordinated Notes due 2013 (the "8.625% Notes") mature.

A summary of significant events discussed above that occurred during 2009 and early 2010 are as follows:

- Executed amendments to our 2006 Credit Facility in the first quarter of 2009 which contained restrictive operating provisions;

- In the second quarter of 2009, we paid the holders of our 5.25% Convertible Notes \$15.7 million in cash, issued \$85.6 million in aggregate principal of 6.0% Senior Secured Convertible Notes due 2012 (the "6.0% Convertible Notes") and issued 860,723 shares of Class A common stock in private placements exempt from registration requirements in full satisfaction of our obligations under our 5.25% Convertible Notes. We executed additional amendments to our 2006 Credit Facility further increasing the restrictions on our activities;
- Chrysler LLC filed for bankruptcy protection in the second quarter of 2009 and Fiat SpA purchased a substantial portion of Chrysler LLC's assets (including rights related to our franchise agreements) which ultimately resulted in the involuntary termination of three of our Chrysler dealership franchises affecting one dealership location;
- General Motors Corp. filed for bankruptcy protection in the second quarter of 2009 and emerged from bankruptcy in the third quarter of 2009. Six of our General Motors' dealerships, representing 12 franchises, including three Hummer franchises at multi-franchise dealerships, two Saab franchises at multi-franchise dealerships and one additional General Motors franchise at a multi-franchise dealership received letters stating that the franchise agreements between General Motors and us will not be continued on a long-term basis. All of these terminations, with the exception of the Hummer and Saab franchises, were completed by December 31, 2009;
- Concurrently completed a debt and equity offering in the third quarter of 2009, generating net proceeds of \$266.4 million through the issuance of \$172.5 million principal of 5.0% Convertible Notes due 2029 which are redeemable by us and puttable by the holders after October 1, 2014 (the "5.0% Convertible Notes") and issuance of 10,350,000 shares of Class A common stock. The net proceeds were used to repay in full the \$85.6 million in aggregate principal amount of 6.0% Convertible Notes issued in May 2009, plus accrued interest, repurchase \$143.0 million of our 4.25% Convertible Notes, plus accrued interest, and repay amounts outstanding on our 2006 Credit Facility;
- U.S. Government CARS program ran from late July to early September creating a spike in the SAAR in August to 14.1 million units;
- Completed the refinancing of our 2006 Credit Facility by entering into the 2010 Credit Facilities and the Silo Floor Plan Facilities.

General Motors offered financial assistance with winding down the operations of the franchises for which we executed termination agreements. Assistance to be received from General Motors totals \$3.3 million, of which \$1.2 million was received or receivable as of December 31, 2009. The remaining assistance, \$2.1 million, has not been recorded as a receivable from General Motors as of December 31, 2009 as certain conditions required for the payments to occur have not yet been satisfied. During the year ended December 31, 2009, we also recorded impairment and other charges associated with the termination of the General Motors franchises. See the following heading, "Impairments and Other Charges" for the detail of these items. With the exception of the sale of the Hummer and the discontinuation of the Saturn brand, the new General Motors Company announced that it expects to continue its current brand portfolio going forward. However, we are unable to predict what impact the discontinuation or sale of additional brands in the future will have on our operations. As of December 31, 2009, we operated 27 General Motors franchises (under the Cadillac, Chevrolet, Hummer, Saab and Buick nameplates) at 20 dealership locations.

The result of the Chrysler franchise terminations was not material to our results of operations, balance sheet or cash flows for the year ended December 31, 2009. However, it is uncertain whether Fiat will continue supporting the Chrysler brand or whether Fiat's ownership of the Chrysler brand will have a positive or negative impact on our Chrysler franchises' operations. As of December 31, 2009, we owned six Chrysler franchises at two dealership locations.

Subsequent to December 31, 2009, Toyota Motor Corporation issued a recall of certain of its most popular models in certain model years due to design problems with accelerator pedals. Toyota Motor Corporation also instructed its dealership partners to stop selling affected vehicles until it developed a solution to the design problem and provided the necessary parts and instructions to fix the issue. As a result, for a period of time during the first

quarter of 2010, our dealerships did not sell affected vehicles. Within a week of Toyota Motor Corporation's communication to halt sales of affected models, Toyota Motor Corporation had developed a plan to fix the issue and began to ship the necessary parts and instructions to dealers. During the period of time when affected vehicles could not be sold, Toyota Motor Corporation offered its dealers floor plan assistance to help reduce dealers' cost of carrying vehicles which it could not sell due to the recall.

As of December 31, 2009, we operated eleven Toyota franchises. Typically vehicle recalls increase the profitability of our franchises because corrective measures to remedy the issues are provided free of charge to the customer at dealership franchise locations. The manufacturer will pay the dealership franchise to perform the corrective procedures. However, in the event recalls are of a nature which alter consumer preferences, over a longer term, manufacturers' franchises may be negatively affected. We believe the effect of the recall will reduce our sales of Toyota vehicles in the first quarter of 2010, but will also increase our fixed operations business for work performed to correct the issue. We can not estimate how this recall will affect consumer preferences over the long-term.

The following discussion and analysis of the results of operations and financial condition should be read in conjunction with the Sonic Automotive, Inc. and Subsidiaries Consolidated Financial Statements and the related notes thereto appearing elsewhere in this Annual Report on Form 10-K. The financial and statistical data contained in the following discussion for all periods presented reflects our December 31, 2009 classification of franchises between continuing and discontinued operations in accordance with the ASC on "Presentation of Financial Statements".

Overview

We are one of the largest automotive retailers in the United States. As of January 31, 2010, we operated 145 dealership franchises, representing 29 different brands of cars and light trucks, at 122 locations and 26 collision repair centers in 15 states. As a result of the way we manage our business, we have a single operating segment for purposes of reporting financial condition and results of operations.

Our dealerships provide comprehensive services including sales of both new and used cars and light trucks, sales of replacement parts, performance of vehicle maintenance, manufacturer warranty repairs, paint and collision repair services, and arrangement of extended service contracts, financing, insurance and other aftermarket products for our customers. Although vehicle sales are cyclical and are affected by many factors, including general economic conditions, consumer confidence, levels of discretionary personal income, interest rates and available credit, our parts, service and collision repair services are not closely tied to vehicle sales and are not as dependent upon near-term sales volume.

The automobile industry's total amount of new vehicles sold decreased by 21.2% to 10.4 million vehicles in 2009 from 13.2 million vehicles in 2008. From an industry perspective, new vehicle unit sales on a year-over-year basis decreased 16.2% for import brands and 26.8% for domestic brands. Current industry analyst expectations for new vehicle sales volume in 2010 are between 11.0 and 12.0 million vehicles, a 5.8% to 15.4% increase from 2009. Changes in consumer confidence, availability of consumer financing or changes in the financial stability of the automotive manufacturers could cause 2010 industry results to vary. Many factors such as brand and geographic concentrations have caused our past results to differ from the industry's overall trend. The government's CARS program defined the third quarter 2009, by increasing the August 2009 SAAR to 14.1 million units. The program was designed to help consumers buy or lease more fuel-efficient vehicles and boost the economy and the auto industry.

In the ordinary course of business, we evaluate our dealership franchises for possible disposition based on various performance criteria. During the year ended December 31, 2009, we disposed of 18 franchises and, at December 31, 2009, had 4 other franchises (at 3 dealership locations) held for sale. During the year ended December 31, 2009, we identified six franchises to be held for sale that were included in continuing operations in our Annual Report on Form 10-K dated December 31, 2008, and 29 franchises that were held for sale and included in discontinued operations in our Annual Report on Form 10-K dated December 31, 2008, that we chose to continue to hold and operate in continuing operations in 2009. A significant number of dealerships were reclassified back into continuing operations during 2009 as a result of our generation of capital in the debt and equity markets to

address our near-term debt maturity issues rather than addressing those issues through asset sales. Franchises have been identified as held for sale because of unprofitable operations or other strategic considerations. In the future we may also sell other franchises that are not currently held for sale.

Use of Estimates and Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Critical accounting policies are those that are both most important to the portrayal of our financial position and results of operations and require the most subjective and complex judgments. The following is a discussion of what we believe are our critical accounting policies and estimates. See Note 1 in the accompanying consolidated financial statements for additional discussion regarding our accounting policies.

Finance, Insurance and Service Contracts

We arrange financing for customers through various financial institutions and receive a commission from the lender either in a flat fee amount or in an amount equal to the difference between the actual interest rates charged to customers and the predetermined base rates set by the financing institution. We also receive commissions from the sale of various insurance contracts and non-recourse third party extended service contracts to customers. Under these contracts, the applicable manufacturer or third party warranty company is directly liable for all warranties provided within the contract.

In the event a customer terminates a financing, insurance or extended service contract prior to the original termination date, we may be required to return a portion of the commission revenue originally recorded to the third party provider ("chargebacks"). The commission revenue for the sale of these products and services is recorded net of estimated chargebacks at the time of sale. Our estimate of future chargebacks is established based on our historical chargeback rates, termination provisions of the applicable contracts and industry data. While chargeback rates vary depending on the type of contract sold, a 100 basis point change in the estimated chargeback rates used in determining our estimates of future chargebacks would have changed our estimated reserve for chargebacks at December 31, 2009 by approximately \$0.8 million. Our estimate of chargebacks (\$11.7 million as of December 31, 2009) is influenced by early contract termination events such as vehicle repossessions, refinancings and early pay-off. If these factors negatively change, the resulting impact would affect our future estimate for chargebacks and could have a negative adverse impact on our operations, financial position and cash flows. Our actual chargeback experience has not been materially different from our recorded estimates.

Goodwill and Franchise Assets

Goodwill is tested for impairment at least annually, or more frequently when events or circumstances indicate that impairment might have occurred. In completing step one of our impairment analyses as of December 31, 2009, we used a discounted cash flow ("DCF") model to calculate fair value. We believe a discounted cash flow model is the most reliable valuation method to use because the fair value of our business is dependent on our ability to generate cash through sales and service of new and used vehicles. The DCF method is based on forward-looking projections that incorporate current trends and market expectations. We also analyzed our market capitalization along with potential adjustments to market capitalization such as control premium and cost synergies in evaluating our estimate of fair value. The results of our DCF model compared to our adjusted market capitalization determine whether the DCF model provided an accurate measure of fair value for the purpose of the impairment test. Our estimate of fair value was then compared to our book value at December 31, 2009 to determine whether an indicator of impairment existed. No indicator of impairment existed at December 31, 2009.

The significant assumptions in our DCF model include projected earnings, weighted average cost of capital (and estimates in the weighted average cost of capital inputs) and residual growth rates. To the extent the reporting unit's earnings decline significantly or there are changes in one or more of these assumptions that would result in

lower valuation results, it could cause the carrying value of the reporting unit to exceed its fair value and thus require us to conduct the second step of the impairment test described above. In projecting our reporting unit's earnings, we develop many assumptions which include, but are not limited to, new and used vehicle unit sales, internal revenue enhancement initiatives, cost control initiatives, internal investment programs such as training and technology, infrastructure and inventory floor plan borrowing rates. Our expectation of new vehicle unit sales is driven by our expectation of the SAAR of new vehicles. The estimate of the industry SAAR in future periods is the basis of our assumptions related to new vehicle unit sales volumes in our DCF model because we believe the historic and projected SAAR level of the SAAR is the best indicator of our new vehicle unit sales trends. The level of SAAR assumed in our projection of earnings for 2010 was approximately 11 million units with a gradual increase in the level of SAAR to approximately 14 million units in 2013, and remaining level thereafter.

Our DCF model is dependent on the assumptions used and is sensitive to changes in assumptions. For example, assuming all other factors remain the same, a 10% change in projected earnings would change the calculated fair value estimate as of December 31, 2009 by approximately \$136.3 million. In the event the weighted average cost of capital changed 100 basis points, assuming all other factors remain the same, the calculated fair value estimate as of December 31, 2009 would change by approximately \$143.9 million. Finally, if the residual growth estimate changed 100 basis points, assuming all other factors remain the same, the calculated fair value estimate as of December 31, 2009 would change by approximately \$119.9 million. Based on our DCF model estimating the fair value of our reporting unit, none of the items above, if realized, would have resulted in lowering the fair value of the reporting unit below the reporting unit's carrying value.

At December 31, 2009, the fair value of our reporting unit exceeded the carrying value of the reporting unit. As a result, we were not required to conduct the second step of the impairment test.

We continue to face a challenging automotive retail environment. As a result of these conditions, there can be no assurances that a material impairment charge will not occur in a future period. We will continue to monitor events in future periods to determine if additional asset impairment testing should be performed. If we are required to apply the second step of the goodwill impairment test in future periods, we could be required to record an impairment charge to goodwill that would have a material adverse impact on our financial condition.

We test franchise assets for impairment annually or more frequently if events or circumstances indicate possible impairment. We estimate the value of our franchise assets using a discounted cash flow model. The discounted cash flow model used contains inherent uncertainties, including significant estimates and assumptions related to growth rates, projected earnings and cost of capital. We are subject to financial risk to the extent that our franchise assets become impaired due to deterioration of the underlying businesses. The risk of a franchise asset impairment loss may increase to the extent the underlying businesses' earnings or projected earnings decline. As a result of our impairment testing in 2009, we recorded franchise asset impairment charges of \$4.3 million for the year ending December 31, 2009, all of which was recorded in continuing operations. The balance of our franchise assets (related to continuing operations and discontinued operations) totaled \$64.8 million at December 31, 2009.

Insurance Reserves

We have various high deductible insurance and retention programs which require us to make estimates in determining the ultimate liability we may incur for claims arising under these programs. We accrue for insurance reserves on a pro-rata basis throughout the year based on the expected year-end liability. We estimate the ultimate liability under these programs is between \$18.9 million and \$20.9 million. At December 31, 2009, we had \$19.4 million reserved for such programs. Changes in significant assumptions used in the development of the ultimate liability for these programs could have a material impact on the level of reserves, our operating results, financial position and cash flows. These significant assumptions would include the volume of claims, medical cost trends, claims handling and reporting patterns, historical claims experience, the effect of related court rulings and current or projected changes in state laws. From a sensitivity analysis perspective, it is difficult to quantify the effect of changes in any of these significant assumptions with the exception of the volume of claims. Generally, we believe a 10% change in the volume of claims would have a proportional effect on our reserves. We believe our actual loss experience has not been materially different from our recorded estimates.

Lease Exit Accruals

The majority of our dealership properties are leased under long-term operating lease arrangements. When leased properties are no longer utilized in operations, we record lease exit accruals. These situations could include the relocation of an existing facility or the sale of a franchise where the buyer will not be subleasing the property for either the remaining term of the lease or for an amount equal to our obligation under the lease, or in situations where a store is closed as a result of the associated franchise being terminated by the manufacturer and no other operations continue on the lease. The lease exit accruals represent the present value of the lease payments, net of estimated sublease rentals, for the remaining life of the operating leases and other accruals necessary to satisfy lease commitments to the landlords. At December 31, 2009, we had \$47.8 million accrued for lease exit costs. A significant change in our assumptions regarding the time period to obtain a subtenant or the amount of the anticipated sublease income could have a material effect on our accrual and, as a result, earnings. For example, assuming all other factors remain the same, a 50% decrease in our estimated proceeds from subleases would change our lease exit accruals by approximately \$1.2 million. In addition, based on the terms and conditions negotiated in the sale of franchises in the future, additional accruals may be necessary if the purchaser of the franchise does not assume the lease of the associated franchise, or we are unable to negotiate a sublease with the buyer of the franchise on terms that are identical to or better than those associated with the original lease.

Legal Proceedings

We are involved, and expect to continue to be involved, in numerous legal proceedings arising out of the conduct of our business, including litigation with customers, employment related lawsuits, contractual disputes and actions brought by governmental authorities. As of December 31, 2009, we had accrued \$9.2 million in legal reserves. Although we vigorously defend ourself in all legal and administrative proceedings, the outcomes of pending and future proceedings arising out of the conduct of our business, including litigation with customers, employment related lawsuits, contractual disputes, class actions, purported class actions and actions brought by governmental authorities, cannot be predicted with certainty. An unfavorable resolution of one or more of these matters could exceed the amount of our legal reserve and have a material adverse effect on our business, financial condition, results of operations, cash flows or prospects.

Classification of Franchises in Continuing and Discontinued Operations

We classify the results from operations of our continuing and discontinued operations in our consolidated statements of income based on the provisions of "Presentation of Financial Statements" in the Accounting Standards Codification ("ASC"). Many of these provisions involve judgment in determining whether a franchise will be reported as continuing or discontinued operations. Such judgments include whether a franchise will be sold or terminated, the period required to complete the disposition and the likelihood of changes to a plan for sale. If in future periods we determine that a franchise should be either reclassified from continuing operations to discontinued operations or from discontinued operations to continuing operations, previously reported consolidated statements of income will be reclassified in order to reflect that classification. During the year ended December 31, 2009, we identified six franchises to be held for sale that were previously included in continuing operations, and 29 franchises that were held for sale and previously included in discontinued operations, that we chose to continue to hold and operate in continuing operations in 2009. A significant number of dealerships were reclassified back into continuing operations during 2009 as a result of our generation of capital in the debt and equity markets to address our near-term debt maturity issues rather than addressing those issues through asset sales. At December 31, 2009 there were four franchises held for sale and classified as discontinued operations.

Income Taxes

As a matter of course, we are regularly audited by various taxing authorities and from time to time these audits result in proposed assessments where the ultimate resolution may result in us owing additional taxes. We believe that our tax positions comply, in all material respects, with applicable tax law and that we have adequately provided for any reasonably foreseeable outcome related to these matters. Included in other accrued liabilities at December 31, 2009 is \$31.2 million in reserves that we have provided for these matters (including estimates related to possible interest and penalties). From time to time, we engage in transactions in which the tax consequences may be

subject to uncertainty. Examples of such transactions include business acquisitions and disposals, including consideration paid or received in connection with such transactions. Significant judgment is required in assessing and estimating the tax consequences of these transactions. We determine whether it is more-likely-than-not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. In evaluating whether a tax position has met the more-likely-than-not recognition threshold, we presume that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information. A tax position that does not meet the more-likely-than-not recognition threshold is measured to determine the amount of benefit to be recognized in the financial statements. The tax position is measured at the largest amount of benefit that is likely of being realized upon ultimate settlement.

We adjust our estimates periodically because of ongoing examinations by and settlements with the various taxing authorities, as well as changes in tax laws, regulations and precedent. The effects on our financial statements of income tax uncertainties are discussed in Note 7 to our consolidated financial statements.

At December 31, 2009, we believe it is more likely than not that we will be able to realize approximately \$32.0 million of net deferred income tax assets. As a result, at December 31, 2009, we had a total of \$61.9 million of valuation allowances recorded related to our deferred tax asset balances, \$15.9 million related to state net operating loss carryforwards and \$46.0 million related to all other deferred tax asset balances. The valuation allowance of \$46.0 million at December 31, 2009 was recorded due to the uncertainty that exists related to the realization of the net deferred tax asset balance of \$78.0 million. At December 31, 2008, we had a total of \$116.3 million of valuation allowances recorded related to our deferred tax asset balances, \$16.7 million related to state net operating loss carryforwards and \$99.6 million related to all other deferred tax asset balances. The valuation allowance charge of \$99.6 million was recorded in 2008 as a result of the downturn in the economy of the United States and, in particular, the automotive retail industry, and our operating loss in 2008 principally caused by goodwill impairment charges recorded in 2008.

We continually review all deferred tax asset positions (including state net operating loss carryforwards) to determine whether it is more-likely-than-not that the deferred tax assets will be utilized. Certain factors considered in evaluating the realizability of deferred tax assets include the time remaining until expiration (related to state net operating loss carryforwards) and various sources of taxable income that may be available under the tax law to realize a tax benefit related to a deferred tax asset. This evaluation requires management to make certain assumptions about future profitability, the execution of tax strategies that may be available to us and the likelihood that these assumptions or execution of tax strategies would occur. This evaluation is highly judgmental. The results of future operations, regulatory framework of these taxing authorities and other related matters cannot be predicted with certainty. Therefore, actual realization of these deferred tax assets may be materially different from management's estimate.

We accrue for income taxes on a pro-rata basis throughout the year based on the expected year end liability. These estimates, judgments and assumptions are made quarterly by our management based on available information and take into consideration estimated income taxes based on prior year income tax returns, changes in income tax law, our income tax strategies and other factors. If our management receives information which causes us to change our estimate of the year end liability, the amount of expense or expense reduction required to be recorded in any particular quarter could be material to our operating results, financial position and cash flows.

Recent Accounting Pronouncements

Effective July 1, 2009, the ASC has become the sole source of authoritative U.S. Generally Accepted Accounting Principles ("U.S. GAAP"). The ASC only affects the referencing of financial accounting standards and does not change or alter existing U.S. GAAP.

We adopted the updated provisions of "Debt with Conversion and Other Options" in the ASC as of January 1, 2009. The updates to this provision apply to convertible debt instruments that, by their stated terms, may be settled in cash (or other assets) upon conversion, including partial cash settlement, unless the embedded conversion option is required to be separately accounted for as a derivative. These provisions require that the issuer of a convertible debt instrument separately account for the liability and equity components in a manner that reflects the issuer's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. The excess of the

principal amount of the liability component over its initial fair value must be amortized to interest cost using the effective interest method.

This provision, when adopted, applied to our 4.25% Convertible Notes and our 5.25% Convertible Senior Subordinated Notes due May 2009 (the "5.25% Convertible Notes"). In conjunction with the adoption of these provisions, we estimated the nonconvertible borrowing rates related to our 4.25% Convertible Notes and 5.25% Convertible Notes to be 8.0% and 10.0%, respectively. Accordingly, the fair value of the equity component of the 4.25% Convertible Notes was \$25.1 million (\$15.1 million, net of tax) at the date of issuance and the fair value of the equity component of the 5.25% Convertible Notes was \$31.6 million (\$19.0 million, net of tax) at the date of the issuance. This pronouncement requires retrospective treatment of its provisions to all periods presented. Therefore, previously reported balances (prior to January 1, 2009), have been adjusted to record a debt discount equal to the fair value of the equity component, a deferred tax liability for the tax effect of the recorded debt discount and an increase to paid-in capital for the tax-effected fair value of the equity component as of the date of issuance of the underlying notes. Previously reported balances have also been adjusted to provide for the amortization of the debt discount through interest expense and the associated decrease in the deferred tax liability recorded through income tax expense.

As of December 31, 2008, the unamortized debt discount associated with these provisions related to the 4.25% Convertible Notes and the 5.25% Convertible Notes was \$10.8 million and \$2.1 million, respectively. As of December 31, 2009, the unamortized debt discount associated with these provisions related to the 4.25% Convertible Notes was \$0.5 million and the debt discount related to the 5.25% Convertible Notes had been fully amortized. The unamortized discount of the 4.25% Convertible Notes at December 31, 2009 will be amortized through interest expense into earnings over the remaining expected term of the 4.25% Convertible Notes, which is through November 2010. A summary of the effect of applying these provisions on our prior and current period consolidated statements of income is as follows:

	Twelve Months Ended December 31,							
	2002	2003	2004	2005	2006	2007	2008	2009
	(Dollars in thousands)							
Increase in Interest Expense	(2,108)	(3,530)	(3,899)	(4,656)	(9,044)	(9,898)	(10,704)	(6,205)
Tax Benefit	843	1,412	1,560	1,862	3,617	3,959	4,282	2,482
Effect on Net Income	(1,265)	(2,118)	(2,339)	(2,794)	(5,427)	(5,939)	(6,422)	(3,723)

"Debt with Conversion and Other Options" in the ASC was also applied to our 5.0% Convertible Senior Subordinated Notes due October 2029 which are redeemable by us and putable by the holders after October 1, 2014 (the "5.0% Convertible Notes") upon their issuance in September 2009 which are not considered in the table above. The effects of the application of these provisions are discussed in Note 6 in the accompanying consolidated financial statements.

In June 2008, the FASB issued an update to "Earnings Per Share" in the ASC, under which unvested share-based payment awards that contain rights to receive nonforfeitable dividends or dividend equivalents (whether paid or unpaid) are participating securities and, thus, should be included in the two-class method of computing earnings per share. This pronouncement was effective for fiscal years beginning after December 31, 2008 and interim periods within those years and requires that all prior period earnings per share disclosures be adjusted retrospectively to apply the two-class method of computing earnings per share. The adoption of this standard resulted in no material changes in the prior period or the current year period presentation of earnings per share.

In March 2008, the FASB issued an update to "Derivatives and Hedging" in the ASC, which changes the disclosure requirements for derivative instruments and hedging activities by requiring enhanced disclosures about how and why an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for under this pronouncement, and how derivative instruments and related hedged items affect an entity's operating results, financial position and cash flows. This pronouncement was effective for fiscal years beginning after November 15, 2008. Our adoption did not have a material impact on our consolidated operating results, financial position or cash flows.

In December 2007, the FASB issued an update to “Business Combinations” in the ASC, which provides guidance regarding the allocation of purchase price in business combinations, measurement of assets acquired and liabilities assumed as well as other intangible assets acquired. Also in December 2007, the FASB issued an update to “Consolidation” in the ASC, which provides accounting and reporting standards for a noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary if certain conditions exist. These pronouncements were effective for fiscal years beginning on or after December 15, 2008. Our adoption of these provisions did not materially impact our consolidated operating results, financial position and cash flows, however, for future acquisitions we could be required to expense transaction costs as incurred, rather than capitalizing them as part of the purchase price allocation, which could impact our consolidated operating results.

Our adoption of the updated provisions of “Fair Value Measurements and Disclosures” in the ASC on January 1, 2008, related to fair value measurements and related disclosures of financial assets and liabilities, did not have a material impact on our financial statements. Our adoption of the provisions of this pronouncement related to nonfinancial assets and liabilities on January 1, 2009, affects, among other items, the valuation of goodwill, franchise assets and fixed assets when assessing for impairments and the valuation of assets acquired and liabilities assumed in business combinations.

We adopted the updated provisions of “Subsequent Events” in the ASC in the second quarter of 2009. This pronouncement establishes the accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. It requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date, that is, whether that date represents the date the financial statements were issued or were available to be issued. See Note 13 in the accompanying consolidated financial statements for the related disclosures. The adoption of this provision did not have a material impact on our financial statements.

Results of Operations

The following table summarizes the percentages of total revenues represented by certain items reflected in our Consolidated Statements of Income.

	Percentage of Total Revenue(1) for the Year Ended December 31,		
	2007	2008	2009
Revenues:			
New vehicles	61.2%	58.0%	53.2%
Used vehicles	17.3%	19.5%	24.1%
Wholesale vehicles	4.9%	4.0%	2.5%
Parts, service and collision repair	14.0%	15.9%	17.8%
Finance, insurance and other	2.6%	2.6%	2.4%
Total revenue	100.0%	100.0%	100.0%
Cost of sales(2)	84.6%	84.0%	83.0%
Gross profit	15.4%	16.0%	17.0%
Selling, general and administrative expenses	11.4%	13.1%	13.8%
Impairment charges	0.1%	11.7%	0.4%
Depreciation and amortization	0.3%	0.6%	0.5%
Operating income	3.6%	(9.4%)	2.3%
Interest expense, floor plan	0.8%	0.6%	0.3%
Interest expense, other, net	0.5%	0.8%	1.4%
Interest expense, non-cash, convertible debt	0.1%	0.2%	0.0%
Interest expense, non-cash, cash flow swaps	0.0%	0.0%	0.1%
Other expense, net	0.0%	0.0%	0.1%
Income (loss) from continuing operations before income taxes	2.2%	(11.0%)	0.4%
Income tax expense (benefit)	0.9%	(1.8%)	(0.5%)
Income (loss) from continuing operations	1.3%	(9.2%)	0.9%

(1) Prior years' income statement data reflects reclassifications to exclude additional franchises sold, identified for sale or terminated subsequent to December 31, 2008 which had not been previously included in discontinued operations or include franchises previously held for sale which subsequently were reclassified to held and used. See Note 2 to the accompanying consolidated financial statements, *Business Acquisitions and Dispositions*, which discusses these and other factors that affect the comparability of the information for the periods presented.

(2) The cost of sales line item includes the cost of new and used vehicles, vehicle parts and all costs directly linked to servicing customer vehicles.

During the year ended December 31, 2009, we disposed of 18 franchises, and, at December 31, 2009, had four other franchises held for sale (at three physical dealerships). The results of operations of these dealerships, including gains or losses on disposition, have been included in discontinued operations on the accompanying consolidated statements of income for all periods presented. In addition to these dispositions, we disposed of 12 and ten franchises, respectively in each of the years ended December 31, 2007 and 2008. See additional discussions of franchises held for sale in the "Liquidity and Capital Resources" discussion.

Annual "same store" results of operations represent the aggregate of the same store results for each of the four quarters in that year. Same store results for each quarter include dealerships that were owned and operated for the entire quarter in both periods and that were classified as continuing operations at December 31, 2009. Unless otherwise noted, the following discussion of the Results of Operations under the headings "New Vehicles," "Used

Vehicles," "Wholesale Vehicles," "Parts, Service and Collision Repair" and "Finance, Insurance and Other" is on a same store basis.

Impairments and Other Charges

We recorded various charges in connection with the decision to exit certain facility leases since the planned use of certain leased properties will not occur. See the table below for the amounts and classification of the charges recorded. Of the \$27.6 million recorded in discontinued operations in the year ending December 31, 2009, \$11.4 million relates to lease exit accruals for our General Motors dealerships which were terminated in the fourth quarter of 2009.

Annually, we review franchise asset and property and equipment valuations. Based on historical and projected operating losses for certain continuing operating dealerships, we determined that certain dealerships would not be able to recover recorded franchise asset and property and equipment asset balances and that the completion of certain capital projects at these stores would not occur. As such, we partially or fully impaired the franchise asset, property and equipment asset values as well as construction in progress for those stores. Furthermore, as a result of lowering the estimates of expected proceeds from the sale of certain dealership franchises held for sale based on market conditions, we recorded franchise asset, property and equipment and other asset impairment charges in discontinued operations. See the table below for the amounts and classification of the charges recorded. Of the \$4.3 million franchise asset impairments recorded in continuing operations for the year ending December 31, 2009, \$2.1 million relates to General Motors dealerships for which we executed termination agreements. Of the \$3.9 million recorded for the year ending December 31, 2009 related to property and equipment, \$3.8 million relates to impairments to our General Motors dealerships which were terminated in 2009.

Goodwill is tested for impairment at least annually, or more frequently when events or circumstances indicate that impairment might have occurred. Based on the results of our step one test as of December 31, 2009, we were not required to complete step two of the goodwill impairment evaluation. For the year ended December 31, 2009, we recorded goodwill impairment charges of \$1.1 million within continuing operations and \$1.6 million within discontinued operations due to the determination that a portion of the goodwill was not recoverable, based on estimated proceeds, while certain dealership operations were held for sale. For the year ended December 31, 2008, we recorded an impairment of \$797.4 million related to our evaluation of goodwill. We recorded \$795.6 million in continuing operations and \$1.8 million in discontinued operations as a result of step two of our goodwill impairment test and based on the determination that a portion of goodwill was not recoverable from assets held for sale based on estimated proceeds. See additional discussions of goodwill impairment testing in the previous heading "Goodwill and Franchise Assets."

For the year ended December 31, 2008, our results of operations were negatively impacted by the effects of Hurricane Ike and hail storms in the Houston and mid-west markets. We estimate the overall impact (physical damage and business interruption) in 2008 lowered pretax earnings by approximately \$8.0 million.

As a result of the refinancing of our 2006 Credit Facility and the new terms of the 2010 Credit Facilities, it is no longer probable that we will incur interest payments that match the terms of certain interest rate swap agreements ("Fixed Swaps") that previously were designated and qualified as cash flow hedges. Of the Fixed Swaps (including the two \$100.0 million notional swaps which were settled in 2009), \$565.0 million of the notional amount had previously been documented as hedges against the variability of cash flows related to interest payments on certain debt obligations. However, we estimate that under the new 2010 Credit Facilities and other facilities with matching terms, it is no longer probable that the expected debt balance with interest payments that match the terms of the Fixed Swaps will exceed \$400.0 million and it is reasonably possible that the expected debt balance with interest payments that match the terms of the Fixed Swaps will be between \$400.0 million and \$500.0 million. As a result, amounts previously classified in accumulated other comprehensive income related to \$165.0 million in notional amount of the Fixed Swaps were reclassified to earnings as a charge of approximately \$4.5 million. In addition, in the third quarter of 2009 we reclassified \$0.3 million from other comprehensive income to earnings as a result of cash flow swap ineffectiveness due to reductions in LIBOR-based debt balances.

In the year ended December 31, 2009, we recorded \$12.0 million of debt restructuring charges. Of the \$12.0 million, \$6.6 million related to the amendment of our 2006 Credit Facility executed March 31, 2009, in which

we agreed to payment of amendment fees and increases in the interest rates for amounts outstanding and the quarterly commitment fees payable by us on the unused portion and \$5.4 million related to the loan cost amortization on our 6.0% Convertible Notes which were repurchased on October 28, 2009.

At December 31, 2009, we had \$61.9 million of valuation allowances recorded related to our deferred tax asset balances, \$15.9 million related to state net operating loss carryforwards, and \$46.0 million related to all other deferred tax asset balances. At December 31, 2008, we had a total of \$116.3 million of valuation allowances recorded related to our deferred tax asset balances, \$16.7 million related to state net operating loss carryforwards and \$99.6 million related to all other deferred tax asset balances. The change in the recorded valuation allowance balances in the year ended December 31, 2009 was primarily driven by the assumption that state net operating loss carryforwards generated in 2009 would not be realizable, the utilization of net deferred tax assets to reduce income tax payments and changes in assumptions related to the overall realization of net deferred tax asset balances. See the table below for amounts and classification of the charges recorded.

The amount and location of the charges discussed above in the accompanying consolidated statements of income are presented in the following table:

	Continuing Operations for the Year Ended December 31,		
	2007	2008	2009
Gross profit, selling, general & administrative expenses			
Hurricane and hail storm related expenses	—	8.0	—
Lease exit and other accruals	1.5	13.5	1.1
Impairment charges			
Property impairment charges	1.0	14.6	19.1
Goodwill impairment charges	—	795.6	1.1
Franchise agreement and other asset impairment charges	—	12.8	4.3
Interest Expense			
Cash-flow swap ineffectiveness charges	—	—	4.8
Debt restructuring charges	—	—	12.0
Income tax related adjustments			
Valuation allowances and other tax adjustment expense/(benefit)	0.4	109.6	(43.3)
	Discontinued Operations for the Year Ended December 31,		
	2007	2008	2009
Gross profit, selling, general & administrative expenses			
Lease exit and other accruals	\$ 1.8	\$ 12.8	\$ 27.6
Impairment charges			
Property impairment charges	2.0	10.3	3.9
Goodwill impairment charges	—	1.8	1.6
Franchise agreement and other asset impairment charges	3.1	14.4	—
Favorable lease asset impairment charges	—	1.9	—
Income tax related adjustments			
Valuation allowances and other tax adjustment expense/(benefit)	0.9	5.4	(4.1)

New Vehicles

New vehicle revenues include the sale of new vehicles to retail customers, as well as the sale of fleet vehicles. New vehicle revenues are highly dependent on manufacturer incentives, which vary from cash-back incentives to

low interest rate financing. New vehicle revenues are also dependent on manufacturers to provide adequate vehicle allocations to meet customer demands and the availability of consumer credit.

The automobile manufacturing industry is cyclical and historically has experienced periodic downturns characterized by oversupply and weak demand. As an automotive retailer, we seek to mitigate the effects of this cyclical by maintaining a diverse brand mix of dealerships. Our brand diversity allows us to offer a broad range of products at a wide range of prices from lower priced, or economy vehicles, to luxury vehicles. For the year ended December 31, 2009, 83.1% of our total new vehicle revenue was generated by import and luxury dealerships compared to 83.2% for 2008.

The automobile retail industry uses the SAAR to measure the amount of new vehicle unit sales activity within the United States market. The SAAR averages below reflect a blended average of all brands marketed or sold in the United States market. The SAAR includes brands we do not sell and markets in which we do not operate.

SAAR	2008	2009	% Change	2007	2008	% Change
	(In millions of vehicles)					
Year Ended December 31,	13.2	10.4	(21.2%)	16.1	13.2	(18.0%)

During 2009 we experienced a decline in customer traffic at our dealerships. We believe this was caused in part by the weaker overall economy and tightening of credit availability to consumers in 2009. Although the United States government has made various attempts to ease the lack of credit availability and strengthen consumer confidence, we believe these conditions likely will continue to impact our operations in 2010. Industry analyst expectations for the 2010 SAAR are currently between 11.0 and 12.0 million vehicles which, if realized, would be an increase of 5.8% to 15.4% from 2009.

	For the Year-Ended December 31,		Better/(Worse)	
	2008	2009	Change	% Change
	(In thousands except units and per unit data)			
Reported:				
Revenue	\$ 4,064,167	\$ 3,260,086	\$ (804,081)	(19.8%)
Gross profit	\$ 269,628	\$ 225,558	\$ (44,070)	(16.3%)
Unit sales	125,105	100,102	(25,003)	(20.0%)
Revenue per Unit	\$ 32,486	\$ 32,568	\$ 82	0.3%
Gross profit per unit	\$ 2,155	\$ 2,253	\$ 98	4.5%
Gross profit as a % of revenue	6.6%	6.9%	30bps	

	For the Year-Ended December 31,		Better/(Worse)	
	2007	2008	Change	% Change
	(In thousands except units and per unit data)			
Reported:				
Revenue	\$ 4,842,427	\$ 4,064,167	\$ (778,260)	(16.1%)
Gross profit	\$ 331,792	\$ 269,628	\$ (62,164)	(18.7%)
Unit sales	147,809	125,105	(22,704)	(15.4%)
Revenue per Unit	\$ 32,761	\$ 32,486	\$ (275)	(0.8%)
Gross profit per unit	\$ 2,245	\$ 2,155	\$ (90)	(4.0%)
Gross profit as a % of revenue	6.9%	6.6%	(30)bps	

	For the Year-Ended December 31,		Better/(Worse)	
	2008	2009	Change	% Change
(In thousands except units and per unit data)				
Same Store:				
Revenue	\$ 4,064,167	\$ 3,256,889	\$ (807,278)	(19.9%)
Gross profit	\$ 270,912	\$ 221,914	\$ (48,998)	(18.1%)
Unit sales	125,105	100,049	(25,056)	(20.0%)
Revenue per unit	\$ 32,486	\$ 32,553	\$ 67	0.2%
Gross profit per unit	\$ 2,165	\$ 2,218	\$ 53	2.4%
Gross profit as a % of revenue	6.7%	6.8%	10bps	

	For the Year-Ended December 31,		Better/(Worse)	
	2007	2008	Change	% Change
(In thousands except units and per unit data)				
Same Store:				
Revenue	\$ 4,816,806	\$ 3,880,168	\$ (936,638)	(19.4%)
Gross profit	\$ 329,680	\$ 258,702	\$ (70,978)	(21.5%)
Unit sales	147,220	121,170	(26,050)	(17.7%)
Revenue per unit	\$ 32,718	\$ 32,023	\$ (695)	(2.1%)
Gross profit per unit	\$ 2,239	\$ 2,135	\$ (104)	(4.6%)
Gross profit as a % of revenue	6.8%	6.7%	(10)bps	

Our new unit volume decline in 2009 tracked closely to the average industry declines. Our import and domestic dealerships experienced declines in new vehicle volume of 18.0% and 25.9%, respectively. The majority of our import brands experienced declines in new vehicle volume, with the most notable declines being experienced by our BMW, Mercedes, and Toyota dealerships. These stores have posted declines of 22.6%, 21.9% and 21.4%, respectively. All of our domestic brands posted declines in 2009 compared to the prior year. Our GM, Cadillac and Ford stores experienced declines in volume of 31.6%, 37.8% and 16.6%, respectively, which were caused primarily by the volatile economic condition and the lack of credit availability to consumers in 2009. We experienced improvement in our new vehicle volume over the last two quarters of 2009 compared to the same periods in 2008 and expect a gradual recovery of the new vehicle market over the course of 2010.

Our import dealerships' average price per new unit decreased slightly by \$445, or 1.3%, while our domestic dealerships' average price per unit increased by \$1,031, or 3.1%. Our new vehicle price per unit had a slight increase primarily due to a change in sales mix with truck and SUV sales increasing by 50 basis points as a percentage of total new vehicle units retained.

Our increase in gross profit per unit in 2009 compared to the year ended December 31, 2008 can mainly be attributed to a larger percentage of our sales being generated by higher priced import vehicles. In 2009, our new import unit sales increased 160 basis points as a percentage of total new vehicle units sold, while new domestic unit sales decreased by 100 basis points as a percentage of total new vehicle units sold as compared to 2008.

During 2008, our import dealerships experienced a decline in new unit volume of 18,997 units, or 17.6%, while our domestic dealerships experienced a decline of 7,053 units, or 17.8%, as compared to 2007. These overall import and domestic same store new vehicle unit declines can be attributed to a downturn in the housing market and other economic uncertainties. Also, our price per unit and gross profit decreased in 2008 as compared to 2007. These decreases can be attributed to a weakening economy and consumers shifting their preferences from new trucks and SUV units to smaller, more fuel efficient vehicles due to increasing gas prices.

Used Vehicles

Used vehicle revenues are directly affected by a number of factors including the level of manufacturer incentives on new vehicles, the number and quality of trade-ins and lease turn-ins and the availability of consumer credit. In addition, various manufacturers provide franchised dealers the opportunity to “certify” pre-owned vehicles based on criteria established by the manufacturer. This certification process extends the standard manufacturer warranty. In 2009, we continued to see improvements in our CPO unit volume, which increased 2.4% as compared to 2008. However, our sales of CPO vehicles decreased to 37.4% of total used vehicle units from 41.1% in 2008. This percentage decrease was driven in part by an increase of our sales of non-CPO used vehicles by 7,804 units, or 19.2%, during 2009.

	For the Year-Ended December 31,		Better/(Worse)	
	2008	2009	Change	% Change
(In thousands except units and per unit data)				
Reported:				
Revenue	\$ 1,368,596	\$ 1,475,395	\$ 106,799	7.8%
Gross profit	\$ 119,215	\$ 120,264	\$ 1,049	0.9%
Unit sales	68,808	77,323	8,515	12.4%
Revenue per Unit	\$ 19,890	\$ 19,081	\$ (809)	(4.1%)
Gross profit per unit	\$ 1,733	\$ 1,555	\$ (178)	(10.3%)
Gross profit as a % of revenue	8.7%	8.2%	(50)bps	
CPO revenue	\$ 715,974	\$ 741,866	\$ 25,892	3.6%
CPO unit sales	28,260	28,942	682	2.4%

	For the Year-Ended December 31,		Better/(Worse)	
	2007	2008	Change	% Change
(In thousands except units and per unit data)				
Reported:				
Revenue	\$ 1,370,890	\$ 1,368,596	\$ (2,294)	(0.2%)
Gross profit	\$ 127,858	\$ 119,215	\$ (8,643)	(6.8%)
Unit sales	68,205	68,808	603	0.9%
Revenue per Unit	\$ 20,100	\$ 19,890	\$ (210)	(1.0%)
Gross profit per unit	\$ 1,875	\$ 1,733	\$ (142)	(7.6%)
Gross profit as a % of revenue	9.3%	8.7%	(60)bps	
CPO revenue	\$ 611,914	\$ 715,974	\$ 104,060	17.0%
CPO unit sales	23,670	28,260	4,590	19.4%

	For the Year-Ended December 31,		Better/(Worse)	
	2008	2009	Change	% Change
(In thousands except units and per unit data)				
Same Store:				
Revenue	\$ 1,368,596	\$ 1,474,443	\$ 105,847	7.7%
Gross profit	\$ 117,805	\$ 119,960	\$ 2,155	1.8%
Unit sales	68,808	77,278	8,470	12.3%
Revenue per unit	\$ 19,890	\$ 19,080	\$ (810)	(4.1%)
Gross profit per unit	\$ 1,712	\$ 1,552	(160)	(9.3%)
Gross profit as a % of revenue	8.6%	8.1%	(50)bps	
CPO revenue	\$ 715,974	\$ 741,468	\$ 25,494	3.6%
CPO unit sales	28,260	28,926	666	2.4%

	For the Year-Ended December 31,		Better/(Worse)	
	2007	2008	Change	% Change
	(In thousands except units and per unit data)			
Same Store:				
Revenue	\$ 1,364,380	\$ 1,322,791	\$ (41,589)	(3.0%)
Gross profit	\$ 127,999	\$ 114,629	\$ (13,370)	(10.4%)
Unit sales	68,003	67,165	(838)	(1.2%)
Revenue per unit	\$ 20,064	\$ 19,695	\$ (369)	(1.8%)
Gross profit per unit	\$ 1,882	\$ 1,707	\$ (175)	(9.3%)
Gross profit as a % of revenue	9.4%	8.7%	(70)bps	
CPO revenue	\$ 608,743	\$ 682,815	\$ 74,072	12.2%
CPO unit sales	23,577	27,217	3,640	15.4%

During 2009, our used vehicle unit volume increased, as compared to 2008, despite a significantly weaker economic environment. Additionally, we were able to outperform the national average in used vehicle unit volume, with the national average declining 2.8% for 2009. We were able to obtain an increase in used unit volume primarily due to the continued implementation of our standardized used vehicle merchandising process. This process allows us to price our used vehicles more competitively, market them more effectively and physically move certain used vehicles to specific dealerships within a particular region that have shown success in retailing the specific type of used vehicle. Our import dealerships posted an increase in used unit sales volume of 9,150, or 18.2%, when compared to 2008. The increase in our import used unit sales volume was partially offset by a decrease in our domestic dealerships used unit sales volume of 725, or 3.9%. In 2009, gross profit per unit from used vehicles declined as compared to the prior year due in part to a shift toward purchasing more vehicles from auction rather than obtaining them through trade.

In 2008, the overall decrease in gross profit when compared to 2007 can be mainly attributed to adverse consumer confidence levels and a challenging consumer credit environment. Gross margin rates for used vehicles declined in 2008 compared to 2007 primarily due to sourcing more vehicles through wholesale auctions versus trades and actively managing our vehicle days supply to offer more favorable pricing to customers.

Wholesale Vehicles

Wholesale vehicle revenues are highly correlated with new and used vehicle retail sales and the associated trade-in volume. Wholesale revenues are also significantly affected by our corporate inventory management policies, which are designed to optimize our total used vehicle inventory.

	For the Year-Ended December 31,		Better/(Worse)	
	2008	2009	Change	% Change
	(In thousands except units and per unit data)			
Reported:				
Revenue	\$ 277,559	\$ 150,695	\$ (126,864)	(45.7%)
Gross loss	\$ (6,873)	\$ (6,021)	\$ 852	12.4%
Unit sales	36,674	25,866	(10,808)	(29.5%)
Revenue per Unit	\$ 7,568	\$ 5,826	\$ (1,742)	(23.0%)
Gross loss per unit	\$ (187)	\$ (233)	\$ (46)	(24.6%)
Gross loss as a % of revenue	(2.5%)	(4.0%)	(150)bps	

	For the Year-Ended		Better/(Worse)	
	December 31,		Change	% Change
	2007	2008		
	(In thousands except units and per unit data)			
Reported:				
Revenue	\$ 384,251	\$ 277,559	\$ (106,692)	(27.8%)
Gross loss	\$ (4,685)	\$ (6,873)	\$ (2,188)	(46.7%)
Unit sales	43,227	36,674	(6,553)	(15.2%)
Revenue per Unit	\$ 8,889	\$ 7,568	\$ (1,321)	(14.9%)
Gross loss per unit	\$ (108)	\$ (187)	\$ (79)	(73.1%)
Gross loss as a % of revenue	(1.2%)	(2.5%)	(130)bps	

	For the Year-Ended		Better/(Worse)	
	December 31,		Change	% Change
	2008	2009		
	(In thousands except units and per unit data)			
Same Store:				
Revenue	\$ 277,559	\$ 150,677	\$ (126,882)	(45.7%)
Gross loss	\$ (6,873)	\$ (6,021)	\$ 852	12.4%
Unit sales	36,674	25,864	(10,810)	(29.5%)
Revenue per unit	\$ 7,568	\$ 5,826	\$ (1,742)	(23.0%)
Gross loss per unit	\$ (187)	\$ (233)	\$ (46)	(24.6%)
Gross loss as a % of revenue	(2.5%)	(4.0%)	(150)bps	

	For the Year-Ended		Better/(Worse)	
	December 31,		Change	% Change
	2007	2008		
	(In thousands except units and per unit data)			
Same Store:				
Revenue	\$ 382,200	\$ 269,117	\$ (113,083)	(29.6%)
Gross loss	\$ (4,702)	\$ (6,811)	\$ (2,109)	(44.9%)
Unit sales	43,092	35,986	(7,106)	(16.5%)
Revenue per unit	\$ 8,869	\$ 7,478	\$ (1,391)	(15.7%)
Gross loss per unit	\$ (109)	\$ (189)	\$ (80)	(73.4%)
Gross loss as a % of revenue	(1.2%)	(2.5%)	(130)bps	

Lower wholesale vehicle revenues in 2009 were the result of a decline in wholesale unit sales coupled with a decrease in the average wholesale price per unit compared to 2008. The decrease in wholesale unit sales is in part due to our increased focus of selling vehicles through our retail channel. Wholesale vehicle gross loss decreased in 2009 compared to 2008 due to the higher market value of wholesale vehicles as consumer preferences have shifted from new retail vehicles to the purchase of pre-owned vehicles.

During 2008, lower wholesale vehicle revenues resulted from a decline in wholesale unit sales along with a decrease in average wholesale price per unit. The decrease in wholesale unit volume and gross margins as compared to 2007 can be primarily attributed to our increased focus on retailing used vehicles which historically we would have disposed of through the wholesale market and fewer vehicles received in trades for new and used vehicles due to declines in overall retail activity.

Parts, Service and Collision Repair (“Fixed Operations”)

Parts and service revenue consists of customer requested repairs (“customer pay”), warranty repairs, retail parts, wholesale parts and collision repairs. Parts and service revenue is driven by the mix of warranty repairs versus

customer pay repairs, available service capacity, vehicle quality, customer loyalty and manufacturer warranty programs.

We believe that over time, vehicle quality will improve, but vehicle complexity will offset any revenue lost from improvement in vehicle quality. We also believe that over the long-term we have the ability to continue to add service capacity and increase revenues. However, based on current market conditions, we do not anticipate a near-term increase in additional service capacity. Manufacturers continue to extend new vehicle warranty periods and have also begun to include regular maintenance items in the warranty coverage. These factors, over the long-term, combined with the extended manufacturer warranties on CPO vehicles (see the discussion in "Business — Business Strategy — Certified Pre-Owned Vehicles" above), should facilitate long-term growth in our service and parts business. Barriers to long-term growth may include reductions in the rate paid by manufacturers to dealers for warranty work performed.

As of December 31, 2009, we operated 26 collision repair centers. Collision revenues are heavily impacted by trends in the automotive insurance industry. Reported collision repair revenues decreased \$4.7 million, or 8.5%, during 2009 compared to 2008; the decrease is primarily due to a decline in customer pay revenues of \$3.6 million, or 9.2%. Collision repair revenues remained fairly constant during 2008 compared to 2007 with only a \$0.1 million decrease, or 0.2%.

	For the Year-Ended December 31,		Better/(Worse)	
	2008	2009	Change	% Change
(In thousands)				
Reported:				
Revenue				
Parts	\$ 599,445	\$ 589,638	\$ (9,807)	(1.6%)
Service	459,610	448,764	(10,846)	(2.4%)
Collision Repair	55,022	50,320	(4,702)	(8.5%)
Total	\$ 1,114,077	\$ 1,088,722	\$ (25,355)	(2.3%)
Gross profit				
Parts	\$ 205,753	\$ 201,950	\$ (3,803)	(1.8%)
Service	319,785	317,383	(2,402)	(0.8%)
Collision Repair	30,851	28,422	(2,429)	(7.9%)
Total	\$ 556,389	\$ 547,755	\$ (8,634)	(1.6%)
Gross profit as a % of revenue				
Parts	34.3%	34.2%	(10)bps	
Service	69.6%	70.7%	110bps	
Collision Repair	56.1%	56.5%	40bps	
Total	49.9%	50.3%	40bps	

	For the Year-Ended December 31,		Better/(Worse)	
	2007	2008	Change	% Change
	(In thousands)			
Reported:				
Revenue				
Parts	\$ 590,288	\$ 599,445	\$ 9,157	1.6%
Service	461,013	459,610	(1,403)	(0.3%)
Collision Repair	55,150	55,022	(128)	(0.2%)
Total	\$ 1,106,451	\$ 1,114,077	\$ 7,626	0.7%
Gross profit				
Parts	\$ 205,072	\$ 205,753	\$ 681	0.3%
Service	321,869	319,785	(2,084)	(0.6%)
Collision Repair	31,625	30,851	(774)	(2.4%)
Total	\$ 558,566	\$ 556,389	\$ (2,177)	(0.4%)
Gross profit as a % of revenue				
Parts	34.7%	34.3%	(40)bps	
Service	69.8%	69.6%	(20)bps	
Collision Repair	57.3%	56.1%	(120)bps	
Total	50.5%	49.9%	(60)bps	

	For the Year-Ended December 31,		Better/(Worse)	
	2008	2009	Change	% Change
	(In thousands)			
Same Store:				
Revenue				
Parts	\$ 599,445	\$ 588,702	\$ (10,743)	(1.8%)
Service	459,610	448,061	(11,549)	(2.5%)
Collision Repair	55,022	50,320	(4,702)	(8.5%)
Total	\$ 1,114,077	\$ 1,087,083	\$ (26,994)	(2.4%)
Gross profit				
Parts	\$ 205,753	\$ 201,279	\$ (4,474)	(2.2%)
Service	319,785	316,885	(2,900)	(0.9%)
Collision Repair	30,851	28,423	(2,428)	(7.9%)
Total	\$ 556,389	\$ 546,587	\$ (9,802)	(1.8%)
Gross profit as a % of revenue				
Parts	34.3%	34.2%	(10)bps	
Service	69.6%	70.7%	110bps	
Collision Repair	56.1%	56.5%	40bps	
Total	49.9%	50.3%	40bps	

	For the Year-Ended December 31,		Better/(Worse)	
	2007	2008	Change	% Change
	(In thousands)			
Same Store:				
Revenue				
Parts	\$ 585,941	\$ 577,025	\$ (8,916)	(1.5%)
Service	458,562	444,278	(14,284)	(3.1%)
Collision Repair	55,151	55,023	(128)	(0.2%)
Total	\$ 1,099,654	\$ 1,076,326	\$ (23,328)	(2.1%)
Gross profit				
Parts	\$ 203,205	\$ 198,043	\$ (5,162)	(2.5%)
Service	320,060	309,149	(10,911)	(3.4%)
Collision Repair	31,626	30,853	(773)	(2.4%)
Total	\$ 554,891	\$ 538,045	\$ (16,846)	(3.0%)
Gross profit as a % of revenue				
Parts	34.7%	34.3%	(40)bps	
Service	69.8%	69.6%	(20)bps	
Collision Repair	57.3%	56.1%	(120)bps	
Total	50.5%	50.0%	(50)bps	

Both our domestic and our imports brands experienced a decline in fixed operations revenues during 2009 compared to 2008. Our import dealerships fixed operations revenues decreased \$5.9 million, or 0.7% and our domestic dealerships revenues decreased \$20.1 million, or 8.7%. Cadillac contributed significantly to the decrease in our domestic revenues with a decline in fixed operations of \$12.0 million, or 13.7% during 2009. Lexus posted an increase in fixed operations revenue by \$8.2 million, or 12.5% during 2009. Our warranty revenue decreased \$11.0 million, or 5.4% in 2009 compared to 2008. Both our BMW and Mercedes brands contributed significantly to the decline in warranty revenue (BMW was down \$7.1 million, or 9.7% and Mercedes was down \$5.4 million, or 19.3%). Customer pay sales were also down from 2008 by \$3.2 million, or 0.6%. Our import dealerships experienced an increase in customer pay of \$6.3 million, or 1.5%; however, the increase was offset by a decline in customer pay sales of \$8.8 million, or 7.9% at our domestic dealerships. Our BMW dealerships contributed to the import increase, up \$10.5 million, or 8.6% in customer pay sales for 2009. Our same store gross margin percentage decreased \$9.8 million, or 1.8% in 2009 compared to 2008. The decrease in gross margin percentage is due to lower significant repair and maintenance work, which typically carries higher margin percentages.

Fixed operations revenues at our import dealerships were down \$12.3 million, or 1.5%, during 2008 versus 2007, while revenues at our domestic dealerships were down \$8.6 million, or 3.6%, as compared to 2007. Customer pay sales at our import dealerships increased \$4.8 million, or 1.2%. The customer pay import increases were partially offset by decreases in customer pay sales of \$4.2 million, or 3.6% at our domestic dealerships. Warranty sales at our import dealerships decreased \$10.2 million, or 6.1%, as compared to 2007. Our Mercedes dealerships continued to experience significant decreases in warranty sales, declining \$6.6 million, or 20.4%, as compared to 2007, due to continued improvements in vehicle quality and changes in their vehicle warranty programs. Our warranty sales at our domestic stores increased slightly, by \$0.7 million, or 1.8% as compared to 2007. Gross margin rates for parts, service and collision repair for 2008 declined compared to 2007. The decline in gross margin rates is primarily due to a higher proportion of sales comprised of lower margin activities, such as standard oil changes and tire sales.

Finance, Insurance and Other

Finance, insurance and other revenues include commissions for arranging vehicle financing and insurance, sales of third-party extended service contracts for vehicles and other aftermarket products. In connection with

vehicle financing, service contracts, other aftermarket products and insurance contracts, we receive commissions from the providers for originating contracts.

Rate spread is another term for the commission earned by our dealerships for arranging vehicle financing for consumers. The amount of the commission could be zero, a flat fee or an actual spread between the interest rate charged to the consumer and the interest rate provided by the direct financing source (bank, credit union or manufacturers' captive finance company). We have established caps on the potential rate spread our dealerships can earn with all finance sources. We believe the rate spread we earn for arranging financing represents value to the consumer in numerous ways, including the following:

- Lower cost, below-market financing is often available only from the manufacturers' captives and franchised dealers;
- Lease-financing alternatives are largely available only from manufacturers' captives or other indirect lenders;
- Customers with substandard credit frequently do not have direct access to potential sources of sub-prime financing; and
- Customers with significant "negative equity" in their current vehicle (i.e., the customer's current vehicle is worth less than the balance of their vehicle loan or lease obligation) frequently are unable to pay off the loan on their current vehicle and finance the purchase or lease of a replacement new or used vehicle without the assistance of a franchised dealer.

Finance, insurance and other revenues are driven by the level of new and used vehicle unit sales, manufacturer financing or leasing incentives and our F&I penetration rate. The F&I penetration rate represents the percentage of vehicle sales on which we are able to originate financing or sell extended service contracts, other aftermarket products or insurance contracts. Our finance and extended service contract penetration rates declined in 2009 as compared to 2008 with finance contract rates declining from 69.4% in 2008 to 64.8% in 2009. Our service contract penetration rates decrease from 33.1% in 2008 to 30.2% in 2009. Furthermore, the aftermarket products penetration rate decreased from 97.4% in 2008 to 82.9% in 2009. Penetration rates were negatively impacted by the weaker economy and low consumer confidence.

	For the Year-Ended December 31,		Better/(Worse)	
	2008	2009	Change	% Change
(In thousands except per unit data)				
Reported:				
Revenue	\$ 183,709	\$ 156,811	\$ (26,898)	(14.6%)
Gross profit per retail unit (excluding fleet)	\$ 1,018	\$ 929	\$ (89)	(8.7%)

	For the Year-Ended December 31,		Better/(Worse)	
	2007	2008	Change	% Change
(In thousands except per unit data)				
Reported:				
Revenue	\$ 203,093	\$ 183,709	\$ (19,384)	(9.5%)
Gross profit per retail unit (excluding fleet)	\$ 1,013	\$ 1,018	\$ 5	0.5%

	For the Year-Ended December 31,		Better/(Worse)	
	2008	2009	Change	% Change
(In thousands except per unit data)				
Same Store:				
Revenue	\$ 182,037	\$ 155,999	\$ (26,038)	(14.3%)
Gross profit per retail unit (excluding fleet)	\$ 1,009	\$ 925	\$ (84)	(8.3%)

	For the Year-Ended December 31,		Better/(Worse)	
	2007	2008	Change	% Change
	(In thousands except per unit data)			
Same Store:				
Revenue	\$ 198,588	\$ 176,510	\$ (22,078)	(11.1%)
Gross profit per retail unit (excluding fleet)	\$ 995	\$ 1,007	\$ 12	1.2%

Same store finance, insurance and other revenues decreased during 2009 when compared to 2008 primarily due to a decrease in total retail (excluding fleet) unit sales of 11,853 units, or 6.6%, and weaker penetration rates. Gross profit per retail unit also decreased in 2009 as compared to 2008. This decrease is due primarily to lower interest rates on our financing contracts in 2009 and lower commission on manufacturers financing programs as compared to the prior year. Finance contracts may continue to be under pressure in 2010 in the event manufacturers offer attractive financing rates from their captive finance affiliates since we tend to earn lower commissions under these programs.

Same store finance, insurance and other revenues decreased during 2008 when compared to 2007 primarily due to a decrease in total retail (excluding fleet) unit sales of 24,397, or 12.2%. Despite the unit decline, F&I gross profit per unit increased during 2008 when compared to 2007. This increase in F&I revenue per unit can be mainly attributed to an increase in revenue per maintenance contract of 27.4% for the year ended December 31, 2008 compared to the same period in 2007.

Selling, General and Administrative Expenses

Selling, general and administrative ("SG&A") expenses are comprised of four major groups: compensation expense, advertising expense, rent and rent related expense, and other expense. Compensation expense primarily relates to dealership personnel who are paid a commission or a modest salary plus commission (which typically vary depending on gross profits realized) and support personnel who are paid a fixed salary. Due to the salary component for certain dealership and corporate personnel, gross profits and compensation expense are not 100% correlated. Advertising expense and other expenses vary based on the level of actual or anticipated business activity and number of dealerships owned. Rent and rent related expense typically varies with the number of dealerships owned, investments made for facility improvements and interest rates. Although not completely correlated, we believe the best way to measure SG&A expenses is as a percentage of gross profit.

	For the Year-Ended December 31,		Better/(Worse)	
	2008	2009	Change	% Change
	(In thousands)			
Reported Expense:				
Compensation	\$ 503,122	\$ 480,106	\$ 23,016	4.6%
Advertising	58,378	46,318	12,060	20.7%
Rent and Rent Related	142,044	141,241	803	0.6%
Other	217,823	176,129	41,694	19.1%
Total	\$ 921,367	\$ 843,794	\$ 77,573	8.4%
SG&A as a % of gross				
Compensation	44.8%	46.0%	(120)bps	
Advertising	5.2%	4.4%	80bps	
Rent and Rent Related	12.7%	13.5%	(80)bps	
Other	19.4%	16.8%	260bps	
Total	82.1%	80.7%	140bps	

	For the Year-Ended December 31,		Better/(Worse)	
	2007	2008	Change	% Change
(In thousands)				
Reported Expense:				
Compensation	\$ 513,289	\$ 503,122	\$ 10,167	2.0%
Advertising	64,246	58,378	5,868	9.1%
Rent and Rent Related	139,766	142,044	(2,278)	(1.6%)
Other	186,343	217,823	(31,480)	(16.9%)
Total	\$ 903,644	\$ 921,367	\$ (17,723)	(2.0%)
SG&A as a % of gross				
Compensation	42.2%	44.8%	(260)bps	
Advertising	5.3%	5.2%	10bps	
Rent and Rent Related	11.5%	12.7%	(120)bps	
Other	15.3%	19.4%	(410)bps	
Total	74.3%	82.1%	(780)bps	

2009 Compared to 2008

Total SG&A expenses decreased both in dollar amount and as a percentage of gross profit in 2009. The dollar decrease can be attributed to the lower sales volume in 2009, which decreased by 27,296 units, or 11.8% and our cost reduction efforts in 2009.

In 2009, total compensation expense decreased when compared to 2008. However, as a percentage of gross profit, total compensation expense increased. The dollar decrease was primarily the result of overall declines in retail unit volume due to the slow sales environment which led to lower sales commissions. Also, we have focused on reducing costs in 2009 which also drove a decline in 2009 compensation expense as compared to 2008. Overall 401(k) retirement plan expense decreased by \$5.0 million in 2009 as compared to 2008. Furthermore, stock-based compensation expense decreased by \$3.3 million. The increase of compensation expense as a percentage of gross profit is primarily the result of sales compensation not being perfectly correlated with changes in gross profit.

Advertising expense decreased both in dollar amount and a percentage of gross profit. Total advertising costs were lower versus prior year due to adjustments in advertising strategies in response to the soft operating environment and our efforts to reduce costs in 2009. In addition, during 2009 we shifted our advertising strategy away from traditional media and more towards internet and other outlets.

In 2009, rent and rent related expenses decreased slightly as compared to 2008. Rent and rent related expenses were negatively impacted by lease exit charges recorded in 2008 discussed under the previous heading "Impairment and Other Charges". As a percentage of gross profit, rent and rent related expenses increased in 2009 when compared to 2008. The unfavorable increase as a percentage of gross profit was primarily the result of overall declines in gross profit due to the slow sales environment.

Other SG&A expenses decreased as compared to 2008, primarily due to our efforts to reduce costs in 2009. Furthermore, in 2008, we incurred \$4.4 million of hail and hurricane damage to our dealerships and recorded a loss in marketable securities of \$6.4 million. In 2009, there were no significant losses from weather events and we recorded a gain in marketable securities of \$6.0 million. As a percentage of gross profit, Other SG&A decreased as a result of the charges described above.

2008 Compared to 2007

Total SG&A expenses increased both in dollar amount and as a percentage of gross profit in 2008 as compared to 2007. Both the dollar increase and the increase as a percentage of gross profit are primarily attributed to current

year acquisitions, hail and hurricane damage, loss on marketable securities, lease exit charges and legal expenses incurred in 2008.

In 2008, total reported compensation expense decreased when compared to 2007. However, as a percentage of gross profit, total compensation expense increased. The unfavorable increase as a percentage of gross profit was primarily the result of overall declines in gross profit due to the slow sales environment.

Advertising expense decreased in 2008, as compared to 2007. As a percentage of gross profit, advertising expense remained relatively flat in 2008 as compared to 2007. Total advertising costs were lower versus prior year due to adjustments in advertising strategies in response to the soft operating environment.

Rent and rent related expenses increased in 2008 as compared to 2007. Rent and rent related expenses were negatively impacted by lease exit charges recorded in 2008 discussed in the previous heading, "Impairment and Other Charges". As a percentage of gross profit, rent and rent related expenses also increased.

Other SG&A expenses increased in 2008 as compared to 2007, primarily due to increases in service loaner expense, hail and hurricane damage and loss on marketable securities.

Impairment Charges

Impairment charges decreased \$798.4 million from 2008 to 2009 due to impairment charges recorded in 2008 related to goodwill, franchise assets and fixed assets. See the table and discussion included under the previous heading "Impairments and Other Charges" for a detail of other impairment charges recorded during 2009 and 2008.

In 2008, impairment charges increased \$822.0 million compared to 2007 due primarily to goodwill impairment, cancellation of various facility improvement projects and other asset impairments. See the table and discussion included under the previous heading "Impairments and Other Charges" for a detail of impairment charges recorded during 2008 and 2007.

Depreciation and Amortization

Depreciation expense increased \$2.0 million, or 6.0%, in 2009 compared to 2008 and \$8.6 million, or 34.6%, in 2008 compared to 2007. The increases were primarily related to increases in gross property and equipment related to continuing operations, excluding land and construction in progress of \$31.2 million in 2009 and \$107.1 million in 2008. The increases in depreciable property were due in part to our strategic shift to continue to own and hold more dealership properties. Also, the increase in 2009 as compared to 2008 was partially due to depreciation charges as a result of the reclassification of stores from discontinuing operations to continuing operations.

Interest Expense, Floor Plan

Interest expense, floor plan for new vehicles decreased \$22.4 million, or 54.5%, in 2009 compared to 2008. The average new vehicle floor plan interest rate related to new vehicles incurred by continuing dealerships was 2.5% for the year ended December 31, 2009, compared to 4.2% for the year ended December 31, 2008, which decreased interest expense by approximately \$12.3 million. In addition, during 2009 the average floor plan balance for new vehicles decreased by \$244.5 million, resulting in a decrease in expense of approximately \$10.1 million.

Interest expense, floor plan for used vehicles incurred by continuing operations decreased \$2.1 million, or 55.4%, in 2009 compared to 2008. Before considering used vehicle floor plan interest expense allocated to discontinued operations for the year ended December 31, 2009 and December 31, 2008 of \$0.1 million and \$0.5 million, respectively, the weighted average used vehicle floor plan interest rate incurred by both continuing and discontinued operations was 2.3% for the year ended December 31, 2009, compared to 4.4% for the year ended December 31, 2008, which decreased interest expense by approximately \$1.6 million. The average used vehicle floor plan notes payable balance from continuing and discontinued dealerships decreased \$19.0 million in 2009 compared to 2008, resulting in a decrease in used vehicle floor plan interest expense of approximately \$0.8 million.

Interest expense, floor plan for new vehicles decreased \$16.3 million, or 28.4%, in 2008 compared to 2007. The average floor plan interest rate for new vehicles incurred by continuing dealerships was 4.2% for the year ended

December 31, 2008, compared to 6.3% for the year ended December 31, 2007, which decreased interest expense by approximately \$20.6 million. During 2008 the average floor plan balance for new vehicles increased \$67.9 million which resulted in an increase in expense of approximately \$4.3 million. Approximately \$6.1 million of the increase in the average new vehicle floor plan balance was due to additional dealerships we acquired in 2008.

Interest expense, floor plan for used vehicles incurred by continuing operations increased \$2.2 million, or 37.2%, in 2008 compared to 2007. Before considering used vehicle floor plan interest expense allocated to discontinued operations for the year ended December 31, 2008 and December 31, 2007 of \$0.5 million and \$1.0 million, respectively, the weighted average used vehicle floor plan interest rate incurred by both continuing and discontinued operations was 4.4% for the year ended December 31, 2008, compared to 6.6% for the year ended December 31, 2007, which decreased interest expense by approximately \$2.1 million. The average used vehicle floor plan notes payable balance from continuing and discontinued dealerships decreased \$9.9 million in 2008 compared to 2007, resulting in a decrease in used vehicle floor plan interest expense of approximately \$0.6 million.

Interest Expense, Other, Net

Changes in interest expense, other are summarized in the schedule below:

	2008	2009
	Increase/(Decrease) in Interest Expense	Increase/(Decrease) in Interest Expense
	(In millions)	(In millions)
Interest rates —		
- Changes in the average interest rate on the revolving facilities (7.29% in 2007 and 5.26% in 2008 and 3.33% in 2009)	\$ (1.0)	\$ (1.6)
Debt balances —		
- Increase (decrease) in debt balances	6.7	(0.4)
Other factors —		
- Decrease in capitalized interest	0.9	0.8
- Incremental interest expense (benefit) related to variable to fixed rate swaps(1)	12.9	13.1
- Incremental interest expense (benefit) related to fixed rate to variable swaps(1)	(2.0)	0.8
- Interest expense (benefit) allocation to discontinued operations	0.7	(0.2)
- Increase (decrease) in deferred loan cost amortization(2)	0.1	11.7
- Increase (decrease) in other expense, net	1.8	1.1
	<u>\$ 20.1</u>	<u>\$ 25.3</u>

(1) Represent difference in cash payments to and from the counterparty.

(2) Includes loan costs related to the issuance of the 6.0% Convertible Notes and amendments to the 2006 Credit Facility.

Interest Expense, Non-Cash, Convertible Debt

Non-cash convertible debt interest expense is comprised of the amortization of the debt discount and deferred loan costs associated with our 5.25% Convertible Notes, 5.0% Convertible Notes and 4.25% Convertible Notes in addition to the amortization of the debt discount and mark-to-market effect of the derivative liability associated with the 6.0% Convertible Notes. The initial debt discount was determined based on a valuation of the debt component of these notes, and is being amortized monthly to interest expense over the life of the notes. See Note 1 in the accompanying consolidated financial statements which discusses the adoption of the updated provisions of "Debt with Conversion and Other Options" in the ASC. Interest expense of approximately \$9.9 million, \$10.7 million and

\$6.2 million in 2007, 2008 and 2009, respectively, represents the non-cash amortization of the debt discount recorded as a result of adoption of the updated provisions of “Debt with Conversion and Other Options” in the ASC as it relates to the 5.25% Convertible Notes and 4.25% Convertible Notes. Interest expense of approximately \$5.3 million in 2009 was recorded related to amortization of discount on the 6.0% Convertible Notes and 5.0% Convertible Notes. We recognized a non-cash benefit of \$11.3 million for the year ended December 31, 2009 due to the extinguishment of the derivative liability associated with the 6.0% Convertible Notes. This extinguishment of the derivative liability was associated with the 6.0% Convertible Notes due to the redemption of our 6.0% Convertible Notes during 2009. Deferred loan cost amortization related to the 4.25% Convertible Notes, 5.0% Convertible Notes and 5.25% Convertible Notes was \$0.5 million for the year ended December 31, 2009.

Changes in interest expense, non-cash, convertible debt are summarized in the schedule below:

Factors —	2008	2009
	Increase/(Decrease) in Interest Expense (In millions)	Increase/(Decrease) in Interest Expense (In millions)
- Increase (decrease) in amortization of discount recorded as a result of adoption of “Debt with Conversion and Other Options” in the ASC	\$ 0.8	\$ (3.3)
- Increase (decrease) in deferred loan cost amortization	—	0.5
- Increase (decrease) in convertible note discount amortization	—	4.1
- Increase (decrease) in mark-to-market on derivatives and swaps	—	(11.3)
	<u>\$ 0.8</u>	<u>\$ (10.0)</u>

Interest Expense, Non-Cash, Cash Flow Swaps

We have entered into the Fixed Swaps to effectively convert a portion of our LIBOR-based variable rate debt to a fixed rate, in order to reduce our exposure to market risks from fluctuations in interest rates. As a result of the refinancing of our 2006 Credit Facility and the new terms of the 2010 Credit Facilities, it is no longer probable that we will incur interest payments that match the terms of certain Fixed Swaps that previously were designated and qualified as cash flow hedges. Of the Fixed Swaps (including the two \$100.0 million notional swaps which were settled in 2009), \$565.0 million of the notional amount had previously been documented as hedges against the variability of cash flows related to interest payments on certain debt obligations. At December 31, 2009, we estimate that under the new 2010 Credit Facilities and other facilities with matching terms, it is probable that the expected debt balance with interest payments that match the terms of the Fixed Swaps will be \$400.0 million and it is reasonably possible that the expected debt balance with interest payments that match the terms of the Fixed Swaps will be between \$400.0 million and \$500.0 million. As a result, at December 31, 2009, amounts previously classified in accumulated other comprehensive income related to interest payments that match terms of the Fixed Swaps no longer probable of occurring were reclassified to earnings as a charge of approximately \$4.5 million included in interest expense, non-cash, cash flow swaps in the accompanying Consolidated Statements of Income. In addition, in the third quarter of 2009 we reclassified \$0.3 million from other comprehensive income to earnings as a result of cash flow swap ineffectiveness due to reductions in LIBOR-based debt balances. Prospectively, changes in the fair value of \$65.0 million of notional amount of certain cash flow swaps will be recognized through earnings. See Note 6 “Derivative Instruments and Hedging Activities” in the accompanying notes to the consolidated financial statements for further discussion.

For the Fixed Swaps which qualify as cash flow hedges, the changes in the fair value of these swaps have been recorded in other comprehensive income/(loss), net of related income taxes in the Consolidated Statements of Stockholders’ Equity. The incremental interest expense (the difference between interest paid and interest received) related to the Fixed Swaps was \$25.5 million in 2009, \$12.4 million in 2008 and a benefit of \$0.5 million in 2007, and is included in interest expense, other, net in the accompanying Consolidated Statements of Income. The

estimated net expense expected to be reclassified out of other comprehensive income/(loss) into results of operations during the year ended December 31, 2010 is approximately \$5.0 million.

Other Income/Expense, Net

Other income for the year ending December 31, 2009 includes a loss of approximately \$7.2 million related to the write-off of the unamortized debt discount associated with the redemption of the 6.0% Convertible Notes during the fourth quarter of 2009.

Provision for Income Taxes

The effective tax rate from continuing operations was a benefit of 148.7% in 2009, expense of 16.3% in 2008 and expense of 39.1% in 2007. The tax rate for 2009 is a benefit primarily due to the \$43.3 million reduction of valuation allowances on deferred tax assets and other tax adjustments. The effective tax rate expense in 2008 is lower than 2009 primarily due to valuation allowances recorded in the year ended December 31, 2008 totaling \$109.6 million. Absent these events our effective tax rate generally varies from year to year based on the distribution of taxable income between states in which we operate. We expect the effective tax rate in future periods to fall within a range of 43% to 45% before the impact, if any, of changes in valuation allowances related to deferred income tax assets. We believe there is a possibility of further reduction of recorded valuation allowances in 2010 in the event our profitability and the automotive retail environment continue to improve.

Discontinued Operations

The pre-tax losses from operations and the sale of discontinued franchises were as follows:

	Year Ended December 31,		
	2007	2008	2009
	(Dollars in thousands)		
Loss from operations	\$ (14,188)	\$ (16,201)	\$ (7,044)
Gain (loss) on disposal of franchises	178	(2,325)	(293)
Lease exit charges	(1,787)	(13,747)	(31,850)
Property impairment charges	(1,957)	(10,251)	(3,938)
Goodwill impairment charges	—	(1,839)	(1,586)
Franchise agreement and other asset impairment charges	(3,100)	(14,400)	—
Favorable lease asset impairment charges	—	(1,903)	—
Pre-tax loss	\$ (20,854)	\$ (60,666)	\$ (44,711)
Total revenues	\$ 941,983	\$ 479,894	\$ 218,022

For a description of the impairment and other charges taken for the years ended December 31 2009, 2008 and 2007, see the discussion under the previous heading "Impairments and Other Charges."

Liquidity and Capital Resources

We require cash to fund debt service, operating lease obligations, working capital requirements and to finance acquisitions. We rely on cash flows from operations, borrowings under our revolving credit and floor plan borrowing arrangements, real estate mortgage financing, asset sales and offerings of debt and equity securities to meet these requirements. Our liquidity could be negatively affected if we fail to comply with the financial covenants in our existing debt or lease arrangements. Cash flows provided by our dealerships are derived from various sources. The primary sources include individual consumers, automobile manufacturers, automobile manufacturers' captive finance subsidiaries and finance companies. Disruptions in these cash flows can have a material and adverse impact on our operations and overall liquidity.

Because the majority of our consolidated assets are held by our dealership subsidiaries, the majority of our cash flows from operations are generated by these subsidiaries. As a result, our cash flows and ability to service our obligations depends to a substantial degree on the results of operations of these subsidiaries and their ability to

provide us with cash based on their ability to generate cash. In 2009, our overall liquidity position improved as a result of our repayment of our 5.25% Convertible Notes, our 6.0% Convertible Notes and all but \$17.0 million of our 4.25% Convertible Notes through the issuance of 10,350,000 shares of Class A common stock and \$172.5 million of 5.0% Convertible Notes which generated \$266.4 million of net proceeds. In addition, subsequent to December 31, 2009, we replaced our 2006 Credit Facility which was scheduled to expire in February of 2010 with a new credit facility. See discussion below for the terms and features of our 2010 Credit Facilities.

In 2009, our operations continued to be negatively affected by the downturn in the overall economy and particularly the severe downturn experienced in the automotive retail industry. In 2009, despite special governmental programs, the new vehicle SAAR was 10.4 million units compared to 13.2 million units in 2008 and 16.1 million units in 2007. Current industry analyst expectations for new vehicle sales volume in 2010 are between 11.0 million and 12.0 million vehicles, an additional 5.8% to 15.4% increase from 2009. Despite these operational challenges, we believe our current capital structure and the results of our operating activities will enable us to continue to service our liquidity requirements.

Long-Term Debt and Credit Facilities

2010 Credit Facilities

Our 2010 Credit Facilities, executed on January 15, 2010, provide a total of up to \$521.0 million in combined revolving credit and floor plan financing, and replace our previous revolving credit and floor plan financing under our 2006 Credit Facility.

Under the terms of the 2010 Credit Facilities, up to \$321.0 million is available for new vehicle inventory floor plan financing (the "2010 New Vehicle Floor Plan Sub-Facility"), up to \$50.0 million is available for used vehicle inventory floor plan financing (the "2010 Used Vehicle Floor Plan Sub-Facility") and up to \$150.0 million is available for working capital and general corporate purposes (the "2010 Revolving Credit Facility"). The 2010 Credit Facilities mature on August 15, 2012. We also have capacity to finance new and used vehicle inventory purchases under bilateral floor plan agreements with various manufacturer-affiliated finance companies and other lending institutions.

Under the terms of the 2010 Credit Facilities the availability under our 2010 Revolving Credit Facility is calculated as the lesser of \$150.0 million or a borrowing base calculated based on certain eligible assets plus 50% of the fair market value (determined using the average daily share price for the five business days immediately preceding the date of calculation) of five million shares of common stock of Speedway Motorsports, Inc. that are pledged as collateral (the "2010 Revolving Borrowing Base"). The 2010 Revolving Credit Facility may be expanded up to \$215.0 million upon satisfaction of certain conditions. However, a withdrawal of this pledge by Sonic Financial Corporation ("SFC"), which holds the five million shares of common stock of Speedway Motorsports, Inc., or a significant decline in the value of Speedway Motorsports, Inc. Common Stock, could reduce the amount we can borrow under the 2010 Revolving Credit Facility.

The 2010 Revolving Borrowing Base was approximately \$145.2 million at January 15, 2010. The amount available to be borrowed under the 2010 Revolving Credit Facility is calculated by subtracting the sum of (1) any outstanding borrowings plus (2) the cumulative face amount of any outstanding letters of credit from the 2010 Revolving Borrowing Bas. At January 15, 2010, we had no outstanding borrowings and \$96.6 million in outstanding letters of credit resulting in total borrowing availability of \$48.6 million.

Under the 2010 Revolving Credit Facility, the amounts outstanding bear interest at a specified percentage above LIBOR, ranging from 2.50% per annum to 4.00% per annum, (but, in any case, not less than 3.50% per annum through the end of the first quarter of 2011) according to a performance-based pricing grid determined by our Consolidated Total Debt to EBITDA Ratio as of the last day of the immediately preceding fiscal quarter (the "Performance Grid").

Under the 2010 New Vehicle Floor Plan Sub-Facility, amounts outstanding bear interest at a specified percentage above LIBOR, ranging from 1.50% per annum to 2.25% per annum (but, in any case, not less than 2.00% per annum through the end of the first quarter of 2011), according to the Performance Grid. Under the 2010 Used Vehicle Floor Plan Sub-Facility, amounts outstanding bear interest at a specified percentage above LIBOR, ranging

from 1.75% per annum to 2.50% per annum (but, in any case, not less than 2.25% per annum through the end of the first quarter of 2011), according to the Performance Grid.

In addition to existing bilateral floor plan credit arrangements with DCFS USA LLC, Ford Motor Credit Company LLC, GMAC, Inc. (formally known as General Motors Acceptance Corporation), and BMW Financial Services NA, Inc., on or before January 15, 2010, we also entered into bilateral floor plan credit arrangements with Toyota Motor Credit Corporation and World Omni Financial Corp (collectively, the "Silo Floor Plan Facilities"). The Silo Floor Plan Facilities provide financing for new and used vehicle inventory. Each of the Silo Floor Plan Facilities bear interest at variable rates based on prime or LIBOR. Our obligations under the Silo Floor Plan Facilities are guaranteed by us and are secured by liens on substantially all of the assets of our respective dealership franchise subsidiaries that receive financing under these arrangements.

Under the terms of collateral documents entered into with the lenders under the 2010 Credit Facilities, all amounts outstanding (including any outstanding letters of credit) are secured by a pledge of substantially all of our assets and the assets of substantially all of our dealership franchise subsidiaries, in addition to the pledge of five million shares of Speedway Motorsports, Inc. Common Stock owned by SFC. The collateral for the 2010 Credit Facilities also includes the pledge of the stock or equity interests of our dealership franchise subsidiaries, except where such a pledge is prohibited by the applicable vehicle manufacturer.

We agreed under the 2010 Credit Facilities not to pledge any assets to any third party, subject to certain stated exceptions, including floor plan financing arrangements. In addition, the 2010 Credit Facilities contain certain negative covenants, including covenants which could restrict or prohibit indebtedness, liens, the payment of dividends, capital expenditures and material dispositions of assets as well as other customary covenants and default provisions. Specifically, the 2010 Credit Facilities permit cash dividends on our Class A and Class B common stock so long as no event of default (as defined in the 2010 Credit Facilities) has occurred and is continuing and provided that we remain in compliance with all financial covenants under the 2010 Credit Facilities.

The 2010 Credit Facilities contain events of default, including cross-defaults to other material indebtedness, change of control events and events of default customary for syndicated commercial credit facilities. Upon the occurrence of an event of default, we could be required to immediately repay all outstanding amounts under the 2010 Credit Facilities.

8.625% Notes

At December 31, 2009, we had \$275.0 million outstanding under the 8.625% Notes. Our obligations under the 8.625% Notes are guaranteed by our operating domestic subsidiaries. The 8.625% Notes are unsecured obligations that rank equal in right of payment to all of our and the subsidiary guarantors' existing and future senior subordinated indebtedness, mature on August 15, 2013 and are redeemable at our option after August 15, 2008. The redemption premiums for the twelve-month periods beginning August 15 of the years 2009 and 2010 are 102.875% and 101.438%, respectively.

5.0% Convertible Notes

On September 23, 2009, we issued \$172.5 million in principal of 5.0% Convertible Notes and 10,350,000 shares of Class A common stock. Net proceeds from these issuances were used to repurchase \$143.0 million of 4.25% Convertible Notes, plus accrued interest, \$85.6 million of 6.0% Convertible Notes, plus accrued interest, and to repay amounts outstanding under the 2006 Credit Facility.

The 5.0% Convertible Notes bear interest at a rate of 5.0% per year, payable semiannually in arrears on April 1 and October 1 of each year, beginning on April 1, 2010. The 5.0% Convertible Notes mature on October 1, 2029. We may redeem some or all of the 5.0% Convertible Notes for cash at any time subsequent to October 1, 2014 at a repurchase price equal to 100% of the principal amount of the Notes. Holders have the right to require us to purchase the 5.0% Convertible Notes on each of October 1, 2014, October 1, 2019 and October 1, 2024 or in the event of a change in control for cash at a purchase price equal to 100% of the principal amount of the notes.

Holders of the 5.0% Convertible Notes may convert their notes at their option prior to the close of business on the business day immediately preceding July 1, 2029 only under the following circumstances: (1) during any fiscal

quarter commencing after December 31, 2009, if the last reported sale price of the Class A common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter is greater than or equal to 130% of the applicable conversion price on each applicable trading day; (2) during the five business day period after any 10 consecutive trading day period (the "measurement period") in which the trading price (as defined below) per \$1,000 principal amount of notes for each day of that measurement period was less than 98% of the product of the last reported sale price of our Class A common stock and the applicable conversion rate on each such day; (3) if we call any or all of the notes for redemption, at any time prior to the close of business on the third scheduled trading day prior to the redemption date; or (4) upon the occurrence of specified corporate events. On and after July 1, 2029 to (and including) the close of business on the third scheduled trading day immediately preceding the maturity date, holders may convert their notes at any time, regardless of the foregoing circumstances. The conversion rate is 74.7245 shares of Class A common stock per \$1,000 principal amount of notes, which is equivalent to a conversion price of approximately \$13.38 per share of Class A common stock.

To recognize the equity component of a convertible borrowing instrument, upon issuance of the 5.0% Convertible Notes in September 2009, we recorded a debt discount of \$31.0 million and a corresponding amount (net of taxes of \$12.8 million) to equity. The debt discount will be amortized to interest expense through October 2014, the earliest redemption date.

4.25% Convertible Notes

At December 31, 2009, we had approximately \$17.0 million of 4.25% Convertible Notes outstanding. As discussed above, \$143.0 million of these notes were repurchased in 2009. The remaining notes mature on November 30, 2015 and are redeemable by either us or the holders on or after November 30, 2010. Holders of the 4.25% Convertible Notes may convert them into cash and shares of our Class A common stock in November 2010 or if certain other conditions are satisfied. We plan on using cash generated by operations or borrowings under our 2010 Revolving Credit Facility to repay these notes on November 30, 2010. None of the conversion features on the 4.25% Convertible Notes were triggered in 2009. The repurchase of \$143.0 million of the 4.25% Convertible Notes required the recognition of certain items in accordance with the provisions of "Debt with Conversion and Other Options" in the ASC, resulting in a gain of \$0.1 million recorded in other income (expense), net, in the accompanying consolidated statements of income. In addition, the repurchase required the write-off of approximately \$7.1 million of unamortized debt discount, which was offset by a \$4.3 million adjustment to paid-in capital and a \$2.9 million adjustment to deferred income tax assets in accordance with the derecognition guidance in "Debt with Conversion and Other Options" in the ASC.

Notes Payable to a Finance Company

Three notes payable totaling \$26.6 million in aggregate principal were assumed with the purchase of certain dealerships during the second quarter of 2004 (the "Assumed Notes"). The Assumed Notes mature November 1, 2015 through September 1, 2016 and are collateralized by letters of credit. We recorded the Assumed Notes at fair value using an interest rate of 5.35%. Although the Assumed Notes allow for prepayment, the penalties and fees are disproportionately burdensome relative to the Assumed Notes' principal balance. Therefore, we do not currently intend to prepay the Assumed Notes.

Mortgage Notes

In 2007, we began to adjust our strategy on ownership of dealership properties and began to mortgage properties we own rather than finance them using sale-leaseback transactions. We expect this trend to continue in the future, thereby reducing the frequency of future sale-leaseback transactions.

During 2009, we obtained \$6.3 million in mortgage financing for capital construction projects on our dealership facilities. Since beginning this strategy of owning more of our dealership properties in late 2007, we have added \$122.9 million in mortgage financing to our capital structure on 11 of our dealership properties. These mortgage notes require monthly payments of principal and interest through maturity and are secured by the underlying properties. Maturity dates range between June 2013 and December 2029. The weighted average interest

rate was 5.1% at December 31, 2009. Proceeds received during 2009 were used to repay borrowings under our 2006 Revolving Credit Sub-Facility.

Floor Plan Facilities

We finance our new and certain of our used vehicle inventory through standardized floor plan facilities which are due on demand. These floor plan facilities bear interest at variable rates based on LIBOR and prime. The weighted average interest rate for our floor plan facilities for continuing and discontinued operations was 4.2% for 2008 and 2.5% for 2009. We receive floor plan assistance from certain manufacturers. Floor plan assistance received is capitalized in inventory and charged against cost of sales when the associated inventory is sold. We received approximately \$30.8 million and \$19.4 million in 2008 and 2009, respectively, and recognized in cost of sales approximately \$30.1 million and \$22.6 million in 2008 and 2009, respectively, in manufacturer assistance. Interest payments under each of our floor plan facilities are due monthly and we are generally not required to make principal repayments prior to the sale of the vehicles.

Covenants and Default Provisions

Noncompliance with covenants, including a failure to make any payment when due, under our 2010 Credit Facilities, Silo Floor Plan Facilities, operating lease agreements, 8.625% Notes, 5.0% Convertible Notes and 4.25% Convertible Notes (collectively, our "Material Debt Agreements") could result in a default and an acceleration of our repayment obligation under our 2010 Credit Facilities. A default under our 2010 Credit Facilities would constitute a default under our Silo Floor Plan Facilities and could entitle these lenders to accelerate our repayment obligations under the one or more of the floor plan facilities. A default under our 2010 Credit Facilities and one or more Silo Floor Plan Facilities or certain other debt obligations would not result in a default under our 8.625% Notes, 5.0% Convertible Notes or 4.25% Convertible Notes unless our repayment obligations under the 2010 Credit Facilities and/or one or more of the Silo Floor Plan Facilities or such other debt obligations were accelerated. An acceleration of our repayment obligation under any of our Material Debt Agreements could result in an acceleration of our repayment obligations under our other Material Debt Agreements. The failure to repay principal amounts of the Material Debt Agreements when due would create cross-default situations related to other indebtedness. The 2010 Credit Facilities include the following financial covenants:

	Covenant		
	Consolidated Liquidity Ratio	Consolidated Fixed Charge Coverage Ratio	Consolidated Total Senior Secured Debt to EBITDA Ratio
Through March 30, 2011	³1.00	³1.10	£2.25
March 31, 2011 through and including March 30, 2012	³1.05	³1.15	£2.25
March 31, 2012 and thereafter	³1.10	³1.20	£2.25
December 31, 2009 actual	1.12	1.44	1.29

In addition, many of our facility leases are governed by a guarantee agreement between the landlord and us that contains financial and operating covenants. The financial covenants are identical to those under the 2010 Credit Facilities with the exception of one financial covenant related to the ratio of EBTDAR to Rent with a required ratio of no less than 1.5 to 1.0. At December 31, 2009, the ratio was 1.74 to 1.00.

We were in compliance with all of the restrictive and financial covenants on all of our floor plan, long-term debt facilities and lease agreements as of December 31, 2009. We expect to be in compliance with all of our long-term debt agreements for the foreseeable future.

Acquisitions and Dispositions

In the past a significant portion of our cash flow was used to fund dealership acquisitions. Following is a summary of acquisition activity in recent years:

Year of Acquisition	Subsequent Year	Cash Portion of
	Revenues	Purchase Price (net of cash acquired)
		(In millions)
2006	\$ 231.0	\$ 110.4
2007	\$ 471.7	\$ 212.5
2008	\$ 30.9	\$ 22.4

During 2009, we did not acquire any franchises due to restrictions in our 2006 Credit Facility and lack of liquidity. Under the 2010 Credit Facilities, we are restricted from making acquisitions in any fiscal year if the aggregate cost of all acquisitions occurring in such fiscal year is in excess of \$25.0 million, without the written consent of the Required Lenders (as that term is defined in the 2010 Credit Facilities). Currently, we have no plans to pursue any significant acquisition activity in 2010. However, we do believe growth through acquisitions will be our principal source of growth in the future.

During 2009, we disposed of 18 franchises of which six were General Motor terminations and three were Chrysler terminations. These disposals generated cash of \$27.3 million. In addition, as of December 31, 2009, we had four additional franchises (at three physical dealerships) held for sale. Assets to be disposed of in connection with franchises not yet sold have been classified in assets held for sale in the accompanying consolidated financial statements.

Capital Expenditures

Our capital expenditures include the purchase of land, construction of new dealerships and collision repair centers, building improvements and equipment purchased for use in our dealerships. We selectively construct new dealership facilities to maintain compliance with manufacturer's image requirements. We often finance these projects first through new mortgages and secondly through cash flow from operations and availability from our credit facilities.

Capital expenditures in 2009 were approximately \$41.1 million. Of this amount, \$27.7 million was related to facility construction projects and \$13.4 million was for equipment utilized in our dealership operations. Of this \$41.1 million of capital expenditures, \$5.4 million was financed through new mortgages and \$35.7 was funded through operations and use of our credit facilities. See the previous discussion in this section under the heading "Mortgage Notes". As of December 31, 2009, commitments for facilities construction projects totaled approximately \$39.0 million. We expect investments related to capital expenditures to be dependent upon the availability of mortgage financing to fund significant capital projects.

Stock Repurchase Program

Our Board of Directors has authorized us to repurchase shares of our Class A common stock or redeem securities convertible into Class A common stock. Historically, we have used our share repurchase authorization to offset dilution caused by the exercise of stock options or the vesting of restricted stock awards and to maintain our desired capital structure. At the beginning and end of 2009, our remaining repurchase authorization was approximately \$44.7 million and \$44.6 million, respectively. During the majority of 2009, share repurchases were expressly prohibited by our 2006 Credit Facility, with limited exceptions, and under the terms of our 6.0% Convertible Notes. Under our 2010 Credit Facilities, share repurchases are permitted to the extent that no event of default exists and we are in compliance with the financial covenants contained therein. We do not anticipate share repurchase activity in 2010 to be significant.

Our share repurchase activity is subject to the business judgment of management and our Board of Directors, taking into consideration our historical and projected results of operations, financial condition, cash flows, capital requirements, covenant compliance and economic and other factors considered relevant. These factors are

considered each quarter and will be scrutinized as management and our Board of Directors determines our share repurchase policy throughout 2010.

Dividends

There were no dividends declared in 2009 as a result of our liquidity issues and restrictions in our 2006 Credit Facility and under the terms of our 6.0% Convertible Notes. Under our 2010 Credit Facilities, dividends are permitted to the extent that no event of default exists and we are in compliance with the financial covenants contained therein. The payment of any future dividend is subject to the business judgment of our Board of Directors, taking into consideration our historic and projected results of operations, financial condition, cash flows, capital requirements, covenant compliance, share repurchases, current economic environment and other factors considered relevant. These factors are considered each quarter and will be scrutinized as our Board of Directors determines our dividend policy throughout 2010. There is no guarantee that dividends will be paid at any time in the future. See Note 6 in the accompanying consolidated financial statements for a description of restrictions on the payment of dividends.

Cash Flows

Cash Flows from Operating Activities — Net cash provided by operating activities was \$34.1 million, \$120.6 million and \$403.6 million for the years ended December 31, 2007, 2008 and 2009, respectively.

We arrange our inventory floor plan financing through both manufacturer captive finance companies and a syndicate of manufacturer-affiliated finance companies and commercial banks. Generally, our floor plan financed with manufacturer captives is recorded as trade floor plan liabilities (with the resulting change being reflected as an operating cash flow). Our dealerships that obtain floor plan financing from a syndicate of manufacturer-affiliated finance companies and commercial banks record their obligation as non-trade floor plan liabilities (with the resulting change being reflected as a financing cash flow).

Due to the presentation differences for changes in trade floor plan and non-trade floor plan in the statement of cash flows, decisions made by us to move dealership floor plan financing arrangements from one finance source to another may cause significant variations in operating and financing cash flows without affecting our overall liquidity, working capital, or cash flow.

Net cash provided by combined trade and non-trade floor plan financing was \$13.5 million for the year ended December 31, 2007. Net cash used in combined trade and non-trade floor plan financing was \$53.8 million for the year ended December 31, 2008 and \$353.8 million for the year ended December 31, 2009. Had all floor plan financing changes been included in cash flow from operations adjusted cash provided from operations would have been \$156.3 million, \$116.5 million and \$108.8 million for the years ended December 31, 2007, 2008 and 2009, respectively.

The primary factor increasing cash provided from operations during 2009 was the reduction of inventory by \$307.8 million. Inventory levels were unusually high in the final months of 2008 due to the quick downturn of economic conditions. These levels were adjusted in 2009. This also caused the large use of cash in 2009 noted in the previous paragraph as we repaid the floor plan liabilities associated with this inventory reduction. During 2008, reductions of accounts receivable generated cash of \$101.1 million. A combination of a high volume new vehicle sales month in December 2007 and a low volume new vehicle sales month in December 2008 resulted in the reduction in receivables.

Cash Flows from Investing Activities — Cash used in investing activities during 2007, 2008 and 2009 was \$195.6 million, \$115.3 million, and \$9.7 million, respectively. During 2009, the majority of the investing activities cash outflow is related to capital expenditures partially offset by proceeds received from dealership dispositions and the sales of property and equipment. During 2007 and 2008, cash used in investing activities was primarily related to dealership acquisitions as well as capital expenditures partially offset by proceeds received from dealership dispositions and the sales of property and equipment. Dealership acquisitions, net of cash acquired, used \$212.5 million and \$22.9 million for the years ended December 31, 2007 and 2008, respectively. We do not expect to complete any significant acquisitions in 2010.

The significant components of capital expenditures relate primarily to dealership renovations and the purchase of certain existing dealership facilities which had previously been financed under long-term operating leases. During 2009, we used proceeds from mortgage financing in the amount of \$6.3 million to fund capital expenditures and the remainder through borrowings under our 2006 Revolving Credit Sub-Facility.

During 2008, we spent \$65.0 million to purchase several previously leased dealership properties. These purchases were partially funded by proceeds from mortgage financing in the amount of \$39.4 million and the remainder through borrowings under our 2006 Revolving Credit Sub-Facility.

Cash Flows from Financing Activities — Net cash used in financing activities was \$14.8 million for the year ended December 31, 2008 and \$370.8 million for the year ended December 31, 2009. Net cash provided by financing activities was \$165.4 million for the year ended December 31, 2007. Excluding the effect of changes in notes payable floorplan, non-trade, cash flow used in financing activities is comprised primarily of payments on long-term debt partially offset by new borrowings and issuance of common stock. During the year ended December 31, 2009, we repurchased the remaining balances of our 5.25% Convertible Notes for \$15.7 million and a portion of our 4.25% Convertible Notes for \$143.0 million. We also borrowed and repaid \$85.6 million of 6.0% Convertible Notes. During 2009, we also issued common stock of \$101.3 million and paid cash of \$16.5 million for the settlement of two swaps. Cash flow used in 2008 from financing activities was comprised mainly of dividends paid to shareholders and our share repurchase activity. See discussion under the previous headings “Stock Repurchase Program” and “Dividends” regarding 2009 dividend and share repurchase activity. Also, during the year ended December 31, 2008, we repurchased \$24.8 million of our 5.25% Convertible Notes.

Cash Flows from Discontinued Operations — Our Consolidated Statement of Cash Flows includes both continuing and discontinued operations. Net cash provided in operating activities associated with discontinued operations for the year ended December 31, 2009 was approximately \$5.2 million. This was substantially comprised of changes in assets and liabilities that relate to dealership operations, including non-cash asset impairment charges of approximately \$5.5 million and losses on lease exit charges of \$30.9 million. In our Consolidated Statement of Cash Flows, cash flows from investing activities includes the line item “Proceeds from sale of franchises” which is entirely related to discontinued operations. With the exception of “Proceeds from sale of franchises” in the amount of \$27.3 million and “Net payments on notes payable — floor plan — non-trade” in the amount of \$38.6 million, 2009 cash flows from investing and financing activities contain an immaterial amount of cash flows from discontinued operations.

Guarantees and Indemnification Obligations

See discussion under heading “Off-Balance Sheet Arrangements — Guarantees and Indemnification Obligations” below.

Future Liquidity Outlook

Our future contractual obligations are as follows:

	2010	2011	2012	2013	2014	Thereafter	Total
	(Amounts in thousands)						
Floor Plan Facilities(1)	\$ 766,710	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 766,710
Long-Term Debt(2)	23,934	7,903	8,055	289,292	183,944	92,212	605,340
Letters of Credit	96,621	—	—	—	—	—	96,621
Estimated Interest Payments on Floor Plan Facilities(3)	3,537	—	—	—	—	—	3,537
Estimated Interest Payments on Long-Term Debt(4)	66,359	62,720	49,352	31,455	12,776	30,346	253,008
Operating Leases (Net of Sublease Rentals)	119,850	111,827	103,965	97,941	92,584	464,702	990,869
Construction Contracts	39,045	—	—	—	—	—	39,045
Other Purchase Obligations(5)	6,738	—	—	—	—	—	6,738
FIN 48 Liability(6)	500	—	—	—	—	30,729	31,229
Total	\$ 1,123,294	\$ 182,450	\$ 161,372	\$ 418,688	\$ 289,304	\$ 617,989	\$ 2,793,097

- (1) Floor plan facilities include amounts classified as liabilities associated with assets held for sale.
- (2) Amounts outstanding under the 8.625% Notes are redeemable at our option but have been classified in this schedule according to contractual maturity. The 4.25% Convertible Notes and the 5.0% Convertible Notes are redeemable before the stated maturities at both our option and the option of the respective holders. The assumed maturities of these securities are based on these earlier redemption dates, which are November 2010 for the 4.25% Convertible Notes and October 2014 for the 5.0% Convertible Notes. All amounts represent outstanding principal only.
- (3) Floor plan facilities balances (including amounts classified as liabilities associated with assets held for sale) are correlated with the amount of vehicle inventory and are generally due at the time that a vehicle is sold. Estimated interest payments were calculated using the December 31, 2009 floor plan facilities balance, the weighted average interest rate for the fourth quarter of 2009 of 2.8% and the assumption that floor plan facilities balances at December 31, 2009 would be relieved within 60 days in connection with the sale of the associated vehicle inventory.
- (4) Estimated interest payments calculated based on assumed or stated maturities consistent discussion in (2) above. Estimated interest payments include payments related to interest rate swaps.
- (5) Other Purchase Obligations include contracts for office supplies, utilities, and various other items or services.
- (6) Amount represents recorded liability, including interest and penalties, related to FIN 48. See Notes 1 and 7 to the accompanying consolidated financial statements.

We believe our best source of liquidity for operations and debt service remains cash flows generated from operations combined with our availability of borrowings under our floor plan facilities (or any replacements thereof), our 2010 Credit Facilities, selected dealership and other asset sales and our ability to raise funds in the capital markets. Because the majority of our consolidated assets are held by our dealership subsidiaries, the majority of our cash flows from operations are generated by these subsidiaries. As a result, our cash flows and ability to service debt depends to a substantial degree on the results of operations of these subsidiaries and their ability to provide us with cash. Uncertainties in the economic environment have negatively affected our overall liquidity in 2009 and we expect the conditions that existed during 2009 to improve in 2010.

Seasonality

Our operations are subject to seasonal variations. The first and fourth quarters generally contribute less operating profits than the second and third quarters. Weather conditions, the timing of manufacturer incentive programs and model changeovers cause seasonality, and may adversely affect vehicle demand, and consequently, our profitability. Comparatively, parts and service demand remains more stable throughout the year.

Off-Balance Sheet Arrangements

Guarantees and Indemnification Obligations

In connection with the operation and disposition of dealership franchises, we have entered into various guarantees and indemnification obligations. When we sell dealership franchises, we attempt to assign any related lease to the buyer of the franchise to eliminate any future liability. However, if we are unable to assign the related leases to the buyer, we will attempt to sublease the leased properties to the buyer at a rate equal to the terms of the original leases. In the event we are unable to sublease the properties to the buyer with terms at least equal to our lease, we may be required to record lease exit accruals. We expect the aggregate amount of the obligations we guarantee to increase as we dispose of additional franchises. See Note 12 to the accompanying consolidated financial statements for a discussion regarding these guarantees and indemnification obligations. Past performance under these guarantees and indemnification obligations and their estimated fair value has been immaterial to our liquidity and capital resources. Although we seek to mitigate our exposure in connection with these matters, these guarantees and indemnification obligations, including environmental exposures and the financial performance of lease assignees and sub-lessees, cannot be predicted with certainty. An unfavorable resolution of one or more of these matters could have a material adverse effect on our liquidity and capital resources. At December 31, 2009, our future gross minimum lease payments related to properties subleased to buyers of sold franchises totaled approximately \$117.0 million. Future sublease payments expected to be received related to these lease payments were \$82.4 million at December 31, 2009.

5.0% Convertible Notes

The 5.0% Convertible Notes are convertible into shares of our Class A common stock, at the option of the holder, based on certain conditions. See Note 6 to the accompanying consolidated financial statements for a discussion regarding these conversion conditions, which are primarily linked to the per share price of our Class A common stock and the relationship between the trading values of our Class A common stock and the 5.0% Convertible Notes. This type of financing arrangement was selected by us in order to achieve a more favorable interest rate (as opposed to other forms of available financing).

4.25% Convertible Notes, Hedge and Warrants

The 4.25% Convertible Notes are convertible at the option of the holder into cash and shares of our Class A common stock, based on certain conditions. See Note 6 to the accompanying consolidated financial statements for a discussion regarding these conversion conditions which are primarily linked to the relationship between the trading values of our Class A common stock and the 4.25% Convertible Notes. The holders of the 4.25% Convertible Notes can force us to repurchase these notes on November 30, 2010, and we expect to settle these notes in full during 2010. This type of financing arrangement was selected by us in order to achieve a more favorable interest rate (as opposed to other forms of available financing).

In connection with the issuance of the 4.25% Convertible Notes, we entered into convertible hedge and warrant transactions. The convertible note hedge and warrant transactions are designed to increase the effective conversion price per share of our Class A common stock from \$24.14 to \$33.00 and, therefore, mitigate the potential dilution upon conversion of the 4.25% Convertible Notes at the time of conversion. The convertible note hedge and warrant transactions have been recorded at cost within stockholders' equity in the accompanying consolidated financial statements in accordance with "Derivatives and Hedging." See the discussion regarding "Derivative Instruments and Hedging Activities" in Note 6 to the accompanying consolidated financial statements for a discussion regarding the convertible note hedge and warrant transactions. See the discussion regarding "Recent Accounting Pronouncements" in Note 1 to the accompanying consolidated financial statements for a discussion of the impact of "Debt with

Conversion and Other Options” on the 4.25% Convertible Notes. As a result of the repurchase of \$143.0 million of the 4.25% Convertible Notes in 2009, a proportional amount of the convertible hedge was cancelled. However, the number of warrants outstanding was not affected by the 2009 repurchase of \$143.0 million principal of Sonic’s 4.25% Convertible Notes. Subsequent to December 31, 2009, the convertible hedge and warrants were terminated in full at no cost to Sonic.

Item 7A: *Quantitative and Qualitative Disclosures About Market Risk.*

Interest Rate Risk

Our variable rate floor plan facilities, revolving credit facility borrowings and other variable rate notes expose us to risks caused by fluctuations in the applicable interest rates. The total outstanding balance of such variable instruments after considering the effect of our interest rate swaps (see below) was approximately \$626.3 million at December 31, 2008 and approximately \$408.0 million at December 31, 2009. A change of 100 basis points in the underlying interest rate would have caused a change in interest expense of approximately \$7.5 million in 2008 and approximately \$5.1 million in 2009. Of the total change in interest expense, approximately \$6.0 million in 2008 and approximately \$4.5 million in 2009 would have resulted from the floor plan facilities.

In addition to our variable rate debt, as of December 31, 2009 approximately 20% (20% in 2008) of our dealership lease facilities have monthly lease payments that fluctuate based on LIBOR interest rates. An increase in interest rates of 100 basis points would have had an estimated impact on rent expense of approximately \$0.1 million in 2009 and approximately \$1.6 million in 2008. The effect of the change in LIBOR is low in 2009 due to the leases containing LIBOR floors which were above the LIBOR rate in 2009.

We also have the Fixed Swaps to effectively convert a portion of our LIBOR based variable rate debt to a fixed rate. Under the terms of the Fixed Swaps interest rates reset monthly. The fair value of these swap positions at December 31, 2009 was a liability of \$32.5 million included in Other Long-Term Liabilities in the accompanying Consolidated Balance Sheets. See the previous discussion of “Interest Expense, Non-Cash, Cash Flow Swaps” in Item 7: *Management’s Discussion and Analysis of Financial Condition and Results of Operations*. We will receive and pay interest based on the following:

Notional (In millions)	Pay Rate	Receive Rate(1)	Maturing Date
\$ 200.0	4.935%	one-month LIBOR	May 1, 2012
\$ 100.0	5.265%	one-month LIBOR	June 1, 2012
\$ 3.8	7.100%	one-month LIBOR	July 10, 2017
\$ 25.0(2)	5.160%	one-month LIBOR	September 1, 2012
\$ 15.0(2)	4.965%	one-month LIBOR	September 1, 2012
\$ 25.0(2)	4.885%	one-month LIBOR	October 1, 2012
\$ 11.9	4.655%	one-month LIBOR	December 10, 2017
\$ 9.0	6.860%	one-month LIBOR	August 1, 2017
\$ 7.3	4.330%	one-month LIBOR	July 1, 2013

(1) The one-month LIBOR rate was 0.231% at December 31, 2009.

(2) After December 31, 2009 changes in fair value will be recorded through earnings.

During the first quarter ended March 31, 2009, we settled our \$100.0 million notional, pay 5.002% and \$100.0 million notional, pay 5.319% swaps above with a payment to the counterparty for approximately \$16.5 million.

Absent the acceleration of payments of principal that may result from non-compliance with financial and operational covenants under our various indebtedness future maturities of variable and fixed rate debt, and related interest rate swaps are as follows:

	2010	2011	2012	2013	2014	Thereafter	Total	Fair Value
	(Amounts in thousands, except for interest rates)							
<i>Liabilities</i>								
Long-term Debt:								
Fixed Rate	\$ 21,783	\$ 5,314	\$ 5,673	\$ 281,169	\$ 181,938	\$ 71,212	\$ 567,089	\$ 572,833
Average Stated Interest Rate	5.13%	8.08%	8.26%	8.62%	5.15%	6.83%	7.14%	
Variable Rate	2,151	2,589	2,382	8,123	2,006	21,000	38,251	33,386
Average Stated Interest Rate	1.99%	2.25%	2.14%	2.66%	2.01%	2.32%	2.34%	
Variable to Fixed	1,540	1,558	366,575	7,338	1,234	18,756	397,001	(32,499)
Average pay rate	5.30%	5.32%	5.04%	4.56%	5.72%	5.88%	5.07%	
Receive rate	One month LIBOR	One month LIBOR	One month LIBOR	One month LIBOR	One month LIBOR	One month LIBOR	One month LIBOR	One month LIBOR

Foreign Currency Risk

We purchase certain of our new vehicle and parts inventories from foreign manufacturers. Although we purchase our inventories in U.S. Dollars, our business is subject to foreign exchange rate risk which may influence automobile manufacturers' ability to provide their products at competitive prices in the United States. To the extent that we cannot recapture this volatility in prices charged to customers or if this volatility negatively impacts consumer demand for our products, this volatility could adversely affect our future operating results.

Item 8. Financial Statements and Supplementary Data.

See "Consolidated Financial Statements and Notes" that appears on page F-1 herein.

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

None.

Item 9A. Controls and Procedures.

Controls and Procedures

Our management, under the supervision and with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K. Based on this evaluation, our principal executive officer and principal financial officer have concluded that the design and operation of our disclosure controls and procedures are effective. During our last fiscal quarter, there were no changes in our internal control over financial reporting that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). Our internal control over financial reporting is a process designed to provide a reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in *Internal*

Control — Integrated Framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2009.

The effectiveness of our internal control over financial reporting as of December 31, 2009 has been attested to by Ernst & Young LLP, the independent registered public accounting firm that audited the 2009 period related to our financial statements included in this Annual Report on Form 10-K, as stated in their report which is included herein.

Item 9B. *Other Information.*

None.

PART III

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

Information required by this item is furnished by incorporation by reference to the information under the captions entitled “Election of Directors”, “Election of Directors — Board Meetings and Committees of the Board — Audit Committee,” “Section 16(a) Beneficial Ownership Reporting Compliance,” and “Additional Corporate Governance and Other Information — Corporate Governance Guidelines, Code of Business Conduct and Ethics and Committee Charters” in the Proxy Statement (to be filed hereafter) for our Annual Meeting of the Stockholders to be held on April 21, 2010 (the “Proxy Statement”). The information required by this item with respect to our executive officers appears in Part I of this Annual Report on Form 10-K under the caption “Executive Officers of the Registrant.”

Item 11. *Executive Compensation.*

The information required by this item is furnished by incorporation by reference to the information under the captions entitled “Executive Compensation” and “Director Compensation for 2009” in the Proxy Statement.

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

The information required by this item is furnished by incorporation by reference to the information under the caption “General — Ownership of Voting Stock” and “Equity Compensation Plan Information” in the Proxy Statement.

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

The information required by this item is furnished by incorporation by reference to all information under the captions “Certain Transactions” and “Election of Directors — Board and Committee Member Independence” in the Proxy Statement.

Item 14. *Principal Accountant Fees and Services.*

The information required by this item is furnished by incorporation by reference to the information under the caption “Selection of Independent Registered Public Accounting Firm” in the Proxy Statement.

PART IV

Item 15. *Exhibits and Financial Statement Schedules.*

The exhibits and other documents filed as a part of this Annual Report on Form 10-K, including those exhibits that are incorporated by reference herein, are:

(a) (1) Financial Statements: Consolidated Balance Sheets as of December 31, 2008 and 2009. Consolidated Statements of Income for the Years Ended December 31, 2007, 2008 and 2009. Consolidated

Statements of Stockholders' Equity for the Years Ended December 31, 2007, 2008 and 2009. Consolidated Statements of Cash Flows for the Years Ended December 31, 2007, 2008 and 2009.

(2) Financial Statement Schedules: No financial statement schedules are required to be filed (no respective financial statement captions) as part of this Annual Report on Form 10-K.

(3) Exhibits: Exhibits required in connection with this Annual Report on Form 10-K are listed below. Certain of such exhibits, indicated by an asterisk, are hereby incorporated by reference to other documents on file with the SEC with which they are physically filed, to be a part hereof as of their respective dates.

<u>Exhibit No.</u>	<u>Description</u>
3.1*	Amended and Restated Certificate of Incorporation of Sonic (incorporated by reference to Exhibit 3.1 to Sonic's Registration Statement on Form S-1 (Reg. No. 333-33295) (the "Form S-1")).
3.2*	Certificate of Amendment to Sonic's Amended and Restated Certificate of Incorporation effective June 18, 1999 (incorporated by reference to Exhibit 3.2 to Sonic's Annual Report on Form 10-K for the year ended December 31, 1999 (the "1999 Form 10-K")).
3.3*	Certificate of Designation, Preferences and Rights of Class A Convertible Preferred Stock (incorporated by reference to Exhibit 4.1 to Sonic's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998).
3.4*	Amended and Restated Bylaws of Sonic (as amended February 9, 2006) (incorporated by reference to Exhibit 3.1 to Sonic's Current Report on Form 8-K filed February 13, 2006)).
4.1*	Specimen Certificate representing Class A Common Stock (incorporated by reference to Exhibit 4.1 to the Form S-1)
4.2*	Form of 8 ^{5/8} % Senior Subordinated Note due 2013, Series B (incorporated by reference to Exhibit 4.3 to Sonic's Registration Statement on Form S-4 (Reg. Nos. 333-109426 and 333-109426-1 through 109426-261) (the "2003 Exchange Offer Form S-4")).
4.3*	Indenture dated as of August 12, 2003 among Sonic Automotive, Inc., as issuer, the subsidiaries of Sonic named therein, as guarantors, and U.S. Bank National Association, as trustee (the "Trustee"), relating to the 8 ^{5/8} % Senior Subordinated Notes due 2013 (incorporated by reference to Exhibit 4.4 to the 2003 Exchange Offer Form S-4).
4.4*	Form of 4.25% Convertible Senior Subordinated Note due 2015 (incorporated by reference to Exhibit 4.2 to the November 2005 Form 8-K).
4.5*	Subordinated Indenture, dated as of May 7, 2002, among Sonic, the guarantors named there in and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to Sonic's Current Report on Form 8-K filed November 21, 2005).
4.6*	Second Supplemental Indenture dated as of November 23, 2005, between Sonic and U.S. Bank National Association (incorporated by reference to Exhibit 4.1 to the November 2005 Form 8-K).
4.7*	Form of 5.0% Convertible Senior Note due October 2029 (incorporated by reference to Exhibit 4.2 to the September 2009 Form 8-K (Reg. No. 333-1691519)).
4.8*	Indenture dated as of September 23, 2009 by and among Sonic Automotive, Inc, the guarantors named therein, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the September 2009 Form 8-K).
4.9*	First Supplemental Indenture dated as of September 23, 2009 to the Base Indenture between Sonic and the Trustee (the Supplemental Indenture" and together with the Base Indenture, the "Indenture") (incorporated by reference to Exhibit 4.2 to the September 2009 Form 8-K).
10.1*	Sonic Automotive, Inc. 2004 Stock Incentive Plan, Amended and Restated as of February 11, 2009 (incorporated by reference to Exhibit 4 to Sonic's Registration Statement on Form S-8 (Reg. No. 333-159674))(1)
10.2*	Sonic Automotive, Inc. 1997 Stock Option Plan, Amended and Restated as of April 22, 2003 (incorporated by reference to Exhibit 10.10 to Sonic's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003).(1)
10.3*	Sonic Automotive, Inc. Employee Stock Purchase Plan, Amended and Restated as of May 8, 2002 (incorporated by reference to Exhibit 10.15 to the 2002 Annual Report).(1)

Exhibit No.	Description
10.4*	Sonic Automotive, Inc. Nonqualified Employee Stock Purchase Plan, Amended and Restated as of October 23, 2002 (incorporated by reference to Exhibit 10.16 to the 2002 Annual Report). (1)
10.5*	Sonic Automotive, Inc. 2005 Formula Restricted Stock Plan for Non-Employee Directors, Amended and Restated as of May 11, 2009 (incorporated by reference to Exhibit 4 to Sonic's Registration Statement on Form S-8 (Reg. No. 333-159675))(1)
10.6*	Warrant confirmation, dated November 18, 2005, between Sonic and JPMorgan Chase Bank, National Association (incorporated by reference to Exhibit 10.4 to the November 2005 Form 8-K).
10.7*	Employment Agreement dated January 30, 2006 between Sonic and Mr. David P. Cosper (incorporated by reference to Exhibit 10.1 to Sonic's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006 (the "March 2006 Form 10-Q"))(1)
10.8*	First Amendment to Employment Agreement dated January 30, 2006 between Sonic and Mr. David P. Cosper. (incorporated by reference to Exhibit 10.12 to Sonic's Annual Report on Form 10-K for the year ended December 31, 2008)(1)
10.9*	Credit Agreement, dated as of February 17, 2006 (the "Credit Agreement"), among Sonic; the subsidiaries of Sonic named therein; Bank of America, N.A., as Administrative Agent, Lender and L/C Issuer; JPMorgan Chase Bank, N.A., as Syndication Agent and Lender, Toyota Motor Credit Corporation, as Documentation Agent and Lender; and BMW Financial Services NA, LLC, Carolina First Bank, Comerica Bank, Fifth Third Bank, General Electric Capital Corporation, KeyBank National Association, Nissan Motor Acceptance Corporation, Sovereign Bank, SunTrust Bank, Wachovia Bank, National Association and World Omni Financial Corp., each as a Lender and, collectively, the "Lenders" (incorporated by reference to Exhibit 10.2 to the March 2006 Form 10-Q).
10.10*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of Bank of America, N.A., pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.32 to the March 2006 Form 10-Q).
10.11*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of JPMorgan Chase Bank, N.A., pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.4 to the March 2006 Form 10-Q).
10.12*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of Toyota Motor Credit Corporation pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.5 to the March 2006 Form 10-Q).
10.13*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of BMW Financial Services NA, LLC, pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.6 to the March 2006 Form 10-Q).
10.14*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of Carolina First Bank pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.7 to the March 2006 Form 10-Q).
10.15*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of Comerica Bank pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.8 to the March 2006 Form 10-Q).
10.16*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of Fifth Third Bank pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.9 to the March 2006 Form 10-Q).
10.17*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of General Electric Capital Corporation pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.10 to the March 2006 Form 10-Q).
10.18*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of KeyBank National Association pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.11 to the March 2006 Form 10-Q).
10.19*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of Nissan Motor Acceptance Corporation pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.12 to the March 2006 Form 10-Q).

<u>Exhibit No.</u>	<u>Description</u>
10.20*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of Sovereign Bank pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.13 to the March 2006 Form 10-Q).
10.21*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of SunTrust Bank pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.14 to the March 2006 Form 10-Q).
10.22*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of Wachovia Bank, National Association, pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.15 to the March 2006 Form 10-Q).
10.23*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of World Omni Financial Corp. pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.16 to the March 2006 Form 10-Q).
10.24*	Security Agreement, dated as of February 17, 2006, by Sonic, the subsidiaries of Sonic named therein and Bank of America, N.A., as Administrative Agent for the Lenders under the Credit Agreement (incorporated by reference to Exhibit 10.17 to the March 2006 Form 10-Q).
10.25*	Company Guaranty Agreement, dated as of February 17, 2006, by Sonic, as Guarantor, to Bank of America, N.A., as Administrative Agent for the Lenders under the Credit Agreement (incorporated by reference to Exhibit 10.18 to the March 2006 Form 10-Q).
10.26*	Subsidiary Guaranty Agreement, dated as of February 17, 2006, by the subsidiaries of Sonic named therein, as Guarantors, to Bank of America, N.A., as Administrative Agent for the Lenders under the Credit Agreement (incorporated by reference to Exhibit 10.19 to the March 2006 Form 10-Q).
10.27*	Securities Pledge Agreement, dated as of February 17, 2006, by Sonic, the subsidiaries of Sonic named therein and Bank of America, N.A., as Administrative Agent for the Lenders under the Credit Agreement (incorporated by reference to Exhibit 10.20 to the March 2006 Form 10-Q).
10.28*	Sonic Automotive, Inc. 2004 Stock Incentive Plan Form of Performance-Based Restricted Stock Unit Award Agreement.(1)
10.29*	Sonic Automotive, Inc. 2004 Stock Incentive Plan Form of Performance-Based Restricted Stock Award Agreement.(1)
10.30*	Sonic Automotive, Inc. Incentive Compensation Plan, Amended and Restated as of December 4, 2008.(1)
10.31*	Amendment No. 1 to Credit Agreement dated May 25, 2006 (incorporated by reference to Exhibit 10.35 to Sonic's Annual Report on Form 10-K for the year ended December 31, 2008).
10.32*	Amendment No. 2 to Credit Agreement dated April 24, 2007 (incorporated by reference to Exhibit 10.36 to Sonic's Annual Report on Form 10-K for the year ended December 31, 2008).
10.33*	Amendment No. 3 to Credit Agreement dated June 3, 2008 (incorporated by reference to exhibit 99.1 to Sonic's Quarterly report on form 10-Q for the quarter ended March 31, 2008).
10.34*	(A) Limited Short-Term Amendment to Credit Agreement Until May 4, 2009 and(B) Amendment No. 4 to Credit Agreement and Consolidated Amendment to Other Loan Documents dated March 31, 2009 (incorporated by reference to Exhibit 10.1 to Sonic's quarterly report on Form 10-Q for the quarter ended March 31, 2009).
10.35*	Amendment No. 5 to Credit Agreement dated May 4, 2009 (incorporated by reference to Exhibit 10.1 to Sonic's quarterly report on Form 10-Q for the quarter ended June 30, 2009).(1)
10.36*	Standard form of lease executed with Capital Automotive, L.P. or its affiliates (incorporated by reference to Exhibit 10.38 to Sonic's Annual Report on Form 10-K for the year ended December 31, 2008).
10.37*	Standard form of guaranty executed with Capital Automotive, L.P. or its affiliates (incorporated by reference to Exhibit 10.39 to Sonic's Annual Report on Form 10-K for the year ended December 31, 2008).
10.38*	Amendment to Guaranty and Subordination Agreements, dated as of January 1, 2005, by Sonic as Guarantor, to Capital Automotive, L.P. and affiliates, as Landlord (incorporated by reference to Exhibit 10.40 to Sonic's Annual Report on Form 10-K for the year ended December 31, 2008).

<u>Exhibit No.</u>	<u>Description</u>
10.39*	Second Amendment to Guaranty and Subordination Agreements, dated as of March 11, 2009, by Sonic as Guarantor, to Capital Automotive, L.P. and affiliates, as Landlord. (incorporated by reference to Exhibit 10.41 to Sonic's Annual Report on Form 10-K for the year ended December 31, 2008).
10.40*	Side letter to Second Amendment to Guaranty and Subordination Agreements, dated as of March 11, 2009, by Sonic as Guarantor, to Capital Automotive, L.P. and affiliates, as Landlord. (incorporated by reference to Exhibit 10.42 to Sonic's Annual Report on Form 10-K for the year ended December 31, 2008)
10.41*	Sonic Automotive, Inc. 2004 Stock Incentive Plan, Amended and Restated as of February 11, 2009 (incorporated by reference to Exhibit 4 to Sonic's Registration Statement on Form S-8 (Reg. No. 333-159674)).(1)
10.42*	Amendment No. 6 to Credit Agreement dated September 11, 2009 (incorporated by reference to Exhibit 10.1 to Sonic's quarterly report on Form 10-Q for the quarter ended September 30, 2009).
10.43*	Underwriting Agreement (Class A common stock) dated as of September 17, 2009 by and among Sonic Automotive, Inc. and J.P. Morgan Securities, Inc. and Merrill Lynch, Pierce, Fenner & Smith, Incorporated, as representatives of the several underwriters named therein (incorporated by reference to Exhibit 1.1 to the September 17, 2009 Form 8-K).
10.44*	Underwriting Agreement (convertible senior notes) dated as of September 17, 2009 by and among Sonic Automotive, Inc. and J.P. Morgan Securities, Inc. and Merrill Lynch, Pierce, Fenner & Smith, Incorporated, as representatives of the several underwriters named therein (incorporated by reference to Exhibit 1.2 to the September 17, 2009 Form 8-K).
10.45	Amendment No. 1 to Sonic Automotive, Inc. Formula Stock Option Plan for Independent Directors.(1)
10.46	Sonic Automotive, Inc. Incentive Compensation Plan Amended and Restated as of December 4, 2008.(1)
10.47	Amended and Restated Credit Agreement, dated as of January 15, 2010, among Sonic Automotive, Inc.; each lender; Bank of America, N.A, as Administrative Agent, Swing Line Lender and an L/C Issuer, and Wells Fargo Bank, National Association, as an L/C Issuer.
10.48	Promissory Note, dated January 15, 2010, executed by Sonic in favor of Bank of America, N.A., pursuant to the Credit Agreement.
10.49	Promissory Note, dated January 15, 2010, executed by Sonic in favor of DCFS USA LLC, pursuant to the Credit Agreement.
10.50	Promissory Note, dated January 15, 2010, executed by Sonic in favor of BMW Financial Services NA, LLC, pursuant to the Credit Agreement.
10.51	Promissory Note, dated January 15, 2010, executed by Sonic in favor of Toyota Motor Credit Corporation, pursuant to the Credit Agreement.
10.52	Promissory Note, dated January 15, 2010, executed by Sonic in favor of JPMorgan Chase Bank, N.A., pursuant to the Credit Agreement.
10.53	Promissory Note, dated January 15, 2010, executed by Sonic in favor of Wachovia Bank, National Association, pursuant to the Credit Agreement.
10.54	Promissory Note, dated January 15, 2010, executed by Sonic in favor of Comerica Bank, pursuant to the Credit Agreement.
10.55	Promissory Note, dated January 15, 2010, executed by Sonic in favor of World Omni Financial Corp., pursuant to the Credit Agreement.
10.56	Amended and Restated Subsidiary Guaranty Agreement, dated as of January 15, 2010, by the Revolving Subsidiary Guarantor, as Guarantors, to Bank of America, N.A, as administrative agent for the lenders.
10.57	Amended and Restated Securities Pledge Agreement, dated as of January 15, 2010, by Sonic Automotive, Inc., the subsidiaries of Sonic named therein and Bank of America, N.A., as administrative agent for the lenders.
10.58	Amended and Restated Escrow and Security Agreement, dated as of January 15, 2010, by Sonic Automotive, Inc., the subsidiaries of Sonic named therein and Bank of America, N.A., as administrative agent for the lenders.
10.59	Amended and Restated Securities Pledge Agreement, dated as of January 15, 2010, by Sonic Financial Corporation and Bank of America, N.A., as administrative agent for the lenders.

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<u>Exhibit No.</u>	<u>Description</u>
10.60	Amended and Restated Security Agreement, dated as of January 15, 2010, by Sonic Automotive, Inc., the subsidiaries of Sonic named therein and Bank of America, N.A., as administrative agent for the lenders.
10.61	Syndicated New and Used Vehicle Floorplan Credit Agreement, dated January 15, 2010, among Sonic Automotive, Inc.; certain subsidiaries of the Company; each lender; Bank of America, N.A., as Administrative Agent, New Vehicle Swing Line Lender and Used Vehicle Swing Line Lender; and Bank of America, N.A., as Revolving Administrative Agent.
10.62	Promissory Note, dated January 15, 2010, executed by Sonic in favor of Bank of America, N.A., pursuant to the Syndicated New and Used Vehicle Floorplan Credit Agreement.
10.63	Promissory Note, dated January 15, 2010, executed by Sonic in favor of JPMorgan Chase Bank, N.A., pursuant to the Syndicated New and Used Vehicle Floorplan Credit Agreement.
10.64	Promissory Note, dated January 15, 2010, executed by Sonic in favor of Wachovia Bank, National Association, pursuant to the Syndicated New and Used Vehicle Floorplan Credit Agreement.
10.65	Promissory Note, dated January 15, 2010, executed by Sonic in favor of Comerica Bank, pursuant to the Syndicated New and Used Vehicle Floorplan Credit Agreement.
10.66	Company Guaranty Agreement, dated January 15, 2010, by Sonic Automotive, Inc. and Bank of America, N.A., as administrative agent for the lenders.
10.67	Subsidiary Guaranty Agreement, dated as of January 15, 2010, by the Floorplan Subsidiary Guarantor, as Guarantors, to Bank of America, N.A., as administrative agent for the lenders.
12.1	Computation of Ratio of Earnings to Fixed Charges.
21.1	Subsidiaries of Sonic.
23.1	Consent of Deloitte & Touche LLP.
23.2	Consent of Ernst & Young LLP.
31.1	Certification of Mr. David P. Cosper pursuant to Rule 13a-14(a).
31.2	Certification of Mr. O. Bruton Smith pursuant to Rule 13a-14(a).
32.1	Certification of Mr. David P. Cosper pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Mr. O. Bruton Smith pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed Previously

(1) Indicates a management contract or compensatory plan or arrangement.

SIGNATURES

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

SONIC AUTOMOTIVE, INC.

BY /s/ DAVID P. COSPER
Mr. David P. Cosper
Vice Chairman and Chief Financial Officer
Date: February 24, 2010

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ O. BRUTON SMITH</u> O. Bruton Smith	Chairman, Chief Executive Officer (principal executive officer) and Director	February 24, 2010
<u>/s/ B. SCOTT SMITH</u> B. Scott Smith	President, Chief Strategic Officer and Director	February 24, 2010
<u>/s/ DAVID P. COSPER</u> David P. Cosper	Vice Chairman and Chief Financial Officer (principal financial officer and principal accounting officer)	February 24, 2010
<u>/s/ DAVID B. SMITH</u> David B. Smith	Executive Vice President and Director	February 24, 2010
<u>/s/ WILLIAM R. BROOKS</u> William R. Brooks	Director	February 24, 2010
<u>/s/ WILLIAM I. BELK</u> William I. Belk	Director	February 24, 2010
<u>/s/ ROBERT HELLER</u> Robert Heller	Director	February 24, 2010
<u>/s/ ROBERT L. REWEY</u> Robert L. Rewey	Director	February 24, 2010
<u>/s/ VICTOR H. DOOLAN</u> Victor H. Doolan	Director	February 24, 2010
<u>/s/ DAVID C. VORHOFF</u> David C. Vorhoff	Director	February 24, 2010

EXHIBIT INDEX

Exhibit No.	Description
3.1*	Amended and Restated Certificate of Incorporation of Sonic (incorporated by reference to Exhibit 3.1 to Sonic's Registration Statement on Form S-1 (Reg. No. 333-33295) (the "Form S-1")).
3.2*	Certificate of Amendment to Sonic's Amended and Restated Certificate of Incorporation effective June 18, 1999 (incorporated by reference to Exhibit 3.2 to Sonic's Annual Report on Form 10-K for the year ended December 31, 1999 (the "1999 Form 10-K")).
3.3*	Certificate of Designation, Preferences and Rights of Class A Convertible Preferred Stock (incorporated by reference to Exhibit 4.1 to Sonic's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998).
3.4*	Amended and Restated Bylaws of Sonic (as amended February 9, 2006) (incorporated by reference to Exhibit 3.1 to Sonic's Current Report on Form 8-K filed February 13, 2006).
4.1*	Specimen Certificate representing Class A Common Stock (incorporated by reference to Exhibit 4.1 to the Form S-1)
4.2*	Form of 8 ⁵ / ₈ % Senior Subordinated Note due 2013, Series B (incorporated by reference to Exhibit 4.3 to Sonic's Registration Statement on Form S-4 (Reg. Nos. 333-109426 and 333-109426-1 through 109426-261) (the "2003 Exchange Offer Form S-4")).
4.3*	Indenture dated as of August 12, 2003 among Sonic Automotive, Inc., as issuer, the subsidiaries of Sonic named therein, as guarantors, and U.S. Bank National Association, as trustee (the "Trustee"), relating to the 8 ⁵ / ₈ % Senior Subordinated Notes due 2013 (incorporated by reference to Exhibit 4.4 to the 2003 Exchange Offer Form S-4).
4.4*	Form of 4.25% Convertible Senior Subordinated Note due 2015 (incorporated by reference to Exhibit 4.2 to the November 2005 Form 8-K).
4.5*	Subordinated Indenture, dated as of May 7, 2002, among Sonic, the guarantors named there in and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to Sonic's Current Report on Form 8-K filed November 21, 2005).
4.6*	Second Supplemental Indenture dated as of November 23, 2005, between Sonic and U.S. Bank National Association (incorporated by reference to Exhibit 4.1 to the November 2005 Form 8-K).
4.7*	Form of 5.0% Convertible Senior Note due October 2029 (incorporated by reference to Exhibit 4.2 to the September 2009 Form 8-K (Reg. No. 333-1691519)).
4.8*	Indenture dated as of September 23, 2009 by and among Sonic Automotive, Inc, the guarantors named therein, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the September 2009 Form 8-K).
4.9*	First Supplemental Indenture dated as of September 23, 2009 to the Base Indenture between Sonic and the Trustee (the Supplemental Indenture" and together with the Base Indenture, the "Indenture") (incorporated by reference to Exhibit 4.2 to the September 2009 Form 8-K).
10.1*	Sonic Automotive, Inc. 2004 Stock Incentive Plan, Amended and Restated as of February 11, 2009 (incorporated by reference to Exhibit 4 to Sonic's Registration Statement on Form S-8 (Reg. No. 333-159674))(1)
10.2*	Sonic Automotive, Inc. 1997 Stock Option Plan, Amended and Restated as of April 22, 2003 (incorporated by reference to Exhibit 10.10 to Sonic's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003).(1)
10.3*	Sonic Automotive, Inc. Employee Stock Purchase Plan, Amended and Restated as of May 8, 2002 (incorporated by reference to Exhibit 10.15 to the 2002 Annual Report).(1)
10.4*	Sonic Automotive, Inc. Nonqualified Employee Stock Purchase Plan, Amended and Restated as of October 23, 2002 (incorporated by reference to Exhibit 10.16 to the 2002 Annual Report).(1)
10.5*	Sonic Automotive, Inc. 2005 Formula Restricted Stock Plan for Non-Employee Directors, Amended and Restated as of May 11, 2009 (incorporated by reference to Exhibit 4 to Sonic's Registration Statement on Form S-8 (Reg. No. 333-159675))(1)
10.6*	Warrant confirmation, dated November 18, 2005, between Sonic and JPMorgan Chase Bank, National Association (incorporated by reference to Exhibit 10.4 to the November 2005 Form 8-K).

<u>Exhibit No.</u>	<u>Description</u>
10.7*	Employment Agreement dated January 30, 2006 between Sonic and Mr. David P. Cosper (incorporated by reference to Exhibit 10.1 to Sonic's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006 (the "March 2006 Form 10-Q"))(1)
10.8*	First Amendment to Employment Agreement dated January 30, 2006 between Sonic and Mr. David P. Cosper. (incorporated by reference to Exhibit 10.12 to Sonic's Annual Report on Form 10-K for the year ended December 31, 2008)(1)
10.9*	Credit Agreement, dated as of February 17, 2006 (the "Credit Agreement"), among Sonic; the subsidiaries of Sonic named therein; Bank of America, N.A., as Administrative Agent, Lender and L/C Issuer; JPMorgan Chase Bank, N.A., as Syndication Agent and Lender, Toyota Motor Credit Corporation, as Documentation Agent and Lender; and BMW Financial Services NA, LLC, Carolina First Bank, Comerica Bank, Fifth Third Bank, General Electric Capital Corporation, KeyBank National Association, Nissan Motor Acceptance Corporation, Sovereign Bank, SunTrust Bank, Wachovia Bank, National Association and World Omni Financial Corp., each as a Lender and, collectively, the "Lenders" (incorporated by reference to Exhibit 10.2 to the March 2006 Form 10-Q).
10.10*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of Bank of America, N.A., pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.32 to the March 2006 Form 10-Q).
10.11*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of JPMorgan Chase Bank, N.A., pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.4 to the March 2006 Form 10-Q).
10.12*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of Toyota Motor Credit Corporation pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.5 to the March 2006 Form 10-Q).
10.13*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of BMW Financial Services NA, LLC, pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.6 to the March 2006 Form 10-Q).
10.14*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of Carolina First Bank pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.7 to the March 2006 Form 10-Q).
10.15*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of Comerica Bank pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.8 to the March 2006 Form 10-Q).
10.16*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of Fifth Third Bank pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.9 to the March 2006 Form 10-Q).
10.17*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of General Electric Capital Corporation pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.10 to the March 2006 Form 10-Q).
10.18*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of KeyBank National Association pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.11 to the March 2006 Form 10-Q).
10.19*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of Nissan Motor Acceptance Corporation pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.12 to the March 2006 Form 10-Q).
10.20*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of Sovereign Bank pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.13 to the March 2006 Form 10-Q).
10.21*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of SunTrust Bank pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.14 to the March 2006 Form 10-Q).

<u>Exhibit No.</u>	<u>Description</u>
10.22*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of Wachovia Bank, National Association, pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.15 to the March 2006 Form 10-Q).
10.23*	Promissory Note, dated February 17, 2006, executed by Sonic and the subsidiaries of Sonic named therein in favor of World Omni Financial Corp. pursuant to the Credit Agreement (incorporated by reference to Exhibit 10.16 to the March 2006 Form 10-Q).
10.24*	Security Agreement, dated as of February 17, 2006, by Sonic, the subsidiaries of Sonic named therein and Bank of America, N.A., as Administrative Agent for the Lenders under the Credit Agreement (incorporated by reference to Exhibit 10.17 to the March 2006 Form 10-Q).
10.25*	Company Guaranty Agreement, dated as of February 17, 2006, by Sonic, as Guarantor, to Bank of America, N.A., as Administrative Agent for the Lenders under the Credit Agreement (incorporated by reference to Exhibit 10.18 to the March 2006 Form 10-Q).
10.26*	Subsidiary Guaranty Agreement, dated as of February 17, 2006, by the subsidiaries of Sonic named therein, as Guarantors, to Bank of America, N.A., as Administrative Agent for the Lenders under the Credit Agreement (incorporated by reference to Exhibit 10.19 to the March 2006 Form 10-Q).
10.27*	Securities Pledge Agreement, dated as of February 17, 2006, by Sonic, the subsidiaries of Sonic named therein and Bank of America, N.A., as Administrative Agent for the Lenders under the Credit Agreement (incorporated by reference to Exhibit 10.20 to the March 2006 Form 10-Q).
10.28*	Sonic Automotive, Inc. 2004 Stock Incentive Plan Form of Performance-Based Restricted Stock Unit Award Agreement.(1)
10.29*	Sonic Automotive, Inc. 2004 Stock Incentive Plan Form of Performance-Based Restricted Stock Award Agreement.(1)
10.30*	Sonic Automotive, Inc. Incentive Compensation Plan, Amended and Restated as of December 4, 2008.(1)
10.31*	Amendment No. 1 to Credit Agreement dated May 25, 2006 (incorporated by reference to Exhibit 10.35 to Sonic's Annual Report on Form 10-K for the year ended December 31, 2008).
10.32*	Amendment No. 2 to Credit Agreement dated April 24, 2007 (incorporated by reference to Exhibit 10.36 to Sonic's Annual Report on Form 10-K for the year ended December 31, 2008).
10.33*	Amendment No. 3 to Credit Agreement dated June 3, 2008 (incorporated by reference to exhibit 99.1 to Sonic's Quarterly report on form 10-Q for the quarter ended March 31, 2008).
10.34*	(A) Limited Short-Term Amendment to Credit Agreement Until May 4, 2009 and(B) Amendment No. 4 to Credit Agreement and Consolidated Amendment to Other Loan Documents dated March 31, 2009 (incorporated by reference to Exhibit 10.1 to Sonic's quarterly report on Form 10-Q for the quarter ended March 31, 2009).
10.35*	Amendment No. 5 to Credit Agreement dated May 4, 2009 (incorporated by reference to Exhibit 10.1 to Sonic's quarterly report on Form 10-Q for the quarter ended June 30, 2009).(1)
10.36*	Standard form of lease executed with Capital Automotive, L.P. or its affiliates (incorporated by reference to Exhibit 10.38 to Sonic's Annual Report on Form 10-K for the year ended December 31, 2008).
10.37*	Standard form of guaranty executed with Capital Automotive, L.P. or its affiliates (incorporated by reference to Exhibit 10.39 to Sonic's Annual Report on Form 10-K for the year ended December 31, 2008).
10.38*	Amendment to Guaranty and Subordination Agreements, dated as of January 1, 2005, by Sonic as Guarantor, to Capital Automotive, L.P. and affiliates, as Landlord (incorporated by reference to Exhibit 10.40 to Sonic's Annual Report on Form 10-K for the year ended December 31, 2008).
10.39*	Second Amendment to Guaranty and Subordination Agreements, dated as of March 11, 2009, by Sonic as Guarantor, to Capital Automotive, L.P. and affiliates, as Landlord. (incorporated by reference to Exhibit 10.41 to Sonic's Annual Report on Form 10-K for the year ended December 31, 2008).
10.40*	Side letter to Second Amendment to Guaranty and Subordination Agreements, dated as of March 11, 2009, by Sonic as Guarantor, to Capital Automotive, L.P. and affiliates, as Landlord. (incorporated by reference to Exhibit 10.42 to Sonic's Annual Report on Form 10-K for the year ended December 31, 2008)

Exhibit No.	Description
10.41*	Sonic Automotive, Inc. 2004 Stock Incentive Plan, Amended and Restated as of February 11, 2009 (incorporated by reference to Exhibit 4 to Sonic's Registration Statement on Form S-8 (Reg. No. 333-159674)).(1)
10.42*	Amendment No. 6 to Credit Agreement dated September 11, 2009 (incorporated by reference to Exhibit 10.1 to Sonic's quarterly report on Form 10-Q for the quarter ended September 30, 2009).
10.43*	Underwriting Agreement (Class A common stock) dated as of September 17, 2009 by and among Sonic Automotive, Inc. and J.P. Morgan Securities, Inc. and Merrill Lynch, Pierce, Fenner & Smith, Incorporated, as representatives of the several underwriters named therein (incorporated by reference to Exhibit 1.1 to the September 17, 2009 Form 8-K).
10.44*	Underwriting Agreement (convertible senior notes) dated as of September 17, 2009 by and among Sonic Automotive, Inc. and J.P. Morgan Securities, Inc. and Merrill Lynch, Pierce, Fenner & Smith, Incorporated, as representatives of the several underwriters named therein (incorporated by reference to Exhibit 1.2 to the September 17, 2009 Form 8-K).
10.45	Amendment No. 1 to Sonic Automotive, Inc. Formula Stock Option Plan for Independent Directors.(1)
10.46	Sonic Automotive, Inc. Incentive Compensation Plan Amended and Restated as of December 4, 2008.(1)
10.47	Amended and Restated Credit Agreement, dated as of January 15, 2010, among Sonic Automotive, Inc.; each lender; Bank of America, N.A, as Administrative Agent, Swing Line Lender and an L/C Issuer, and Wells Fargo Bank, National Association, as an L/C Issuer.
10.48	Promissory Note, dated January 15, 2010, executed by Sonic in favor of Bank of America, N.A., pursuant to the Credit Agreement.
10.49	Promissory Note, dated January 15, 2010, executed by Sonic in favor of DCFS USA LLC, pursuant to the Credit Agreement.
10.50	Promissory Note, dated January 15, 2010, executed by Sonic in favor of BMW Financial Services NA, LLC, pursuant to the Credit Agreement.
10.51	Promissory Note, dated January 15, 2010, executed by Sonic in favor of Toyota Motor Credit Corporation, pursuant to the Credit Agreement.
10.52	Promissory Note, dated January 15, 2010, executed by Sonic in favor of JPMorgan Chase Bank, N.A., pursuant to the Credit Agreement.
10.53	Promissory Note, dated January 15, 2010, executed by Sonic in favor of Wachovia Bank, National Association, pursuant to the Credit Agreement.
10.54	Promissory Note, dated January 15, 2010, executed by Sonic in favor of Comerica Bank, pursuant to the Credit Agreement.
10.55	Promissory Note, dated January 15, 2010, executed by Sonic in favor of World Omni Financial Corp., pursuant to the Credit Agreement.
10.56	Amended and Restated Subsidiary Guaranty Agreement, dated as of January 15, 2010, by the Revolving Subsidiary Guarantor, as Guarantors, to Bank of America, N.A, as administrative agent for the lenders.
10.57	Amended and Restated Securities Pledge Agreement, dated as of January 15, 2010, by Sonic Automotive, Inc., the subsidiaries of Sonic named therein and Bank of America, N.A., as administrative agent for the lenders.
10.58	Amended and Restated Escrow and Security Agreement, dated as of January 15, 2010, by Sonic Automotive, Inc., the subsidiaries of Sonic named therein and Bank of America, N.A., as administrative agent for the lenders.
10.59	Amended and Restated Securities Pledge Agreement, dated as of January 15, 2010, by Sonic Financial Corporation and Bank of America, N.A., as administrative agent for the lenders.
10.60	Amended and Restated Security Agreement, dated as of January 15, 2010, by Sonic Automotive, Inc., the subsidiaries of Sonic named therein and Bank of America, N.A., as administrative agent for the lenders.
10.61	Syndicated New and Used Vehicle Floorplan Credit Agreement, dated January 15, 2010, among Sonic Automotive, Inc.; certain subsidiaries of the Company; each lender; Bank of America, N.A., as Administrative Agent, New Vehicle Swing Line Lender and Used Vehicle Swing Line Lender; and Bank of America, N.A., as Revolving Administrative Agent.

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<u>Exhibit</u> <u>No.</u>	<u>Description</u>
10.62	Promissory Note, dated January 15, 2010, executed by Sonic in favor of Bank of America, N.A., pursuant to the Syndicated New and Used Vehicle Floorplan Credit Agreement.
10.63	Promissory Note, dated January 15, 2010, executed by Sonic in favor of JPMorgan Chase Bank, N.A., pursuant to the Syndicated New and Used Vehicle Floorplan Credit Agreement.
10.64	Promissory Note, dated January 15, 2010, executed by Sonic in favor of Wachovia Bank, National Association, pursuant to the Syndicated New and Used Vehicle Floorplan Credit Agreement.
10.65	Promissory Note, dated January 15, 2010, executed by Sonic in favor of Comerica Bank, pursuant to the Syndicated New and Used Vehicle Floorplan Credit Agreement.
10.66	Company Guaranty Agreement, dated January 15, 2010, by Sonic Automotive, Inc. and Bank of America, N.A., as administrative agent for the lenders.
10.67	Subsidiary Guaranty Agreement, dated as of January 15, 2010, by the Floorplan Subsidiary Guarantor, as Guarantors, to Bank of America, N.A., as administrative agent for the lenders.
12.1	Computation of Ratio of Earnings to Fixed Charges.
21.1	Subsidiaries of Sonic.
23.1	Consent of Deloitte & Touche LLP.
23.2	Consent of Ernst & Young LLP.
31.1	Certification of Mr. David P. Cosper pursuant to Rule 13a-14(a).
31.2	Certification of Mr. O. Bruton Smith pursuant to Rule 13a-14(a).
32.1	Certification of Mr. David P. Cosper pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Mr. O. Bruton Smith pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed Previously

(1) Indicates a management contract or compensatory plan or arrangement.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Sonic Automotive, Inc.

We have audited the accompanying consolidated balance sheets of Sonic Automotive, Inc. and subsidiaries as of December 31, 2009 and 2008, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Sonic Automotive, Inc. and subsidiaries at December 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for each of the years then ended, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Sonic Automotive, Inc.'s internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 24, 2010 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Charlotte, North Carolina
February 24, 2010

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Sonic Automotive, Inc. and subsidiaries

We have audited Sonic Automotive, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Sonic Automotive, Inc. and subsidiaries management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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

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

In our opinion, Sonic Automotive, Inc. and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Sonic Automotive, Inc. and subsidiaries as of December 31, 2009 and 2008, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the years then ended, and our report dated February 24, 2010 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Charlotte, North Carolina
February 24, 2010

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Sonic Automotive, Inc.
Charlotte, North Carolina

We have audited the accompanying consolidated statements of income, stockholders' equity, and cash flows of Sonic Automotive, Inc. and subsidiaries (the "Company") for the year ended December 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the results of the Company's operations and its cash flows for the year ended December 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 7 to the consolidated financial statements, on January 1, 2007, the Company adopted the updated provisions of "Income Taxes" in the Accounting Standards Codification ("ASC"). As allowed in the year of adoption, the Company recorded a charge of \$8.6 million to 2007 beginning retained earnings resulting from its initial application of the updated provisions of "Income Taxes" in the ASC.

As discussed in Note 1 to the consolidated financial statements, the accompanying 2007 financial statements have been retrospectively adjusted for discontinued operations.

As discussed in Note 1 to the consolidated financial statements, the accompanying 2007 financial statements have been retrospectively adjusted for the adoption of the updated provisions of "Debt with Conversion and Other Options" in the ASC and for the adoption of the updated provisions of "Earnings Per Share" in the ASC.

/s/ DELOITTE & TOUCHE LLP

February 29, 2008
(May 28, 2009 as to the third and fourth paragraphs under the Recent Accounting Pronouncements heading in Note 1, the fourth paragraph under the Dispositions heading in Note 2, the first and second paragraphs in Note 7 and the fifth paragraph in Note 9)
(February 24, 2010 as to the first paragraph under the Reclassifications heading in Note 1)

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2008 and 2009

	December 31,	
	2008	2009
(Dollars in thousands)		
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 6,971	\$ 30,035
Receivables, net	247,025	232,969
Inventories	916,837	795,275
Assets held for sale	406,576	12,167
Other current assets	16,822	14,937
Total current assets	1,594,231	1,085,383
Property and Equipment, net	369,892	382,085
Goodwill	327,007	469,482
Other Intangible Assets, net	82,328	80,806
Other Assets	32,087	51,099
Total Assets	<u>\$ 2,405,545</u>	<u>\$ 2,068,855</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Notes payable — floor plan — trade	\$ 208,438	\$ 214,871
Notes payable — floor plan — non-trade	712,585	548,493
Trade accounts payable	53,215	55,345
Accrued interest	17,096	16,146
Other accrued liabilities	207,627	144,709
Liabilities associated with assets held for sale — trade	65,405	—
Liabilities associated with assets held for sale — non-trade	134,077	3,346
Current maturities of long-term debt	738,447	23,991
Total current liabilities	2,136,890	1,006,901
Long-Term Debt	—	552,150
Other Long-Term Liabilities	71,132	141,052
Commitments and Contingencies		
Stockholders' Equity:		
Class A convertible preferred stock, none issued	—	—
Class A common stock, \$.01 par value; 100,000,000 shares authorized; 42,922,557 shares issued and 28,063,141 shares outstanding at December 31, 2008; 54,986,875 shares issued and 40,099,559 shares outstanding at December 31, 2009	429	550
Class B common stock; \$.01 par value; 30,000,000 shares authorized; 12,029,375 shares issued and outstanding at December 31, 2008 and December 31, 2009	121	121
Paid-in capital	537,022	662,186
Accumulated deficit	(66,900)	(35,180)
Accumulated other comprehensive loss	(36,635)	(22,350)
Treasury stock, at cost (14,859,416 Class A shares held at December 31, 2008 and 14,887,316 Class A shares held at December 31, 2009)	(236,514)	(236,575)
Total stockholders' equity	197,523	368,752
Total Liabilities and Stockholders' Equity	<u>\$ 2,405,545</u>	<u>\$ 2,068,855</u>

See notes to consolidated financial statements.

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
Years Ended December 31, 2007, 2008 and 2009

	Year Ended December 31,		
	2007	2008	2009
	(Dollars and shares in thousands, except per share amounts)		
Revenues:			
New vehicles	\$ 4,842,427	\$ 4,064,167	\$ 3,260,086
Used vehicles	1,370,890	1,368,596	1,475,395
Wholesale vehicles	384,251	277,559	150,695
Total vehicles	6,597,568	5,710,322	4,886,176
Parts, service and collision repair	1,106,451	1,114,077	1,088,722
Finance, insurance and other	203,093	183,709	156,811
Total revenues	7,907,112	7,008,108	6,131,709
Cost of Sales:			
New vehicles	(4,510,635)	(3,794,539)	(3,034,528)
Used vehicles	(1,243,032)	(1,249,381)	(1,355,130)
Wholesale vehicles	(388,936)	(284,432)	(156,716)
Total vehicles	(6,142,603)	(5,328,352)	(4,546,374)
Parts, service and collision repair	(547,885)	(557,688)	(540,967)
Total cost of sales	(6,690,488)	(5,886,040)	(5,087,341)
Gross profit	1,216,624	1,122,068	1,044,368
Selling, general and administrative expenses	(903,644)	(921,367)	(843,794)
Impairment charges	(975)	(822,952)	(24,514)
Depreciation and amortization	(24,927)	(33,554)	(35,576)
Operating income	287,078	(655,805)	140,484
Other income (expense):			
Interest expense, floor plan	(63,461)	(44,923)	(20,415)
Interest expense, other, net	(40,204)	(60,276)	(85,586)
Interest expense, non-cash, convertible debt	(9,898)	(10,704)	(679)
Interest expense, non-cash, cash flow swaps	—	—	(4,775)
Other income (expense), net	69	742	(6,670)
Total other expense	(113,494)	(115,161)	(118,125)
Income (loss) from continuing operations before taxes	173,584	(770,966)	22,359
Provision for income taxes — benefit/(expense)	(67,854)	125,399	33,251
Income (loss) from continuing operations	105,730	(645,567)	55,610
Discontinued operations:			
Loss from operations and the sale of discontinued franchises	(20,854)	(60,666)	(44,711)
Income tax benefit	4,687	13,884	20,649
Loss from discontinued operations	(16,167)	(46,782)	(24,062)
Net income (loss)	\$ 89,563	\$ (692,349)	\$ 31,548
Basic earnings (loss) per common share:			
Earnings (loss) per share from continuing operations	\$ 2.47	\$ (16.00)	\$ 1.26
Loss per share from discontinued operations	(0.38)	(1.16)	(0.55)
Earnings (loss) per common share	\$ 2.09	\$ (17.16)	\$ 0.71
Weighted average common shares outstanding	42,479	40,356	43,836
Diluted earnings (loss) per common share:			
Earnings (loss) per share from continuing operations	\$ 2.37	\$ (16.00)	\$ 1.05
Loss per share from discontinued operations	(0.36)	(1.16)	(0.43)
Earnings (loss) per common share	\$ 2.01	\$ (17.16)	\$ 0.62
Weighted average common shares outstanding	44,165	40,356	55,832
Dividends declared per common share	\$ 0.48	\$ 0.48	\$ —

See notes to consolidated financial statements

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Years Ended December 31, 2007, 2008 and 2009

	Class A Common Stock		Class B Common Stock		Paid-In Capital	Retained Earnings/ (Deficit)	Treasury Stock	Accumulated Other Comprehensive (Loss)/Income	Total Stockholders' Equity	Compre- hensive Income (Loss)
	Shares	Amount	Shares	Amount						
(Dollars and shares in thousands)										
BALANCE AT DECEMBER 31, 2006	41,890	\$ 416	12,029	\$ 121	\$ 498,048	\$ 584,351	\$ (159,001)	\$ —	\$ 923,935	\$ 75,641
Adoption of FIN 48	—	—	—	—	—	(8,582)	—	—	(8,582)	—
Shares awarded under stock compensation plans	524	8	—	—	13,436	—	—	—	13,444	—
Purchases of treasury stock	—	—	—	—	—	—	(48,865)	—	(48,865)	—
Income tax benefit associated with stock compensation plans	—	—	—	—	3,147	—	—	—	3,147	—
Income tax benefit associated with convertible note hedge	—	—	—	—	1,914	—	—	—	1,914	—
Fair value of interest rate swap agreements, net of tax benefit of \$9,071	—	—	—	—	—	—	—	(14,800)	(14,800)	(14,800)
Unrealized loss on available-for-sale securities, net of tax benefit of \$193	—	—	—	—	—	—	—	(314)	(314)	(314)
Stock-based compensation expense	—	—	—	—	5,589	—	—	—	5,589	—
Restricted stock amortization	—	—	—	—	886	—	—	—	886	—
Net income	—	—	—	—	—	89,563	—	—	89,563	89,563
Dividends (\$0.48 per share)	—	—	—	—	—	(20,933)	—	—	(20,933)	—
BALANCE AT DECEMBER 31, 2007	42,414	\$ 424	12,029	\$ 121	\$ 523,020	\$ 644,399	\$ (207,866)	\$ (15,114)	\$ 944,984	\$ 74,449
Shares awarded under stock compensation plans	509	5	—	—	5,144	—	—	—	5,149	—
Purchases of treasury stock	—	—	—	—	—	—	(28,648)	—	(28,648)	—
Income tax benefit associated with stock compensation plans	—	—	—	—	607	—	—	—	607	—
Income tax benefit associated with convertible note hedge	—	—	—	—	2,120	—	—	—	2,120	—
Fair value of interest rate swap agreements, net of tax benefit of \$13,383	—	—	—	—	—	—	—	(21,835)	(21,835)	(21,835)
Unrealized gain on available-for-sale securities, net of tax expense of \$193	—	—	—	—	—	—	—	314	314	314
Stock-based compensation expense	—	—	—	—	2,211	—	—	—	2,211	—
Restricted stock amortization	—	—	—	—	3,920	—	—	—	3,920	—
Net loss	—	—	—	—	—	(692,349)	—	—	(692,349)	(692,349)
Dividends (\$0.48 per share)	—	—	—	—	—	(18,950)	—	—	(18,950)	—
BALANCE AT DECEMBER 31, 2008	42,923	\$ 429	12,029	\$ 121	\$ 537,022	\$ (66,900)	\$ (236,514)	\$ (36,635)	\$ 197,523	\$ (713,870)
Shares awarded under stock compensation plans	104	—	—	—	—	—	—	—	—	—
Purchases of treasury stock	—	—	—	—	—	—	(61)	—	(61)	—
Income tax benefit associated with convertible note hedge	—	—	—	—	4,293	—	—	—	4,293	—
Fair value of interest rate swap agreements, net of tax expense of \$7,045	—	—	—	—	—	—	—	11,494	11,494	11,494
Discontinuation of cash flow swaps, net of tax expense of \$1,711	—	—	—	—	—	—	—	2,791	2,791	2,791
Issuance of Common Stock	11,699	117	—	—	105,095	—	—	—	105,212	—
ASC "Debt with Conversion and Other Options" derecognition — 4.25% Convertible Notes, net of tax benefit of \$2,887	—	—	—	—	(4,331)	—	—	—	(4,331)	—
ASC "Debt with Conversion and Other Options" — 5.0% Convertible Notes, net of tax expense of \$12,823	—	—	—	—	18,146	—	—	—	18,146	—
Stock-based compensation expense	—	—	—	—	603	—	—	—	603	—
Restricted stock amortization	—	—	—	—	1,329	—	—	—	1,329	—
Other	261	4	—	—	29	172	—	—	205	—
Net income	—	—	—	—	—	31,548	—	—	31,548	31,548
BALANCE AT DECEMBER 31, 2009	54,987	\$ 550	12,029	\$ 121	\$ 662,186	\$ (35,180)	\$ (236,575)	\$ (22,350)	\$ 368,752	\$ 45,833

See notes to consolidated financial statements

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
	2007	2008	2009
	(Dollars in thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss) income	\$ 89,563	\$ (692,349)	\$ 31,548
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization of property, plant and equipment	27,438	36,378	36,091
Provision for bad debt expense	3,169	2,488	1,491
Other amortization	1,156	1,912	1,656
Debt issuance cost amortization	1,147	1,256	13,435
Debt discount amortization, net of premium amortization	10,705	11,712	11,755
Stock — based compensation expense	5,589	2,211	603
Amortization of restricted stock	3,313	5,280	1,511
Restricted stock forfeiture	(2,427)	(1,360)	(182)
Deferred income taxes	18,764	(253,846)	23,153
Valuation allowance — deferred income taxes	1,305	108,421	(53,743)
Equity interest in earnings of investees	(645)	(399)	(713)
Asset impairment charges	6,032	851,655	30,038
Loss (gain) on disposal of franchises and property and equipment	1,145	1,604	(804)
Loss on exit of leased dealerships	2,275	18,037	33,013
(Gain) loss on retirement of debt	—	(647)	6,745
Derivative liability fair value adjustments	—	—	(11,300)
Discontinuance of cash flow swaps	—	—	4,502
Changes in assets and liabilities that relate to operations:			
Receivables	18,753	101,126	23,424
Inventories	(17,003)	5,204	307,803
Other assets	(18,093)	9,909	(1,393)
Notes payable — floor plan — trade	(108,739)	(49,590)	(58,972)
Trade accounts payable and other liabilities	(9,396)	(38,363)	3,920
Total adjustments	(55,512)	812,988	372,033
Net cash provided by operating activities	34,051	120,639	403,581
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of businesses, net of cash acquired	(212,472)	(22,945)	—
Purchases of property and equipment	(78,295)	(137,094)	(43,277)
Proceeds from sales of property and equipment	31,369	6,295	6,018
Proceeds from sale of franchises	62,882	37,803	27,276
Distributions from equity investees	900	600	300
Net cash used in investing activities	(195,616)	(115,341)	(9,683)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net (repayments) borrowings on notes payable floor plan — non-trade	122,251	(4,167)	(294,823)
Borrowings on revolving credit facilities	1,057,915	890,838	558,011
Repayments on revolving credit facilities	(1,008,001)	(889,996)	(628,853)
Proceeds from long-term debt	46,667	56,913	178,751
Debt issuance costs	—	—	(18,387)
Principal payments on long-term debt	(2,158)	(4,348)	(5,458)
Settlement of cash flow swaps	—	—	(16,454)
Repurchase of debt securities	—	(24,203)	(244,258)
Purchases of treasury stock	(48,865)	(28,648)	(61)
Income tax benefit associated with stock compensation plans	3,147	607	—
Income tax benefit associated with convertible hedge	1,914	2,120	4,293
Issuance of shares under stock compensation plans	13,444	5,149	—
Issuance of common stock	—	—	101,265
Dividends paid	(20,931)	(19,106)	(4,860)
Net cash provided by (used in) financing activities	165,383	(14,841)	(370,834)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,818	(9,543)	23,064
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	12,696	16,514	6,971
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 16,514	\$ 6,971	\$ 30,035
SUPPLEMENTAL SCHEDULE OF NON-CASH FINANCING ACTIVITIES:			
Change in fair value of cash flow hedging instruments (net of tax benefit of \$9,071, \$13,383 and tax expense of \$7,045 in 2007, 2008 and 2009, respectively)	\$ (14,800)	\$ (21,835)	\$ 11,494
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid during the year for:			
Interest, net of amount capitalized	\$ 113,834	\$ 114,003	\$ 110,420
Income taxes	\$ 46,683	\$ 13,351	\$ 23,507

See notes to consolidated financial statements

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(All tables in thousands except per share amounts)

1. Description of Business and Summary of Significant Accounting Policies

Organization and Business — Sonic Automotive, Inc. (“Sonic” or the “Company”) is one of the largest automotive retailers in the United States (as measured by total revenue), operating 146 dealership franchises and 26 collision repair centers throughout the United States as of December 31, 2009. Sonic sells new and used cars and light trucks, sells replacement parts, provides vehicle maintenance, warranty, paint and repair services, and arranges related financing and insurance for its automotive customers. As of December 31, 2009, Sonic sold a total of 30 foreign and domestic brands of new vehicles.

Recent Developments — In January 2010, Sonic replaced its syndicated credit facility that provided revolving credit and floor plan financing (the “2006 Credit Facility”), with new syndicated credit facilities (the “2010 Credit Facilities”). See Note 6 for a description of the terms of the 2010 Credit Facilities.

Principles of Consolidation — All of Sonic’s dealership and non-dealership subsidiaries are wholly owned and consolidated in the accompanying consolidated financial statements except for one fifty-percent owned dealership that is accounted for under the equity method. All material intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements.

Reclassifications — Individual franchises sold, terminated or classified as held for sale are reported as discontinued operations. During 2009, Sonic completed the disposal of 18 automobile franchises, and had four franchises held for sale at December 31, 2009. The results of operations of these franchises for the years ended December 31, 2007, 2008 and 2009 are reported as discontinued operations for all periods presented. In addition, Sonic decided to retain and operate 29 franchises which were held for sale as of December 31, 2008 due to strategic considerations. The significant number of dealerships reclassified into continuing operations during 2009 was a result of Sonics generation of capital in the debt and equity markets to address the near-term debt maturity issues rather than addressing those issues through asset sales. Determining whether a franchise will be reported as continuing or discontinued operations involves judgments such as whether a franchise will be sold or terminated, the period required to complete the disposition and the likelihood of changes to a plan for sale. If in future periods Sonic determines that a franchise should be either reclassified from continuing operations to discontinued operations or from discontinued operations to continuing operations, previously reported Consolidated Statements of Income are reclassified in order to reflect the current classification.

Recent Accounting Pronouncements — Effective July 1, 2009, the Accounting Standards Codification (“ASC”) has become the sole source of authoritative U.S. Generally Accepted Accounting Principles (“U.S. GAAP”). The ASC only affects the referencing of financial accounting standards and does not change or alter existing U.S. GAAP.

Sonic adopted the updated provisions of “Debt with Conversion and Other Options” in the ASC as of January 1, 2009. The updates to this provision apply to convertible debt instruments that, by their stated terms, may be settled in cash (or other assets) upon conversion, including partial cash settlement, unless the embedded conversion option is required to be separately accounted for as a derivative. These provisions require that the issuer of a convertible debt instrument separately account for the liability and equity components in a manner that reflects the issuer’s nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. The excess of the principal amount of the liability component over its initial fair value must be amortized to interest cost using the effective interest method.

This provision, when adopted, applied to Sonic’s 4.25% Convertible Senior Subordinated Notes due 2015 (the “4.25% Convertible Notes”) and Sonic’s 5.25% Senior Subordinated Convertible Notes due May 2009 (the “5.25% Convertible Notes”). In conjunction with the adoption of these provisions, Sonic estimated the nonconvertible borrowing rates related to its 4.25% Convertible Notes and 5.25% Convertible Notes to be 8.0% and 10.0%, respectively. Accordingly, the fair value of the equity component of the 4.25% Convertible Notes was \$25.1 million (\$15.1 million, net of tax) at the date of issuance and the fair value of the equity component of the

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

5.25% Convertible Notes was \$31.6 million (\$19.0 million, net of tax) at the date of the issuance. This pronouncement requires retrospective treatment of its provisions to all periods presented. Therefore, previously reported balances (prior to January 1, 2009), have been adjusted to record a debt discount equal to the fair value of the equity component, a deferred tax liability for the tax effect of the recorded debt discount and an increase to paid-in capital for the tax-effected fair value of the equity component as of the date of issuance of the underlying notes. Previously reported balances have also been adjusted to provide for the amortization of the debt discount through interest expense and the associated decrease in the deferred tax liability recorded through income tax expense.

As of December 31, 2008, the unamortized debt discount associated with these provisions related to the 4.25% Convertible Notes and the 5.25% Convertible Notes was \$10.8 million and \$2.1 million, respectively. As of December 31, 2009, the unamortized debt discount associated with these provisions related to the 4.25% Convertible Notes was \$0.5 million and the debt discount associated with the 5.25% Convertible Notes had been fully amortized. The unamortized discount of the 4.25% Convertible Notes at December 31, 2009 will be amortized through interest expense into earnings over the remaining expected term of the convertible notes, which is through November 2010. A summary of the effect of applying these provisions on Sonic's prior and current period consolidated statements of income is as follows:

	Twelve Months Ended December 31,							
	2002	2003	2004	2005	2006	2007	2008	2009
	(Dollars in thousands)							
Increase in Interest Expense	\$ (2,108)	\$ (3,530)	\$ (3,899)	\$ (4,656)	\$ (9,044)	\$ (9,898)	\$ (10,704)	\$ (6,205)
Tax Benefit	843	1,412	1,560	1,862	3,617	3,959	4,282	2,482
Effect on Net Income	(1,265)	(2,118)	(2,339)	(2,794)	(5,427)	(5,939)	(6,422)	(3,723)

"Debt with Conversion and Other Options" in the ASC was also applied to Sonic's 5.0% Convertible Senior Subordinated Notes due October 2029 which are redeemable by us and putable by the holders after October 1, 2014 (the "5.0% Convertible Notes") upon their issuance in September 2009 which are not considered in the table above. The effects of the application of these provisions are discussed in Note 6.

In June 2008, the FASB issued an update to "Earnings Per Share" in the ASC, under which unvested share-based payment awards that contain rights to receive nonforfeitable dividends or dividend equivalents (whether paid or unpaid) are participating securities, and thus, should be included in the two-class method of computing earnings per share. This pronouncement was effective for fiscal years beginning after December 31, 2008 and interim periods within those years and requires that all prior period earnings per share disclosures be adjusted retroactively to apply the two-class method of computing earnings per share. The adoption of this standard resulted in no material changes in the prior period or the current year period presentation of earnings per share.

In March 2008, the FASB issued an update to "Derivatives and Hedging" in the ASC, which changes the disclosure requirements for derivative instruments and hedging activities by requiring enhanced disclosures about how and why an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for under this pronouncement, and how derivative instruments and related hedged items affect an entity's operating results, financial position and cash flows. This pronouncement was effective for fiscal years beginning after November 15, 2008. Sonic's adoption did not have a material impact on its consolidated operating results, financial position or cash flows.

In December 2007, the FASB issued an update to "Business Combinations" in the ASC, which provides guidance regarding the allocation of purchase price in business combinations, measurement of assets acquired and liabilities assumed as well as other intangible assets acquired. Also in December 2007, the FASB issued an update to "Consolidation" in the ASC, which provides accounting and reporting standards for a noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary if certain conditions exist. These pronouncements were effective for fiscal years beginning on or after December 15, 2008. Sonic's adoption of these provisions did not materially impact its consolidated operating results, financial position and cash flows, however, for future

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

acquisitions Sonic could be required to expense transaction costs as incurred, rather than capitalizing them as part of the purchase price allocation, and there are other provisions within the update which could impact Sonic's consolidated operating results.

Sonic's adoption of the updated provisions of "Fair Value Measurements and Disclosures" in the ASC on January 1, 2008, related to fair value measurements and related disclosures of financial assets and liabilities, did not have a material impact on its financial statements. Sonic's adoption of the provisions of this pronouncement related to nonfinancial assets and liabilities on January 1, 2009, affects, among other items, the valuation of goodwill, franchise assets, assets and liabilities held for sale and fixed assets when assessing for impairments and the valuation of assets acquired and liabilities assumed in business combinations.

Sonic adopted the updated provisions of "Subsequent Events" in the ASC in the second quarter of 2009. This pronouncement establishes the accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. It requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date, that is, whether that date represents the date the financial statements were issued or were available to be issued. See Note 13 in the accompanying consolidated financial statements for the related disclosures. The adoption of this provision did not have a material impact on Sonic's financial statements.

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Sonic's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates particularly related to allowance for credit loss, realization of inventory, intangible asset and deferred tax asset values, reserves for tax contingencies, legal matters, reserves for future chargebacks, results reported as continuing and discontinued operations, insurance reserves, lease exit accruals and certain accrued expenses.

Cash and Cash Equivalents — Sonic classifies cash and all highly liquid investments with a maturity of three months or less at the date of purchase, including short-term time deposits and government agency and corporate obligations, as cash and cash equivalents.

Revenue Recognition — Sonic records revenue when vehicles are delivered to customers, when vehicle service work is performed and when parts are delivered. Conditions to completing a sale include having an agreement with the customer, including pricing, and the sales price must be reasonably expected to be collected.

Sonic arranges financing for customers through various financial institutions and receives a commission from the financial institution either in a flat fee amount or in an amount equal to the difference between the interest rates charged to customers over the predetermined interest rates set by the financial institution. Sonic also receives commissions from the sale of various insurance contracts to customers. Sonic may be assessed a chargeback fee in the event of early cancellation of a loan or insurance contract by the customer. Finance and insurance commission revenue is recorded net of estimated chargebacks at the time the related contract is placed with the financial institution.

Sonic also receives commissions from the sale of non-recourse third party extended service contracts to customers. Under these contracts, the applicable manufacturer or third party warranty company is directly liable for all warranties provided within the contract. Commission revenue from the sale of these third party extended service contracts is recorded net of estimated chargebacks at the time of sale. As of December 31, 2008 and 2009, the amounts recorded as allowances for commission chargeback reserves were \$13.1 million and \$11.7 million, respectively. The majority of these amounts recorded as allowances for commission chargeback reserves were classified in the accompanying consolidated financial statements as other accrued liabilities and the remaining amount was classified as other long-term liabilities.

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Floor Plan Assistance — Sonic receives floor plan assistance payments from certain manufacturers. This assistance reduces the carrying value of Sonic's new vehicle inventory and is recognized as a reduction of cost of sales at the time the vehicle is sold. Amounts recognized as a reduction of cost of sales for continuing operations were \$34.6 million, \$27.6 million and \$21.6 million for the years ended December 31, 2007, 2008 and 2009, respectively. There was an additional \$5.8 million, \$2.5 million and \$1.0 million in floor plan assistance related to discontinued operations for the years ended December 31, 2007, 2008 and 2009, respectively.

Contracts in Transit — Contracts in transit represent customer finance contracts evidencing loan agreements or lease agreements between Sonic, as creditor, and the customer, as borrower, to acquire or lease a vehicle in situations where a third-party finance source has given Sonic initial, non-binding approval to assume Sonic's position as creditor. Funding and final approval from the finance source is provided upon the finance source's review of the loan or lease agreement and related documentation executed by the customer at the dealership. These finance contracts are typically funded within ten days of the initial approval of the finance transaction given by the third-party finance source. The finance source is not contractually obligated to make the loan or lease to the customer until it gives its final approval and funds the transaction, and until such final approval is given, the contracts in transit represent amounts due from the customer to Sonic. Contracts in transit are included in receivables on the accompanying Consolidated Balance Sheets and totaled \$99.8 million at December 31, 2008 and \$90.8 million at December 31, 2009.

Accounts Receivable — In addition to contracts in transit, Sonic's accounts receivable consist of amounts due from the manufacturers for repair services performed on vehicles with a remaining factory warranty and amounts due from third parties from the sale of parts. Sonic evaluates receivables for collectability based on the age of the receivable, the credit history of the customer and past collection experience. The allowance for doubtful accounts receivable is not significant.

Inventories — Inventories of new vehicles, recorded net of manufacturer credits, and used vehicles, including demonstrators, are stated at the lower of specific cost or market. Inventories of parts and accessories are accounted for using the "first-in, first-out" ("FIFO") method of inventory accounting and are stated at the lower of FIFO cost or market. Other inventories are primarily service loaner vehicles and, to a lesser extent, vehicle chassis, other supplies and capitalized customer work-in-progress (open customer vehicle repair orders). Other inventories are stated at the lower of specific cost (depreciated cost for service loaner vehicles) or market.

Sonic assesses the valuation of all of its vehicle and parts inventories and maintains a reserve where the cost basis exceeds the fair market value. In making this assessment for new vehicles, Sonic primarily considers the age of the vehicles along with the timing of annual and model changeovers. For used vehicles, Sonic considers recent market data and trends such as loss histories along with the current age of the inventory. Parts inventories are primarily assessed considering excess quantity and continued usefulness of the part. The risk with parts inventories is minimized by the fact that excess or obsolete parts can generally be returned to the manufacturer.

Property and Equipment — Property and equipment are stated at cost. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets. Sonic amortizes leasehold improvements over the shorter of the estimated useful life or the remaining lease life. This lease life includes renewal options if a renewal has been determined to be reasonably assured. The range of estimated useful lives is as follows:

Leasehold and land improvements	10-30 years
Buildings	10-30 years
Parts and service equipment	7-10 years
Office equipment and fixtures	3-10 years
Company vehicles	3-5 years

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Sonic reviews the carrying value of property and equipment and other long-term assets (other than goodwill and franchise assets) for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If such an indication is present, Sonic compares the carrying amount of the asset to the estimated undiscounted cash flows related to those assets. Sonic concludes that an asset is impaired if the sum of such expected future cash flows is less than the carrying amount of the related asset. If Sonic determines an asset is impaired, the impairment loss would be the amount by which the carrying amount of the related asset exceeds its fair value. The fair value of the asset would be determined based on the quoted market prices, if available. If quoted market prices are not available, Sonic determines fair value by using a discounted cash flow model. See Note 4 for a discussion of impairment charges.

Derivative Instruments and Hedging Activities — Sonic utilizes derivative financial instruments for the purpose of hedging the risks of certain identifiable and anticipated transactions and the fair value of certain obligations classified as long-term debt on the accompanying Consolidated Balance Sheets. In general, the types of risks being hedged are those relating to the variability of cash flows, the delivery of Sonic's Class A common stock in connection with the conversion of convertible debt and long-term debt fair values caused by fluctuations in interest rates. Sonic documents its risk management strategy and hedge effectiveness at the inception of and during the term of each hedge. The only derivatives used were interest rate swaps, used for the purposes of hedging cash flows of variable rate debt and the fair value of fixed rate long-term debt, and options to buy and sell Sonic's Class A common stock, used for the purpose of hedging the amount of Sonic's Class A common stock required to be issued to holders of Sonic's 4.25% Convertible Notes upon conversion. See Note 6 for further discussion of derivative instruments and hedging activities.

Goodwill — Goodwill is recognized to the extent that the purchase price of the acquisition exceeds the estimated fair value of the net assets acquired, including other identifiable intangible assets.

Goodwill is tested for impairment at least annually, or more frequently when events or circumstances indicate that impairment might have occurred. Based on criteria established by the applicable accounting pronouncements, Sonic has one reporting unit. Goodwill on the balance sheet totaled \$472.3 million at December 31, 2009, which includes approximately \$2.8 million classified in assets held for sale.

In evaluating goodwill for impairment, if the fair value of the reporting unit is less than its carrying value, Sonic is then required to proceed to the second step of the impairment test. The second step involves allocating the calculated fair value to all of the assets and liabilities of the reporting unit as if the calculated fair value was the purchase price in a business combination. This allocation would include assigning value to any previously unrecognized identifiable assets (including franchise assets) which means the remaining fair value that would be allocated to goodwill would be significantly reduced. See discussion regarding franchise agreements acquired prior to July 1, 2001 in "Other Intangible Assets" below. Sonic would then compare the fair value of the goodwill resulting from this allocation process to the carrying value of the goodwill with the difference representing the amount of impairment. The purpose of this second step is only to determine the amount of goodwill that should be recorded on the balance sheet. The recorded amounts of other items on the balance sheet are not adjusted.

Sonic uses a discounted cash flow model to estimate its reporting unit's fair value in evaluating goodwill for impairment. The significant assumptions include projected earnings, weighted average cost of capital (and estimates in the weighted average cost of capital inputs) and residual growth rates. Sonic also considers a control premium that represents the estimated amount an investor would pay for Sonic's equity securities to obtain a controlling interest and other factors. See Note 5 for further discussion.

Other Intangible Assets — The principal identifiable intangible assets other than goodwill acquired in an acquisition are rights under franchise agreements with manufacturers. Sonic classifies franchise agreements as indefinite lived intangible assets as it has been Sonic's experience that renewals have occurred without substantial cost or material modifications to the underlying agreements. As such, Sonic believes that its franchise agreements will contribute to cash flows for an indefinite period, therefore the carrying amount of franchise rights is not

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

amortized. Franchise agreements acquired after July 1, 2001 have been included in other intangible assets on the accompanying Consolidated Balance Sheets. Prior to July 1, 2001, franchise agreements were recorded and amortized as part of goodwill and remain as part of goodwill on the accompanying Consolidated Balance Sheets. Other intangible assets acquired in acquisitions include favorable lease agreements with definite lives which are amortized on a straight-line basis over the remaining lease term. Sonic tests other intangible assets for impairment annually or more frequently if events or circumstances indicate possible impairment. See Note 5 regarding impairment charges on franchise agreements.

Insurance Reserves — Sonic has various self-insured and high deductible casualty and medical insurance programs which require the Company to make estimates in determining the ultimate liability it may incur for claims arising under these programs. These insurance reserves are estimated by management using actuarial evaluations based on historical claims experience, claims processing procedures, medical cost trends and, in certain cases, a discount factor. At December 31, 2008 and 2009, Sonic had \$23.4 million and \$19.4 million, respectively, reserved for such programs.

Lease Exit Accruals — The majority of Sonic's dealership properties are leased under long-term operating lease arrangements. When situations arise where the leased properties are no longer utilized in operations, Sonic records accruals for the present value of the lease payments, net of estimated sublease rentals, for the remaining life of the operating leases and other accruals necessary to satisfy the lease commitment to the landlord. These situations could include the relocation of an existing facility or the sale of a franchise whereby the buyer will not be subleasing the property for either the remaining term of the lease or for an amount of time equal to Sonic's obligation under the lease. See Note 12 for further discussion.

Income Taxes — Income taxes are provided for the tax effects of transactions reported in the accompanying consolidated financial statements and consist of taxes currently due plus deferred taxes. Deferred taxes are provided at currently enacted tax rates for the tax effects of carryforward items and temporary differences between the tax basis of assets and liabilities and their reported amounts. As a matter of course, the Company is regularly audited by various taxing authorities and from time to time, these audits result in proposed assessments where the ultimate resolution may result in the Company owing additional taxes. Sonic's management believes that the Company's tax positions comply with applicable tax law and that the Company has adequately provided for any reasonably foreseeable outcome related to these matters.

From time to time, Sonic engages in transactions in which the tax consequences may be subject to uncertainty. Significant judgment is required in assessing and estimating the tax consequences of these transactions. Sonic determines whether it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. In evaluating whether a tax position has met the more-likely-than-not recognition threshold, Sonic presumes that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information. A tax position that does not meet the more-likely-than-not recognition threshold is measured to determine the amount of benefit to be recognized in the financial statements. The tax position is measured at the largest amount of benefit that is likely of being realized upon ultimate settlement. Sonic adjusts its estimates periodically because of ongoing examinations by and settlements with the various taxing authorities, as well as changes in tax laws, regulations and precedent. See Note 7 for discussion related to the adoption of "Accounting for Uncertain Income Tax Positions" in the ASC.

Concentrations of Credit and Business Risk — Financial instruments that potentially subject Sonic to concentrations of credit risk consist principally of cash on deposit with financial institutions. At times, amounts invested with financial institutions exceed FDIC insurance limits. Concentrations of credit risk with respect to receivables are limited primarily to automobile manufacturers and financial institutions. The large number of customers comprising the trade receivables balances reduces credit risk arising from trade receivables from commercial customers.

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The counterparties to Sonic's interest rate swaps, Purchased Options and Warrants contracts primarily consist of four large financial institutions. Sonic could be exposed to loss in the event of nonperformance by any of these counterparties.

During 2009 General Motors and Chrysler stores represented 11.8% and 0.6% of new vehicle revenue, respectively. In recent years and particularly beginning in the latter half of 2008, the financial condition and operating results of General Motors and Chrysler deteriorated significantly. See Item 1A under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations — Risk Factors" for further discussion of the impact of General Motors' and Chrysler's bankruptcy filings and subsequent emergence from bankruptcy on Sonic's operations. During 2009, Sonic recorded impairment charges related to property and equipment balances and franchise assets related to General Motors and Chrysler dealership franchises. See discussion in Notes 4 and 5. Recorded balances that Sonic estimates are realizable related to General Motors and Chrysler as of December 31, 2009 is as follows:

	December 31, 2009
	(Dollars in millions)
General Motors	
New Vehicle Inventory	\$ 77.8
Parts Inventory	9.8
Factory Receivables	8.9
Property and Equipment, net	15.9
Franchise Assets	15.9
Chrysler	
New Vehicle Inventory	4.9
Parts Inventory	1.0
Factory Receivables	0.3
Property and Equipment, net	1.3
Franchise Assets	—

Financial Instruments and Market Risks — As of December 31, 2008 and 2009 the fair values of Sonic's financial instruments including receivables, notes receivable from finance contracts, notes payable-floor plan, trade accounts payable, payables for acquisitions, borrowings under the revolving credit facilities and certain mortgage notes approximate their carrying values due either to length of maturity or existence of variable interest rates that approximate prevailing market rates. See Note 11 for further discussion of the fair value and carrying value of Sonic's fixed rate long-term debt.

Sonic has variable rate notes payable— floor plan, revolving credit facilities and other variable rate notes that expose Sonic to risks caused by fluctuations in the underlying interest rates. The total outstanding balance of such facilities before the effects of interest rate swaps was approximately \$1.2 billion at December 31, 2008 and \$805.0 million at December 31, 2009

Advertising — Sonic expenses advertising costs in the period incurred, net of earned cooperative manufacturer credits that represent reimbursements for specific, identifiable and incremental advertising costs. Advertising expense amounted to \$64.2 million, \$58.4 million and \$46.3 million for the years ended December 31, 2007, 2008 and 2009, respectively, and has been classified as selling, general and administrative expense in the accompanying Consolidated Statements of Income.

Sonic has cooperative advertising reimbursement agreements with certain automobile manufacturers it represents. In general, these cooperative programs require Sonic to provide the manufacturer with support for qualified, actual advertising expenditures in order to receive reimbursement under these cooperative agreements. It

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

is uncertain whether or not Sonic would maintain the same level of advertising expenditures if these manufacturers discontinued their cooperative programs. Cooperative manufacturer credits classified as an offset to advertising expenses were \$15.7 million, \$14.5 million and \$9.5 million in 2007, 2008 and 2009, respectively.

Segment Information — Sonic has determined it has a single segment for purposes of reporting financial condition and results of operations.

2. Business Acquisitions and Dispositions

Acquisitions

Sonic's growth strategy is focused on metropolitan markets, predominantly in the Southeast, Southwest, Midwest and California. Where practicable, Sonic also seeks to acquire stable franchises that Sonic believes have above average sales prospects. Pursuant to the last amendment to the 2006 Credit Facility, Sonic was prohibited from making acquisitions, and as a result did not acquire any new franchises in 2009. Under the 2010 Credit Facilities, Sonic is restricted from making acquisitions in any fiscal year if the aggregate cost of all acquisitions occurring in such fiscal year is in excess of \$25.0 million, without the written consent of the Required Lenders (as that term is defined in the 2010 Credit Facilities). With this restriction on Sonic's ability to make acquisitions, its acquisition growth strategy may be limited.

During 2008, Sonic acquired or was awarded five franchises located in its Tennessee and Houston markets, for an aggregate purchase price of approximately \$22.4 million in cash, net of cash acquired, funded by cash from operations and borrowings under the 2006 Credit Facility.

During 2007, Sonic acquired or was awarded ten franchises for an aggregate purchase price of approximately \$212.5 million in cash, net of cash acquired. One of the acquisitions completed in 2007 provides for additional cash consideration of up to \$3.0 million to be paid if the dealership acquired achieves a prescribed level of earnings over a continuous twelve month period within the five years following the acquisition. As of December 31, 2009, the acquired dealership had not achieved the level of earnings which would result in additional consideration to be paid.

Dispositions

During 2009, Sonic disposed of 18 franchises. These disposals generated cash of \$27.3 million. During 2007 and 2008, Sonic completed 12 and ten franchise dispositions, respectively. The dispositions in 2007 and 2008 generated cash of \$62.9 million and \$37.8 million, respectively. The operating gains or losses associated with these disposed franchises are included in the amounts shown in the table below.

In conjunction with franchise dispositions, Sonic generally agrees to indemnify the buyers from certain liabilities and costs arising from operations or events that occurred prior to sale but which may or may not be known at the time of sale, including environmental liabilities and liabilities associated from the breach of representations or warranties made under the agreements. See Note 12 for further discussion.

At December 31, 2009, Sonic had four franchises held for sale and during 2009 Sonic decided to retain and operate 29 franchises which were held for sale as of December 31, 2008. These dealerships were reclassified into continuing operations during 2009 as a result of Sonics generation of capital in the debt and equity markets to address the near-term debt maturity issues rather than addressing those issues through asset sales. All franchises held for sale are expected to be sold within one year from December 31, 2009. The operating results of these franchises are included in discontinued operations in the accompanying Consolidated Statements of Income. Assets

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

to be disposed of in connection with franchises not yet sold, which have been classified in assets held for sale in the accompanying Consolidated Balance Sheets, consist of the following:

	December 31, 2008	December 31, 2009
	(Dollars in thousands)	
Inventories	\$ 207,308	\$ 4,528
Property and equipment, net	39,094	4,838
Goodwill	154,940	2,801
Franchise assets	5,234	—
Assets held for sale	<u>\$ 406,576</u>	<u>\$ 12,167</u>

Liabilities to be disposed in connection with these dispositions are comprised entirely of notes payable — floor plan and are classified as liabilities associated with assets held for sale on the accompanying Consolidated Balance Sheets. Results associated with franchises classified as discontinued operations were as follows:

	Year Ended December 31,		
	2007	2008	2009
	(Dollars in thousands)		
Loss from operations	\$ (14,188)	\$ (16,201)	\$ (7,044)
Gain (loss) on disposal of franchises	178	(2,325)	(293)
Lease exit charges	(1,787)	(13,747)	(31,850)
Property impairment charges	(1,957)	(10,251)	(3,938)
Goodwill impairment charges	—	(1,839)	(1,586)
Franchise agreement and other asset impairment charges	(3,100)	(14,400)	—
Favorable lease asset impairment charges	—	(1,903)	—
Pre-tax loss	<u>\$ (20,854)</u>	<u>\$ (60,666)</u>	<u>\$ (44,711)</u>
Total revenues	<u>\$ 941,983</u>	<u>\$ 479,894</u>	<u>\$ 218,022</u>

Sonic allocates corporate-level interest to discontinued operations based on the net assets of the discontinued operations group. Interest allocated to discontinued operations for the years ended December 31, 2007, 2008 and 2009 was \$3.2 million, \$2.0 million and \$1.8 million, respectively.

3. Inventories and Related Notes Payable — Floor Plan

Inventories consist of the following:

	December 31,	
	2008	2009
	(Dollars in thousands)	
New vehicles	\$ 910,462	\$ 557,319
Used vehicles	87,895	138,401
Parts and accessories	57,057	51,470
Other	68,731	52,613
	<u>\$ 1,124,145</u>	<u>\$ 799,803</u>
Less inventories classified as assets held for sale	(207,308)	(4,528)
Inventories	<u>\$ 916,837</u>	<u>\$ 795,275</u>

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Sonic finances all of its new and certain of its used vehicle inventory through standardized floor plan facilities with a syndicate of financial institutions and manufacturer-affiliated finance companies. The new and used floor plan facilities bear interest at variable rates based on prime and LIBOR. The weighted average interest rate for Sonic's new vehicle floor plan facilities, for continuing operations and discontinued operations, was 4.2% and 2.5% for the years ended December 31, 2008 and 2009, respectively. Sonic's floor plan interest expense related to the new vehicle floor plan arrangements is partially offset by amounts received from manufacturers, in the form of floor plan assistance. Floor plan assistance received is capitalized in inventory and charged against cost of sales when the associated inventory is sold. For the years ended December 31, 2007, 2008 and 2009, Sonic recognized a reduction in cost of sales approximately \$40.4 million, \$30.1 million and \$22.6 million, respectively, in manufacturer assistance.

The average interest rate for Sonic's used vehicle floor plan facility was 4.4% and 2.3% for the years ended December 31, 2008 and 2009, respectively.

The new and used floor plan facilities are collateralized by vehicle inventories and other assets, excluding franchise agreements, of the relevant dealership subsidiary. The new and used floor plan facilities contain a number of covenants, including, among others, covenants restricting Sonic with respect to the creation of liens and changes in ownership, officers and key management personnel. Sonic was in compliance with all restrictive covenants related to these filings as of December 31, 2009.

4. Property and Equipment

Property and equipment consists of the following:

	December 31,	
	2008	2009
	(Dollars in thousands)	
Land	\$ 63,153	\$ 61,886
Building and improvements	308,530	322,632
Office equipment and fixtures	68,054	75,801
Parts and service equipment	54,577	54,981
Company vehicles	8,700	8,440
Construction in progress	30,989	40,000
Total, at cost	534,003	563,740
Less accumulated depreciation	(125,017)	(176,817)
Subtotal	408,986	386,923
Less assets held for sale	(39,094)	(4,838)
Property and equipment, net	\$ 369,892	\$ 382,085

Interest capitalized in conjunction with construction projects was approximately \$2.5 million, \$1.5 million and \$0.7 million for the years ended December 31, 2007, 2008 and 2009, respectively. As of December 31, 2009, commitments for facility construction projects totaled approximately \$39.0 million.

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

During the years ended December 31, 2007, 2008 and 2009, property and equipment impairment charges were recorded as noted in the following table.

Year Ended December 31,	Continuing Operations	Discontinued Operations
	(Dollars in millions)	
2009	\$ 19.1	\$ 3.9
2008	\$ 14.6	\$ 10.3
2007	\$ 1.0	\$ 2.0

Impairment charges related to continuing operations were related to the abandonment on construction projects, the abandonment and disposal of dealership equipment or Sonic's estimate that based on historical and projected operating losses for certain dealerships, these dealerships would not be able to recover recorded property and equipment asset balances.

Impairment charges related to assets held for sale were recorded in discontinued operations based on the estimated fair value of the property and equipment to be sold in connection with the disposal of the associated franchises. During 2009, \$3.8 million of the impairment charge in discontinued operations were related to Sonic's General Motors dealerships that were terminated in 2009.

5. Intangible Assets and Goodwill

The changes in the carrying amount of franchise agreements and goodwill for the years ended December 31, 2008 and 2009 were as follows:

	Franchise Agreements	Gross Goodwill	Accumulated Impairment	Net Goodwill
	(Dollars in thousands)			
Balance, December 31, 2007	\$ 89,900	\$ 1,276,074	\$ —	\$ 1,276,074
Additions through current year acquisitions	3,200	6,164	—	6,164
Prior year acquisition allocations	—	517	—	517
Impairment of domestic dealerships	(22,565)	—	(5,611)	(5,611)
Impairment of import dealerships	(1,600)	—	(5,251)	(5,251)
Impairment of goodwill	—	—	(786,463)	(786,463)
Reductions from sales of franchises	(1,400)	(12,261)	—	(12,261)
Reclassification to assets held for sale, net	(2,834)	(146,162)	—	(146,162)
Balance, December 31, 2008	\$ 64,701	\$ 1,124,332	\$ (797,325)	\$ 327,007
Impairment of domestic dealerships	(500)	—	(929)	(929)
Impairment of import dealerships	(3,800)	—	(1,751)	(1,751)
Reductions from sales of franchises	(800)	(10,264)	3,280	(6,984)
Reclassification from assets held for sale, net	5,234	152,139	—	152,139
Balance, December 31, 2009	\$ 64,835	\$ 1,266,207	\$ (796,725)	\$ 469,482

Pursuant to applicable accounting pronouncements, Sonic tests goodwill for impairment annually or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. If Sonic determines that the amount of its goodwill is impaired at any point in time, Sonic is required to reduce goodwill on its balance sheet. In completing step one of the impairment analyses, Sonic used a discounted cash flow model in order to estimate its reporting unit's fair value. The result from this model was then analyzed to determine if an indicator of impairment exists.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Based on the results of Sonic's step one test as of December 31, 2009, Sonic was not required to complete step two of the impairment evaluation. For the year ended December 31, 2009, Sonic recorded goodwill impairment charges of \$1.1 million within continuing operations and \$1.6 million within discontinued operations based on the determination that a portion of the goodwill was not recoverable based on estimated proceeds while dealership operations were held for sale. For the year ended December 31, 2008, Sonic recorded an impairment of \$797.4 million related to its evaluation of goodwill. Sonic recorded \$795.6 million in continuing operations and \$1.8 million in discontinued operations as a result of step two of its goodwill impairment test and based on the determination that a portion of goodwill was not recoverable from assets held for sale based on estimated proceeds.

Franchise asset impairment charges of \$3.1 million and \$11.4 million were recorded within discontinued operations in the years ended December 31, 2007 and 2008, respectively. Furthermore, Sonic incurred \$12.8 million and \$4.3 million of franchise asset impairment charges in continuing operations in the years ended December 31, 2008 and 2009, respectively. These impairment charges were recorded based on management's conclusion that the recorded values would not be recoverable either through operating cash flows or through the eventual sale of the franchises. Approximately \$2.1 million of the impairment charges recorded in 2009 relate to dealership franchises that will be discontinued based on notifications from General Motors.

Definite life intangible assets consist of the following:

	December 31,	
	2008	2009
	(Dollars in thousands)	
Lease agreements	\$ 21,987	\$ 21,987
Less accumulated amortization	(4,360)	(6,016)
Definite life intangibles, net	\$ 17,627	\$ 15,971

In the year ended December 31, 2008, Sonic incurred a definite life intangible assets impairment charge of \$1.9 million. The impairment charge resulted from Sonic's assessment that the recorded value would not be recoverable through the eventual sale of the associated franchise.

Franchise assets and definite life intangible assets are classified as Other Intangible Assets, net on the accompanying Consolidated Balance Sheets.

Amortization expense for definite life intangible assets was \$1.2 million, \$1.8 million and \$1.7 million for the years ended December 31, 2007, 2008 and 2009, respectively. The weighted-average amortization period for lease agreements and definite life intangible assets is 15 years. Future amortization expense is as follows:

Year Ending December 31,	(Dollars in thousands)	
2010	\$	1,656
2011		1,656
2012		1,656
2013		1,656
2014		1,290
Thereafter		8,057
Total	\$	15,971

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

6. Long-Term Debt

Long-term debt consists of the following:

	December 31, 2008	December 31, 2009
(Dollars in thousands)		
2006 Revolving Credit Sub-Facility(1)	\$ 70,842	\$ —
Senior Subordinated Notes bearing interest at 8.625%	275,000	275,000
Convertible Senior Subordinated Notes bearing interest at 5.25%	105,250	—
Convertible Senior Notes bearing interest at 5.0%	—	172,500
Convertible Senior Subordinated Notes bearing interest at 4.25%	160,000	17,045
Notes payable to a finance company bearing interest from 9.52% to 10.52% (with a weighted average of 10.19%)	19,726	17,778
Mortgage notes to finance companies-fixed rate, bearing interest from 5.80% to 7.03%	80,622	78,424
Mortgage notes to finance companies-variable rate, bearing interest at 1.25 to 3.30 percentage points above one-month LIBOR	33,505	38,251
Net debt discount and premium(2)	(13,127)	(29,199)
Other	6,629	6,342
	<u>\$ 738,447</u>	<u>\$ 576,141</u>
Less current maturities(3)	(738,447)	(23,991)
Long-term debt	<u>\$ —</u>	<u>\$ 552,150</u>

- (1) Interest rate on the revolving credit sub-facility was 2.00% above LIBOR at December 31, 2008 and 3.50% above LIBOR at December 31, 2009.
- (2) December 31, 2008 includes \$1.9 million discount associated with the 8.625% Notes, \$2.3 million discount associated with the 5.25% Convertible Notes, \$12.5 million discount associated with the 4.25% Convertible Notes, \$3.2 million premium associated with notes payable to a finance company and \$0.3 million premium associated with mortgage notes payable. December 31, 2009 includes \$1.5 million discount associated with the 8.625% Notes, \$29.8 million discount associated with the 5.0% Convertible Notes, \$0.6 million discount associated with the 4.25% Convertible Notes, \$2.5 million premium associated with notes payable to a finance company and \$0.2 million premium associated with mortgage notes payable.
- (3) At December 31, 2008, as a result of the uncertainty related to Sonic's compliance with the covenants under its 2006 Credit Facility for the fiscal year 2009, Sonic classified all its indebtedness as current in the accompanying Consolidated Balance Sheets due to cross default provisions governing its other indebtedness. At December 31, 2009, current maturities include amounts outstanding related to the 4.25% Convertible Notes as a result of these obligations maturing or expected to be extinguished within one year of the balance sheet date.

The indenture governing Sonic's 8.625% Notes limits Sonic's ability to pay quarterly cash dividends in excess of \$0.10 per share. Sonic may only pay quarterly cash dividends in excess of this amount if Sonic complies with Section 1009 of the indenture governing these notes, which was filed as Exhibit 4.4 to the Registration Statement on Form S-4 (File No. 333-109426). The indentures governing Sonic's convertible senior subordinated notes do not limit Sonic's ability to pay dividends. Sonic's 2010 Credit Facilities permits cash dividends so long as no event of default or unmatured default (as defined in the credit agreement) has occurred and is continuing and provided that, after giving effect to the payment of a dividend, Sonic remains in compliance with the other terms and conditions of the credit agreement.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Future maturities of long-term debt are as follows:

Year Ending December 31,	Principal	Net
	(Dollars in thousands)	
2010	\$ 23,934	\$ 23,991
2011	7,903	8,568
2012	8,055	8,593
2013	289,292	288,170
2014	183,944	154,475
Thereafter	92,212	92,344
Total	\$ 605,340	\$ 576,141

2006 Credit Facility

Since February 2006, Sonic has had a syndicated credit facility that provides revolving credit and floor plan financing. Under the terms of the 2006 Credit Facility, up to \$635.0 million was available for new vehicle inventory floor plan financing (the "2006 New Vehicle Floor Plan Sub-Facility"), up to \$100.0 million was available for used vehicle inventory floor plan financing (the "2006 Used Vehicle Floor Plan Sub-Facility") and up to \$225.0 million was available for working capital and general corporate purposes (the "2006 Revolving Credit Sub-Facility"). The 2006 Revolving Credit Sub-Facility matured on February 17, 2010. The 2006 New Vehicle Floor Plan Sub-Facility and the 2006 Used Vehicle Floor Plan Sub-Facility matured on the earlier of February 17, 2010 or upon demand by the administrative agent at the request of more than 80% of the lenders under those facilities. The 2006 Credit Facility was refinanced in January 2010 with new syndicated floor plan and revolving credit facilities. See 2010 Credit Facilities discussion below.

In connection with the amendment to the 2006 Credit Facility executed March 31, 2009, Sonic agreed to increase the interest rates for amounts outstanding. Before April 1, 2009, the 2006 Credit Facility bore interest at a specified percentage above LIBOR according to a performance-based pricing grid determined by the Total Senior Secured Debt to EBITDA Ratio as of the last day of the immediately preceding fiscal quarter. The quarterly commitment fees were also determined according to a performance-based pricing grid determined by the Total Senior Secured Debt to EBITDA Ratio as of the last day of the immediately preceding fiscal quarter. Beginning April 1, 2009, the 2006 Credit Facility bore interest as follows: 2.50% above LIBOR for amounts outstanding under the 2006 Revolving Credit Sub-Facility under the 2006 Credit Facility; 1.75% above LIBOR for amounts outstanding under the new vehicle floor plan sub-facility under the 2006 Credit Facility; and 2.00% above LIBOR for amounts outstanding under the used vehicle floor plan sub-facility under the 2006 Credit Facility.

On May 4, 2009, Sonic executed an additional amendment to the 2006 Credit Facility. The amendment allowed for borrowings of \$15.0 million to be used in the restructuring of the 5.25% Convertible Notes and increased the interest rates related to outstanding borrowings under the 2006 Revolving Credit Sub-Facility to 3.50% above LIBOR. The interest rates for amounts outstanding under the new and used vehicle floor plan sub-facilities did not change from 1.75% above LIBOR and 2.00% above LIBOR, respectively. The May 4, 2009 amendment also adjusted certain financial covenant ratios. The minimum required consolidated liquidity ratio was adjusted from 1.15 to 1.10 and the minimum required consolidated fixed charge coverage ratio was adjusted from 1.20 to 1.15.

During 2009, under the 2006 Revolving Credit Sub-Facility, Sonic's interest rate was between 2.00% and 3.50% above LIBOR. The weighted average rate of the 2006 Revolving Credit Sub-Facility during the years ended December 31, 2008 and 2009 was 5.26% and 3.33%, respectively. As of December 31, 2009, the amounts outstanding under the 2006 New Vehicle Floor Plan Sub-Facility bore interest at 1.75% above LIBOR and amounts outstanding under the 2006 Used Vehicle Floor Plan Sub-Facility bore interest at 2.00% above LIBOR.

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2010 Credit Facilities

Sonic's new syndicated credit facilities (the "2010 Credit Facilities") executed on January 15, 2010 provide a total of up to \$521.0 million combined in revolving credit and floor plan financing and replaces Sonic's 2006 Credit Facility. The 2010 Credit Facilities mature on August 15, 2012.

Under the terms of the 2010 Credit Facilities, up to \$321.0 million is available for new vehicle inventory floor plan financing (the "2010 New Vehicle Floor Plan Sub-Facility"), up to \$50.0 million is available for used vehicle inventory floor plan financing (the "2010 Used Vehicle Floor Plan Sub-Facility" and, collectively with the 2010 New Vehicle Floor Plan Sub-Facility, the "2010 Floor Plan Facilities") and up to \$150.0 million is available for acquisitions, capital expenditures, working capital and general corporate purposes (the "2010 Revolving Credit Facility"). Sonic also has capacity to finance new and used vehicle inventory purchases under bilateral floor plan agreements with various captive finance companies and other lending institutions (the "Silo Floor Plan Facilities").

Under the terms of the 2010 Credit Facilities the availability under Sonic's 2010 Revolving Credit Facility is calculated as the lesser of \$150.0 million or a borrowing base calculated based on various current assets plus 50% of the fair market value (determined using the average daily share price for the five business days immediately preceding the date of calculation) of five million shares of common stock of Speedway Motorsports, Inc. that are pledged as collateral (the "2010 Revolving Borrowing Base"). The 2010 Revolving Credit Facility may be expanded up to \$215.0 million upon satisfaction of certain conditions. However, a withdrawal of this pledge by Sonic Financial Corporation ("SFC"), which holds the five million shares of common stock of Speedway Motorsports, Inc., or a significant decline in the value of Speedway Motorsports, Inc. common stock could reduce the amount Sonic can borrow under the 2010 Revolving Credit Facility.

As of December 31, 2009, the 2010 Revolving Borrowing Base was approximately \$145.2 million. The amount available to be borrowed under the 2010 Revolving Credit Facility is calculated by subtracting the sum of (1) any outstanding borrowings plus (2) the cumulative face amount of any outstanding letters of credit from the 2010 Revolving Borrowing Base. At December 31, 2009, Sonic had no outstanding borrowings and \$96.6 million in outstanding letters of credit resulting in total borrowing availability of \$48.6 million.

Under the 2010 Revolving Credit Facility, the amounts outstanding bear interest at a specified percentage above LIBOR, ranging from 2.50% per annum to 4.00% per annum, (but, in any case, not less than 3.50% per annum through the end of the first quarter of 2011) according to a performance-based pricing grid determined by Sonic's Consolidated Total Debt to EBITDA Ratio as of the last day of the immediately preceding fiscal quarter (the "Performance Grid").

Under the 2010 New Vehicle Floor Plan Sub-Facility, amounts outstanding bear interest at a specified percentage above LIBOR, ranging from 1.50% per annum to 2.25% per annum (but, in any case, not less than 2.00% per annum through the end of the first quarter of 2011), according to the Performance Grid. Under the 2010 Used Vehicle Floor Plan Sub-Facility, amounts outstanding bear interest at a specified percentage above LIBOR, ranging from 1.75% per annum to 2.50% per annum (but, in any case, not less than 2.25% per annum through the end of the first quarter of 2011), according to the Performance Grid.

In addition to existing bilateral floor plan credit arrangements with DCFS USA LLC, Ford Motor Credit Company LLC, GMAC, Inc. (formally known as General Motors Acceptance Corporation), and BMW Financial Services NA, Inc., on or before January 15, 2010, Sonic also entered into bilateral floor plan credit arrangements with Toyota Motor Credit Corporation and World Omni Financial Corp (collectively, the "Silo Floor Plan Facilities"). The Silo Floor Plan Facilities provide financing for new and used vehicle inventory. Each of the Silo Floor Plan Facilities bear interest at variable rates based on prime or LIBOR. Sonic's obligations under the Silo Floor Plan Facilities are guaranteed by Sonic and are secured by liens on substantially all of the assets of the respective dealership franchise subsidiaries that receive financing under these arrangements.

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Under the terms of collateral documents entered into with the lenders under the 2010 Credit Facilities, all amounts outstanding (including any outstanding letters of credit) are secured by a pledge of substantially all of Sonic's assets and the assets of substantially all of Sonic's dealership franchise subsidiaries, in addition to the pledge of five million shares of Speedway Motorsports, Inc. Common Stock owned by SFC. The collateral for the 2010 Credit Facilities also includes the pledge of the stock or equity interests of Sonic's dealership franchise subsidiaries, except where such a pledge is prohibited by the applicable vehicle manufacturer.

Sonic agreed under the 2010 Credit Facilities not to pledge any assets to any third party, subject to certain stated exceptions, including floor plan financing arrangements. In addition, the 2010 Credit Facilities contain certain negative covenants, including covenants which could restrict or prohibit indebtedness, liens, the payment of dividends, capital expenditures and material dispositions and acquisitions of assets as well as other customary covenants and default provisions. Specifically, the 2010 Credit Facilities permit cash dividends on Sonic's Class A and Class B common stock so long as no event of default (as defined in the 2010 Credit Facilities) has occurred and is continuing and provided that Sonic remains in compliance with all financial covenants under the 2010 Credit Facilities.

The 2010 Credit Facilities contain events of default, including cross-defaults to other material indebtedness, change of control events and events of default customary for syndicated commercial credit facilities. Upon the occurrence of an event of default, Sonic could be required to immediately repay all outstanding amounts under the 2010 Credit Facilities.

Senior Subordinated 8.625% Notes

Sonic has \$275.0 million of principal amount outstanding of the 8.625% Notes. The 8.625% Notes are unsecured obligations that rank equal in right of payment to all of Sonic's existing and future senior subordinated indebtedness, mature on August 15, 2013 and are redeemable at Sonic's option after August 15, 2008.

The indentures governing the 8.625% Notes contain certain specified restrictive financial covenants. Sonic has agreed not to pledge any assets to any third party lender of senior subordinated debt except under certain limited circumstances. Sonic also has agreed to certain other limitations or prohibitions concerning the incurrence of other indebtedness, capital stock, guaranties, asset sales, investments, cash dividends to shareholders, distributions and redemptions. Specifically, the indenture governing Sonic's 8.625% Notes limits Sonic's ability to pay quarterly cash dividends on Sonic's Class A and B common stock in excess of \$0.10 per share. Sonic may only pay quarterly cash dividends on Sonic's Class A and B common stock if Sonic complies with Section 1009 of the indenture governing the 8.625% Notes, which was filed as Exhibit 4.4 to Sonic's Registration Statement on Form S-4 (File No. 333-109426). Sonic was in compliance with all restrictive covenants as of December 31, 2009.

Balances outstanding under Sonic's 8.625% Notes are guaranteed by all of Sonic's operating domestic subsidiaries. These guarantees are full and unconditional and joint and several. The parent company has no independent assets or operations. The non-domestic and non-operating subsidiaries that are not guarantors are considered to be minor as defined by the Securities and Exchange Commission (the "SEC").

5.25% Convertible Senior Subordinated Notes and 6.0% Senior Secured Convertible Notes

On May 7, 2009, Sonic paid the holders of its 5.25% Convertible Senior Subordinated Notes due 2009 (the "5.25% Convertible Notes") \$15.7 million in cash, issued \$85.6 million in aggregate principal of 6.0% Senior Secured Convertible Notes due 2012 (the "6.0% Convertible Notes") and issued 860,723 shares of its Class A common stock in private placements exempt from registration requirements in full satisfaction of its obligations under certain of the 5.25% Convertible Notes. The issuance of the 6.0% Convertible Notes with the redemption of the 5.25% Convertible Notes was accounted for as a debt modification which required the 6.0% Convertible Notes to be recorded at fair value of \$74.3 million (\$85.6 million less a discount of \$11.3 million). In addition, an

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\$11.3 million derivative liability was also recorded which represents the fair value of the embedded derivatives (put and conversion features) contained in the 6.0% Convertible Notes.

Sonic incurred interest expense related to the 5.25% Convertible Notes of \$7.4 million, \$7.1 million and \$2.1 million for the years ended December 31, 2007, 2008 and 2009, respectively, recorded to interest expense, other, net in the accompanying Consolidated Statements of Income. In addition, in accordance with the provisions of "Debt with Conversion and Other Options" in the ASC, Sonic recorded interest expense associated with the amortization of debt discount on the 5.25% Convertible Notes of \$5.3 million, \$5.7 million and \$2.1 million for the years ended December 31, 2007, 2008 and 2009, respectively, recorded to interest expense, non-cash, convertible debt in the accompanying Consolidated Statements of Income.

During the third quarter of 2009, Sonic delivered a redemption notice to the holders of the 6.0% Convertible Notes obligating Sonic to repay the 6.0% Convertible Notes at 100% of par during the fourth quarter of 2009. As a result of Sonic's redemption notice, the derivative liability associated with the 6.0% Convertible Notes was extinguished, resulting in a benefit to interest expense, non-cash, convertible debt of \$11.3 million in the accompanying Consolidated Statements of Income. The 6.0% Convertible Notes were repurchased on October 28, 2009 and Sonic recorded a loss on the repurchase of the 6.0% Convertible Notes of approximately \$7.2 million in the fourth quarter of 2009. This loss represents the write-off of the remaining unamortized discount at the redemption date, and is presented in the other income (expense), net, line in the accompanying Consolidated Statements of Income.

5.0% Convertible Senior Notes

On September 23, 2009, Sonic issued \$172.5 million in principal of 5.0% Convertible Senior Notes (the "5.0% Convertible Notes") and 10,350,000 shares of Class A common stock generating net proceeds of \$266.4 million. Net proceeds from these issuances were used to repurchase \$143.0 million of 4.25% Convertible Senior Subordinated Notes due 2010 (the "4.25% Convertible Notes"), plus accrued interest, \$85.6 million of 6.0% Convertible Notes, plus accrued interest, and to repay amounts outstanding under the 2006 Credit Facility.

The 5.0% Convertible Notes bear interest at a rate of 5.0% per year, payable semiannually in arrears on April 1 and October 1 of each year, beginning on April 1, 2010. The 5.0% Convertible Notes mature on October 1, 2029. Sonic may redeem some or all of the 5.0% Convertible Notes for cash at any time subsequent to October 1, 2014 at a repurchase price equal to 100% of the principal amount of the Notes. Holders have the right to require Sonic to purchase the 5.0% Convertible Notes on each of October 1, 2014, October 1, 2019 and October 1, 2024 or in the event of a change in control for cash at a purchase price equal to 100% of the principal amount of the notes.

Holders of the 5.0% Convertible Notes may convert their notes at their option prior to the close of business on the business day immediately preceding July 1, 2029 only under the following circumstances: (1) during any fiscal quarter commencing after December 31, 2009, if the last reported sale price of the Class A common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter is greater than or equal to 130% of the applicable conversion price on each applicable trading day; (2) during the five business day period after any 10 consecutive trading day period (the "measurement period") in which the trading price (as defined below) per \$1,000 principal amount of notes for each day of that measurement period was less than 98% of the product of the last reported sale price of Sonic's Class A common stock and the applicable conversion rate on each such day; (3) if Sonic calls any or all of the notes for redemption, at any time prior to the close of business on the third scheduled trading day prior to the redemption date; or (4) upon the occurrence of specified corporate events. On and after July 1, 2029 to (and including) the close of business on the third scheduled trading day immediately preceding the maturity date, holders may convert their notes at any time, regardless of the foregoing circumstances. The conversion rate is 74.7245 shares of Class A common stock per \$1,000 principal amount of notes, which is equivalent to a conversion price of approximately \$13.38 per share of Class A common stock.

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

To recognize the equity component of a convertible borrowing instrument, upon issuance of the 5.0% Convertible Notes in September 2009, Sonic recorded a debt discount of \$31.0 million and a corresponding amount (net of taxes of \$12.8 million) to equity. The debt discount will be amortized to interest expense through October 2014, the earliest redemption date.

Sonic incurred interest expense related to the 5.0% Convertible Notes of approximately \$2.3 million for the year ended December 31, 2009, recorded to interest expense, other, net in the accompanying Consolidated Statements of Income. In addition, in accordance with the provisions of "Debt with Conversion and Other Options" in the ASC, Sonic recorded interest expense associated with the amortization of debt discount on the 5.0% Convertible Notes of \$1.2 million for the year ended December 31, 2009, recorded to interest expense, non-cash, convertible debt in the accompanying Consolidated Statements of Income.

4.25% Convertible Senior Subordinated Notes

In September 2009, Sonic repurchased \$143.0 million of principal of 4.25% Convertible Notes using proceeds from the issuance of the 5.0% Convertible Notes and shares of Class A common stock discussed above. The remaining outstanding balance in aggregate principal amount of 4.25% Convertible Notes was \$17.0 million at December 31, 2009. The repurchase of \$143.0 million of the 4.25% Convertible Notes required the recognition of certain items in accordance with the provisions of "Debt with Conversion and Other Options" in the ASC, resulting in a gain of \$0.1 million recorded in other income (expense), net, in the accompanying consolidated statements of income. In addition, the repurchase required the write-off of approximately \$7.1 million of unamortized debt discount, which was offset by a \$4.3 million adjustment to paid-in capital and a \$2.9 million adjustment to deferred income tax assets in accordance with the derecognition guidance in "Debt with Conversion and Other Options" in the ASC.

Sonic incurred interest expense related to the 4.25% Convertible Notes of \$7.7 million, \$7.4 million and \$5.8 million for the years ended December 31, 2007, 2008 and 2009, respectively, recorded to interest expense, other, net in the accompanying Consolidated Statements of Income. In addition, in accordance with the provisions of "Debt with Conversion and Other Options" in the ASC, Sonic recorded interest expense associated with the amortization of debt discount on the 4.25% Convertible Notes of \$4.6 million, \$5.0 million and \$4.1 million for the years ended December 31, 2007, 2008 and 2009, respectively, recorded to interest expense, non-cash, convertible debt in the accompanying Consolidated Statements of Income.

The 4.25% Convertible Notes bear interest at an annual rate of 4.25% until November 30, 2010 and 4.75% thereafter. The 4.25% Convertible Notes are unsecured obligations that rank equal in right of payment to all of Sonic's existing and future senior subordinated indebtedness, mature on November 30, 2015 and are redeemable by Sonic or the holders on or after November 30, 2010. Sonic's obligations under the 4.25% Convertible Notes are not guaranteed by any of Sonic's subsidiaries. Holders of the 4.25% Convertible Notes may convert them into cash and shares of Sonic's Class A common stock at an initial conversion rate of 41.4185 shares per \$1,000 of principal amount, subject to distributions on, or other changes in Sonic's Class A common stock, if any, prior to the conversion date.

The 4.25% Convertible Notes are convertible into cash and shares of Sonic's Class A common stock if prior to October 31, 2010, during the five business day period after any five consecutive trading day period in which the trading price per \$1,000 principal amount of 4.25% Convertible Notes was less than 103% of the product of the closing price of Sonic's Class A common stock and the applicable conversion rate for the 4.25% Convertible Notes; if Sonic calls the 4.25% Convertible Notes for redemption; or upon the occurrence of certain corporate transactions; or on or after October 31, 2010. Upon conversion of the 4.25% Convertible Notes, Sonic will be required to deliver cash equal to the lesser of the aggregate principal amount of the 4.25% Convertible Notes being converted and Sonic's total conversion obligation. If Sonic's total conversion obligation exceeds the aggregate principal amount of the 4.25% Convertible Notes being converted, Sonic will deliver shares of Class A common stock to the extent of the excess amount, if any. None of the conversion features on the 4.25% Convertible Notes were triggered in 2009.

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Notes Payable to a Finance Company

Three notes payable (due October 2015 and August 2016) were assumed in connection with an acquisition in 2005 (the "Assumed Notes"). Sonic recorded the Assumed Notes at fair value using an interest rate of 5.35%. The interest rate used to calculate the fair value was based on a quoted market price for notes with similar terms as of the date of assumption. As a result of calculating the fair value, a premium of \$7.3 million was recorded that will be amortized over the lives of the Assumed Notes. At December 31, 2009, the outstanding principal balance on the Assumed Notes was \$17.8 million.

Mortgage Notes

Sonic has mortgage financing totaling \$116.7 million in aggregate, related to several of its dealership properties. These mortgage notes require monthly payments of principal and interest through maturity and are secured by the underlying properties. Maturity dates range between June 2013 and December 2029. The weighted average interest rate was 5.1% at December 31, 2009. Proceeds received were used to repay borrowings under Sonic's 2006 Revolving Credit Sub-Facility.

Covenants

Sonic agreed under the 2010 Credit Facilities not to pledge any assets to any third party (other than those explicitly allowed under the amended terms of the facility), including other lenders, subject to certain stated exceptions, including floor plan financing arrangements. In addition, the 2010 Credit Facilities contains certain negative covenants, including covenants which could restrict or prohibit the payment of dividends, capital expenditures and material dispositions of assets as well as other customary covenants and default provisions. Financial covenants related to outstanding indebtedness and certain operating leases include required specified ratios of:

	Covenant		
	Consolidated Liquidity Ratio	Consolidated Fixed Charge Coverage Ratio	Consolidated Total Senior Secured Debt to EBITDA Ratio
Through March 30, 2011	³ 1.00	³ 1.10	£2.25
March 31, 2011 through and including March 30, 2012	³ 1.05	³ 1.15	£2.25
March 31, 2012 and thereafter	³ 1.10	³ 1.20	£2.25
December 31, 2009 actual	1.12	1.44	1.29

Derivative Instruments and Hedging Activities

At December 31, 2009 Sonic had interest rate swap agreements (the "Fixed Swaps") to effectively convert a portion of its LIBOR-based variable rate debt to a fixed rate. The fair value of these swap positions at December 31,

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

2009 was a liability of \$32.5 million included in Other Long-Term Liabilities in the accompanying Consolidated Balance Sheets. Under the terms of the Fixed Swaps, Sonic will receive and pay interest based on the following:

Notional (In millions)	Pay Rate	Receive Rate(1)	Maturing Date
\$ 200.0	4.935%	one-month LIBOR	May 1, 2012
\$ 100.0	5.265%	one-month LIBOR	June 1, 2012
\$ 3.8	7.100%	one-month LIBOR	July 10, 2017
\$ 25.0(2)	5.160%	one-month LIBOR	September 1, 2012
\$ 15.0(2)	4.965%	one-month LIBOR	September 1, 2012
\$ 25.0(2)	4.885%	one-month LIBOR	October 1, 2012
\$ 11.9	4.655%	one-month LIBOR	December 10, 2017
\$ 9.0	6.860%	one-month LIBOR	August 1, 2017
\$ 7.3	4.330%	one-month LIBOR	July 1, 2013

- (1) The one-month LIBOR rate was 0.231% at December 31, 2009.
(2) After December 31, 2009 changes in fair value will be recorded through earnings.

During the first quarter ended March 31, 2009, Sonic settled its \$100.0 million notional, pay 5.002% and \$100.0 million notional, pay 5.319% swaps for a payment of approximately \$16.5 million.

As a result of the refinancing of Sonic's 2006 Credit Facility and the new terms of the 2010 Credit Facilities, it is no longer probable that Sonic will incur interest payments that match the terms of certain Fixed Swaps that previously were designated and qualified as cash flow hedges. Of the Fixed Swaps (including the two \$100.0 million notional swaps which were settled in 2009), \$565.0 million of the notional amount had previously been documented as hedges against the variability of cash flows related to interest payments on certain debt obligations. At December 31, 2009, Sonic estimates that under the new 2010 Credit Facilities and other facilities with matching terms, it is probable that the expected debt balance with interest payments that match the terms of the Fixed Swaps will be \$400.0 million and it is reasonably possible that the expected debt balance with interest payments that match the terms of the Fixed Swaps will be between \$400.0 million and \$500.0 million. As a result, at December 31, 2009, amounts previously classified in accumulated other comprehensive income related to interest payments that match terms of the Fixed Swaps no longer probable of occurring were reclassified to earnings as a charge of approximately \$4.5 million included in interest expense, non-cash, cash flow swaps in the accompanying Consolidated Statements of Income. In addition, in the third quarter of 2009 Sonic reclassified \$0.3 million from other comprehensive income to earnings as a result of cash flow swap ineffectiveness due to reductions in LIBOR-based debt balances. Prospectively, changes in the fair value of \$65.0 million of notional amount of certain cash flow swaps will be recognized through earnings.

For the Fixed Swaps which qualify as cash flow hedges, the changes in the fair value of these swaps have been recorded in other comprehensive income/(loss), net of related income taxes, in the Consolidated Statements of Stockholders' Equity. The incremental interest expense (the difference between interest paid and interest received) related to the Fixed Swaps was \$25.5 million in 2009, \$12.4 million in 2008 and a benefit of \$0.5 million in 2007, and is included in interest expense, other, net in the accompanying Consolidated Statements of Income. The estimated net expense expected to be reclassified out of other comprehensive income/(loss) into results of operations during the year ended December 31, 2010 is approximately \$5.0 million.

In connection with the issuance of Sonic's 4.25% Convertible Notes in 2005, Sonic purchased five year call options on Sonic's Class A common stock (collectively, the "Purchased Options") from the initial purchasers of the 4.25% Convertible Notes. Under the terms of the Purchased Options, which become exercisable upon conversion of the 4.25% Convertible Notes, Sonic acquired the right to purchase a total of approximately 6.6 million shares of Sonic's Class A common stock from the counterparties at a purchase price of \$27.78 per share and are net share

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

settleable upon conversion of the 4.25% Convertible Notes. As a result of the repurchase of \$143.0 million of the 4.25% Convertible Notes in 2009, a proportional amount of the Purchased Options were cancelled.

The cost of the Purchased Options was partially offset by the sale of warrants to acquire shares of Sonic's Class A common stock from Sonic with a term of five years (collectively, the "Warrants") to the same counterparties with whom Sonic entered into the Purchased Options. The Warrants are exercisable for a total of approximately 7.0 million shares of Sonic's Class A common stock at an exercise price of \$33.00 per share subject to adjustment (at the sole discretion of the counterparties which shall be made in good faith and based on a commercially reasonable manner) for quarterly dividends in excess of \$0.12 per quarter, liquidation, bankruptcy, delivery of shares that are not registered with the SEC, or a change in control of Sonic and other conditions. The settlement method for the warrants is net share settlement. If Sonic chooses to deliver shares that are not registered with the SEC, the number of shares to be delivered will be determined by counterparties to the warrants in a commercially reasonable manner. Subject to these adjustments, the maximum amount of shares of Sonic's Class A common stock that could be required to be issued under the warrants is 7.0 million shares. The number of warrants outstanding was not affected by the 2009 repurchase of \$143.0 million principal of Sonic's 4.25% Convertible Notes.

The Purchased Options and the Warrants are subject to early expiration upon the occurrence of certain events that may or may not be within Sonic's control. Should there be an early termination of the Purchased Options and Warrants prior to the conversion of the 4.25% Convertible Notes from an event outside of Sonic's control, the amount of shares potentially due to and due from Sonic under the Purchased Options and Warrants will be based solely on Sonic's Class A common stock price, and the amount of time remaining on the Purchased Options and the Warrants as set forth and agreed to upon the inception of the Purchased Options and Warrants and will be settled in shares of Sonic's Class A Common Stock. The net effect of the Purchased Options and the Warrants was designed to increase the conversion price per share of Sonic's Class A common stock from \$24.14 to \$33.00 (a 66.75% premium to the closing price of Sonic's Class A common stock on the date that the 4.25% Convertible Notes were priced to investors) and, therefore, mitigate the potential dilution of Sonic's Class A Common Stock upon conversion of the 4.25% Convertible Notes, if any. No shares of Sonic's Class A common stock have been issued or received under the Purchased Options or Warrants since issuance. Subsequent to December 31, 2009, Sonic and the holders of the Warrants entered into termination agreements that terminated any and all rights related to the Warrants and Purchased Options. The termination agreements were executed at no cost to Sonic.

7. Income Taxes

The provision for income taxes from continuing operations consists of the following:

	<u>2007</u>	<u>2008</u>	<u>2009</u>
	(Amounts in thousands)		
Current:			
Federal	\$ 39,306	\$ (14,180)	\$ 1,055
State	<u>8,569</u>	<u>3,328</u>	<u>7,797</u>
Deferred	47,875	(10,852)	8,852
Total provision for income taxes for continuing operations	<u>\$ 67,854</u>	<u>\$ (125,399)</u>	<u>\$ (33,251)</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The reconciliation of the statutory federal income tax rate with Sonic's federal and state overall effective income tax rate from continuing operations is as follows:

	<u>2007</u>	<u>2008</u>	<u>2009</u>
Statutory federal rate	35.00%	35.00%	35.00%
Effective state income tax rate	4.01	3.57	5.87
Valuation allowance and other account adjustments	—	(14.26)	(193.74)
Non-deductible goodwill	—	(8.35)	—
Other	0.08	0.31	4.16
Effective tax rate	<u>39.09%</u>	<u>16.27%</u>	<u>(148.71%)</u>

Deferred income taxes reflect the net tax effects of the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Significant components of Sonic's deferred tax assets and liabilities as of December 31 are as follows:

	<u>2008</u>	<u>2009</u>
	(Dollars in thousands)	
Deferred tax assets:		
Allowance for bad debts	\$ 517	\$ 158
Accruals and reserves	43,409	49,524
Basis difference in property and equipment	287	—
Basis difference in goodwill	55,340	30,266
Net operating loss carryforwards	16,724	15,869
Fair value of Fixed Swaps	22,454	13,698
Interest and state taxes associated with "Accounting for Uncertain Income Tax Positions" in the ASC liability	7,132	7,777
Other	<u>3</u>	<u>3</u>
Total deferred tax assets	145,866	117,295
Deferred tax liabilities:		
Basis difference in inventory	(2,309)	(3,340)
Basis difference in property and equipment	—	(3,938)
Basis difference in debt	(5,156)	(11,748)
Other	<u>(1,963)</u>	<u>(4,396)</u>
Total deferred tax liability	(9,428)	(23,422)
Valuation allowance	<u>(116,330)</u>	<u>(61,868)</u>
Net deferred tax asset (liability)	<u>\$ 20,108</u>	<u>\$ 32,005</u>

Net long-term deferred tax assets are recorded in other assets on the accompanying Consolidated Balance Sheets. Sonic has \$405.8 million in gross deferred tax assets related to state net operating loss carryforwards that will expire between 2014 and 2028. Management reviews these carryforward positions, the time remaining until expiration and other opportunities to utilize these carryforwards in making an assessment as to whether it is more likely than not that these carryforwards will be utilized. Sonic has recorded a valuation allowance of \$16.7 million and \$15.9 million at December 31, 2008 and 2009, respectively, based on its judgment that all state carryforwards will not be utilized. However, the results of future operations, regulatory framework of these taxing authorities and other related matters cannot be predicted with certainty. Therefore, actual utilization of the losses which created these deferred tax assets which differs from the assumptions used in the development of management's judgment

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

could occur. Additionally, as of December 31, 2008 and 2009, Sonic recorded valuation allowances of \$99.6 million and \$46.0 million, respectively, related to other certain deferred tax assets based on its judgment that it is more likely than not that Sonic will not be able to realize the recorded balances. The change in valuation allowance of \$53.6 million related to other certain deferred tax assets resulted from Sonic's change in judgement whether it is more likely than not that the related net deferred tax asset balances will be realized. There is a possibility of further reduction of recorded valuation allowances in 2010 in the event its profitability and the automotive retail environment continue to improve.

Sonic adopted the provisions of "Accounting for Uncertain Income Tax Positions" in the ASC on January 1, 2007. As allowed in the year of adoption, Sonic recorded a charge of \$8.6 million to 2007 beginning retained earnings resulting from its initial application of the provisions of "Accounting for Uncertain Income Tax Positions" in the ASC. At January 1, 2009, Sonic had liabilities of \$23.2 million recorded related to unrecognized tax benefits. Included in the liabilities related to unrecognized tax benefits at January 1, 2009, is \$6.1 million related to interest and penalties which Sonic has estimated may be paid as a result of its tax positions. It is Sonic's policy to classify the expense related to interest and penalties to be paid on underpayments of income taxes within income tax expense. A summary of the changes in the liability related to Sonic's unrecognized tax benefits is presented below.

	(In thousands)
Unrecognized tax benefit liability, January 1, 2009(1)	\$ 17,131
Prior period positions:	
Increases	8,883
Decreases	(134)
Current period positions	1,629
Settlements	(456)
Lapse of statute of limitations	(2,072)
Other	(191)
Unrecognized tax benefit liability, December 31, 2009(2)	\$ 24,790

- (1) Excludes accrued interest and penalties of \$6.1 million at January 1, 2009
(2) Excludes accrued interest and penalties of \$6.4 million at December 31, 2009

Approximately \$14.3 million of the unrecognized tax benefits as of December 31, 2009 would ultimately affect the income tax rate if ultimately recognized. Included in the December 31, 2009 recorded liability is \$6.4 million related to interest and penalties which Sonic has estimated may be paid as a result of its tax positions. Sonic does not anticipate any significant changes in its unrecognized tax benefit liability within the next twelve months absent any adjustments as a result of current state or federal reviews.

Sonic and its subsidiaries are subject to U.S. federal income tax as well as income tax of multiple state jurisdictions. Sonic's 2006 through 2009 U.S. federal income tax returns remain open to examination by the Internal Revenue Service, and the 2008 tax year is currently under review. Sonic and its subsidiaries' state income tax returns are open to examination by state taxing authorities for years ranging from 2001 to 2009.

8. Related Parties

Sonic leases office space in Charlotte from a subsidiary of Sonic Financial Corporation (SFC), an entity controlled by Sonic's Chairman and Chief Executive Officer, Mr. O. Bruton Smith, for a majority of its headquarters personnel. Annual aggregate rent under this lease was approximately \$0.6 million in 2007, 2008 and 2009.

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES
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Sonic rents various aircraft owned by SFC, subject to their availability, for business-related travel by Sonic executives. Sonic incurred costs of approximately \$1.0 million in 2007, \$0.4 million in 2008 and \$0.3 million in 2009 for the use of these aircraft.

Certain of Sonic's dealerships purchase the Z-Max oil additive product from Oil Chem Research Company, a subsidiary of Speedway Motorsports, Inc. ("SMI") whose Chairman and Chief Executive Officer is O. Bruton Smith, also Sonic's Chairman and Chief Executive Officer, for resale to service customers of Sonic's dealerships in the ordinary course of business. Total purchases from Oil Chem by Sonic dealerships totaled approximately \$1.9 million in 2007, \$1.7 million in 2008 and \$1.5 million in 2009.

Sonic donates cash throughout the year to Speedway Children's Charities, a non-profit organization founded by O. Bruton Smith. O. Bruton Smith and B. Scott Smith, Sonic's President and Chief Strategic Officer, are both board members of Speedway Children's Charities. Donations to this organization amounted to \$0.3 million and \$0.2 million in 2007 and 2008, respectively.

9. Capital Structure and Per Share Data

Preferred Stock — Sonic has 3.0 million shares of "blank check" preferred stock authorized with such designations, rights and preferences as may be determined from time to time by the Board of Directors. The Board of Directors has designated 300,000 shares of preferred stock as Class A convertible preferred stock, par value \$0.10 per share (the "Preferred Stock") which is divided into 100,000 shares of Series I Preferred Stock, 100,000 shares of Series II Preferred Stock, and 100,000 shares of Series III Preferred Stock. There were no shares of Preferred Stock issued or outstanding at December 31, 2008 and 2009.

Common Stock — Sonic has two classes of common stock. Sonic has authorized 100.0 million shares of Class A common stock at a par value of \$0.01 per share. Class A common stock entitles its holder to one vote per share. Sonic has also authorized 30 million shares of Class B common stock at a par value of \$.01 per share. Class B common stock entitles its holder to ten votes per share, except in certain circumstances. Each share of Class B common stock is convertible into one share of Class A common stock either upon voluntary conversion at the option of the holder, or automatically upon the occurrence of certain events, as provided in Sonic's charter. The two classes of stock share equally in dividends and in the event of liquidation.

Hedge and Warrants on 4.25% Convertible Notes — In connection with the sale of \$160.0 million of 4.25% convertible notes in the fourth quarter of 2005, Sonic executed a hedge and sold warrants to purchase shares of Sonic Class A common stock designed to mitigate the dilutive effect of the delivery of Sonic's Class A common stock upon conversion of these convertible notes. See Note 6.

Share Repurchases — Sonic's Board of Directors has authorized Sonic to expend up to \$295.0 million to repurchase shares of its Class A common stock or redeem securities convertible into Class A common stock. As of December 31, 2009, Sonic had repurchased a total of 14,887,316 shares of Class A common stock at an average price per share of approximately \$15.89 and had redeemed 13,801.5 shares of Class A convertible preferred stock at an average price of \$1,000 per share. As of December 31, 2009, Sonic had \$44.6 million remaining under the Board's authorization.

Per Share Data — The calculation of diluted earnings per share considers the potential dilutive effect of options and shares under Sonic's stock compensation plans, Class A common stock purchase warrants, the 5.0% Convertible Notes, 6.0% Convertible Notes, the 5.25% Convertible Notes and the 4.25% Convertible Notes (see Notes 1 and 6). Due to the net loss in the year ended December 31, 2008, there was no dilutive impact of

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options, shares or warrants as their effect would be anti-dilutive on a loss per share basis. The following table illustrates the dilutive effect of such items on earnings per share for the years ended December 31, 2007 and 2009:

	For the Year Ended December 31, 2007						
	Shares	Income from Continuing Operations		Loss from Discontinued Operations		Net Income	
		Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount
	(Amounts in thousands except per share amounts)						
Earnings (Loss) and Shares	42,479	\$ 105,730	\$ 2.47	\$ (16,167)	\$ (0.38)	\$ 89,563	
Effect of Participating Securities:							
Unvested Restricted Stock and Stock Units	—	(976)		—		(976)	
Basic Earnings (Loss) Per Share	42,479	\$ 104,754	\$ 2.47	\$ (16,167)	\$ (0.38)	\$ 88,587	\$ 2.09
Effect of Dilutive Securities:							
Contingently Convertible Debt (4.25% Convertible Notes)	819						
Stock Compensation Plans	867						
Diluted Earnings (Loss) Per Share	<u>44,165</u>	<u>\$ 104,754</u>	<u>\$ 2.37</u>	<u>\$ (16,167)</u>	<u>\$ (0.36)</u>	<u>\$ 88,587</u>	<u>\$ 2.01</u>

	For the Year Ended December 31, 2009						
	Shares	Income from Continuing Operations		Loss from Discontinued Operations		Net Income	
		Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount
	(Amounts in thousands except per share amounts)						
Earnings (Loss) and Shares	43,836	\$ 55,610	\$ 1.26	\$ (24,062)	\$ (0.55)	\$ 31,548	
Effect of Participating Securities:							
Unvested Restricted Stock and Stock Units	—	(395)		—		(395)	
Basic Earnings (Loss) Per Share	43,836	\$ 55,215	\$ 1.26	\$ (24,062)	\$ (0.55)	\$ 31,153	\$ 0.71
Effect of Dilutive Securities:							
Contingently Convertible Debt (6.0% Convertible Notes)	7,833	921		18		939	
Contingently Convertible Debt (5.0% Convertible Notes)	3,496	2,237		43		2,280	
Stock Compensation Plans	667						
Diluted Earnings (Loss) Per Share	<u>55,832</u>	<u>\$ 58,373</u>	<u>\$ 1.05</u>	<u>\$ (24,001)</u>	<u>\$ (0.43)</u>	<u>\$ 34,372</u>	<u>\$ 0.62</u>

In addition to the stock options included in the tables above, options to purchase approximately 1.8 million, 3.3 million and 2.4 million shares of Class A common stock were outstanding during the years ended December 31, 2007, 2008 and 2009, respectively, but were not included in the computation of diluted net income per share because the options were not dilutive.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

10. Employee Benefit Plans

Substantially all of the employees of Sonic are eligible to participate in a 401(k) plan. Contributions by Sonic to the 401(k) plan were \$6.0 million in 2007 and \$5.8 million in 2008. Contributions by Sonic to the 401(k) plan were suspended during 2009 due to cost-reduction efforts related to the downturn in the economy.

Stock Compensation Plans

Sonic currently has two stock compensation plans, the Sonic Automotive, Inc. 2004 Stock Incentive Plan (the "2004 Plan") and the 2005 Formula Restricted Stock Plan for Non-Employee Directors (the "2005 Formula Plan") (collectively, the "Stock Plans"). During the second quarter of 2007, Sonic's stockholders approved amendments to the 2004 Plan and the 2005 Formula Plan to increase the number of shares issuable under these plans to 3,000,000 and 90,000, respectively. During the second quarter of 2009, Sonic's stockholders approved an increase in the number of shares of Sonic's Class A Common Stock authorized for issuance under the 2004 Plan and the 2005 Formula Plan to 5,000,000 and 340,000, respectively. The First America Automotive, Inc. 1997 Stock Option Plan (the "First America Plan") and the Sonic Automotive, Inc. 1997 Stock Option Plan (the "1997 Plan") were terminated during the third and fourth quarters 2007, respectively.

The 2004 Plan and the 1997 Plan were adopted by the Board of Directors in order to attract and retain key personnel. Under the 2004 Plan and the 1997 Plan, options to purchase shares of Class A common stock may be granted to key employees of Sonic and its subsidiaries and to officers, directors, consultants and other individuals providing services to Sonic. The options are granted at the fair market value of Sonic's Class A common stock at the date of grant, vest over a period ranging from six months to three years, are exercisable upon vesting and expire ten years from the date of grant. The 2004 Plan also authorized the issuance of restricted stock. Restricted stock issued under the 2004 plan generally vest at the end of a three year term. The 2005 Formula Plan provides for grants of restricted stock to non-employee directors and restrictions on those shares generally expire one year from the date of grant. Individuals receiving restricted shares under both the 2005 Formula Plan and the 2004 Plan have voting rights and receive dividends on unvested shares. Sonic issues new shares of Class A common stock to employees and directors to satisfy its option exercise and stock grant obligations. To offset the effects of these transactions, Sonic will periodically buy back shares of Class A common stock after considering cash flow, market conditions and other factors.

A summary of the status of the options related to the Stock Plans, 1997 Plan and the First American Plan is presented below:

	Options Outstanding (In thousands)	Exercise Price per Share		Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (In years)	Aggregate Intrinsic Value (In thousands)	
Balance — December 31, 2008	3,339	\$ 7.80	-	37.50	\$ 21.90	4.6	\$ —
Granted	1,398	1.81	-	2.99	1.81		
Forfeited	(723)	1.81	-	37.50	18.69		
Balance — December 31, 2009	<u>4,014</u>	<u>\$ 1.81</u>	<u>-</u>	<u>37.50</u>	<u>\$ 15.48</u>	5.9	\$ 12,349
Exercisable	2,599	\$ 7.80	-	37.50	\$ 22.65	4.1	\$ 435

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	December 31,		
	2007	2008	2009
	(Amounts in thousands, except per option data)		
Weighted Average Grant-Date Fair Value of Options Granted	\$ 8.24	N/A	\$ 0.99
Intrinsic Value of Options Exercised	\$ 9,226	\$ 3,146	\$ —
Fair Value of Shares Vested	\$ 4,499	\$ 5,867	\$ 395

Sonic recognized compensation expense within selling, general and administrative expenses related to the options in the Stock Plans of \$5.6 million, \$2.2 million and \$0.6 million in the years ended December 31, 2007, 2008 and 2009, respectively. Tax benefits recognized related to the compensation expenses were \$2.1 million, \$0.8 million and \$0.2 million for the years ended December 31, 2007, 2008 and 2009, respectively. The total compensation cost related to unvested options not yet recognized at December 31, 2009 was \$1.1 million and is expected to be recognized over a weighted average period of 2.1 years.

Black-Scholes Assumptions

The weighted average fair value of options granted in each of the years ended December 31, 2007 and 2009 (no options were granted in 2008) was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2007	2009
Stock Option Plans		
Dividend yield	1.60-2.06%	0.00%
Risk free interest rates	4.04-4.91%	1.67-1.87%
Expected lives	3.5-5 years	5 years
Volatility	33.10%	64.13%

Sonic used an expected term of three and a half to five years for option grants based on several facts associated with past grants and exercises. First, the historical exercise experience indicated that the expected term was at least three years (consistent with the three year graded vesting period attached to the majority of these options) and the majority of Sonic's grants were in the early to middle stages of their contractual terms of ten years; secondly, the contractual term of all of Sonic's options was ten years. Expected volatility was estimated based on historical experience.

A summary of the status of restricted stock and restricted stock unit grants related to the Stock Plans is presented below:

	Unvested Restricted Stock and Restricted Stock Units (In thousands)	Weighted Average Grant Date Fair Value
Balance — December 31, 2008	348	\$ 22.99
Granted	79	7.24
Forfeited	(10)	21.44
Vested	(104)	27.60
Balance — December 31, 2009	313	\$ 17.45

In the year ended December 31, 2009, approximately 78,600 restricted shares of Class A common stock and restricted stock units were awarded to Sonic's Board of Directors pursuant to the 2005 Formula Plan and vest the day before the next annual meeting of Sonic's stockholders. Sonic recognized compensation expense within selling,

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

general and administrative expenses related to invested restricted stock and restricted stock units of \$0.9 million, \$3.9 million and \$2.2 million in the years ended December 31, 2007, 2008 and 2009, respectively. Tax benefits recognized related to the compensation expenses were \$0.3 million, \$1.5 million and \$0.8 million for the years ended December 31, 2007, 2008 and 2009, respectively. Total compensation cost related to invested restricted stock not yet recognized at December 31, 2009 was \$0.7 million and is expected to be recognized over a weighted average period of 0.4 years.

11. Fair Value Measurements

In determining fair value, Sonic uses various valuation approaches including market, income and/or cost approaches. "Fair Value Measurements and Disclosures" in the ASC establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of Sonic. Unobservable inputs are inputs that reflect Sonic's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1 — Valuations based on quoted prices in active markets for identical assets or liabilities that Sonic has the ability to access. Assets utilizing Level 1 inputs include marketable securities that are actively traded.

Level 2 — Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. Assets and liabilities utilizing Level 2 inputs include cash flow swap instruments.

Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement. Asset and liability measurements utilizing Level 3 inputs include those used in estimating fair value of non-financial assets and non-financial liabilities in purchase acquisitions, those used in assessing impairment under "Property, Plant and Equipment" in the ASC, and those used in the reporting unit valuation in the first step of the annual goodwill impairment evaluation. For instance, certain assets held for sale in the accompanying condensed consolidated balance sheets are valued based on estimated proceeds to be received in connection with the disposal of those assets.

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

Fair value is a market-based measure considered from the perspective of a market participant who holds the asset or owes the liability rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, Sonic's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. Sonic uses inputs that are current as of the measurement date, including during periods when the market may be abnormally high or abnormally low. Accordingly, fair value measurements can be volatile based on various factors that may or may not be within Sonic's control.

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Assets or liabilities recorded at fair value in the accompanying balance sheet as of December 31, 2009 are as follows:

	Fair Value at December 31,							
	Total		Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)	
	2008	2009	2008	2009	2008	2009	2008	2009
	(Amounts in millions)							
Trading Securities(1)	\$ 2.6	\$ —	\$ 2.6	\$ —	\$ —	\$ —	\$ —	\$ —
Cash Flow Swaps(2)	(60.9)	(32.5)	—	—	(60.9)	(32.5)	—	—
Total	\$ (58.3)	\$ (32.5)	\$ 2.6	\$ —	\$ (60.9)	\$ (32.5)	\$ —	\$ —

- (1) - Included within other current assets in the accompanying Consolidated Balance Sheets.
(2) - Included in Other Long-Term Liabilities in the accompanying Consolidated Balance Sheets.

A reconciliation of the fair value of Level 3 items from December 31, 2008 to December 31, 2009 is as follows:

	(Dollars in millions)	
December 31, 2008	\$	—
Initial Issuance/Recognition(1)		11.3
Change in Fair Value(2)		(11.3)
December 31, 2009	\$	—

- (1) Embedded derivatives related to the 6.0% Convertible Notes
(2) Included in interest expense, non-cash, convertible debt (see Note 6)

The valuation of the 6.0% Convertible Notes was estimated primarily based on Level 3 inputs. The overall valuation of the 6.0% Convertible Notes includes the value of the associated derivative that contains the conversion feature and various puts. These Level 3 inputs included management estimates of the probability that the conversion feature and/or the puts would be exercised and observed yields on debt instruments with similar credit ratings and maturity.

Assets or liabilities measured at fair value on a nonrecurring basis in the accompanying balance sheet as of December 31, 2009 are as follows:

	Year Ended 12/31/2009	Significant Unobservable Inputs (Level 3) (Dollars in millions)	Total Gains/(Losses)
Long-lived assets held and used(1)	\$ 382.1	\$ 382.1	\$ (18.5)
Goodwill(2)	469.5	469.5	(1.1)
Franchise assets(2)	64.8	64.8	(4.3)
Long-lived assets held for sale(3)	7.6	7.6	(6.1)

- (1) See Note 4 for discussion.
(2) See Note 5 for discussion.
(3) Includes Property and Equipment, Goodwill and Franchise Assets. See Notes 4 and 5 for discussion.

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

During the first quarter ended March 31, 2009, Sonic settled its \$100.0 million notional, pay 5.002% and \$100.0 million notional, pay 5.319% swaps with a payment to the counterparty of \$16.5 million. This settlement loss was deferred and will be amortized into earnings over the swaps' initial remaining term.

As of December 31, 2008 and December 31, 2009, the fair values of Sonic's financial instruments including receivables, notes receivable from finance contracts, notes payable-floor plan, trade accounts payable, payables for acquisitions, borrowings under the revolving credit facilities and certain mortgage notes approximate their carrying values due either to length of maturity or existence of variable interest rates that approximate prevailing market rates.

The fair value and carrying value of Sonic's fixed rate long-term debt was as follows:

	December 31, 2008		December 31, 2009	
	Fair Value	Carrying Value	Fair Value	Carrying Value
	(Dollars in thousands)			
8.625% Senior Subordinated Notes(1)	\$ 104,500	\$ 273,116	\$ 266,750	\$ 273,455
5.25% Convertible Senior Subordinated Notes(1)	\$ 97,883	\$ 102,990	\$ —	\$ —
5.0% Convertible Senior Notes(1)	\$ —	\$ —	\$ 188,072	\$ 142,743
4.25% Convertible Senior Subordinated Notes(1)	\$ 53,600	\$ 147,538	\$ 16,363	\$ 16,423
Mortgage Notes(2)	\$ 80,530	\$ 80,622	\$ 78,333	\$ 78,424
Notes Payable to a Finance Company(2)	\$ 18,629	\$ 22,946	\$ 17,859	\$ 20,260

(1) As determined by market quotations as of December 31, 2009.

(2) As determined by discounted cash flows.

12. Commitments and Contingencies

Facility and Equipment Leases

During 2009, Sonic's management decided to cease using several dealership properties which are leased under operating leases. Of the \$33.0 million of lease exit expense recorded for the year ended December 31, 2009, \$28.7 million related to lease exit accruals established in 2009 and adjustments to lease exit accruals recorded in prior years for the present value of the lease payments, net of estimated sublease rentals, for the remaining life of the operating leases and other accruals necessary to satisfy the lease commitment to the landlord. The remaining \$4.3 million lease exit expense was related to rent and amortization charges for dealerships for which lease exit accruals exist. Of the \$28.7 million of lease exit expense recorded during 2009, \$1.1 million was recorded in continuing operations and \$27.6 million was recorded in discontinued operations. Of the \$27.6 million, \$11.4 million relates to lease exit accruals for Sonic's General Motors dealerships which were terminated in 2009. A summary of the activity of these operating lease accruals consists of the following:

	(Dollars in thousands)
Balance, December 31, 2008	\$ 19,882
Lease exit expense	33,035
Payments	(5,092)
Reversals	—
Balance, December 31, 2009	\$ 47,825

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Sonic leases facilities for the majority of its dealership operations under operating lease arrangements. These facility lease arrangements generally have fifteen to twenty year terms with one or two ten year renewal options and do not contain provisions for contingent rent related to dealership's operations. Many of the leases are subject to the provisions of a guaranty and subordination agreement that contains financial and affirmative covenants. Upon the execution of an amendment of the guaranty and subordination agreement, Sonic was in compliance with these covenants at December 31, 2009. Approximately 20% of these facility leases are based on capitalization rates with payments that vary based on interest rates. Sonic also leases certain equipment for use in dealership operations. These equipment lease arrangements generally have three to five year terms with one or two year renewal options. Minimum future lease payments for both facility and equipment leases and sub-leases to be received as required under noncancelable operating leases for both continuing and discontinued operations based on interest rates as of the inception of each lease are as follows:

Year Ending December 31,	Future Minimum Lease Payments, Net	Receipts from Future Subleases
	(Dollars in thousands)	
2010	\$ 119,850	\$ (13,540)
2011	111,827	(12,839)
2012	103,965	(12,077)
2013	97,941	(11,079)
2014	92,584	(10,629)
Thereafter	464,702	(45,868)

Total lease expense for continuing operations in 2007, 2008 and 2009 was approximately \$112.7 million, \$120.2 million and \$111.9 million, respectively. Total lease expense for discontinued operations in 2007, 2008 and 2009 was approximately \$27.0 million, \$27.9 million and \$40.1 million, respectively. The total net contingent rent expense relating to an increase in interest rates since the underlying leases commenced for continuing and discontinued operations in 2007 was \$2.5 million and \$0.6 million, respectively. The total net contingent benefit relating to a decrease in interest rates since the underlying leases commenced for continuing and discontinued operations in 2008 was \$1.8 million and \$0.3 million, respectively. Total contingent rent benefit relating to a decrease in interest rates since the underlying leases commenced for continuing and discontinued operations in 2009 was \$2.5 million and \$0.4 million, respectively.

Many of Sonic's facility operating leases are subject to affirmative and financial covenant provisions related to a subordination and guaranty agreement executed with the landlord of many of its facility properties. On March 12, 2009, Sonic amended this guaranty and subordination agreement with the landlord. This amendment adjusted the calculation of the consolidated fixed charge coverage ratio covenant contained in the original guaranty and subordination agreement and added two additional financial covenants: a consolidated liquidity ratio covenant and a consolidated total senior secured debt to EBITDA ratio covenant. The required financial covenants related to the amended subordination and guaranty agreement are as follows:

	Covenant			
	Consolidated Liquidity Ratio	Consolidated Fixed Charge Coverage Ratio	Consolidated Total Senior Secured Debt to EBITDA Ratio	EBTDAR to Rent Ratio
Through March 30, 2011	³ 1.00	³ 1.10	£2.25	³ 1.50
March 31, 2011 through and including March 30, 2012	³ 1.05	³ 1.15	£2.25	³ 1.50
March 31, 2012 and thereafter	³ 1.10	³ 1.20	£2.25	³ 1.50
December 31, 2009 actual	1.12	1.44	1.29	1.74

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Guarantees and Indemnifications

In accordance with the terms of Sonic's operating lease agreements, Sonic's dealership subsidiaries, acting as lessees, generally agree to indemnify the lessor from certain exposure arising as a result of the use of the leased premises, including environmental exposure and repairs to leased property upon termination of the lease. In addition, Sonic has generally agreed to indemnify the lessor in the event of a breach of the lease by the lessee.

In connection with franchise dispositions, certain of Sonic's dealership subsidiaries have assigned or sublet to the buyer its interests in real property leases associated with such dealerships. In general, the subsidiaries retain responsibility for the performance of certain obligations under such leases, including rent payments, and repairs to leased property upon termination of the lease, to the extent that the assignee or sub-lessee does not perform. These obligations are included within the future minimum lease payments, net, in the table above. In the event the sub-lessees do not perform under their obligations Sonic remains liable for the lease payments. The total amount relating to this risk is approximately \$106.0 million which is the total of the receipts from future subleases in the table under "Facility Leases and Equipment Leases" above. However, there are situations where Sonic has assigned a lease to the buyer and Sonic was not able to obtain a release from the landlord. In these situations, although Sonic is no longer the primary obligor, Sonic is contingently liable if the buyer does not perform under the lease terms. The total estimated minimum lease payments remaining related to these leases totaled \$0.7 million at December 31, 2009. However, in accordance with the terms of the assignment and sublease agreements, the assignees and sub-lessees have generally agreed to indemnify Sonic and its subsidiaries in the event of non-performance. Additionally, in connection with certain dispositions, Sonic has obtained indemnifications from the parent company or owners of these assignees and sub-lessees in the event of non-performance.

In accordance with the terms of agreements entered into for the sale of Sonic's franchises, Sonic generally agrees to indemnify the buyer from certain liabilities and costs arising subsequent to the date of sale, including environmental exposure and exposure resulting from the breach of representations or warranties made in accordance with the agreement. While Sonic's exposure with respect to environmental remediation and repairs is difficult to quantify, Sonic's maximum exposure associated with these general indemnifications was \$13.9 million at December 31, 2009. These indemnifications generally expire within a period of one to three years following the date of sale. The estimated fair value of these indemnifications was not material and the amount recorded for this contingency was not significant at December 31, 2009.

Legal Matters

Sonic is a defendant in the matter of Galura, et al. v. Sonic Automotive, Inc., a private civil action filed in the Circuit Court of Hillsborough County, Florida. In this action, originally filed on December 30, 2002, the plaintiffs allege that Sonic and its Florida dealerships sold an anti-theft protection product in a deceptive or otherwise illegal manner, and further sought representation on behalf of any customer of any of Sonic's Florida dealerships who purchased the anti-theft protection product since December 30, 1998. The plaintiffs are seeking monetary damages and injunctive relief on behalf of this class of customers. In June 2005, the court granted the plaintiffs' motion for certification of the requested class of customers, but the court has made no finding to date regarding actual liability in this lawsuit. Sonic subsequently filed a notice of appeal of the court's class certification ruling with the Florida Court of Appeals. In April 2007, the Florida Court of Appeals affirmed a portion of the trial court's class certification, and overruled a portion of the trial court's class certification. In November 2009, the Florida trial court granted Summary Judgment in Sonic's favor against Plaintiff Enrigue Galura, and his claim has been dismissed. Marisa Hazelton's claim is still pending. Sonic currently intends to continue its vigorous appeal and defense of this lawsuit and to assert available defenses. However, an adverse resolution of this lawsuit could result in the payment of significant costs and damages, which could have a material adverse effect on Sonic's future results of operations, financial condition and cash flows.

Several private civil actions have been filed against Sonic Automotive, Inc. and several of its dealership subsidiaries that purport to represent classes of customers as potential plaintiffs and make allegations that certain

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

products sold in the finance and insurance departments were done so in a deceptive or otherwise illegal manner. One of these private civil actions has been filed in South Carolina state court against Sonic Automotive, Inc. and 10 of Sonic's South Carolina subsidiaries. This group of plaintiffs' attorneys has filed another private civil class action lawsuit in state court in North Carolina seeking certification of a multi-state class of plaintiffs. The South Carolina state court action and the North Carolina state court action have since been consolidated into a single proceeding in private arbitration. On November 12, 2008, claimants in the consolidated arbitration filed a Motion for Class Certification as a national class action including all of the states in which Sonic operates dealerships. Claimants are seeking monetary damages and injunctive relief on behalf of this class of customers. The parties have briefed and argued the issue of class certification and an order from the arbitrator on class certification is expected in 2010. If a class is certified against Sonic and its dealerships, there would still be a hearing to determine the merits of claimants' claims and potential liability. Sonic currently intends to continue its vigorous defense of this arbitration and to assert all available defenses. However, an adverse resolution of this arbitration could result in the payment of significant costs and damages, which could have a material adverse effect on Sonic's future results of operations, financial condition and cash flows.

Sonic is involved, and expects to continue to be involved, in numerous legal and administrative proceedings arising out of the conduct of its business, including regulatory investigations and private civil actions brought by plaintiffs purporting to represent a potential class or for which a class has been certified. Although Sonic vigorously defends itself in all legal and administrative proceedings, the outcomes of pending and future proceedings arising out of the conduct of Sonic's business, including litigation with customers, employment related lawsuits, contractual disputes, class actions, purported class actions and actions brought by governmental authorities, cannot be predicted with certainty. An unfavorable resolution of one or more of these matters could have a material adverse effect on Sonic's business, financial condition, results of operations, cash flows or prospects. Included in other accrued liabilities at December 31, 2008 and 2009 were \$9.0 million and \$9.2 million, respectively, in reserves that Sonic has provided for pending proceedings.

13. Subsequent Events

See Notes 1 and 6 for discussion of the refinancing of the 2006 Credit Facility under the 2010 Credit Facilities in January 2010 and Note 6 for discussion of the termination of the Purchased Options and Warrants. Sonic has evaluated all subsequent events through February 24, 2010, the date the financial statements were issued.

SONIC AUTOMOTIVE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

14. Summary of Quarterly Financial Data (Unaudited)

The following table summarizes Sonic's results of operations as presented in the Consolidated Statements of Income by quarter for 2008 and 2009.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(Dollars in thousands, except per share amounts)			
Year Ended December 31, 2008				
Total revenues	\$1,855,443	\$1,949,118	\$1,754,449	\$1,449,098
Gross profit	\$ 295,896	\$ 304,916	\$ 280,643	\$ 240,613
Net income (loss)	\$ 12,625	\$ 9,217	\$ (26,966)	\$ (687,225)
Earnings (loss) per common share — Basic	\$ 0.30	\$ 0.22	\$ (0.67)	\$ (17.14)
Earnings (loss) per common share — Diluted	\$ 0.30	\$ 0.22	\$ (0.67)	\$ (17.14)
Year Ended December 31, 2009				
Total revenues	\$1,378,498	\$1,504,424	\$1,653,594	\$1,595,193
Gross profit	\$ 247,467	\$ 259,933	\$ 277,908	\$ 259,060
Net income (loss)	\$ 1,678	\$ 26	\$ 15,594	\$ 14,250
Earnings (loss) per common share — Basic	\$ 0.04	\$ —	\$ 0.37	\$ 0.27
Earnings (loss) per common share — Diluted	\$ 0.04	\$ —	\$ 0.17	\$ 0.25

- (1) Operations are subject to seasonal variations. The first and fourth quarters generally contribute less operating profits than the second and third quarters. Parts and service demand remains more stable throughout the year.
- (2) The sum of net income per common share for the quarters may not equal the full year amount due to weighted average common shares being calculated on a quarterly versus annual basis.
- (3) Amounts presented differ from amounts previously reported on Form 10-Q due to the classification of certain franchises in discontinued and continuing operations in accordance with "Presentation of Financial Statements" in the ASC (see Note 2).

The net loss in the third quarter ended September 30, 2008 includes pretax impairment charges related to certain assets of \$32.8 million.

The net loss in the fourth quarter ended December 31, 2008 includes pretax impairment charges related to goodwill and other asset balances of \$809.9 million and income tax valuation allowance expense related to state net operating loss carryforwards and other deferred income tax assets of \$115.0 million.

Net income in the fourth quarter ended December 31, 2009 includes pretax impairment charges related to asset balances of \$20.9 million, lease exit charges of \$24.3 million and income tax valuation allowance benefits related to state net operating loss carryforwards and other deferred income tax assets of \$54.5 million.

**AMENDMENT NO. ONE
TO THE
SONIC AUTOMOTIVE, INC.
FORMULA STOCK OPTION PLAN
FOR INDEPENDENT DIRECTORS**

The Sonic Automotive, Inc. Formula Stock Option Plan for Independent Directors (the "Plan") is hereby amended as provided below, effective as of October 20, 2009 which is the date this Amendment No. One to the Plan was approved by the Board of Directors (excluding non-employee directors) of Sonic Automotive, Inc. The Plan is amended as follows:

1. Section 4.2(b) of the Plan shall be amended to add the following to the end thereof:

"Notwithstanding the foregoing, the Optionee also may pay the Option exercise price through a net exercise pursuant to which the Company will reduce the number of shares of Common Stock issued upon exercise by the largest whole number of shares of Common Stock with a Fair Market Value that does not exceed the exercise price, such that the Optionee shall receive the net number of shares of Common Stock that equals (i) the number of shares of Common Stock as to which the Option is being exercised, multiplied by (ii) a fraction, the numerator of which is the Fair Market Value per share of Common Stock less the exercise price per share of Common Stock, and the denominator of which is the Fair Market Value per share of Common Stock (with the resulting number of net shares of Common Stock to be rounded down to the nearest whole number of shares); provided, however, that the Company shall accept cash or shares of Common Stock as described above in this Section 4.2(b) from the Optionee to the extent of any remaining balance of the applicable Option exercise price not satisfied by such reduction in the number of whole shares of Common Stock to be issued."

SONIC AUTOMOTIVE, INC.
INCENTIVE COMPENSATION PLAN
AMENDED AND RESTATED AS OF DECEMBER 4, 2008

Section 1. Purposes

The purpose of the Sonic Automotive, Inc. Incentive Compensation Plan is to provide incentives to highly-qualified executives and other key employees in an effort to motivate them to continue service with the Company, devote their best efforts to the Company and improve the Company's economic performance, thus enhancing the value of the Company for the benefit of shareholders. An additional purpose of the Plan is to serve as a qualified performance-based compensation program under Section 162(m) of the Internal Revenue Code of 1986, as amended, in order to preserve the Company's tax deduction for compensation paid under the Plan to Covered Employees.

Section 2. Definitions

Throughout this Plan, when capitalized the following terms shall have the respective meanings set forth below:

- (a) "Board" shall mean the Board of Directors of the Company.
 - (b) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.
 - (c) "Committee" shall mean the Compensation Committee of the Board or a subcommittee thereof, provided that the Committee shall consist of two or more members each of whom is an outside director within the meaning of Section 162(m) of the Code.
 - (d) "Company" shall mean Sonic Automotive, Inc., a corporation organized under the laws of the State of Delaware, or any successor corporation.
 - (e) "Covered Employee" shall have the meaning set forth in Section 162(m)(3) of the Code (or any successor provision).
 - (f) "Incentive Award" shall mean a monetary incentive compensation award granted pursuant to the Plan, the payment of which shall be contingent upon the attainment of Performance Goals with respect to a Performance Period.
 - (g) "Participant" shall mean an executive officer or other key employee of the Company or one of its Subsidiaries who is selected by the Committee to participate in the Plan.
 - (h) "Performance Goals" shall mean the criteria and objectives that must be met during the Performance Period as a condition of the Participant's receipt of payment with respect to an Incentive Award, as described in Section 5 hereof.
 - (i) "Performance Period" shall mean the period designated by the Committee during which the Performance Goals with respect to a particular Participant will be measured.
-

(j) "Plan" shall mean this Sonic Automotive, Inc. Incentive Compensation Plan, as amended from time to time.

(k) "Subsidiary" shall mean any subsidiary or other business organization in which the Company owns, directly or indirectly, more than 50% of the voting power, stock or capital interest.

Section 3. Administration

The Plan shall be administered by the Committee. The Committee shall have the authority in its sole discretion, subject to the provisions of the Plan, to administer the Plan and to exercise all of the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, including, without limitation, the authority to grant Incentive Awards, to determine the persons to whom and the time or times at which Incentive Awards shall be granted, to determine the terms, conditions, restrictions, Performance Period and Performance Goals relating to any Incentive Award, to adjust compensation payable upon attainment of Performance Goals (subject to the limitations of the Plan), to construe and interpret the Plan and any Incentive Awards, to prescribe, amend and rescind rules and regulations relating to the Plan, and to make all other determinations deemed necessary or advisable for the administration of the Plan.

All decisions, determinations and interpretations of the Committee shall be final and binding on all persons, including the Company, the Participant (or any person claiming any rights under the Plan through any Participant) and any shareholder.

No member of the Board or the Committee shall be liable for any action taken or determination made in good faith with respect to the Plan or any Incentive Award granted hereunder.

Section 4. Eligibility

Executive officers of the Company and key employees of the Company and its Subsidiaries who are designated by the Committee may participate in the Plan. In determining the persons who may participate in the Plan, the Committee may take into account such factors as the Committee shall deem relevant in connection with accomplishing the purposes of the Plan. The fact that an executive officer or key employee has been designated to participate in the Plan for one Performance Period does not assure that such person will be eligible to participate in any subsequent Performance Period.

Section 5. Incentive Awards and Performance Goals

(a) In General. The Committee shall establish in writing for each Participant the applicable Performance Period, the amount of or the formula for determining the actual Incentive Award for such Participant (which may include the establishment of a target Incentive Award) with respect to such Performance Period, the Performance Goal(s) that must be achieved in order for the Participant to receive an Incentive Award under the Plan with respect to such Performance Period, and any other conditions that the Committee deems appropriate and consistent with the Plan, and in the case of Covered Employees, with Section 162(m) of the Code. All of the foregoing must be established in writing by the Committee within ninety (90) days after the beginning of the Performance Period (or, if earlier, by the date on which twenty-five percent (25%) of the Performance Period has elapsed), provided that achievement of the Performance Goals must be substantially uncertain at the time they are established.

(b) Performance Goals. The Committee shall establish one or more Performance Goals for each Participant that are objectively determinable (i.e., such that a third party with knowledge of the relevant facts could determine whether the goals have been met). Such Performance Goals shall be based on one or more of the following, as determined in the sole discretion of the Committee: stock price; market share; earnings per share (basic or diluted); net earnings; operating or other earnings; gross or net profits; revenues; financial return ratios; stockholder return; cash flow measures (including operating cash flow, free cash flow, and cash flow return on investment); cash position; return on equity; return on investment; debt rating; sales (including Company-wide sales and dealership sales); expense reduction levels; debt levels (including borrowing capacity); return on assets (gross or net); debt to equity ratio; debt to capitalization ratio; consummation of debt offerings; consummation of equity offerings; growth in assets, sales, or market share; customer satisfaction; reducing, retiring or refinancing all or a portion of the Company's long-term or short-term public or private debt or similar financial obligations (including the attainment of a certain level of reduction in such debt); share count reduction; gross or operating margins; contractual compliance (including maintaining compliance with financial and other covenants, obtaining waivers of non-compliance, or obtaining amendments of contractual covenants); or strategic business objectives based on meeting specified revenue goals, market penetration goals, geographic business expansion goals, cost targets, or goals relating to acquisitions or divestitures. Performance Goals may be based on the performance of the Company, based on the Participant's division, business unit or employing Subsidiary, based on the performance of one or more divisions, business units or Subsidiaries, based on the performance of the Company and its Subsidiaries as a whole, or based on any combination of the foregoing. Performance Goals also may be expressed by reference to the Participant's individual performance with respect to any of the foregoing criteria.

Performance Goals may be expressed in such form as the Committee shall determine, including either in absolute or relative terms (including, but not by way of limitation, by relative comparison to a pre-established target, to previous years or to other companies or other external measures), in percentages, in terms of growth over time or otherwise, provided that the Performance Goals meet the requirements hereunder. Performance Goals need not be based upon an increase or positive result under one of the above criteria and could include, for example, maintaining the status quo or the limitation of economic losses (measured in such case by reference to the specific criteria). When establishing the Performance Goals, the Committee may specify that the Performance Goals shall be determined either before or after taxes and shall be adjusted to exclude items such as (A) asset write-downs or impairment charges; (B) the effect of unusual or extraordinary charges or income items or other events, including acquisitions or dispositions of businesses or assets, restructurings, discontinued operations, reductions in force, refinancing/restructuring of short term and/or long term debt, or other extraordinary non-recurring items as described in Accounting Principles Board Opinion No. 30 and/or management's discussion and analysis of financial condition and results of operations appearing in the Company's annual report to stockholders for the applicable year; (C) litigation or claim expenses, judgments or settlements, or (D) changes in accounting principles or tax laws or other laws or provisions affecting reported results. The Performance Goals established by the Committee may be (but need not be) particular to a Participant and/or different each Performance Period.

In all events, the Performance Goals established for Covered Employees must meet the requirements under Section 162(m). The Committee also may establish subjective Performance Goals for Participants; provided that for Covered Employees, the subjective Performance Goals may be used only to reduce, and not increase, the Incentive Award otherwise payable under the Plan.

(c) Incentive Awards. In accordance with subparagraph (a) above, the Committee must establish in writing the amount of or method for calculating a Participant's potential Incentive Award for

each Performance Period. The potential Incentive Award must be expressed in terms of an objective formula or standard, and shall be expressed as either a dollar amount, a percentage of salary, a percentage of the applicable criteria underlying the specified Performance Goal(s) (or a percentage thereof in excess of a threshold amount) or otherwise. The foregoing also may be expressed in the form of a range, pursuant to which the actual amount of an Incentive Award payable under the Plan may vary depending upon the extent to which the Performance Goals for the Performance Period have been attained. The Committee also may establish a Participant's potential Incentive Award as a percentage of a bonus pool; provided, however, that the amount of the bonus pool (or the formula for determining the amount of the bonus pool) shall be established in accordance with the requirements of this Section 5 and that the sum of the individual maximum percentages of the bonus pool that each Participant potentially could receive shall not exceed 100%.

The formula or standard for determining the actual amount of the Incentive Award must be such that a third party having knowledge of the extent to which the Performance Goals have been attained could calculate the amount to be paid to the Participant. However, the Committee may, in its discretion, reduce or eliminate the amount payable to any Participant (including a Covered Employee), in each case based upon such factors as the Committee may deem relevant, but the Committee shall not increase the amount payable to any Covered Employee in a manner that would cause the Incentive Award to fail to qualify as performance-based compensation under Section 162(m) of the Code. Notwithstanding any other provision of the Plan, the maximum amount payable with respect to an Incentive Award to any Participant during any calendar year shall not exceed \$3,000,000.

(d) Payment of Incentive Awards

(i) Conditions on Payment. Payment of an Incentive Award shall be made to a Participant for a particular Performance Period only if: (A) the Committee has certified in writing that extent to which the applicable Performance Goals and any other material terms of the Incentive Award have been achieved or exceeded, and (B) except as otherwise set forth below in Section 5(d)(ii), the Participant remains employed by the Company or one of its Subsidiaries until the date such Incentive Award shall be payable pursuant to Section 5(d)(iii)(A) below (or, alternatively, on the last day of the Performance Period, if the Committee shall have substituted such alternative requirement for such Participant at the time it established the Performance Goals for such Performance Period).

(ii) Termination of Employment. A Participant shall not be entitled to payment of an Incentive Award if the Participant does not remain continuously employed by the Company or one its Subsidiaries until the date such Incentive Award becomes payable pursuant to Section 5(d)(iii)(A) below (or, alternatively, on the last day of the Performance Period, if the Committee shall have substituted such alternative requirement for such Participant at the time it established the Performance Goals for such Performance Period). Notwithstanding the foregoing, unless the Committee provides otherwise, in the event a Participant's employment terminates due to his or her death or disability, the Participant (or his or her estate or the persons to whom the right to payment under this Plan passes by will or the laws of descent and distribution) shall be eligible to receive the prorated amount of the Incentive Award for which the Participant otherwise would have been eligible based upon the portion of the Performance Period during which he or she was so employed so long as the Performance Goals are subsequently achieved. Payment of such prorated Incentive Award shall be made in accordance with the terms of Section 5(d)(iii) and (iv).

(iii) Timing of Payment

(A) Following the end of the Performance Period, any payment to be made with respect to an Incentive Award shall be made pursuant to this Plan as soon as administratively practicable following the Committee's certification in accordance with Section 5(d)(i) above; provided, that any such payment shall be made between January 1 and March 15 of the calendar year following the calendar year in which the Performance Period ends.

(B) To the extent that payment of any Incentive Award may be deferred under a nonqualified deferred compensation plan established by the Company, the terms of such nonqualified deferred compensation plan shall govern such deferral, provided that such plan and any related deferral elections comply with Section 409A of the Code.

(iv) Form of Payment. Payment of each Participant's Incentive Award for a Performance Period shall be made in cash (or its equivalent) in a lump sum, subject to applicable tax and other withholding.

Section 6. Withholding Taxes

The Company or Subsidiary employing any Participant shall have the right to deduct from all payments made pursuant to the Plan any and all federal, state and local taxes or other amounts required by law to be withheld.

Section 7. Miscellaneous Provisions

(a) Compliance with Legal Requirements. The Plan and the granting of Incentive Awards, and the other obligations of the Company under the Plan shall be subject to all applicable federal and state laws, rules and regulations, and to such approvals by any regulatory or governmental agency as may be required.

(b) No Right To Continued Employment. Nothing in the Plan or in any Incentive Award shall confer upon any Participant the right to continue in the employ of the Company or any of its Subsidiaries or to be entitled to any remuneration or benefits not set forth in the Plan or to interfere with or limit in any way the right of the Company or Subsidiary to terminate such Participant's employment at any time for any reason.

(c) Participant Rights. No person shall have any claim or right to be granted any Incentive Award under the Plan, and there is no obligation for uniformity of treatment among Participants.

(d) Unfunded Status of Incentive Awards. The Plan is intended to constitute an "unfunded" plan for incentive compensation. Payments shall be made solely from the general assets of the Company and its Subsidiaries. With respect to any payments for which a Participant may be eligible pursuant to an Incentive Award, nothing contained in the Plan or any Incentive Award shall give any such Participant any rights that are greater than those of a general unsecured creditor of the Company.

(e) No Transferability of Rights. A Participant's rights and interests under the Plan may not be assigned, pledged, transferred or made subject to any lien, either directly or by operation of law or otherwise (except for a transfer by will or the laws of descent and distribution in the event of a Participant's death), including, but not by way of limitation, execution, levy, garnishment, attachment, pledge, bankruptcy or in any other manner.

(f) Governing Law. The Plan and the rights of all persons claiming hereunder shall be construed and determined in accordance with the laws of the State of North Carolina without giving effect to the choice of law principles thereof, except to the extent that such law is preempted by federal law.

(g) Other Compensation Plans. Nothing contained in this Plan shall prevent the Company from establishing other or additional compensation arrangements.

Section 8. Effective Date

The Plan originally became effective upon its adoption by the Board on October 11, 2001, subject to the requisite approval of the shareholders of the Company at the 2002 Annual Meeting of Stockholders which was obtained on May 8, 2002. It was subsequently amended and restated effective as of April 19, 2007, subject to the requisite approval of the shareholders of the Company at the 2007 Annual Meeting of Stockholders which was obtained on April 19, 2007. This amendment and restatement shall be effective upon its adoption by the Committee on December 4, 2008, provided that the amendments to Section 5(b) in this amendment and restatement of the Plan shall be subject to the requisite approval of the shareholders of the Company at the 2009 Annual Meeting of Stockholders. In the absence of such shareholder approval, any outstanding Incentive Awards for which the terms have been established under this amended and restated Plan but which are subject to such shareholder approval shall be null and void.

Section 9. Amendment and Termination of the Plan

The Board or the Committee may at any time and from time to time alter, amend, suspend, or terminate the Plan in whole or in part; provided, however, that any amendment that increases the maximum amount that can be paid to a Participant during a Performance Period under the Plan or any other amendment that requires stockholder approval in order for the Plan to continue to comply with Section 162(m) of the Code shall be subject to approval by the requisite vote of the shareholders of the Company. No amendment shall adversely affect any of the rights of any Participant, without such Participant's consent, under any Incentive Award theretofore granted under the Plan. Notwithstanding the foregoing, the Board or the Committee may amend the Plan or any Incentive Award in any respect it deems necessary or advisable to comply with applicable law without obtaining a Participant's consent, including, but not limited to, reforming (including on a retroactive basis, if applicable) any terms of an Incentive Award to comply with or meet an exemption from Section 409A of the Code and applicable regulations and guidance issued thereunder.

Section 10. Reapproval of Plan

The Plan must be resubmitted to the shareholders of the Company as necessary to enable the Plan to qualify as performance-based compensation under Section 162(m) of the Code. As of the time of the Plan's adoption, Section 162(m) requires that the shareholders reapprove the Plan no later than the first shareholder meeting that occurs in the fifth year following the year in which the shareholders previously approved the Plan.

Section 11. Intent With Respect to Code Section 409A

It is the general intent of the Company that neither this Plan nor any Incentive Awards hereunder be subject to Section 409A of the Code. Notwithstanding the foregoing, to the extent that any Incentive Awards hereunder may constitute nonqualified deferred compensation within the meaning of Section 409A of the Code, the Company intends that such Incentive Awards shall comply with Section 409A of

the Code, and the Committee shall determine and interpret the terms of any such Incentive Awards consistent with such intent. To the extent an Incentive Award does not provide for a deferral of compensation (within the meaning of Section 409A of the Code), but may be deferred under a nonqualified deferred compensation plan established by the Company, the terms of such nonqualified deferred compensation plan shall govern such deferral, and to the extent necessary, are incorporated herein by reference. Notwithstanding the foregoing, the Company does not guarantee to any Participant (or any other person with an interest in an Incentive Award) that the Plan or any Incentive Award hereunder complies with or is exempt from Section 409A, and shall not have any liability to or indemnify or hold harmless any individual with respect to any tax consequences that arise under or in connection with Section 409A.

Section 12. Intent to Comply With Code Section 162(m)

It is the intent of the Company that the Plan and Incentive Awards under the Plan for Covered Employees comply with Section 162(m) of the Code, to the extent applicable, and all provisions hereof shall be construed in a manner to so comply. To the extent that any legal requirement of Section 162(m) of the Code as set forth in the Plan shall be modified or ceases to be required under Section 162(m) of the Code, the Committee may determine that such provision shall be correspondingly modified or cease to apply, as the case may be.

Published CUSIP Number: _____

AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of January 15, 2010

among

SONIC AUTOMOTIVE, INC.,

**BANK OF AMERICA, N.A.,
as Administrative Agent, Swing Line Lender and an L/C Issuer,**

THE OTHER LENDERS PARTY HERETO

and

**BANC OF AMERICA SECURITIES LLC,
as
Sole Lead Arranger and Sole Book Manager**

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Exhibit J	Amended and Restated Security Agreement
Exhibit K	Opinion Matters
Exhibit L	Master Intercreditor Agreement
Exhibit M	Report of Letter of Credit Information
Exhibit N	Ford Motor Credit Consent

AMENDED AND RESTATED CREDIT AGREEMENT

This AMENDED AND RESTATED CREDIT AGREEMENT ("Agreement") is entered into as of January 15, 2010, among SONIC AUTOMOTIVE, INC., a Delaware corporation (the "Company"), each lender from time to time party hereto (collectively, the "Lenders" and individually, a "Lender"), BANK OF AMERICA, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as an L/C Issuer.

The Company, certain Subsidiaries of the Company party thereto, certain of the Lenders (the "Existing Lenders") and the Administrative Agent entered into that certain Credit Agreement dated as of February 17, 2006, as amended by (i) that certain Amendment No. 1 to Credit Agreement and Security Agreement dated as of May 25, 2006, (ii) that certain Amendment No. 2 to Credit Agreement and Security Agreement dated as of April 24, 2007, (iii) that certain Amendment No. 3 to Credit Agreement dated as of June 3, 2008, (iv) that certain (A) Limited Short-Term Amendment to Credit Agreement until May 4, 2009 and (B) Amendment No. 4 to Credit Agreement and Consolidated Amendment to Other Loan Documents dated as of March 31, 2009, (v) that certain Amendment No. 5 to Credit Agreement dated as of May 4, 2009, and (vi) that certain Amendment No. 6 to Credit Agreement dated as of September 11, 2009 (as amended, supplemented or otherwise modified prior to (but excluding) the date hereof, the "Existing Credit Agreement"), pursuant to which certain of the Existing Lenders agreed to make a revolving credit facility, a revolving new vehicle floorplan facility and a revolving used vehicle floorplan facility available to the Borrowers in accordance with the terms thereof.

The Company has requested that the Lenders amend and restate the Existing Credit Agreement in order to continue to provide a revolving credit facility and extend the maturity thereof and the Lenders are willing to do so on the terms and conditions set forth herein.

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

ARTICLE I. DEFINITIONS AND ACCOUNTING TERMS

1.01 Assignments and Allocations; Amendment and Restatement

(a) Simultaneously with the Closing Date, the parties hereby agree that (i) the initial Aggregate Commitments are \$150,000,000, the initial Commitment of each of the Lenders hereunder shall be as set forth in Schedule 2.01, the outstanding amount of the Revolving Loans (as defined in and under the Existing Credit Agreement, without giving effect to any Borrowings of Loans under this Agreement on the Closing Date, but after giving effect to any repayment or reduction thereof with the proceeds of any applicable sources) shall be reallocated in accordance with such Commitments and the requisite assignments shall be deemed to be made in such amounts by and between the Lenders and from each Lender to each other Lender, with the same force and effect as if such assignments were evidenced by applicable Assignments and

Assumptions (as defined in the Existing Credit Agreement) under the Existing Credit Agreement but without the payment of any related assignment fee, and no other documents or instruments, shall be, or shall be required to be, executed in connection with such assignments (all of which requirements are hereby waived), (ii) the Revolving Swing Line (as defined under the Existing Credit Agreement) shall continue as the swing line subfacility hereunder, with the Swing Line Sublimit set out herein, and the Revolving Swing Line Loans (as defined in the Existing Credit Agreement), if any, shall continue as and deemed to be Swing Line Borrowings hereunder, (iii) the letter of credit subfacility provided in the Existing Credit Agreement shall continue as the Letter of Credit facility hereunder with the Letter of Credit Sublimit set forth herein, (iv) the New Vehicle Floorplan Facility (as defined in the Existing Credit Agreement) shall be terminated and all New Vehicle Floorplan Loans (as defined in the Existing Credit Agreement) shall be repaid and (v) the Used Vehicle Floorplan Facility (as defined in the Existing Credit Agreement) shall be terminated and all Used Vehicle Floorplan Loans (as defined in the Existing Credit Agreement) shall be repaid.

(b) On the Closing Date, the applicable Lenders shall make full cash settlement with one another and with any lender under the Existing Credit Agreement that may not be a Lender under this Agreement, in each case through the Administrative Agent, as the Administrative Agent may direct or approve, with respect to all assignments, reallocations and other changes in Commitments, such that after giving effect to such settlements, each Lender's Applicable Percentage of the Commitments equals (with customary rounding) its Applicable Percentage of the Outstanding Amount of all Loans.

(c) The Company, each Guarantor (including each "New Vehicle Borrower" (as defined in the Existing Credit Agreement)), the Administrative Agent and the Lenders hereby agree that upon the effectiveness of this Agreement, the terms and provisions of the Existing Credit Agreement that in any manner govern or evidence the Obligations, the rights and interests of the Administrative Agent and the Lenders, in any of their respective capacities, and any terms, conditions or matters related to any thereof, shall be and hereby are amended and restated in their entirety by the terms, conditions and provisions of this Agreement, and the terms and provisions of the Existing Credit Agreement, except as otherwise expressly provided herein, shall be superseded by this Agreement.

(d) Notwithstanding this amendment and restatement of the Existing Credit Agreement, including anything in this Section 1.01, and certain of the related "Loan Documents" as defined in the Existing Credit Agreement (the "Prior Loan Documents"), (i) after giving effect to any repayments, commitment reductions and commitment terminations on the date hereof, all of the indebtedness, liabilities and obligations owing by any Borrower (as defined in the Existing Credit Agreement) under the Existing Credit Agreement and other Prior Loan Documents shall continue as Obligations hereunder, as amended, supplemented or otherwise modified by the terms of this Agreement, (ii) each of this Agreement and the Notes and the other Loan Documents is given as a substitution or supplement of, as the case may be, and not as a payment of, the indebtedness, liabilities and obligations of the Borrowers (as defined in the Existing Credit Agreement) and the Guarantors (as defined in the Existing Credit Agreement) under the Existing Credit Agreement or any Prior Loan Document and is not intended to constitute a novation thereof or of any of the other Prior Loan Documents, and (iii) certain of the Prior Loan Documents will remain in full force and effect, as set forth in this Agreement. Upon the

effectiveness of this Agreement, all Revolving Loans (as defined in the Existing Credit Agreement) owing by the Company and outstanding under the Existing Credit Agreement shall continue as Loans hereunder subject to the terms hereof. Revolving Loans which are Base Rate Loans, each as defined and outstanding under the Existing Credit Agreement on the Closing Date, shall continue to accrue interest at the Base Rate hereunder, and Revolving Loans which are Eurodollar Rate Loans, each as defined and outstanding under the Existing Credit Agreement on the Closing Date, shall continue to accrue interest at the Eurodollar Rate hereunder; provided, that, on and after the Closing Date, the margin applicable to any Loan or Letter of Credit hereunder shall be as set forth in the definition of Applicable Rate below, without regard to any margin applicable thereto under the Existing Credit Agreement prior to the Closing Date. All accrued but unpaid interest (other than interest in respect of the New Vehicle Swing Line and the Used Vehicle Swing Line (each as defined in the Existing Credit Agreement) and fees owing under the Existing Credit Agreement as of the date hereof shall be repaid on the date hereof at the applicable rates set forth in the Existing Credit Agreement. All accrued but unpaid interest in respect of the New Vehicle Swing Line and the Used Vehicle Swing Line (each as defined in the Existing Credit Agreement) shall be due and payable as described in the Existing Floorplan Paydown Letter.

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

“Account Debtor” means each Person obligated in any way on or in connection with an Account, chattel paper or general intangibles (including a payment intangible).

“Accounts” means, collectively, all of the following property of the Company or any Grantor, whether now owned or hereafter acquired or arising, all accounts, as defined in the UCC, including any rights to payment for the sale, lease or license of goods or rendition of services, whether or not they have been earned by performance.

“Acquisition” means the acquisition of (i) a controlling equity interest or other controlling ownership interest in another Person (including the purchase of an option, warrant or convertible or similar type security to acquire such a controlling interest at the time it becomes exercisable by the holder thereof), whether by purchase of such equity or other ownership interest or upon the exercise of an option or warrant for, or conversion of securities into, such equity or other ownership interest, (ii) assets of another Person which constitute all or substantially all of the assets of such Person or of a line or lines of business conducted by or a vehicle franchise or vehicle brand licensed or owned by such Person, or (iii) assets constituting a vehicle dealership.

“Additional Indebtedness” means Indebtedness of the Company (which may be guaranteed by the Subsidiaries of the Company on an unsecured basis); provided that, (i) such Indebtedness is (A) not secured by any property of the Company or any Subsidiary, (B) does not have a maturity, and does not require any principal payments (whether by scheduled installment, mandatory prepayment or redemption, or the exercise of any put right), earlier than two (2) years following the Maturity Date, and (C) has terms (including terms of maturity and amortization) that are typical for indebtedness of such type issued at such time and otherwise no more restrictive, or less advantageous to the Lenders, than the Loan Documents or are otherwise on

terms satisfactory to the Administrative Agent, and (ii) after giving effect to the issuance of such Indebtedness, (A) no Event of Default shall have occurred and be continuing or would occur as a result therefrom and (B) all other requirements set forth in Section 7.03(k) shall have been met. "Additional Indebtedness" does not include the 2002-4.25% Indenture Indebtedness, the 2003-8.625% Indenture Indebtedness, the 2009-5.0% Indenture Indebtedness or any related Permitted Indenture Refinancing Indebtedness.

"Administrative Agent" means Bank of America in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

"Administrative Agent's Office" means the Administrative Agent's address and, as appropriate, account as set forth on Schedule 10.02, or such other address or account as the Administrative Agent may from time to time notify to the Company and the Lenders.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

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

"Aggregate Commitments" means the Commitments of all the Lenders.

"Agreement" means this Amended and Restated Credit Agreement.

"Applicable Percentage" means with respect to any Lender at any time, the percentage (carried out to the ninth decimal place) of the Aggregate Commitments represented by such Lender's Commitment at such time, subject to adjustment as provided in Section 2.16. If the commitment of each Lender to make Loans or the obligation of each L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 8.02 or if the Aggregate Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

"Applicable Rate" means, from time to time, the following percentages per annum, based upon the Consolidated Total Debt to EBITDA Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(a)(i):

Applicable Rate

Pricing Level	Consolidated Total Debt to EBITDA Ratio	Commitment Fee	Eurodollar Rate Loans +	
			Letter of Credit Fee	Base Rate Loans +
1	Less than 4.00:1.00	0.375%	2.50%	1.50%
2	Less than 4.50:1.00 but greater than or equal to 4.00:1.00	0.50%	3.00%	2.00%
3	Less 5.00:1.00 but greater than or equal to 4.50:1.00	0.50%	3.50%	2.50%
4	Greater than or equal to 5.00:1.00	0.625%	4.00%	3.00%

Any increase or decrease in the Applicable Rate resulting from a change in the Consolidated Total Debt to EBITDA Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to [Section 6.02\(a\)\(i\)](#); provided, however, that (i) if a Compliance Certificate is not delivered when due in accordance with such Section, then, upon the request of the Required Lenders, Pricing Level 4 shall apply as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered and shall remain in effect until the date on which such Compliance Certificate is delivered, (ii) the Applicable Rate in effect from the Closing Date through the first Business Day immediately following the date the Compliance Certificate with respect to the fiscal year ended December 31, 2009 is delivered pursuant to [Section 6.02\(a\)\(i\)](#) shall be Pricing Level 3, and (iii) in no event shall the Applicable Rate in effect from the Closing Date through the first Business Day immediately following the date the Compliance Certificate with respect to the fiscal quarter ending March 31, 2011 is delivered pursuant to [Section 6.02\(a\)\(i\)](#) be less than Pricing Level 3.

Notwithstanding anything to the contrary contained in this definition, the determination of the Applicable Rate for any period shall be subject to the provisions of [Section 2.10\(b\)](#).

“[Approved Fund](#)” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“[Arranger](#)” means Banc of America Securities LLC, in its capacity as sole lead arranger and sole book manager.

“[Assignee Group](#)” means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

“[Assignment and Assumption](#)” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by [Section 10.06\(b\)](#)), and accepted by the Administrative Agent, in substantially the form of [Exhibit D](#) or any other form approved by the Administrative Agent.

“[Attributable Indebtedness](#)” means, on any date, (a) in respect of any capital lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease

Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a capital lease.

“Audited Financial Statements” means the audited consolidated balance sheet of the Company and its Subsidiaries for the fiscal year ended December 31, 2008, and the related consolidated statements of income or operations, shareholders’ equity and cash flows for such fiscal year of the Company and its Subsidiaries, including the notes thereto.

“Autoborrow Advance” shall have the meaning specified in Section 2.04(b).

“Autoborrow Agreement” shall have the meaning specified in Section 2.04(b).

“Automatic Debit Date” means the fifth day of a calendar month, provided that if such day is not a Business Day, the respective Automatic Debit Date shall be the next succeeding Business Day.

“Availability Period” means, the period from and including the Closing Date to the earliest of (i) the Maturity Date, (ii) the date of termination of the Aggregate Commitments pursuant to Section 2.06, and (iii) the date of termination of the commitment of each Lender to make Loans and of the obligation of each L/C Issuer to make L/C Credit Extensions pursuant to Section 8.02.

“Bank of America” means Bank of America, N.A. and its successors.

“Bank of America Letter” means the letter agreement, dated November 10, 2009, among the Company, the Administrative Agent and BAS.

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

“Base Rate Committed Loan” means a Committed Loan that is a Base Rate Loan.

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

“Borrower Materials” has the meaning specified in Section 6.02.

“Borrowing” means a Committed Borrowing or a Swing Line Borrowing, as the context may require.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent’s Office is located and, if such day relates to any Eurodollar Rate Loan, means any such day that is also a London Banking Day.

“Buyer Notes” means those promissory notes received by the Company or any Subsidiary as partial or full payment consideration for Dispositions of vehicle dealerships or Subsidiaries by the Company or such Subsidiary to the obligors of such promissory notes.

“Cash Collateralize” means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the respective L/C Issuer or Swing Line Lender (as applicable) and the Lenders, as collateral for L/C Obligations, Obligations in respect of Swing Line Loans, or obligations of Lenders to fund participations in respect of either thereof (as the context may require), cash or deposit account balances or, if the applicable L/C Issuer or Swing Line Lender benefitting from such collateral shall agree in its sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to (a) the Administrative Agent and (b) the respective L/C Issuer or the Swing Line Lender (as applicable). “Cash Collateral” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“Cash Management Arrangement” means any arrangement or agreement to provide cash management products and services, including treasury products, depository products and services, overdrafts, credit or debit cards, merchant card processing exposure, ACH and other electronic funds transfer products, immediate credit facilities on deposited dealer drafts, check guarantee letters and other cash management arrangements.

“Cash Management Bank” means any Person that, (a) at the time it enters into a Cash Management Arrangement, is a Lender or an Affiliate of a Lender, or (b) at the time it (or its Affiliate) became (or becomes) a Lender, was (or is) a party to a Cash Management Arrangement, in each case in its capacity as a party to such Cash Management Arrangement.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority.

“Change of Control” means an event or series of events by which:

(a) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) (other than (i) Sonic Financial, O. Bruton Smith or B. Scott Smith; (ii) any spouse or immediate family member of O. Bruton Smith and B. Scott Smith (collectively with O. Bruton Smith and B. Scott Smith, a “Smith Family Member”); or (iii) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners and owners of which are Smith

Family Members, (the persons and entities in “i”, “ii”, and “iii” being referred to, collectively and individually, as the “Smith Group”) so long as in the case of clause (ii) and (iii) O. Bruton Smith or B. Scott Smith retains a majority of the voting rights associated with such ownership) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have “beneficial ownership” of all securities that such person or group has the right to acquire (such right, an “option right”), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 25% or more of the equity securities of the Company entitled to vote for members of the board of directors or equivalent governing body of the Company on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right);

(b) during any period of 12 consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Company cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body (excluding, in the case of both clause (ii) and clause (iii), any individual whose initial nomination for, or assumption of office as, a member of that board or equivalent governing body occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group other than a solicitation for the election of one or more directors by or on behalf of the board of directors);

(c) any Person or two or more Persons (excluding members of the Smith Group so long as O. Bruton Smith or B. Scott Smith retains a majority of the voting rights associated with such equity securities) acting in concert shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation thereof, will result in its or their acquisition of the power to exercise, directly or indirectly, a controlling influence over the management or policies of the Company, or control over the equity securities of the Company entitled to vote for members of the board of directors or equivalent governing body of the Company on a fully-diluted basis (and taking into account all such securities that such Person or group has the right to acquire pursuant to any option right) representing 25% or more of the combined voting power of such securities; or

(d) the Company fails to own, directly or indirectly, 100% of the Equity Interests of any Subsidiary other than as a result of the sale of all Equity Interests in a Subsidiary pursuant to a Permitted Disposition.

“Closing Date” means the first date all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 10.01.

“Code” means the Internal Revenue Code of 1986.

“Collateral” means, collectively, the assets and rights and interests in property of any Person in which the Administrative Agent, on behalf of the Secured Parties, is granted a Lien under any Security Instrument as security for all or any portion of the Obligations.

“Commitment” means, as to each Lender, its obligation to (a) make Committed Loans to the Company pursuant to Section 2.01, (b) purchase participations in L/C Obligations, and (c) purchase participations in Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender’s name on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

“Committed Borrowing” means a borrowing consisting of simultaneous Committed Loans of the same Type made by each of the Lenders pursuant to Section 2.01.

“Committed Loan” has the meaning specified in Section 2.01.

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

“Company” has the meaning specified in the introductory paragraph hereto.

“Compliance Certificate” means a certificate substantially in the form of Exhibit E.

“Consolidated Current Assets” means, as of any date of determination, the current assets of the Company and its Subsidiaries on a consolidated basis as of such date (but excluding in any event (i) any long-term assets of discontinued operations held for sale, other than such assets which (x) are the subject of an executed non-cancelable purchase and sale agreement between the applicable Loan Party and a Person which is not an Affiliate of any Loan Party and (y) the applicable Loan Party intends, in good faith, to Dispose of within 60 days of such date of determination and (ii) any Investment described in Section 7.02(i)).

“Consolidated Current Liabilities” means, as of any date of determination, the current liabilities of the Company and its Subsidiaries on a consolidated basis as of such date.

“Consolidated EBITDA” means for any period, on a consolidated basis for the Company and its Subsidiaries, the sum of the amounts for such period, without duplication, of (a) Consolidated Net Income, plus (b) to the extent deducted in computing Consolidated Net Income for such period: (i) Consolidated Interest Expense with respect to non-floorplan Indebtedness (including interest expense not payable in cash), (ii) Consolidated Interest Expense with respect to Used Vehicle floorplan Indebtedness, (iii) charges against income for foreign, Federal, state and local income taxes, (iv) depreciation expense, (v) amortization expense, including, without limitation, amortization of other intangible assets and transaction costs, (vi) non-cash charges, (vii) all extraordinary losses, (viii) legal fees, broker fees and other transaction expenses incurred in connection with any Permitted Acquisition (not to exceed \$1,000,000 in the aggregate for each

such Acquisition), and (ix) non-cash lease termination charges, net of any amortization of such charges minus (c) to the extent included in computing Consolidated Net Income for such period, (i) extraordinary gains and (ii) all gains on repurchases of long-term Indebtedness.

“Consolidated EBITDAR” means for any period, on a consolidated basis for the Company and its Subsidiaries, the sum of the amounts for such period, without duplication, of (a) Consolidated Net Income, plus (b) to the extent deducted in computing Consolidated Net Income for such period: (i) Consolidated Interest Expense with respect to non-floorplan Indebtedness (including interest expense not payable in cash), (ii) Consolidated Interest Expense with respect to Used Vehicle floorplan Indebtedness, (iii) charges against income for foreign, Federal, state and local income taxes, (iv) depreciation expense, (v) amortization expense, including, without limitation, amortization of other intangible assets and transaction costs, (vi) non-cash charges, (vii) all extraordinary losses, (viii) legal fees, broker fees and other transaction expenses incurred in connection with any Permitted Acquisition (not to exceed \$1,000,000 in the aggregate for each such Acquisition), (ix) Consolidated Rental Expense, and (x) non-cash lease termination charges, net of any amortization of such charges minus (c) to the extent included in computing Consolidated Net Income for such period, (i) extraordinary gains and (ii) all gains on repurchases of long-term Indebtedness.

“Consolidated Fixed Charges” means, for any period, the sum of (a) Consolidated Interest Expense with respect to non-floorplan Indebtedness for such period (excluding any interest expense not payable in cash and not payable as a result of any default), plus (b) Consolidated Interest Expense with respect to Used Vehicle floorplan Indebtedness for such period, plus (c) Consolidated Principal Payments for such period, plus (d) Consolidated Rental Expenses for such period, plus (e) Federal, state, local and foreign income taxes paid in cash by the Company and its Subsidiaries on a consolidated basis during such period, plus (f) Specified Payments for such period, minus (g) cash refunds of Federal, state, local and foreign income taxes received by the Company and its Subsidiaries on a consolidated basis during such period. The calculation of “Consolidated Fixed Charges” is further described in [Section 1.04\(e\)](#).

“Consolidated Fixed Charge Coverage Ratio” means, as of any date of determination, the ratio of (a) the difference of (i) Consolidated EBITDAR for the four fiscal quarter period ending on such date minus (ii) an amount equal to \$100,000 (representing assumed maintenance capital expenditures) multiplied by the average daily number of physical dealership locations at which the Subsidiaries operated franchised vehicle dealerships during such period to (b) Consolidated Fixed Charges for such period.

“Consolidated Funded Indebtedness” means, as of any date of determination, for the Company and its Subsidiaries on a consolidated basis, the sum of (a) the outstanding principal amount of all obligations, whether current or long-term, for borrowed money (including Obligations hereunder) and all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments, (b) all purchase money Indebtedness, (c) all direct obligations arising under letters of credit (including standby and commercial), bankers’ acceptances, bank guaranties, surety bonds and similar instruments, (d) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business), (e) Attributable Indebtedness in respect of capital leases and Synthetic Lease Obligations, (f) without duplication, all Guarantees with respect to outstanding

Indebtedness of the types specified in clauses (a) through (e) above of Persons other than the Company or any Subsidiary, and (g) all Indebtedness of the types referred to in clauses (a) through (f) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which the Company or a Subsidiary is a general partner or joint venturer, unless such Indebtedness is expressly made non-recourse to the Company or such Subsidiary.

“Consolidated Interest Expense” means, for any period, for the Company and its Subsidiaries on a consolidated basis, the sum of (a) all interest (before factory assistance or subsidy), premium payments, debt discount, fees, charges and related expenses of the Company and its Subsidiaries in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP, and (b) the portion of rent expense of the Company and its Subsidiaries with respect to such period under capital leases that is treated as interest in accordance with GAAP.

“Consolidated Liquidity Ratio” means, as of any date of determination, the ratio of (a) the sum of Consolidated Current Assets (excluding Temporary Excess Cash) plus the Revolving Facility Liquidity Amount plus for purposes of calculating the Consolidated Liquidity Ratio on or before January 31, 2010 only, the Temporary Letter of Credit Amount, but only to the extent such Temporary Letter of Credit Amount was included in Total Outstandings as of such date) to (b) the sum of (i) Consolidated Current Liabilities (but excluding, without duplication and only to the extent such amounts would otherwise have been included in this clause (b)(i), (A) such Consolidated Current Liabilities consisting of any balloon, bullet or similar final scheduled principal payment that would repay any Indebtedness permitted by Section 7.03 in full, other than any such balloon, bullet or final payment which is due within one (1) fiscal quarter following such date of determination, and (B) any Temporary Indebtedness) plus (ii) without duplication, Indebtedness (whether or not reflected as a Consolidated Current Liability) under all floorplan financing arrangements.

“Consolidated Net Income” means, for any period, for the Company and its Subsidiaries on a consolidated basis, the net income of the Company and its Subsidiaries for such period.

“Consolidated Principal Payments” means, for any period, for the Company and its Subsidiaries on a consolidated basis, all scheduled payments of principal and amortization of the Company and its Subsidiaries in connection with Indebtedness for money borrowed (including Permitted Real Estate Indebtedness) or in connection with the deferred purchase price of assets which payments are made or are required to be made during such period, in each case to the extent treated as principal in accordance with GAAP (other than any balloon, bullet or similar final scheduled principal payment that repays such Indebtedness in full). It is acknowledged that payments permitted under Section 7.15 (including without limitation any repayment of the 2002-4.25% Indenture Indebtedness permitted thereby) shall not be deemed to be scheduled payments of principal for purposes of determining “Consolidated Principal Payments”.

“Consolidated Real Property Interest Expense” means, for any period, for the Company and its Subsidiaries on a consolidated basis, the sum of all interest (before factory assistance or

subsidy), premium payments, debt discount, fees, charges and related expenses of the Company and its Subsidiaries in connection with Permitted Real Estate Indebtedness

“Consolidated Rental Expense” means, for any period, on a consolidated basis for the Company and its Subsidiaries, the aggregate amount of fixed and contingent rentals payable in cash by the Company and its Subsidiaries with respect to leases of real and personal property (excluding capital lease obligations) determined in accordance with GAAP for such period.

“Consolidated Total Debt to EBITDA Ratio” means, as of any date of determination, the ratio of (a) Consolidated Total Outstanding Indebtedness (excluding (i) Indebtedness under the New Vehicle Floorplan Facility, (ii) Permitted Silo Indebtedness for New Vehicle inventory and (iii) Temporary Indebtedness) as of such date to (b) Consolidated EBITDA for the period of the four fiscal quarters most recently ended.

“Consolidated Total Outstanding Indebtedness” means, for any period, for the Company and its Subsidiaries on a consolidated basis, the aggregate outstanding principal amount of Consolidated Funded Indebtedness of the Company and its Subsidiaries (including any such Indebtedness that would otherwise be deemed to be equity solely because of the effect of FASB 14-1).

“Consolidated Total Outstanding Senior Secured Indebtedness” means, as of any date of determination, for the Company and its Subsidiaries on a consolidated basis, the aggregate outstanding principal amount of secured Consolidated Funded Indebtedness of the Company and its Subsidiaries, and Guarantees of such Indebtedness (but excluding, without duplication and only to the extent such amounts would otherwise have been included therein, (i) Indebtedness under the New Vehicle Floorplan Facility and (ii) Indebtedness under Permitted Silo Indebtedness for New Vehicle inventory).

“Consolidated Total Senior Secured Debt to EBITDA Ratio” means, as of any date of determination, the ratio of (a) Consolidated Total Outstanding Senior Secured Indebtedness as of such date, to (b) Consolidated EBITDA for the period of the four fiscal quarters most recently ended.

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

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

“Cost of Acquisition” means, with respect to any Acquisition, as at the date of entering into any agreement therefor, the sum of the following (without duplication): (i) the value of the Equity Interests of the Company or any Subsidiary to be transferred in connection with such Acquisition, (ii) the amount of any cash and fair market value of other property (excluding property described in clause (i) and the unpaid principal amount of any debt instrument) given as consideration in connection with such Acquisition, (iii) the amount (determined by using the face

amount or the amount payable at maturity, whichever is greater) of any Indebtedness incurred, assumed or acquired by the Company or any Subsidiary in connection with such Acquisition, (iv) all additional purchase price amounts in the form of earnouts and other contingent obligations that should be recorded on the financial statements of the Company and its Subsidiaries in accordance with GAAP in connection with such Acquisition, (v) all amounts paid in respect of covenants not to compete, consulting agreements that should be recorded on the financial statements of the Company and its Subsidiaries in accordance with GAAP, and other affiliated contracts in connection with such Acquisition, and (vi) the aggregate fair market value of all other consideration given by the Company or any Subsidiary in connection with such Acquisition; provided that (x) the Cost of Acquisition shall not include the purchase price of floored vehicles acquired in connection with such Acquisition, (y) in the event a Subsidiary which operates a franchised vehicle dealership purchases real property located at or related to such dealership (and so long as such Subsidiary operated such dealership prior to such purchase), the consideration described above attributable to such real property shall be excluded from the calculation of Cost of Acquisition for purposes of determining the \$25,000,000 threshold set forth in Section 7.12, and (z) amounts under clause (iv) above shall be excluded from the calculation of Cost of Acquisition to the extent that such amounts as of the date of entering into any agreement with respect to such Acquisition are not reasonably expected to exceed \$5,000,000 in the aggregate (each such determination for each applicable year of earnouts and other contingent obligations with respect to the applicable Acquisition to be based on the reasonably expected operations and financial condition of the Company and its Subsidiaries during the first year after the date of the applicable Acquisition). For purposes of determining the Cost of Acquisition for any transaction, the Equity Interests of the Company shall be valued in accordance with GAAP.

“Credit Extension” means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

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

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

“Default Rate” means (a) when used with respect to Obligations other than Letter of Credit Fees, an interest rate equal to (i) the Base Rate plus (ii) the Applicable Rate, if any, applicable to Base Rate Loans plus (iii) 2% per annum; provided, however, that with respect to a Eurodollar Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan plus 2% per annum, and (b) when used with respect to Letter of Credit Fees, a rate equal to the Applicable Rate plus 2% per annum.

“Defaulting Lender” means, subject to Section 2.16(b), any Lender that, as determined by the Administrative Agent, (a) has failed to perform any of its funding obligations hereunder

including in respect of its Loans hereunder or participations in respect of Letters of Credit or Swing Line Loans, or has failed to perform any of its funding obligations under the Floorplan Credit Agreement including in respect of its Used Vehicle Floorplan Loans or New Vehicle Floorplan Loans (each as defined in the Floorplan Credit Agreement) thereunder, in each case within three Business Days of the date required to be funded by it hereunder or thereunder, (b) has notified the Company or the Administrative Agent that it does not intend to comply with any such funding obligations or has made a public statement to that effect with respect to its funding obligations hereunder, thereunder or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by the Administrative Agent, to confirm in a manner satisfactory to the Administrative Agent, that it will comply with such funding obligations, or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or a custodian appointed for it, or (iii) taken any action in furtherance of, or indicated its consent to, approval of or acquiescence in any such proceeding or appointment; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in such Lender or any direct or indirect parent company thereof by a Governmental Authority.

“Disposition” or “Dispose” means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) of any property by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

“Dollar” and “\$” mean lawful money of the United States.

“Dual Subsidiary” means a Subsidiary which (i) operates more than one franchised vehicle dealership and (ii) has entered into separate floorplan financing arrangements with either (A) more than one Silo Lender or (B) the Floorplan Lenders and at least one Silo Lender. The Dual Subsidiaries as of the Closing Date are set forth on Schedule 1.01B. The Company may designate other Subsidiaries as Dual Subsidiaries from time to time in accordance with Section 7.17.

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Section 10.06(b)(iii), and (v) (subject to such consents, if any, as may be required under Section 10.06(b)(iii)).

“Eligible Accounts” means the Accounts, other than contracts-in-transit, of the Company and the Grantors arising from the sale, lease or license of goods or rendition of services in the ordinary course of business of the Company and the Grantors, which the Administrative Agent, in the exercise of its reasonable discretion, determines to be Eligible Accounts. Without limiting the discretion of the Administrative Agent to establish other criteria of ineligibility, Eligible Accounts shall not (unless otherwise agreed to by the Administrative Agent) include any Account:

- (a) with respect to which more than 90 days have elapsed since the date of the original invoice therefor or which is more than 60 days past due;

- (b) with respect to which any of the representations, warranties, covenants, and agreements contained in the Loan Documents are incorrect or have been breached;
- (c) with respect to which Account (or any other Account due from such Account Debtor), in whole or in part, a check, promissory note, draft, trade acceptance or other instrument for the payment of money has been received, presented for payment and returned uncollected for any reason;
- (d) which represents a progress billing (as hereinafter defined) or as to which the Company or any Grantor has extended the time for payment without the consent of the Administrative Agent; for the purposes hereof, "progress billing" means any invoice for goods sold or leased or services rendered under a contract or agreement pursuant to which the Account Debtor's obligation to pay such invoice is conditioned upon the Company's or the applicable Subsidiary's completion of any further performance under the contract or agreement;
- (e) with respect to which any one or more of the following events has occurred to the Account Debtor on such Account: death or judicial declaration of incompetency of an Account Debtor who is an individual; the filing by or against the Account Debtor of a request or petition for liquidation, reorganization, arrangement, adjustment of debts, adjudication as a bankrupt, winding-up, or other relief under Debtor Relief Laws; the making of any general assignment by the Account Debtor for the benefit of creditors; the appointment of a receiver or trustee for the Account Debtor or for any of the assets of the Account Debtor, including, without limitation, the appointment of or taking possession by a "custodian," as defined in the Bankruptcy Code of the United States; the institution by or against the Account Debtor of any other type of insolvency proceeding (under Debtor Relief Laws or otherwise) or of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against, or winding up of affairs of, the Account Debtor; the sale, assignment, or transfer of all or any material part of the assets of the Account Debtor; the nonpayment generally by the Account Debtor of its debts as they become due; or the cessation of the business of the Account Debtor as a going concern;
- (f) owed by an Account Debtor if twenty-five percent (25%) or more of the aggregate Dollar amount of outstanding Accounts owed at such time by such Account Debtor is classified as ineligible under clause (a) above;
- (g) owed by an Account Debtor which: (1) does not maintain its chief executive office in the United States or Canada; (2) is not organized under the laws of the United States, Canada or any state or province thereof; (3) is not, if a natural person, a citizen of the United States or Canada residing therein; or (4) is a Governmental Authority of any foreign country or sovereign state, or of any state, province, municipality, or other political subdivision thereof;
- (h) owed by an Account Debtor which is an Affiliate, officer, director or employee of the Company or any Grantor;

(i) except as provided in clause (k) below, with respect to which either the perfection, enforceability, or validity of the Administrative Agent's Liens in such Account, or the Administrative Agent's right or ability to obtain direct payment to the Administrative Agent of the proceeds of such Account, is governed by any federal, state, or local statutory requirements other than those of the UCC;

(j) owed by an Account Debtor to which the Company or any Grantor is indebted in any way, or which is subject to any right of setoff or recoupment by the Account Debtor (including, without limitation, all Accounts that are subject to any agreement encumbering or limiting in any manner the Company's or any Grantor access to such Accounts), unless the Account Debtor has entered into an agreement acceptable to the Administrative Agent to waive setoff rights; or if the Account Debtor thereon has disputed liability or made any claim with respect to any other Account due from such Account Debtor, but in each such case only to the extent of such indebtedness, setoff, recoupment, dispute, or claim;

(k) owed by any Governmental Authority, unless the Federal Assignment of Claims Act of 1940, as amended (31 U.S.C. § 3727 et seq.), and any other steps necessary to perfect the Administrative Agent's Liens therein, have been complied with to the Administrative Agent's satisfaction with respect to such Account;

(l) owed by any Governmental Authority and as to which the Administrative Agent determines that its Lien therein is not or cannot be perfected;

(m) which represents a sale on a bill-and-hold, guaranteed sale, sale and return, sale on approval, consignment, or other repurchase or return basis;

(n) which is evidenced by a promissory note or other instrument or by chattel paper;

(o) with respect to which the Account Debtor is located in any state requiring the filing of a Notice of Business Activities Report or similar report in order to permit the Company or any Grantor to seek judicial enforcement in such state of payment of such Account, unless the Company or any Grantor has qualified to do business in such state or has filed a Notice of Business Activities Report or equivalent report for the then current year;

(p) which arises out of a sale not made in the ordinary course of the Company's or the applicable Grantor's business or out of finance or similar charges;

(q) with respect to which the goods giving rise to such Account have not been shipped and delivered to and accepted by the Account Debtor or the services giving rise to such Account have not been performed by the Company or the applicable Grantor's and, if applicable, accepted by the Account Debtor, or the Account Debtor revokes its acceptance of such goods or services;

(r) owed by an Account Debtor which is obligated to the Company or the applicable Grantor's respecting Accounts the aggregate unpaid balance of which exceeds

twenty-five percent (25%) of the aggregate unpaid balance of all Accounts owed to the Company or the applicable Grantor at such time by all of the Company's or the applicable Grantor's Account Debtors, but only to the extent of such excess;

(t) which is not subject to the Administrative Agent's Liens, which are perfected as to such Accounts, or which are subject to any other Lien whatsoever, other than Liens permitted by Section 7.01(j) or (m) so long as such Liens are subject to the Master Intercreditor Agreement;

(s) in which the payment thereof has been extended, the Account Debtor has made a partial payment, or such Account arises from a sale on a cash-on-delivery basis; or

(t) which includes a billing for interest, fees or late charges, provided that ineligibility shall be limited to the extent of such billing.

The Company, by including an Account in any computation of the Revolving Borrowing Base, shall be deemed to represent and warrant to the Administrative Agent and the Lenders that such Account is not of the type described in any of (a) through (t) above, and if any Account at any time ceases to be an Eligible Account, then such Account shall promptly be excluded by the Company from the calculation of Eligible Accounts.

"Eligible Equipment" means Equipment of the Company or a Grantor which the Administrative Agent, in the exercise of its reasonable commercial discretion, determines to be Eligible Equipment. Without limiting the discretion of the Administrative Agent to establish other criteria of ineligibility, Eligible Equipment shall not (unless otherwise agreed to by the Administrative Agent) include any Equipment:

(a) that is not legally owned by the Company or a Grantor;

(b) that is not subject to the Administrative Agent's Liens, which are perfected as to such Equipment, or that are subject to any other Lien whatsoever, other than Liens permitted by Section 7.01(j) or (m) so long as such Liens are subject to the Master Intercreditor Agreement, and (without limiting the generality of the foregoing) in no event shall "Eligible Equipment" include any Permitted Real Estate Indebtedness Collateral;

(c) that is not in good working condition for its intended use or for sale;

(d) that is located outside the United States or at a location other than a place of business of the Company or a Grantor; or

(e) that is located in a facility leased by the Company or the applicable Grantor, if the lessor has not delivered to the Administrative Agent, if requested by the Administrative Agent, a Landlord Waiver in form and substance satisfactory to the Administrative Agent.

The Company, by including Equipment in any computation of the Revolving Borrowing Base, shall be deemed to represent and warrant to the Administrative Agent that such Equipment is not of the type described in any of (a) through (e) above, and if any Equipment at any time ceases to be Eligible Equipment, then such Equipment shall promptly be excluded by the Company from the calculation of Eligible Equipment.

“Eligible Inventory” means Inventory consisting of parts and accessories which the Administrative Agent, in its reasonable discretion, determines to be Eligible Inventory. Without limiting the discretion of the Administrative Agent to establish other criteria of ineligibility, Eligible Inventory shall not (unless otherwise agreed to by the Administrative Agent) include any Inventory:

- (a) that is not owned by the Company or a Grantor;
- (b) that is not subject to the Administrative Agent’s Liens, which are perfected as to such Inventory, or that are subject to any other Lien whatsoever, other than Liens permitted by Section 7.01(j) or (m) so long as such Liens are subject to the Master Intercreditor Agreement, and (without limiting the generality of the foregoing) in no event shall “Eligible Inventory” include any Permitted Real Estate Indebtedness Collateral;
- (c) that does not consist of finished goods;
- (d) that consists of raw materials, work-in-process, chemicals, samples, prototypes, supplies, or packing and shipping materials;
- (e) that is not in good condition, is unmerchantable, or does not meet all standards imposed by any Governmental Authority, having regulatory authority over such goods, their use or sale;
- (f) that is not currently either usable or salable, at prices approximating at least cost, in the normal course of the Company’s or the applicable Grantor business, or that is slow moving or stale;
- (g) that is obsolete or returned or repossessed or used goods taken in trade;
- (h) that is located outside the United States of America or Canada (or that is in-transit from vendors or suppliers);
- (i) that is located in a public warehouse or in possession of a bailee or in a facility leased by the Company or the applicable Grantor, if the warehouseman, or the bailee, or the lessor has not delivered to the Administrative Agent, if requested by the Administrative Agent, a subordination agreement in form and substance satisfactory to the Administrative Agent;
- (j) that contains or bears any IP Rights licensed to the Company or the applicable Grantor by any Person, if the Administrative Agent is not satisfied that it may sell or otherwise dispose of such Inventory in accordance with the terms of the Security Agreement and Section 9.10 without infringing the rights of the licensor of such IP Rights or violating any contract with such licensor, and, as to which the Company or the applicable Grantor has not delivered to the

Administrative Agent a consent or sublicense agreement from such licensor in form and substance acceptable to the Administrative Agent if requested; or

(k) that is Inventory placed on consignment.

The Company, by including Inventory in any computation of the Revolving Borrowing Base, shall be deemed to represent and warrant to the Administrative Agent and the Lenders that such Inventory is not of the type described in any of (a) through (k) above, and if any Inventory at any time ceases to be Eligible Inventory, such Inventory shall promptly be excluded by the Company from the calculation of Eligible Inventory.

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

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

“Equipment” means all of the Company’s and the Grantor’s now owned and hereafter acquired machinery, equipment, furniture, furnishings, trade fixtures, and other tangible personal property (except Inventory), including computer equipment, embedded software, construction in progress, parts and accessories, motor vehicles (which are not Inventory) with respect to which a certificate of title has been issued, dies, tools, jigs, molds and office equipment, as well as all of such types of property leased by the Company or any Grantor and all of the Company’s and Grantors’ rights and interests with respect thereto under such leases (including, without limitation, options to purchase); together with all present and future additions and accessions thereto, replacements therefor, component and auxiliary parts and supplies used or to be used in connection therewith, and all substitutes for any of the foregoing, and all manuals, drawings, instructions, warranties and rights with respect thereto; wherever any of the foregoing is located.

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

“ERISA” means the Employee Retirement Income Security Act of 1974.

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

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of the Company or any ERISA Affiliate from a Pension Plan subject to Section 4063 during a plan year in which such entity was a “substantial employer” as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA that has resulted or could reasonably be expected to result in liability of the Company under Title IV of ERISA in excess of \$1,000,000; (c) a complete or partial withdrawal by the Company or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization, in either case that has resulted or could reasonably be expected to result in liability of the Company under Title IV of ERISA in excess of (i) in the case of the Automotive Industries Pension Trust Fund (EIN # 94-1133245), Plan No. 001, the Threshold Amount and (ii) in all other cases, \$1,000,000; (d) the filing of a notice of intent to terminate or the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan, Multiemployer Plan or Multiple Employer Plan; (f) any event or condition which is reasonably likely to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan of the Company or any ERISA Affiliate; (g) except as set forth on Schedule 1.01C, the determination that any Pension Plan, Multiemployer Plan or Multiple Employer Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 305 of ERISA; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Company or any ERISA Affiliate in excess of \$1,000,000.

“Escrow and Security Agreement” means that certain Amended and Restated Escrow and Security Agreement dated as of the Closing Date made by the Company and certain Loan Parties in favor of the Administrative Agent for the benefit of the Secured Parties, substantially in the form of Exhibit H-2 attached hereto, as supplemented from time to time by the execution and delivery of Joinder Agreements pursuant to Section 6.14, and as otherwise supplemented, amended, or modified from time to time.

“Eurodollar Rate” means,

(a) for any Interest Period with respect to a Eurodollar Rate Loan, the rate per annum equal to (i) the British Bankers Association LIBOR Rate (“BBA LIBOR”), as published by Reuters (or such other commercially available source providing quotations of BBA LIBOR as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two London Banking Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, or (ii) if such rate is not available at such time for any reason, the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for

delivery on the first day of such Interest Period in same day funds in the approximate amount of the Eurodollar Rate Loan being made, continued or converted and with a term equivalent to such Interest Period would be offered by Bank of America's London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m. (London time) two London Banking Days prior to the commencement of such Interest Period; and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to (i) BBA LIBOR, at approximately 11:00 a.m., London time determined two London Banking Days prior to such date for Dollar deposits being delivered in the London interbank market for a term of one month commencing that day or (ii) if such published rate is not available at such time for any reason, the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the date of determination in same day funds in the approximate amount of the Base Rate Loan being made or maintained with a term equal to one month would be offered by Bank of America's London Branch to major banks in the London interbank eurodollar market at their request at the date and time of determination.

A Loan bearing interest at the Eurodollar Rate may be (a) borrowed on a day other than the first day of the applicable Interest Period and (b) repaid or converted to a different Type of Loan on a day other than the last day of an Interest Period without giving rise to any additional payment for "break funding" losses.

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

"Eurodollar Rate Loan" means a Eurodollar Rate Committed Loan or a Swing Line Loan which bears interest at a rate based on clause (a) of the definition of "Eurodollar Rate".

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

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender, any L/C Issuer or any other recipient of any payment to be made by or on account of any obligation of the Company hereunder, (a) taxes imposed on or measured by its net income (however denominated), and franchise taxes imposed on it, by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable Lending Office is located, (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which the Company is located, (c) any backup withholding tax that is required by the Code to be withheld from amounts payable to a Lender that has failed to comply with clause (A) of Section 3.01(e)(ii), and (d) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Company under Section 10.13), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new Lending Office) or is attributable to such Foreign Lender's failure or inability (other than as a result of a Change in Law) to comply with Section 3.01(e)(ii), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new Lending Office (or assignment), to receive additional amounts from the Company with respect to such withholding tax pursuant to Section 3.01(a)(ii) or Section 3.01(c).

“Existing Credit Agreement” has the meaning specified in the recitals hereto.

“Existing Floorplan Paydown Letter” has the meaning set forth in Section 4.01(a)(xvi).

“Existing Letters of Credit” means those Letters of Credit described on Schedule 2.03.

“Facility Termination Date” means the date as of which all of the following shall have occurred: (a) the Company shall have permanently terminated the credit facilities under the Loan Documents by final payment in full of all Outstanding Amounts, together with all accrued and unpaid interest and fees thereon, other than (i) the undrawn portion of Letters of Credit and (ii) all letter of credit fees relating thereto accruing after such date (which fees shall be payable solely for the account of the applicable L/C Issuer and shall be computed (based on interest rates and the Applicable Rate then in effect) on such undrawn amounts to the respective expiry dates of the Letters of Credit), that have, in each case, been fully Cash Collateralized or as to which other arrangements with respect thereto satisfactory to the Administrative Agent and such L/C Issuer shall have been made; (b) all Commitments shall have terminated or expired; (c) the obligations and liabilities of the Company and each other Loan Party under all Related Swap Contracts and Secured Cash Management Arrangements shall have been fully, finally and irrevocably paid and satisfied in full and the Related Swap Contracts and Secured Cash Management Arrangements shall have expired or been terminated, or other arrangements satisfactory to the Lender or Affiliate of a Lender party to a Related Swap Contract or the Cash Management Bank, as applicable and in each case in its sole discretion, shall have been made with respect thereto; and (d) the Company and each other Loan Party shall have fully, finally and irrevocably paid and satisfied in full all of their respective Obligations and liabilities arising under the Loan Documents, (except for future obligations consisting of continuing indemnities and other contingent Obligations of the Company or any Loan Party that may be owing to the Administrative Agent, any of its Related Parties or any Lender pursuant to the Loan Documents and expressly survive termination of the Credit Agreement or any other Loan Document).

“FASB ASC” means the Accounting Standards Codification of the Financial Accounting Standards Board.

“FASB 14-1” means that certain FASB Staff Position APB 14-1, Accounting for Convertible Debt Instruments that May Be Settled In Cash Upon Conversion (Including Partial Cash Settlement).

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

“Floorplan Administrative Agent” means, as applicable, Bank of America (in its capacity as the administrative agent under the Floorplan Credit Agreement or any successor administrative agent under the Floorplan Credit Agreement).

“Floorplan Credit Agreement” means the Syndicated New and Used Floorplan Credit Agreement dated as of the date hereof among the Company, the Subsidiaries of the Company party thereto from time to time, the Floorplan Administrative Agent and the Floorplan Lenders (as amended, supplemented or otherwise modified from time to time).

“Floorplan Facility” means, collectively or individually, as the context may require, the New Vehicle Floorplan Facility or the Used Vehicle Floorplan Facility.

“Floorplan Default” has the meaning specified for the term “Default” in the Floorplan Credit Agreement.

“Floorplan Event of Default” has the meaning specified for the term “Event of Default” in the Floorplan Credit Agreement.

“Floorplan Lenders” means the lenders party from time to time to the Floorplan Credit Agreement.

“Floorplan Loan Documents” has the meaning specified for the term “Loan Documents” in the Floorplan Credit Agreement.

“Floorplan Secured Parties” has the meaning specified for the term “Secured Parties” in the Floorplan Credit Agreement.

“Foreign Lender” means with respect to the Company, any Lender that is organized under the laws of a jurisdiction other than that in which the Company is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Foreign Person” means any Person that is organized under the laws of any jurisdiction other than the District of Columbia or any of the states of the United States.

“Framework Agreement” means a framework agreement, in each case between a Loan Party and a manufacturer or distributor of New Vehicles.

The term “franchise” when used with respect to any vehicle manufacturer or distributor shall be deemed to include each dealership that is authorized by a Franchise Agreement to sell New Vehicles manufactured or distributed by such manufacturer or distributor, whether or not such dealership is expressly referred to as a franchise in the respective Franchise Agreement or Framework Agreement.

“Franchise Agreement” means a franchise agreement, in each case between a Loan Party and a manufacturer or distributor of New Vehicles.

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

“Fronting Exposure” means, at any time there is a Defaulting Lender, (a) with respect to an L/C Issuer, such Defaulting Lender’s Applicable Percentage of the outstanding L/C Obligations with respect to Letters of Credit issued by such L/C Issuer other than L/C Obligations as to which (i) such Defaulting Lender’s participation obligation has been reallocated pursuant to Section 2.16(a)(iv), or (ii) Cash Collateral or other credit support acceptable to such L/C Issuer shall have been provided in accordance with Section 2.04, and (b) with respect to the Swing Line Lender, such Defaulting Lender’s Applicable Percentage of Swing Line Loans other than Swing Line Loans as to which (i) such Defaulting Lender’s participation obligation has been reallocated pursuant to Section 2.16(a)(iv), or (ii) Cash Collateral or other credit support acceptable to the Swing Line Lender shall have been provided in accordance with Section 2.05.

“Fund” means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

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

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

“Grantor” has the meaning specified in Section 2A.03.

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

protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

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

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

- (a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;
- (b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments;
- (c) net obligations of such Person under any Swap Contract;
- (d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and, in each case, not past due for more than 60 days after the date on which such trade account payable was created);
- (e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;
- (f) capital leases and Synthetic Lease Obligations;
- (g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends; and
- (h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any capital lease or Synthetic Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date.

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Indemnitees” has the meaning specified in Section 10.04(b).

“Indenture Indebtedness” means, collectively or individually, as the context may require, 2002-4.25% Indenture Indebtedness, 2003-8.625% Indenture Indebtedness, 2009-5.0% Indenture Indebtedness and the related Permitted Indenture Refinancing Indebtedness, if any.

“Information” has the meaning specified in Section 10.07.

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

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

“Internal Control Event” means a material weakness in, or fraud that involves management or other employees who have a significant role in, the Company’s internal controls over financial reporting, in each case as described in the Securities Laws.

“Inventory” has the meaning given such term in Section 9-102 of the UCC.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor Guarantees Indebtedness of such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

“IP Rights” has the meaning specified in Section 5.17.

“IRS” means the United States Internal Revenue Service.

“ISP” means, with respect to any Letter of Credit, the “International Standby Practices 1998” published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance).

“Issuer Documents” means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by the respective L/C Issuer and the Company (or any Subsidiary) or in favor of such L/C Issuer and relating to any such Letter of Credit.

“Joinder Agreement” means each Revolving Joinder Agreement, substantially in the form of Exhibit G, executed and delivered by a Subsidiary or any other Person to the Administrative Agent, for the benefit of the Secured Parties, pursuant to Section 6.14.

“Landlord Waiver” means, as to any leasehold interest of a Loan Party, a landlord waiver and consent agreement executed by the landlord of such leasehold interest, in each case in form and substance satisfactory to the Administrative Agent.

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

“L/C Advance” means, with respect to each Lender, such Lender’s funding of its participation in any L/C Borrowing in accordance with its Applicable Percentage.

“L/C Borrowing” means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Committed Borrowing.

“L/C Credit Extension” means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

“L/C Issuer” means Bank of America or Wells Fargo, each in its capacity as issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder. All singular references to the L/C Issuer shall mean any L/C Issuer, the L/C Issuer that has issued the applicable Letter of Credit or all L/C Issuers, as the context may require.

“L/C Obligations” means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.07. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be “outstanding” in the amount so remaining available to be drawn.

“Lender” has the meaning specified in the introductory paragraph hereto and, as the context requires, includes the Swing Line Lender.

“Lending Office” means, as to any Lender, the office or offices of such Lender described as such in such Lender’s Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Company and the Administrative Agent.

“Letter of Credit” means any standby letter of credit issued hereunder and shall include the Existing Letters of Credit.

“Letter of Credit Application” means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the applicable L/C Issuer.

“Letter of Credit Expiration Date” means the day that is fifteen days prior to the Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).

“Letter of Credit Fee” has the meaning specified in Section 2.03(i).

“Letter of Credit Sublimit” means an amount equal to \$100,000,000. The Letter of Credit Sublimit is part of, and not in addition to, the Aggregate Commitments.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“Loan” means an extension of credit by a Lender to the Company under Article II in the form of a Committed Loan or a Swing Line Loan.

“Loan Documents” means, collectively, this Agreement, each Note, each Issuer Document, the Security Agreement, the Escrow and Security Agreement, the Pledge Agreement, the Sonic Financial Pledge Agreement, each Joinder Agreement, each other Security Instrument, the Subsidiary Guaranty, the Bank of America Letter, any Autoborrow Agreement and any agreement creating or perfecting rights in Cash Collateral or other credit support pursuant to the provisions of Section 2.15 of this Agreement.

“Loan Parties” means, collectively, the Company, each Subsidiary Guarantor, and each Person (other than the Administrative Agent, the Floorplan Administrative Agent, any Lender, any Silo Lender or any landlord executing a Landlord Waiver) executing a Security Instrument.

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

“Master Intercreditor Agreement” means that certain Master Intercreditor Agreement dated as of the date hereof among the Administrative Agent, the Floorplan Administrative Agent and the Silo Lenders and acknowledged by the Company on behalf of itself and its Subsidiaries substantially in the form of Exhibit L, and the exhibits thereto, as such agreement may be supplemented from time to time by execution and delivery of joinder agreements thereto and

revised exhibits in accordance with the terms thereof, and as otherwise supplemented, amended or modified from time to time.

“Material Adverse Effect” means (a) a material adverse effect on (i) the business, assets, properties, liabilities (actual or contingent), operations or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole, or (ii) the ability of the Company, the Subsidiary Guarantors and the other Loan Parties, taken as a whole, to perform their respective obligations under any Loan Document to which any of them is a party (unless such Company, Subsidiary Guarantor or other Loan Party has repaid in full all of its respective Obligations and is no longer a Loan Party in accordance with the terms of this Agreement and the other Loan Documents) or (b) an adverse effect on the rights and remedies of the Administrative Agent or the Lenders under the Loan Documents.

“Maturity Date” means August 15, 2012.

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

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

“Net Book Value” means, (i) for any Eligible Account, the gross amount of such Eligible Account less sales, excise or similar taxes, and less returns, discounts, claims, credits, allowances, accrued rebates, offsets, deductions, counterclaims, disputes and other defenses of any nature at any time issued, owing, granted, outstanding, available or claimed in respect of such Eligible Account, (ii) for any Eligible Inventory, the lower of cost (on a first-in, first-out basis) or market and (iii) for any Eligible Equipment, the then-current book value of such Eligible Equipment (giving effect to any adjustments to such book value on or prior to the date of measurement thereof) less all accumulated depreciation and amortization of such Equipment through the date of measurement; provided that, in no event shall “Net Book Value” of any asset described herein exceed the value of such asset reflected on the books of the Company and its Subsidiaries.

“Net Cash Proceeds” means, with respect to any Disposition by any Loan Party or any of its Subsidiaries, the excess, if any, of:

(i) the sum of cash and cash equivalents received in connection with such transaction (including any cash or cash equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received) over

(ii) the sum of

(A) (1) any Indebtedness that is secured by the applicable asset and that is required to be repaid in connection with such transaction (including any new or used vehicle floorplan loans or any Permitted Real Estate Indebtedness required to be repaid in connection therewith) and (2)

any net obligations of such Person under any Swap Contract that relates to such Indebtedness and is also required by the terms of such Swap Contract to be repaid,

(B) the reasonable and customary out-of-pocket expenses incurred by such Loan Party or such Subsidiary in connection with such transaction and

(C) income taxes reasonably estimated to be actually payable within two years of the date of the relevant transaction as a result of any gain recognized in connection therewith; provided that, if the amount of any estimated taxes pursuant to subclause (C) exceeds the amount of taxes actually required to be paid in cash in respect of such Disposition, the aggregate amount of such excess shall constitute Net Cash Proceeds.

“New Vehicle” means a Vehicle which has never been owned except by a manufacturer, distributor or dealer and (except in the case of Service Loaner Vehicles) has never been registered, and (notwithstanding clause (c) of the definition of “Vehicle”) includes Rental Vehicles and Demonstrators (each as defined in the Floorplan Credit Agreement) and Service Loaner Vehicles, in each case whether or not held for sale.

“New Vehicle Borrower” has the meaning specified for such term in the Floorplan Credit Agreement.

“New Vehicle Floorplan Facility” means the new vehicle floorplan facility described in Section 2.01 through 2.05 of the Floorplan Credit Agreement providing for revolving loans to certain Subsidiaries of the Company by the lenders party thereto.

“New Vehicle Floorplan Lender” has the meaning specified for such term in the Floorplan Credit Agreement.

“New Vehicle Floorplan Loan” has the meaning specified for such term in the Floorplan Credit Agreement.

“Note” means a promissory note made by the Company, in favor of a Lender evidencing Loans made by such Lender to the Company, as applicable, substantially in the form of Exhibit C.

“Obligations” means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan, Letter of Credit, Secured Cash Management Arrangement or any Related Swap Contract, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

“Organization Documents” means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect

to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

“Other Taxes” means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

“Outstanding Amount” means (i) with respect to Committed Loans and Swing Line Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Committed Loans and Swing Line Loans, as the case may be, occurring on such date and (ii) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Company of Unreimbursed Amounts.

“Participant” has the meaning specified in Section 10.06(d).

“PBGC” means the Pension Benefit Guaranty Corporation.

“Pension Act” shall mean the Pension Protection Act of 2006.

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

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

“Permitted Acquisition” means any Acquisition permitted by Section 7.12.

“Permitted Disposition” means any Disposition permitted by Section 7.05.

“Permitted Indenture Refinancing Indebtedness” means any refinancings, replacements, refundings, renewals or extensions of the 2002-4.25% Indenture Indebtedness, the 2003-8.625% Indenture Indebtedness, the 2009-5.0% Indenture Indebtedness or any Permitted Indenture Refinancing Indebtedness, provided, that (i) the amount of such Indebtedness is not increased at the time of such refinancing, replacement, refunding, renewal or extension (such refinancing, replacement, refunding, renewal or extension being referred to hereafter as the “Applicable”

Refinancing”) and (ii) such Indebtedness, after giving effect to the Applicable Refinancing, (A) is not secured by any property of the Company or any Subsidiary, (B) does not have any obligor or guarantor other than the obligors or guarantors of such Indebtedness prior to the Applicable Refinancing, (C) does not have a maturity, and does not require any principal payments (whether by scheduled installment, mandatory prepayment or redemption, or the exercise of any put right), earlier than two (2) years following the Maturity Date, and (D) has terms (including terms of maturity and amortization) that are typical for indebtedness of such type issued at such time and otherwise no more restrictive, or less advantageous to the Lenders, than the Loan Documents or are otherwise on terms satisfactory to the Administrative Agent, and (iii) after giving effect to the issuance of such Indebtedness, (A) no Event of Default shall have occurred and be continuing or would occur as a result thereof and (B) all other requirements set forth in Section 7.03(h), (i) or (j), as applicable, shall have been met.

“Permitted Real Estate Indebtedness” means Indebtedness of the Company or a Subsidiary owing to non-Affiliated Persons secured solely by Liens on Permitted Real Estate Indebtedness Collateral so long as the amount of such Indebtedness (as measured for any specified real property parcel and improvements (if any) financed thereby) is no greater than eighty-five percent (85%) of the value of such parcel and improvements set forth in an appraisal thereof prepared by a member of the Appraisal Institute and an independent appraisal firm satisfactory to the Administrative Agent and commissioned in connection with such financing, a copy of which such appraisal has been provided to the Administrative Agent upon its request.

“Permitted Real Estate Indebtedness Collateral” means, with respect to any particular Permitted Real Estate Indebtedness, the applicable real property used (at the time of the incurrence of such Permitted Real Estate Indebtedness) by a Subsidiary of the Company for the operation of a vehicle dealership or a business ancillary thereto, together with related real property rights, improvements, fixtures (other than trade fixtures), insurance payments, leases and rents related thereto and proceeds thereof.

“Permitted Service Loaner Indebtedness” means Indebtedness incurred from time to time by any of the Company’s current or future Subsidiaries consisting of financing for service loaner vehicles for customers of such Subsidiary that are having their vehicles serviced by such Subsidiary (collectively, “Service Loaner Vehicles”), which financing is provided by the Floorplan Lenders, Silo Lenders, manufacturers or manufacturer affiliated finance companies (“Service Loaner Lenders”) to the Company or such Subsidiary, provided that (i) such indebtedness may be secured by a lien on certain assets of such Subsidiaries, but excluding real property and fixtures (other than trade fixtures), and (ii) (A) such Service Loaner Lender is a party to and bound by the Master Intercreditor Agreement or (B) so long as such financing applies only to Service Loaner Vehicles sold to such Subsidiary by the respective Service Loaner Lender, the Company has used commercially reasonable efforts to obtain an intercreditor agreement executed (in the case of such Indebtedness existing on the Closing Date) within 30 days of the Closing Date or such later date as determined by the Administrative Agent in its sole discretion, or (in all other cases) on or before the incurrence of such Indebtedness, which intercreditor agreement (x) is in form and substance reasonably satisfactory to the Administrative Agent, (y) acknowledges that such Indebtedness is secured solely by a Lien on said Service Loaner Vehicles so financed and the proceeds thereof and (z) does not conflict with or violate the terms of the Master Intercreditor Agreement.

“Permitted Silo Guaranty” means, with respect to any Permitted Silo Indebtedness provided by any Silo Lender, the guaranty of such Indebtedness by (a) the Company or (b) any Subsidiary that operates one or more dealerships at which New Vehicle floorplan financing is provided by such Silo Lender.

“Permitted Silo Indebtedness” means Indebtedness (including Permitted Silo Guaranties but excluding Indebtedness provided pursuant to the Floorplan Credit Agreement) incurred from time to time by any of the Company’s current or future Subsidiaries consisting of floorplan financing for New Vehicles or Used Vehicles provided by financial institutions or manufacturer-affiliated finance companies (“Silo Lenders”) to such Subsidiaries, provided that (i) with respect to financing of Used Vehicles, the proceeds of such financing are used for purchasing and carrying Used Vehicles, (ii) such indebtedness is secured by, in the case of Silo Lenders providing New Vehicle floorplan financing or New Vehicle and Used Vehicle floorplan financing, a lien on certain assets of such Subsidiaries (including New Vehicles and Used Vehicles financed (including related contracts-in-transit) and the proceeds thereof and certain general intangibles, but excluding real property and fixtures (other than trade fixtures)), and (iii) such Silo Lender is a party to and bound by the Master Intercreditor Agreement; provided that, Permitted Silo Indebtedness provided by a Silo Lender may be cross-collateralized with other Permitted Silo Indebtedness provided by such Silo Lender.

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

“Plan” shall mean any employee benefit plan within the meaning of Section 3(3) of ERISA (generally including a Pension Plan, but excluding a Multiemployer Plan and Multiple Employer Plan), maintained by the Company or, in the case of a Pension Plan, by an ERISA Affiliate, for employees of the Company or any ERISA Affiliate.

“Platform” has the meaning specified in Section 6.02.

“Pledge Agreement” means that certain Amended and Restated Pledge Agreement dated as of the Closing Date made by the Company and certain Loan Parties in favor of the Administrative Agent for the benefit of the Secured Parties, substantially in the form of Exhibit H-1 attached hereto, as supplemented from time to time by the execution and delivery of Joinder Agreements pursuant to Section 6.14 and as otherwise supplemented, amended, or modified from time to time.

“Pro Forma Compliance” means, with respect to any event, that the Company and its Subsidiaries are in pro forma compliance with the financial covenants set forth in Section 7.11 and the Revolving Borrowing Base, as applicable, in each case calculated as if the event with respect to which Pro Forma Compliance is being tested had occurred on the first day of each relevant period with respect to which current compliance with such financial covenant and Revolving Borrowing Base would be determined (for example, in the case of a financial covenant based on Consolidated EBITDA, as if such event had occurred on the first day of the four fiscal quarter period ending on the last day of the most recent fiscal quarter in respect of which financial statements have been delivered pursuant to Section 6.01(a) or (b)). Pro forma calculations made pursuant to this definition that require calculations of Consolidated EBITDA

and Consolidated EBITDAR on a pro forma basis will be made in accordance with Section 1.04(a) and (b) respectively.

“Pro Forma Revolving Borrowing Base Certificate” means, with respect to any event, a duly completed Revolving Borrowing Base Certificate demonstrating Pro Forma Compliance for such event.

“Pro Forma Compliance Certificate” means, with respect to any event, a duly completed Compliance Certificate demonstrating Pro Forma Compliance for such event.

“Register” has the meaning specified in Section 10.06(c).

“Registered Public Accounting Firm” has the meaning specified in the Securities Laws and shall be independent of the Company as prescribed in the Securities Laws.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person’s Affiliates.

“Related Swap Contract” means all Swap Contracts that are entered into or maintained with a Lender or Affiliate of a Lender that are not prohibited by the express terms of the Loan Documents.

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

“Request for Credit Extension” means (a) with respect to a Borrowing, or conversion of Committed Loans, a Committed Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application, and (c) with respect to a Swing Line Loan, or conversion of Swing Line Loans, a Swing Line Loan Notice,.

“Required Financial Information” has the meaning specified in the definition of “Restricted Subsidiary”.

“Required Floorplan Lenders” has the meaning specified for the term “Required Lenders” in the Floorplan Credit Agreement.

“Required Lenders” means, as of any date of determination, Lenders whose Applicable Percentages aggregate more than 66-2/3% of the Aggregate Commitments, provided that, if the commitment of each Lender to make Loans or the obligation of each L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 8.02, the Commitments shall be calculated based on the Total Outstandings (with the aggregate amount of each Lender’s risk participation and funded participation in L/C Obligations and Swing Line Loans, as applicable, being deemed “held” by such Lender for purposes of this definition); provided that the Commitment of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

“Responsible Officer” means the chief executive officer, president, chief financial officer, chief accounting officer, treasurer or assistant treasurer (or in the case of Sonic Financial, a vice president) of a Loan Party. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock or other Equity Interest of the Company or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to the stockholders, partners or members (or the equivalent Person thereof) of the Company or any Subsidiary.

“Restricted Subsidiary” means each direct or indirect Subsidiary of the Company that (i) has total assets (including Equity Interests in other Persons) of equal to or greater than \$2500 (calculated as of the most recent fiscal period with respect to which the Administrative Agent shall have received financial statements required to be delivered pursuant to Sections 6.01(a) or (b) (or if prior to delivery of any financial statements pursuant to such Sections, then calculated based on the Audited Financial Statements) (the “Required Financial Information”), or (ii) has revenues (on a consolidated basis with its Subsidiaries) equal to or greater than \$2500 for a period of four consecutive fiscal quarters (calculated for the most recent four fiscal quarter period for which the Administrative Agent has received the Required Financial Information); provided, however, that notwithstanding the foregoing, the term “Restricted Subsidiaries” shall also include any Subsidiaries designated as “Restricted Subsidiaries” pursuant to the definition of “Unrestricted Subsidiaries”.

“Revolving Advance Limit” means, as of any date of a Borrowing or other date of determination, calculated as of the most recent date for which a Revolving Borrowing Base Certificate has been delivered pursuant to the terms hereof, an amount equal to the lesser of (i) the Aggregate Commitments and (ii) the Revolving Borrowing Base.

“Revolving Borrowing Base” means as of any date of calculation, the lesser of (1) the Aggregate Commitments and (2) the sum of:

(A) the sum of (i) 75% of the Net Book Value of Eligible Accounts which constitute factory receivables, net of holdback, (ii) 75% of the Net Book Value of Eligible Accounts which constitute current finance receivables, provided that in no event shall Buyer Notes or the rights or obligations thereunder be considered finance receivables or otherwise be included in the calculation of the Revolving Borrowing Base, (iii) 75% of the Net Book Value of Eligible Accounts which constitute receivables for parts and services (after netting any amounts payable in connection with such parts and services), (iv) 60% of the Net Book Value of Eligible Inventory which constitutes parts and accessories, and (v) 40% of the Net Book Value of Eligible Equipment,

plus (B) 50% of the fair market value (determined using the average daily share price for the five (5) Business Days immediately preceding the date of calculation) of the 5,000,000 shares of common stock of Speedway Motorsports, Inc. that are pledged as Collateral under the Sonic Financial Pledge Agreement.

“Revolving Borrowing Base Certificate” means a certificate by a Responsible Officer of the Company, substantially in the form of Exhibit I (or another form acceptable to the Administrative Agent) setting forth the calculation of the Revolving Borrowing Base, including a calculation of each component thereof, all in such detail as shall be reasonably satisfactory to the Administrative Agent. All calculations of the Revolving Borrowing Base in connection with the preparation of any Revolving Borrowing Base Certificate shall originally be made by the Company and certified to the Administrative Agent; provided, that the Administrative Agent shall have the right to review and adjust, in the exercise of its reasonable credit judgment, any such calculation to the extent that such calculation is not in accordance with this Agreement.

“Revolving Facility Liquidity Amount” means, as of any date of determination, the lesser of:

(a) the difference of the Revolving Advance Limit minus Total Outstandings, and

(b) the largest principal amount of Committed Loans that may then be borrowed hereunder without resulting in an Event of Default under Section 7.11(c) (on a pro forma basis as of the last day of the most recent fiscal quarter for which a Compliance Certificate was delivered or required to be delivered), after giving pro forma effect to such Committed Loans.

“Sarbanes-Oxley” means the Sarbanes-Oxley Act of 2002.

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

“Secured Cash Management Arrangement” means any Cash Management Arrangement that is entered into by and between any Loan Party and any Cash Management Bank, in each case, in such Cash Management Bank’s sole discretion.

“Secured Parties” means, collectively, with respect to each of the Security Instruments, the Administrative Agent, the Lenders, the Cash Management Banks, and each Affiliate of any Lender, which Affiliate is party to a Related Swap Contract.

“Securities Laws” means the Securities Act of 1933, the Securities Exchange Act of 1934, Sarbanes-Oxley and the applicable accounting and auditing principles, rules, standards and practices promulgated, approved or incorporated by the SEC or the Public Company Accounting Oversight Board, as each of the foregoing may be amended and in effect on any applicable date hereunder.

“Security Agreement” means that certain Amended and Restated Security Agreement dated as of the Closing Date among the Company, each other Loan Party, certain other Subsidiaries, the Administrative Agent and the Floorplan Administrative Agent, substantially in the form of Exhibit J attached hereto, as supplemented from time to time by the execution and

delivery of Joinder Agreements pursuant to Section 6.14, and as otherwise supplemented, amended, or modified from time to time.

“Security Instruments” means, collectively or individually as the context may indicate, the Security Agreement, the Pledge Agreement, the Escrow and Security Agreement, the Sonic Financial Pledge Agreement, any Joinder Agreement, the Master Intercreditor Agreement, any Landlord Waiver, and all other agreements (including control agreements), instruments and other documents, whether now existing or hereafter in effect, pursuant to which the Company, any other Loan Party, or any other Person shall grant or convey to the Administrative Agent, for the benefit of the Secured Parties a Lien in, or any other Person shall acknowledge any such Lien in, property as security for all or any portion of the Obligations, any other obligation under any Loan Document and any obligation or liability arising under any Related Swap Contract.

“Service Loaner Lenders” has the meaning specified in the definition of “Permitted Service Loaner Indebtedness.”

“Service Loaner Vehicles” has the meaning specified in the definition of “Permitted Service Loaner Indebtedness.”

“Silo Lenders” has the meaning specified in the definition of “Permitted Silo Indebtedness.”

“Silo Subsidiaries” means, those Subsidiaries (other than Dual Subsidiaries) from time to time obligated pursuant to Permitted Silo Indebtedness as permitted pursuant to the terms of this Agreement, which such Subsidiaries as of the Closing Date are set forth on Schedule 1.01A. The Company may designate other Subsidiaries as Silo Subsidiaries from time to time in accordance with Section 7.16.

“Solvent” means, when used with respect to any Person, that at the time of determination:

(a) the fair value of its assets (both at fair valuation and at present fair saleable value on an orderly basis) is in excess of the total amount of its liabilities, including contingent obligations; and

(b) it is then able and expects to be able to pay its debts as they mature; and

(c) it has capital sufficient to carry on its business as conducted and as proposed to be conducted.

“Sonic Financial” means Sonic Financial Corporation, a North Carolina corporation.

“Sonic Financial Pledge Agreement” means that certain Pledge Agreement dated as of the Closing Date made by Sonic Financial in favor of the Administrative Agent for the benefit of the Secured Parties, substantially in the form of Exhibit H-3 attached hereto, as supplemented, amended, or modified from time to time.

“Specified Payments” means (i) Restricted Payments permitted by Section 7.06(e), and (ii) prepayments, redemptions, purchases, defeasance or other satisfaction of Indenture

Indebtedness or Additional Indebtedness prior to the scheduled maturity thereof, as permitted by Section 7.15, in each case of clauses (i) and (ii) other than (x) repurchases of long-term Indebtedness solely with net cash proceeds of cash capital contributions made in exchange solely for Class A Common Stock of the Company (which common stock (1) does not include any warrants, options, put rights, preferred dividend or distribution rights, “maturity date” or similar cash pay components, or any other rights not typically associated with common stock and (2) is not convertible into any other security, obligation or instrument) and (y) refinancing of Indenture Indebtedness using the proceeds of Permitted Indenture Refinancing Indebtedness with respect thereto.

“Subsidiary” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Company and shall include, without limitation, the Unrestricted Subsidiaries.

“Subsidiary Guarantors” means, collectively, all Restricted Subsidiaries executing a Subsidiary Guaranty on the Closing Date and all other Subsidiaries that enter into a Joinder Agreement.

“Subsidiary Guaranty” means the Amended and Restated Subsidiary Guaranty Agreement made by the Subsidiary Guarantors in favor of the Administrative Agent and the Lenders, substantially in the form of Exhibit E as supplemented from time to time by execution and delivery of Joinder Agreements pursuant to Section 6.14 and as otherwise supplemented, amended, or modified from time to time.

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

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

“Swing Line Borrowing” means a borrowing of a Swing Line Loan pursuant to Section 2.04.

“Swing Line Lender” means Bank of America in its capacity as provider of Swing Line Loans, or any successor revolving swing line lender hereunder.

“Swing Line Loan” has the meaning specified in Section 2.04(a).

“Swing Line Loan Notice” means a notice of a Swing Line Borrowing pursuant to Section 2.04(b), which, if in writing, shall be substantially in the form of Exhibit B.

“Swing Line Sublimit” means an amount equal to the lesser of (a) \$25,000,000 and (b) the Aggregate Commitments. The Swing Line Sublimit is part of, and not in addition to, the Aggregate Commitments.

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

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

“Temporary Excess Cash” means cash proceeds received by the Company from the issuance of Additional Indebtedness permitted by Section 7.03(k) or Permitted Indenture Refinancing Indebtedness permitted by Section 7.03(h), (i) or (j), which cash (as set forth in a notice delivered by the Company to the Administrative Agent within five (5) Business Days of the Company’s receipt of such cash proceeds) is intended by the Company to be applied to the prepayment or purchase (whether by open market purchase or pursuant to a tender offer) of the Indenture Notes, but has not yet been so applied solely because the Company has not completed such prepayment, repurchase or refinancing, so long as such cash is so applied within 45 days of receipt thereof. To the extent and for so long as the cash proceeds described above are “Temporary Excess Cash”, the Indenture Notes intended to be repaid with the proceeds thereof shall be referred to herein as “Temporary Indebtedness”.

“Temporary Indebtedness” has the meaning specified for such term in the definition of “Temporary Excess Cash”.

“Temporary Letter of Credit Amount” means, at any time, the sum of the aggregate amount available to be drawn under (i) the Existing Letter of Credit issued in favor of GMAC LLC on February 17, 2006, in the amount of \$7,000,000, (ii) the Existing Letter of Credit issued in favor of DaimlerChrysler Services Americas LLC on February 17, 2006 in the amount of \$1,100,000, (iii) the Existing Letter of Credit issued in favor of DCFS USA, LLC on October 12, 2007, in the amount of \$3,400,000, (iv) the Existing Letter of Credit issued in favor of Ford Motor Credit Company on February 17, 2006, in the amount of \$2,000,000, (v) the Existing Letter of Credit issued in favor of Bank of America, N.A. on November 18, 2009, in the amount of \$20,000,000, in each case as amended.

“Threshold Amount” means \$10,000,000.

“Total Outstandings” means the aggregate Outstanding Amount of all Loans and all L/C Obligations.

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

“UCC” means the Uniform Commercial Code then in effect in the state of North Carolina or, if the context so indicates, another applicable jurisdiction.

“United States” and “U.S.” mean the United States of America.

“Unreimbursed Amount” has the meaning specified in Section 2.03(c)(i).

“Unrestricted Subsidiaries” means all Subsidiaries of the Company other than the Restricted Subsidiaries; provided that in no event shall the Unrestricted Subsidiaries as a whole have more than \$100,000 in total assets or more than \$100,000 in total revenues for a period of four consecutive fiscal quarters (in each case) calculated as of the most recent four fiscal quarter period for which the Administrative Agent has received the Required Financial Information; and if either such threshold is exceeded, the Company shall immediately designate one or more such Subsidiaries to be “Restricted Subsidiaries” and deliver to the Administrative Agent all documents specified in Section 6.14 for such Subsidiaries, so that after giving effect to such designation, the remaining Unrestricted Subsidiaries shall satisfy such requirements.

“Used Vehicle” means a Vehicle other than a New Vehicle.

“Used Vehicle Floorplan Facility” means the used vehicle floorplan facility described in Sections 2.06 through 2.08 of the Floorplan Credit Agreement providing for revolving loans to the Company by the lenders party thereto.

“Used Vehicle Floorplan Lender” has the meaning specified for such term in the Floorplan Credit Agreement.

“Used Vehicle Floorplan Loan” has the meaning specified for such term in the Floorplan Credit Agreement.

“Vehicle” means an automobile or truck with a gross vehicle weight of less than 16,000 pounds which satisfies the following requirements: (a) the vehicle is owned by a Grantor free of any title defects or any liens or interests of others except (i) the security interest in favor of the Administrative Agent for the benefit of the Secured Parties, (ii) the security interest in favor of the Administrative Agent for the benefit of the Floorplan Secured Parties, (iii) the security interests subject to the Master Intercreditor Agreement and (iv) other Liens to which the Administrative Agent consents in writing in its sole discretion; (b) except as set forth in Section 6.13, the vehicle is located at one of the locations identified in Schedule 6.13; and (c) the vehicle is held for sale in the ordinary course of a Grantor’s business and is of good and merchantable quality.

“Wells Fargo” means Wells Fargo Bank, National Association and its successors.

“Wells Fargo Letter” means any agreement among the Company and Wells Fargo regarding the payment of fronting fees with respect to Letters of Credit issued by Wells Fargo.

“2002 Indenture” means the Subordinated Indenture dated as of May 7, 2002 between the Company, the guarantors set forth therein and U.S. Bank National Association, as Trustee, as supplemented by the First Supplemental Indenture dated as of May 7, 2002 among the Company, the guarantors set forth therein and U.S. Bank National Association, as Trustee and the Second Supplemental Indenture dated as of November 23, 2005 among the Company, the guarantors set forth therein and U.S. Bank National Association, as Trustee.

“2002-4.25% Indenture Indebtedness” means, collectively or individually, as the context may require, Indebtedness of the Company or any of its Subsidiaries outstanding under the 2002 Indenture (as supplemented only by the Second Supplemental Indenture dated as of November 23, 2005 among the Company, the guarantors set forth therein and U.S. Bank National Association, as Trustee) and any 2002-4.25% Indenture Notes.

“2002-4.25% Indenture Notes” means the 4.25% Convertible Senior Subordinated Notes due November 30, 2015 in an aggregate outstanding principal amount of no more than \$17,500,000, issued under the 2002 Indenture (as supplemented only by the Second Supplemental Indenture dated as of November 23, 2005 among the Company, the guarantors set forth therein and U.S. Bank National Association, as Trustee, and without giving effect to any subsequent amendment, modification or supplement).

“2003-8.625% Indenture” means the Indenture dated as of August 12, 2003 between the Company, the guarantors set forth therein and U.S. Bank National Association, as Trustee.

“2003-8.625% Indenture Indebtedness” means, collectively or individually, as the context may require, Indebtedness of the Company or any of its Subsidiaries incurred or outstanding under the 2003-8.625% Indenture and any 2003-8.625% Indenture Notes.

“2003-8.625% Indenture Notes” means (i) the 8.625% Senior Notes due 2013 issued by the Company in (i) an initial aggregate principal amount of \$200,000,000 and (ii) an additional principal amount of \$75,000,000, in each case issued under the 2003-8.625% Indenture.

“2009-5.0% Indenture” means the Indenture dated as of September 23, 2009 between the Company, the guarantors set forth therein and U.S. Bank National Association, as Trustee.

“2009-5.0% Indenture Indebtedness” means, collectively or individually, as the context may require, Indebtedness of the Company or any of its Subsidiaries incurred or outstanding under the 2009-5.0% Indenture and the 2009-5.0% Indenture Notes.

“2009-5.0% Indenture Notes” means (i) the 5.0% Convertible Senior Notes due 2029 issued by the Company pursuant to the First Supplemental Indenture to the 2009-5.0% Indenture in an aggregate principal amount not to exceed \$172,500,000.

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

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

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

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

1.04 Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein; provided that, all calculations of financial covenants shall reflect the results of both continuing operations and discontinued operations of the Company and its Subsidiaries, and in the event of any such discontinued operations, the Company shall provide subtotals for each of “continuing operations”, “discontinued operations” and “consolidated operations”. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Company and its Subsidiaries shall (x) be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded and (y) include any indebtedness that would otherwise be deemed to be equity solely because of the effect of FASB 14-1. In connection with the Company’s delivery of financial statements hereunder, the Company shall deliver a reconciliation of the calculations of the financial covenants before and after giving effect to the adjustments from FASB 14-1, FASB ASC 825 and FASB ASC 470-20 described in this Agreement.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Company or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Company shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Company shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

(c) Consolidation of Variable Interest Entities. All references herein to consolidated financial statements of the Company and its Subsidiaries or to the determination of any amount for the Company and its Subsidiaries on a consolidated basis or any similar reference shall, in each case, be deemed to include each variable interest entity that the Company is required to consolidate pursuant to FASB ASC 810 as if such variable interest entity were a Subsidiary as defined herein.

(d) Calculation of Consolidated EBITDA. Consolidated EBITDA shall be calculated for any period by including the actual amount for such period, including the Consolidated EBITDA attributable to Acquisitions permitted hereunder and occurring during such period and (to the extent otherwise included in Consolidated Net Income) excluding the Consolidated EBITDA attributable to Permitted Dispositions of assets occurring during such period on a pro forma basis for the period from the first day of the applicable period through the date of the

closing of each such permitted Acquisition or Permitted Disposition, utilizing (a) where available or required pursuant to the terms of this Agreement, historical audited and/or reviewed unaudited financial statements obtained from the seller, broken down by fiscal quarter in the Company's reasonable judgment or (b) unaudited financial statements (where no audited or reviewed financial statements are required pursuant to the terms of this Agreement) reviewed internally by the Company, broken down in the Company's reasonable judgment; provided, however, that any such pro forma adjustment of Consolidated EBITDA shall not result in an increase of more than 10% of Consolidated EBITDA prior to such adjustment, unless the Company provides to the Administrative Agent (y) the supporting calculations for such adjustment and (z) such other information as the Administrative Agent may reasonably request to determine the accuracy of such calculations.

(e) Calculation of Consolidated EBITDAR and Consolidated Fixed Charges. Consolidated EBITDAR shall be calculated for any period by including the actual amount for such period, including the Consolidated EBITDAR attributable to Acquisitions permitted hereunder and occurring during such period and (to the extent otherwise included in Consolidated Net Income) excluding the Consolidated EBITDAR attributable to Permitted Dispositions of assets occurring during such period on a pro forma basis for the period from the first day of the applicable period through the date of the closing of each such permitted Acquisition or Permitted Disposition, utilizing (i) where available or required pursuant to the terms of this Agreement, historical audited and/or reviewed unaudited financial statements obtained from the seller, broken down by fiscal quarter in the Company's reasonable judgment or (ii) unaudited financial statements (where no audited or reviewed financial statements are required pursuant to the terms of this Agreement) reviewed internally by the Company, broken down in the Company's reasonable judgment; provided, however, that (x) any such pro forma adjustment of Consolidated EBITDAR shall reflect the Company's and the Subsidiaries' pro forma rental payments related to the assets acquired in any applicable Acquisition (and shall not reflect any rental expense payments of the applicable seller), (y) any such pro forma adjustment of Consolidated EBITDAR shall not result in an increase of more than 10% of Consolidated EBITDAR prior to such adjustment, unless the Company provides to the Administrative Agent (A) the supporting calculations for such adjustment and (B) such other information as the Administrative Agent may reasonably request to determine the accuracy of such calculations, and (z) for purposes of determining "Consolidated Fixed Charges" for any period, the Consolidated Interest Expense, Consolidated Principal Payments and Consolidated Rental Expenses attributable to such Permitted Dispositions during such period may, at the option of the Company, be excluded therefrom.

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

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

1.07 Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

ARTICLE II. THE COMMITMENTS AND CREDIT EXTENSIONS

2.01 Committed Loans. Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans (each such loan, a “Committed Loan”) to the Company from time to time, on any Business Day during the Availability Period, in an aggregate amount not to exceed at any time outstanding the amount of such Lender’s Commitment; provided, however, that after giving effect to any Committed Borrowing, (i) the Total Outstandings shall not exceed the Aggregate Commitments, (ii) the Total Outstandings shall not exceed the Revolving Advance Limit, and (iii) the aggregate Outstanding Amount of the Committed Loans of any Lender, plus such Lender’s Applicable Percentage of the Outstanding Amount of all L/C Obligations, plus such Lender’s Applicable Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender’s Commitment. Within the limits of each Lender’s Commitment, and subject to the other terms and conditions hereof, the Company may borrow under this Section 2.01, prepay under Section 2.05, and reborrow under this Section 2.01. Committed Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

2.02 Borrowings, Conversions and Continuations of Committed Loans.

(a) Each Committed Borrowing and each conversion of Committed Loans from one Type to the other, shall be made upon the Company’s irrevocable notice to the Administrative Agent, which may be given by telephone. Each such notice must be received by the Administrative Agent not later than 11:00 a.m. (i) one Business Day prior to the requested date of any Borrowing of Eurodollar Rate Loans or of any conversion of Eurodollar Rate Loans to Base Rate Committed Loans or of any conversion of Base Rate Committed Loans to Eurodollar Rate Loans, and (ii) one Business Day prior to the requested date of any Borrowing of Base Rate Committed Loans. Each telephonic notice by the Company pursuant to this Section 2.02(a) must be confirmed promptly by delivery to the Administrative Agent of a written Committed Loan Notice, appropriately completed and signed by a Responsible Officer of the Company. Each Borrowing of, conversion to or continuation of Eurodollar Rate Loans shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof. Except as provided in Sections 2.03(c) and 2.04(c), each Borrowing of or conversion to Base Rate Committed Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$100,000 in excess thereof. Each Committed Loan Notice (whether telephonic or written) shall specify (i) whether the Company is requesting a Committed Borrowing, a conversion of Committed Loans from one Type to the other, (ii) the requested date of the Borrowing or conversion, as the case may be (which shall be a Business Day), (iii) the principal amount of Committed Loans to be borrowed or converted, and (iv) the Type of Committed Loans to be borrowed or to which existing

Committed Loans are to be converted. If the Company fails to provide a timely Committed Loan Notice requesting a conversion of Eurodollar Rate Loans to Base Rate Loans, such Loans shall, subject to Article III, continue as Eurodollar Rate Loans. If the Company fails to specify a Type of Committed Loan in a Committed Loan Notice, then the applicable Committed Loans shall, subject to Article III, be made as, or converted to, Eurodollar Rate Loans.

(b) Following receipt of a Committed Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Applicable Percentage of the applicable Committed Loans. Each Lender shall make the amount of its Committed Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 2:00 p.m. on the Business Day specified in the applicable Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is an initial Credit Extension, Section 4.01), the Administrative Agent shall make all funds so received available to the Company in like funds as received by the Administrative Agent by crediting the account of the Company on the books of Bank of America with the amount of such funds; provided, however, that if, on the date the Committed Loan Notice with respect to such Borrowing is given by the Company, there are L/C Borrowings outstanding, then the proceeds of such Borrowing, first, shall be applied to the payment in full of any such L/C Borrowings, and second, shall be made available to the Company as provided above.

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

2.03 Letters of Credit.

(a) The Letter of Credit Commitment

(i) Subject to the terms and conditions set forth herein, (A) each L/C Issuer agrees, in reliance upon the agreements of the Lenders set forth in this Section 2.03, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit for the account of the Company or its Subsidiaries, and to amend or extend Letters of Credit previously issued by it, in accordance with subsection (b) below, and (2) to honor drawings under the Letters of Credit; and (B) the Lenders severally agree to participate in Letters of Credit issued for the account of the Company or its Subsidiaries and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (w) the Total Outstandings shall not exceed the Aggregate Commitments, (x) the Total Outstandings shall not exceed the Revolving Advance Limit, (y) the aggregate Outstanding Amount of the Committed Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations, plus such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Commitment, and (z) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit Sublimit. Each request by the Company for the issuance or amendment of a Letter of Credit shall be deemed to be a

representation by the Company that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Company's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Company may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. All Existing Letters of Credit shall be deemed to have been issued pursuant hereto, and from and after the Closing Date shall be subject to and governed by the terms and conditions hereof.

(ii) No L/C Issuer shall issue any Letter of Credit, if:

(A) subject to Section 2.03(b)(iii), the expiry date of such requested Letter of Credit would occur more than twelve months after the date of issuance or last extension, unless the Required Lenders have approved such expiry date; or

(B) the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless all the Lenders have approved such expiry date.

(iii) No L/C Issuer shall be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such L/C Issuer from issuing such Letter of Credit, or any Law applicable to such L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such L/C Issuer shall prohibit, or request that the L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon such L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which such L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon such L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which such L/C Issuer in good faith deems material to it;

(B) the issuance of such Letter of Credit would violate one or more policies of such L/C Issuer;

(C) such Letter of Credit is to be denominated in a currency other than Dollars;

(D) such Letter of Credit contains any provisions for automatic reinstatement of the stated amount after any drawing thereunder; or

(E) any Lender is at such time a Defaulting Lender, unless (x) such L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to such L/C Issuer (in its sole discretion) with the Company or such Lender to eliminate such L/C Issuer's actual or potential

Fronting Exposure with respect to such Defaulting Lender as to either the Letter of Credit then proposed to be issued or (y) each L/C Issuer having actual or potential Fronting Exposure with respect to issued Letters of Credit has entered into arrangements satisfactory to each such L/C Issuer as to Letters of Credit issued by it (in its sole discretion) with the Company or such Defaulting Lender to eliminate such actual or potential risk.

(iv) No L/C Issuer shall amend any Letter of Credit if such L/C Issuer would not be permitted at such time to issue such Letter of Credit in its amended form under the terms hereof.

(v) No L/C Issuer shall be under any obligation to amend any Letter of Credit if (A) such L/C Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(vi) Each L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and each L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article IX with respect to any acts taken or omissions suffered by such L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article IX included each L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to each L/C Issuer.

(b) Procedures for Issuance and Amendment of Letters of Credit: Auto-Extension Letters of Credit

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Company delivered to the applicable L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Company. Such Letter of Credit Application must be received by such L/C Issuer and the Administrative Agent not later than 11:00 a.m. at least ten Business Days (or such later date and time as the Administrative Agent and such L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to such L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; and (G) such other matters as such L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to such L/C Issuer (A) the Letter of Credit to be amended; (B) the proposed date of amendment

thereof (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as such L/C Issuer may require. Additionally, the Company shall furnish to such L/C Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as such L/C Issuer or the Administrative Agent may require.

(ii) Promptly after receipt of any Letter of Credit Application, the applicable L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application, in its final form, from the Company and, if not, such L/C Issuer will provide the Administrative Agent with a copy thereof. Unless the applicable L/C Issuer has received written notice from any Lender, the Administrative Agent or any Loan Party, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article IV shall not then be satisfied, then, subject to the terms and conditions hereof, such L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the Company (or the applicable Subsidiary) or enter into the applicable amendment, as the case may be, in each case in accordance with such L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the applicable L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Letter of Credit.

(iii) If the Company so requests in any applicable Letter of Credit Application, the applicable L/C Issuer may, in its sole and absolute discretion, agree to issue a Letter of Credit that has automatic extension provisions (each, an "Auto-Extension Letter of Credit"); provided that any such Auto-Extension Letter of Credit must permit such L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-Extension Notice Date") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the applicable L/C Issuer, the Company shall not be required to make a specific request to such L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the applicable L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; provided, however, that such L/C Issuer shall not permit any such extension if (A) such L/C Issuer has determined that it would not be permitted, or would have no obligation, at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (ii) or (iii) of Section 2.03(a) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is ten Business Days before the Non-Extension Notice Date (1) from the Administrative Agent that the Required Lenders have elected not to permit such extension or (2) from the Administrative Agent, any Lender or the Company that one or more of the applicable conditions specified in Section 4.02 is not then satisfied, and in each such case directing such L/C Issuer not to permit such extension.

(iv) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the applicable L/C Issuer will also deliver to the Company and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(c) Drawings and Reimbursements; Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the applicable L/C Issuer shall notify the Company and the Administrative Agent thereof. Not later than 11:00 a.m. on the date of any payment by the applicable L/C Issuer under a Letter of Credit (each such date, an “Honor Date”), the Company shall reimburse such L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing. If the Company fails to so reimburse such L/C Issuer by such time, the Administrative Agent shall promptly notify each Lender of the Honor Date, the amount of the unreimbursed drawing (the “Unreimbursed Amount”), and the amount of such Lender’s Applicable Percentage thereof. In such event, the Company shall be deemed to have requested a Committed Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans, but subject to the amount of the unutilized portion of the Aggregate Commitments and the conditions set forth in Section 4.02 (other than the delivery of a Committed Loan Notice). Any notice given by the applicable L/C Issuer or the Administrative Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Lender shall upon any notice pursuant to Section 2.03(c)(i) make funds available (including the application of available Cash Collateral and other credit support provided for this purpose pursuant to Section 2.03(a)(iii)(E)) to the Administrative Agent for the account of the applicable L/C Issuer at the Administrative Agent’s Office in an amount equal to its Applicable Percentage of the Unreimbursed Amount not later than 2:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.03(c)(iii), each Lender that so makes funds available shall be deemed to have made a Base Rate Committed Loan to the Company in such amount. The Administrative Agent shall remit the funds so received to the applicable L/C Issuer.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Committed Borrowing of Base Rate Loans because the conditions set forth in Section 4.02 cannot be satisfied or for any other reason, the Company shall be deemed to have incurred from the applicable L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Lender’s payment to the Administrative Agent for the account of the applicable L/C Issuer pursuant to Section 2.03(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

(iv) Until each Lender funds its Committed Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse the applicable L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Percentage of such amount shall be solely for the account of the applicable L/C Issuer.

(v) Each Lender's obligation to make Committed Loans or L/C Advances to reimburse the applicable L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the applicable L/C Issuer, the Company or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Committed Loans pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 4.02 (other than delivery by the Company of a Committed Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Company to reimburse the applicable L/C Issuer for the amount of any payment made by such L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Lender fails to make available to the Administrative Agent for the account of the applicable L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(i), then, without limiting other provisions of this Agreement, such L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to such L/C Issuer at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by such L/C Issuer in accordance with banking industry rules on interbank compensation. A certificate of the applicable L/C Issuer submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (vi) shall be conclusive absent manifest error.

(d) Repayment of Participations.

(i) At any time after the applicable L/C Issuer has made a payment under any Letter of Credit and has received from any Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.03(c), if the Administrative Agent receives for the account of such L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Company or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Applicable Percentage thereof (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's L/C Advance was outstanding) in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of the applicable L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under

any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by such L/C Issuer in its discretion), each Lender shall pay to the Administrative Agent for the account of such L/C Issuer its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) **Obligations Absolute.** The obligation of the Company to reimburse the applicable L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

- (i) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other Loan Document;
- (ii) the existence of any claim, counterclaim, setoff, defense or other right that the Company or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the applicable L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;
- (iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;
- (iv) any payment by the applicable L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by such L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or
- (v) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Company or any Subsidiary.

The Company shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Company's instructions or other irregularity, the Company will immediately notify the applicable L/C Issuer. The Company shall be conclusively deemed to have waived any such

claim against the applicable L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) Role of L/C Issuer. Each Lender and the Company agree that, in paying any drawing under a Letter of Credit, the applicable L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the applicable L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of such L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Company hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Company's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the applicable L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of such L/C Issuer shall be liable or responsible for any of the matters described in clauses (i) through (v) of Section 2.03(e); provided, however, that anything in such clauses to the contrary notwithstanding, the Company may have a claim against such L/C Issuer, and such L/C Issuer may be liable to the Company, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Company which the Company proves were caused by such L/C Issuer's willful misconduct or gross negligence or such L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the applicable L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and such L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

(g) Applicability of ISP. Unless otherwise expressly agreed by the applicable L/C Issuer and the Company when a Letter of Credit is issued (including any such agreement applicable to an Existing Letter of Credit), the rules of the ISP shall apply to each standby Letter of Credit

(h) Letter of Credit Fees. The Company shall pay to the Administrative Agent for the account of each Lender in accordance with its Applicable Percentage a Letter of Credit fee (the "Letter of Credit Fee") for each Letter of Credit equal to the Applicable Rate times the daily amount available to be drawn under such Letter of Credit; provided, however, any Letter of Credit Fees otherwise payable for the account of a Defaulting Lender with respect to any Letter of Credit as to which such Defaulting Lender has not provided Cash Collateral or other credit support arrangements satisfactory to the applicable L/C Issuer pursuant to this Section 2.03 shall

be payable, to the maximum extent permitted by applicable law, to the other Lenders in accordance with the upward adjustments in their respective Applicable Percentages allocable to such Letter of Credit pursuant to Section 2.16(a)(iv), with the balance of such fee, if any, payable to such L/C Issuer for its own account. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. Letter of Credit Fees shall be (i) computed on a quarterly basis in arrears, (ii) due and payable on the Automatic Debit Date after the end of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand and (iii) automatically debited from a deposit account maintained by the Company with Bank of America (provided that if there are not sufficient funds in such account to pay such Letter of Credit Fees, then the Company shall pay such fees in cash when due). If there is any change in the Applicable Rate during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. Notwithstanding anything to the contrary contained herein, upon the request of the Required Lenders, while any Event of Default exists, all Letter of Credit Fees shall accrue at the Default Rate.

(i) Fronting Fee and Documentary and Processing Charges Payable to L/C Issuer. The Company shall pay directly to the applicable L/C Issuer for its own account a fronting fee with respect to each Letter of Credit, at the rate per annum specified (in the case of Bank of America) in the Bank of America Letter and (in the case of Wells Fargo) in the Wells Fargo Letter, in each case computed on the daily amount available to be drawn under such Letter of Credit and on a quarterly basis in arrears. Such fronting fee shall be (i) due and payable on the Automatic Debit Date after the end of each March, June, September and December in respect of the most recently-ended quarterly period (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand, (ii) in the case of fronting fees owing to Bank of America, may be automatically debited from a deposit account maintained by the Company with Bank of America (provided that if there are not sufficient funds in such account to pay such fronting fees, then the Company shall pay such fees in cash when due), (iii) in the case of fronting fees owing to Wells Fargo, shall be separately invoiced by Wells Fargo. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.07. In addition, the Company shall pay directly to each L/C Issuer for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of such L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(j) Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

(k) Letters of Credit Issued for Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Company shall be obligated to reimburse the applicable L/C Issuer hereunder for any and all drawings under such Letter of Credit. The Company hereby acknowledges that the

issuance of Letters of Credit for the account of Subsidiaries inures to the benefit of the Company, and that the Company's business derives substantial benefits from the businesses of such Subsidiaries.

(l) Letters of Credit Reports. For so long as any Letter of Credit issued by an L/C Issuer is outstanding, such L/C Issuer shall deliver to the Administrative Agent a report in the form of Exhibit M hereto (appropriately completed with the information for every outstanding Letter of Credit issued by such L/C Issuer) on the last Business Day of each calendar month, on each date that an L/C Credit Extension occurs with respect to any such Letter of Credit, and on each date there is a change to the information set forth on such report. The Administrative Agent shall deliver to the Lenders on a monthly basis a report of all outstanding Letters of Credit.

2.04 Swing Line Loans.

(a) The Swing Line. Subject to the terms and conditions set forth herein and in any Autoborrow Agreement, if any, the Swing Line Lender may, in its sole discretion and in reliance upon the agreements of the other Lenders set forth in this Section 2.04, make loans (each such loan, a "Swing Line Loan") to the Company from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit, notwithstanding the fact that such Swing Line Loans, when aggregated with the Applicable Percentage of the Outstanding Amount of Committed Loans and L/C Obligations of the Lender acting as Swing Line Lender, may exceed the amount of such Lender's Commitment; provided, however, that after giving effect to any Swing Line Loan, (i) the Total Outstandings shall not exceed the Aggregate Commitments, (ii) the Total Outstandings shall not exceed the Revolving Advance Limit and (iii) the aggregate Outstanding Amount of the Committed Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations, plus such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Commitment, and provided, further, that the Company shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan. Within the foregoing limits, and subject to the other terms and conditions hereof, the Company, may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swing Line Loan may be a Base Rate Loan or a Eurodollar Rate Loan. Immediately upon the making of a Swing Line Loan, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Swing Line Loan.

(b) Borrowing Procedures. At any time an Autoborrow Agreement is not in effect, each Swing Line Borrowing and each conversion of Swing Line Loans from one type to the other shall be made upon the Company's irrevocable notice to the Swing Line Lender and the Administrative Agent, which may be given by telephone. Each such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the requested borrowing date or date of conversion of Eurodollar Rate Loans to Base Rate Loans or of any conversion of Base Rate Loans to Eurodollar Rate Loans, and in each case shall specify (i) the amount to be borrowed, (ii) the requested borrowing date, which shall be a Business Day and (iii) the Type of Swing Line Loan to be borrowed or to which existing Swing Line Loans are to be converted. Each such telephonic notice must be confirmed promptly by delivery to the Swing

Line Lender and the Administrative Agent of a written Swing Line Loan Notice, appropriately completed and signed by a Responsible Officer of the Company. Promptly after receipt by the Swing Line Lender of any telephonic Swing Line Loan Notice, the Swing Line Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swing Line Loan Notice and, if not, the Swing Line Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless the Swing Line Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Lender) prior to 2:00 p.m. on the date of the proposed Swing Line Borrowing (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the proviso to the first sentence of Section 2.04(a), or (B) that one or more of the applicable conditions specified in Article IV is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 3:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the Company at its office by crediting the account of the Company on the books of the Swing Line Lender in immediately available funds. If the Company fails to provide a timely Swing Line Loan Notice requesting a conversion of Eurodollar Rate Loans to Base Rate Loans, such Loans shall, subject to Article III, continue as Eurodollar Rate Loans. If the Company fails to specify a Type of Swing Line Loan in a Swing Line Loan Notice, then the applicable Swing Line Loan shall, subject to Article III, be made as a Eurodollar Rate Loan.

In order to facilitate the borrowing of Swing Line Loans, the Swing Line Lender may, in its sole discretion, agree with the Company to, (and the Swing Line Lender and the Company are hereby authorized to) enter into an Autoborrow Agreement in form and substance satisfactory to the Administrative Agent and the Swing Line Lender (the "Autoborrow Agreement") providing for the automatic advance by the Swing Line Lender of Swing Line Loans under the conditions set forth in such agreement, which shall be in addition to the conditions set forth herein (each such advance, an "Autoborrow Advance"); provided that, (i) in no event shall the Company be entitled to Autoborrow Advances pursuant to an Autoborrow Agreement at any time an autoborrow arrangement is in effect under the Used Vehicle Floorplan Facility (any such arrangement, a "Used Vehicle Autoborrow Arrangement") and (ii) subject to the Administrative Agent's consent, the Company may, upon 30 days advance notice to the Administrative Agent and the Swing Line Lender, alternate between the autoborrow arrangement described herein and a Used Vehicle Autoborrow Arrangement no more frequently than once in any calendar year. At any time such an Autoborrow Agreement is in effect, the requirements for Swing Line Borrowings set forth in the immediately preceding paragraph shall not apply, and all Swing Line Borrowings shall be made in accordance with the Autoborrow Agreement, until the right to such Swing Line Borrowings is suspended or terminated hereunder or in accordance with the terms of the Autoborrow Agreement. For purposes of determining the Outstanding Amount at any time during which an Autoborrow Agreement is in effect, the Outstanding Amount of all Swing Line Loans shall be deemed to be the amount of the Swing Line Sublimit. For purposes of any Swing Line Borrowing pursuant to the Autoborrow Agreement, all references to Bank of America shall be deemed to be a reference to Bank of America, in its capacity as Swing Line Lender hereunder.

(c) Refinancing of Swing Line Loans.

(i) The Swing Line Lender at any time in its sole discretion may request, on behalf of the Company (which hereby irrevocably authorizes the Swing Line Lender to so

request on its behalf), that each Lender make a Eurodollar Rate Committed Loan in an amount equal to such Lender's Applicable Percentage of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Committed Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Eurodollar Rate Loans, but subject to the unutilized portion of the Aggregate Commitments and the conditions set forth in Section 4.02. The Swing Line Lender shall furnish the Company with a copy of the applicable Committed Loan Notice promptly after delivering such notice to the Administrative Agent. Each Lender shall make an amount equal to its Applicable Percentage of the amount specified in such Committed Loan Notice available (including for this purpose Cash Collateral and other credit support made available with respect to the applicable Swing Line Loan) to the Administrative Agent in immediately available funds for the account of the Swing Line Lender at the Administrative Agent's Office not later than 1:00 p.m. on the day specified in such Committed Loan Notice, whereupon, subject to Section 2.04(c)(ii), each Lender that so makes funds available shall be deemed to have made a Eurodollar Rate Committed Loan to the Company in such amount. The Administrative Agent shall remit the funds so received to the Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Committed Borrowing in accordance with Section 2.04(c)(i), the request for Eurodollar Rate Committed Loans submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Lenders fund its risk participation in the relevant Swing Line Loan and each Lender's payment to the Administrative Agent for the account of the Swing Line Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Lender fails to make available to the Administrative Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Swing Line Lender in accordance with banking industry rules on interbank compensation. A certificate of the Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Lender's obligation to make Committed Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Swing Line Lender, the Company or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however,

that each Lender's obligation to make Committed Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 4.02. No such funding of risk participations shall relieve or otherwise impair the obligation of the Company to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Lender its Applicable Percentage of such payment (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's risk participation was funded) in the same funds as those received by the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Lender shall pay to the Swing Line Lender its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the Company for interest on the Swing Line Loans. Until each Lender funds its Eurodollar Rate Committed Loan or risk participation pursuant to this Section 2.04 to refinance such Lender's Applicable Percentage of any Swing Line Loan, interest in respect of such Applicable Percentage shall be solely for the account of the Swing Line Lender.

(f) Payments Directly to Swing Line Lender. The Company shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

2.05 Prepayments.

(a) The Company may, upon notice to the Administrative Agent, at any time or from time to time voluntarily prepay Committed Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Administrative Agent not later than 11:00 a.m. on the date of prepayment of such Loans; (ii) any prepayment of Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid. The Administrative Agent will promptly notify each applicable Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by the Company, the Company shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Subject

to Section 2.16, each such prepayment of Committed Loans of the Lenders shall be applied in accordance with their respective Applicable Percentages.

(b) At any time during which an Autoborrow Agreement is not in effect, the Company may, upon notice to the Swing Line Lender (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the date of the prepayment, and (ii) any such prepayment shall be in a minimum principal amount of \$100,000. Each such notice shall specify the date and amount of such prepayment. If such notice is given by the Company, the Company shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(c) If for any reason the Total Outstandings at any time exceed the Revolving Advance Limit then in effect (including the Revolving Borrowing Base in effect after giving pro forma effect to any Disposition required to be reported pursuant to Sections 6.02(c) and 6.03(g)), the Company shall immediately prepay Loans and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess; provided, however, that the Company shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(c) unless after the prepayment in full of the Loans the Total Outstandings exceed the Revolving Advance Limit then in effect.

(d) If for any reason the aggregate Outstanding Amount of Swing Line Loans exceeds the Swing Line Sublimit, the Company shall immediately prepay Swing Line Loans in an aggregate amount at least equal to such excess.

2.06 Termination or Reduction of Commitments. The Company may, upon notice to the Administrative Agent, terminate the Aggregate Commitments, or from time to time permanently reduce the Aggregate Commitments; provided that (i) any such notice shall be received by the Administrative Agent not later than 11:00 a.m. five (5) Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of \$10,000,000 or any whole multiple of \$1,000,000 in excess thereof, (iii) the Company shall not terminate or reduce the Aggregate Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Outstandings would exceed the Revolving Advance Limit and (iv) if, after giving effect to any reduction of the Aggregate Commitments, the Letter of Credit Sublimit or the Swing Line Sublimit exceeds the amount of the Aggregate Commitments, such Sublimit shall be automatically reduced by the amount of such excess. The Administrative Agent will promptly notify the applicable Lenders of any such notice of termination or reduction of the Aggregate Commitments. Any reduction of the Aggregate Commitments shall be applied to the Commitment of each Lender in accordance with (x) its respective Applicable Percentage. All fees and interest accrued until the effective date of any termination of the Aggregate Commitments shall be paid on the effective date of such termination.

2.07 Repayment of Loans.

(a) The Company shall repay to the Lenders on the Maturity Date the aggregate principal amount of Committed Loans outstanding on such date.

(b) The Company shall repay each Swing Line Loan (i) at any time on demand by the Swing Line Lender and (ii) on the Maturity Date.

2.08 Interest.

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

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

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

(iii) Upon the request of the Required Lenders, while any Event of Default exists, the Company shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

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

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

2.09 Fees. In addition to certain fees described in subsections (i) and (j) of Section 2.03:

(a) Commitment Fees. The Company shall pay to the Administrative Agent for the account of each Lender in accordance with its Applicable Percentage, a commitment fee equal to

the Applicable Rate times the actual daily amount by which the Aggregate Commitments exceed the sum of (i) the Outstanding Amount of Committed Loans and (ii) the Outstanding Amount of L/C Obligations, subject to adjustment as provided in Section 2.16. The commitment fees shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the Automatic Debit Date after the end of each March, June, September and December, commencing with the first such date to occur after the Closing Date, and on the Maturity Date. The commitment fees shall be calculated quarterly in arrears, and if there is any change in the respective Applicable Rate during any quarter, the actual daily amount shall be computed and multiplied by such Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. Swing Line Loans shall not be included in calculating the Outstanding Amount of Committed Loans used in determining the commitment fees set forth above.

(b) Other Fees. (i) The Company shall pay to the Arranger and the Administrative Agent for their own respective accounts fees in the amounts and at the times specified in the Bank of America Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

(ii) The Company shall pay to the Lenders such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.10 Computation of Interest and Fees; Retroactive Adjustments of Applicable Rate

(a) All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to the Eurodollar Rate) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(b) If, as a result of any restatement of or other adjustment to the financial statements of the Company or for any other reason, the Company or the Lenders determine that (i)(A) the Consolidated Total Debt to EBITDA Ratio as calculated by the Company as of any applicable date was inaccurate and (B) a proper calculation of the Consolidated Total Debt to EBITDA Ratio would have resulted in higher pricing for such period, the Company shall immediately and retroactively be obligated to pay to the Administrative Agent for the account of the applicable Lenders or the applicable L/C Issuer, as the case may be, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Company under the Bankruptcy Code of the United States, automatically and without further action by the Administrative Agent, any Lender or any L/C Issuer), an amount

equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period; and (ii)(A) the Consolidated Total Debt to EBITDA Ratio as calculated by the Company as of any applicable date was inaccurate and (B) a proper calculation of the Consolidated Total Debt to EBITDA Ratio would have resulted in lower pricing for such period, the Applicable Rate shall be adjusted as of the date of receipt by the Administrative Agent of a Compliance Certificate reflecting such proper calculation. This paragraph shall not limit the rights of the Administrative Agent, any Lender or any L/C Issuer, as the case may be, under Section 2.03(c)(iii) or 2.03(i) or under Article VIII. The Company's obligations under this paragraph shall survive the termination of the Aggregate Commitments and the repayment of all other Obligations hereunder.

2.11 Evidence of Debt.

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the Company and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Company hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Company shall execute and deliver to such Lender (through the Administrative Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in subsection (a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.12 Payments Generally; Administrative Agent's Clawback.

(a) General. All payments to be made by the Company shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Company hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage, (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All

payments received by the Administrative Agent after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Company shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Administrative Agent Unless the Administrative Agent shall have received notice from a Lender prior to 12:00 noon on the date of any Committed Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Committed Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 and may (but shall be under no obligation to), in reliance upon such assumption, make available to the Company a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Committed Borrowing available to the Administrative Agent, then the applicable Lender and the Company jointly and severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Company but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (B) in the case of a payment to be made by the Company, the interest rate applicable to Base Rate Loans. If the Company and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Company the amount of such interest paid by the Company for such period. If such Lender pays its share of the applicable Committed Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Committed Borrowing. Any payment by the Company shall be without prejudice to any claim the Company may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Payments by Company; Presumptions by Administrative Agent Unless the Administrative Agent shall have received notice from the Company prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or any L/C Issuer hereunder that the Company will not make such payment, the Administrative Agent may assume that the Company has made such payment on such date in accordance herewith and may (but shall be under no obligation to), in reliance upon such assumption, distribute to the Lenders or such L/C Issuer, as the case may be, the amount due. In such event, if the Company has not in fact made such payment, then each of the Lenders or the applicable L/C Issuer, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or such L/C Issuer, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or the Company with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender to the Company as provided in the foregoing provisions of this Article II, and such funds are not made available to the Company by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article IV are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Committed Loans, to fund participations in Letters of Credit and Swing Line Loans and to make payments pursuant to Section 10.04(c) are several and not joint. The failure of any Lender to make any Committed Loan, to fund any such participation or to make any payment under Section 10.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Committed Loan, to purchase its participation or to make its payment under Section 10.04(c).

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

2.13 Sharing of Payments by Lenders. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal or interest on any of the Committed Loans made by it, or the participations in L/C Obligations or Swing Line Loans held by it resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Committed Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase from the other applicable Lenders (for cash at face value) participations in the applicable Committed Loans and subparticipations in L/C Obligations or Swing Line Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Committed Loans and other amounts owing them, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by or on behalf of the Company pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (y) the application of Cash Collateral in respect of

obligations relating to Letters of Credit or Swing Line Loans provided for in Section 2.15, or (z) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Committed Loans or subparticipations in L/C Obligations or Swing Line Loans, as the case may be to any assignee or participant, other than an assignment, participation or subparticipation to the Company or any Subsidiary thereof (as to which the provisions of this Section shall apply).

The Company consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Company rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Company in the amount of such participation.

2.14 Increase in Commitments.

(a) Request for Increase. Provided there exists no Default nor any Floorplan Default, upon notice to the Administrative Agent (which shall promptly notify the Lenders), the Company may from time to time, request an increase in the Aggregate Commitments by an amount (i) for all such requests, not exceeding \$65,000,000 in the aggregate; provided that the Company may make a maximum of five (5) such requests. At the time of sending such notice, the Company (in consultation with the Administrative Agent) shall specify the time period within which each Lender is requested to respond (which shall in no event be less than ten Business Days from the date of delivery of such notice to the Lenders).

(b) Lender Elections to Increase. Each Lender shall notify the Administrative Agent within such time period whether or not it agrees to increase its respective Commitment and, if so, whether by an amount equal to, greater than, or less than its Applicable Percentage of such requested increase. Any Lender not responding within such time period shall be deemed to have declined to increase its Commitment.

(c) Notification by Administrative Agent; Additional Lenders. The Administrative Agent shall notify the Company and each Lender of the Lenders' responses to each request made hereunder. To achieve the full amount of a requested increase and subject to the approval of the Administrative Agent and the L/C Issuers (which approvals shall not be unreasonably withheld), the Company may also invite additional Eligible Assignees to become Lenders pursuant to a joinder agreement in form and substance satisfactory to the Administrative Agent and its counsel.

(d) Effective Date and Allocations. If the Aggregate Commitments are increased in accordance with this Section, the Administrative Agent and the Company shall determine the effective date (the "Increase Effective Date") and the final allocation of such increase. The Administrative Agent shall promptly notify the Company and the Lenders of the final allocation of such increase and the Increase Effective Date.

(e) Conditions to Effectiveness of Increase. As a condition precedent to such increase, the Company shall deliver to the Administrative Agent a certificate of each Loan Party dated as of the Increase Effective Date (in sufficient copies for each Lender) signed by a

Responsible Officer of such Loan Party (i) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such increase, and (ii) in the case of the Company, certifying that, before and after giving effect to such increase, (A) the representations and warranties contained in Article V and the other Loan Documents are true and correct on and as of the Increase Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that for purposes of this Section 2.14, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01, (B) no Default exists and (C) no Floorplan Default exists. The Company shall prepay any Committed Loans outstanding on the Increase Effective Date (and pay any additional amounts required pursuant to Section 3.05) to the extent necessary to keep the outstanding Committed Loans ratable with any revised Applicable Percentages arising from any nonratable increase in the Commitments under this Section.

(f) Conflicting Provisions. This Section shall supersede any provisions in Sections 2.13 or 10.01 to the contrary.

2.15 Cash Collateral and Other Credit Support

(a) Certain Credit Support Events Upon the request of the Administrative Agent, (i) if an L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing, or (ii) if, as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, the Company shall, in each case, immediately Cash Collateralize the then Outstanding Amount of all L/C Obligations.

(b) Grant of Security Interest. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts at Bank of America. The Company, and to the extent provided by any Lender, such Lender, hereby grants to the Administrative Agent, for the benefit of the Administrative Agent, the L/C Issuer and the Lenders (including the Swing Line Lender), a security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing. If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent as herein provided, or that the total amount of such Cash Collateral is less than that required to eliminate the applicable Fronting Exposure, the Company or the relevant Defaulting Lender will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate the applicable Fronting Exposure.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.15 or Sections 2.03, 2.04, 2.05 or 8.02 in respect of Letters of Credit or Swing Line Loans shall be held and applied to the satisfaction of the specific L/C Obligations, Swing Line Loans or obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, interest accrued on such obligation) for which the Cash Collateral or other credit support was so provided, prior to any other application of such property as may be provided for herein.

(d) Release. Cash Collateral provided pursuant to any of the Sections referred to in Section 2.15(c) shall be released (except (i) as may be agreed to among the parties posting, and the applicable L/C Issuer or Swing Line Lender benefitting from, such Cash Collateral and (ii) Cash Collateral provided by or on behalf of a Loan Party shall not be released during the continuance of a Default or Event of Default) promptly following the payment, satisfaction or (as to Letters of Credit) expiration of the obligations giving rise to delivery of such Cash Collateral, or, as to Cash Collateral provided pursuant to Sections 2.03 or 2.04, such earlier date as (A) the status of the applicable Lender as a Defaulting Lender shall be terminated or (B) the Administrative Agent shall determine in good faith that there remain outstanding no actual or potential Defaulting Lender funding obligations as to which the benefitted L/C Issuer or Swing Line Lender desires to maintain Cash Collateral.

2.16 Defaulting Lenders. (a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 10.01.

(ii) Reallocation of Payments. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise, and including any amounts made available to the Administrative Agent by such Defaulting Lender pursuant to Section 10.08), shall be applied by the Administrative Agent as follows; *first*, as to any payment made in respect of principal of Loans, ratably to the principal amount of Committed Loans of other Lenders as if such Defaulting Lender had no Loans outstanding, until such time as the Outstanding Amount of Committed Loans of each Lender shall equal its pro rata share thereof based on its Applicable Percentage (without giving effect to Section 2.16(a)(iv)); *second*, to any amounts (including interest thereon) owed hereunder by such Defaulting Lender to the Administrative Agent; *third*, to any amounts (including interest thereon) owed hereunder by such Defaulting Lender to an L/C Issuer or Swing Line Lender (to the extent the Administrative Agent has received notice thereof), ratably to the Persons entitled thereto, *fourth*, to the posting of Cash Collateral (or funding of participations, as applicable) in respect of its Applicable Percentage (without giving effect to Section 2.16(a)(iv)) of L/C Obligations and Swing Line Loans, (x) ratably to all L/C Issuers and the Swing Line Lender in accordance with their respective applicable Fronting Exposures and (y) thereafter, to reduce ratably any reallocation of Applicable Percentages of other Lenders previously effected under Section 2.16(a)(iv); and *fifth*, to the Defaulting Lender or otherwise as required by applicable Law. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.16(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees. Such Defaulting Lender (i) shall not be entitled to receive any commitment fee pursuant to Section 2.09(a) for any period during which such Lender is a Defaulting Lender (and the Company shall not be required to pay any such fee that otherwise would have been required to have been paid to such Defaulting Lender).

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. During any period in which there is a Defaulting Lender as to which an L/C Issuer or Swing Line Lender (as applicable) has not received Cash Collateral pursuant to Section 2.03 or 2.04, then upon the request of an L/C Issuer or Swing Line Lender (as applicable) to the Administrative Agent, for purposes of computing the amount of the obligation of each non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit or Swing Line Loans pursuant to Sections 2.04 and 2.05, the "Applicable Percentage" of each non-Defaulting Lender shall be computed without giving effect to the Commitment of such Defaulting Lender; provided, that, (i) each such reallocation shall be given effect only if, at the initial date thereof, no Default or Event of Default shall have occurred and be continuing; and (ii) in all cases, the obligation of each non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit or Swing Line Loans shall not exceed the positive difference, if any, between (1) the Commitment of such non-Defaulting Lender and (2) the aggregate Outstanding Amount of the Committed Loans of such Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all other L/C Obligations (prior to giving effect to such reallocation), plus such Lender's Applicable Percentage of the Outstanding Amount of all other Swing Line Loans (prior to giving effect to such reallocation).

(b) Defaulting Lender Cure. If the Company, the Administrative Agent, Swing Line Lender and the L/C Issuers agree in writing in their reasonable discretion that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), such Lender will, to the extent applicable, purchase such portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Committed Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages (without giving effect to Section 2.16(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender (and the Applicable Percentages of each Lender will automatically be adjusted on a prospective basis to reflect the foregoing); provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Company while such Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from such Lender's having been a Defaulting Lender.

**ARTICLE IIA
SECURITY**

2A.01 Security. As security for the full and timely payment and performance of all Obligations, the Company shall, and shall cause all other Loan Parties to, on or before the Closing Date, do or cause to be done all things reasonably necessary in the opinion of the Administrative Agent and its counsel to grant to the Administrative Agent for the benefit of the Secured Parties a duly perfected security interest in all Collateral subject to no prior Lien or other encumbrance except as expressly permitted hereunder or under the other Loan Documents and with the priority identified in the Security Instruments. Without limiting the foregoing, the Company shall deliver, and shall cause each other applicable Loan Party to deliver, to the Administrative Agent, in form and substance reasonably acceptable to the Administrative Agent, (a) the Security Agreement, the Pledge Agreement, the Escrow and Security Agreement and the Master Intercreditor Agreement, or (b) in the case of Sonic Financial, the Sonic Financial Pledge Agreement and (c) in either case, UCC financing statements in form, substance and number as requested by the Administrative Agent, reflecting the Lien in favor of the Administrative Agent for the benefit of the Secured Parties on the Collateral. In addition, and without limiting the foregoing, the Company shall take and cause each other Loan Party to take such further action, and deliver or cause to be delivered such further documents and instruments, as required by the Security Instruments or otherwise as the Administrative Agent may reasonably request to create, perfect and maintain the effectiveness and priority of the Liens contemplated by this Article IIA and each of the Security Instruments.

2A.02 Further Assurances. At the request of the Administrative Agent from time to time, the Company will or will cause all other Loan Parties, as the case may be, to execute, by their respective Responsible Officers, alone or with the Administrative Agent, any certificate, instrument, financing statement, control agreement, statement or document, or to procure any certificate, instrument, statement or document or to take such other action (and pay all related costs) which the Administrative Agent reasonably deems necessary from time to time to create, continue or preserve the Liens in Collateral (and the perfection and priority thereof) of the Administrative Agent for the benefit of the Secured Parties contemplated hereby and by the other Loan Documents and specifically including all Collateral acquired by the Company or any other Loan Party after the Closing Date and all Collateral moved to or from time to time located at locations owned by third parties, including all leased locations, bailees, warehousemen and third party processors. The Administrative Agent is hereby irrevocably authorized to execute and file or cause to be filed, with or if permitted by applicable law without the signature of the Company or any Loan Party appearing thereon, all UCC financing statements reflecting the Company or any other Loan Party as “debtor” and the Administrative Agent as “secured party”, and continuations thereof and amendments thereto, as the Administrative Agent reasonably deems necessary or advisable to give effect to the transactions contemplated hereby and by the other Loan Documents.

2A.03 Information Regarding Collateral. The Company represents, warrants and covenants that Schedule 2A.03(a) contains a true and complete list of (i) the exact legal name, jurisdiction of formation and location of the chief executive office of the Company and each other Person providing Collateral pursuant to a Security Instrument on the Closing Date (such Persons, together with any other Persons that provide Collateral at any time pursuant to a

Security Instrument, being referred to collectively as the “Grantors”), (ii) each trade name, trademark or other trade style used by such Grantor on the Closing Date, (iii) (as to each Grantor other than Sonic Financial) each location in which goods constituting Collateral having an aggregate value in excess of \$100,000 are located as of the Closing Date, whether owned, leased or third-party locations, and (iv) with respect to each leased or third party location, the name of each owner of such location and a summary description of the relationship between the applicable Grantor and such Person. The Company further covenants that it shall not change, and shall not permit any other Grantor to change, its name, type of entity, jurisdiction of formation (whether by reincorporation, merger or otherwise), or the location of its chief executive office, or use or permit any other Grantor to use, any additional trade name, trademark or other trade style, except upon giving not less than 15 days’ prior written notice to the Administrative Agent and taking or causing to be taken all such action at the Company’s or such other Grantor’s expense as may be reasonably requested by the Administrative Agent to perfect or maintain the perfection of the Lien of the Administrative Agent for the benefit of the Secured Parties in Collateral.

**ARTICLE III.
TAXES, YIELD PROTECTION AND ILLEGALITY**

3.01 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes. (i) Any and all payments by or on account of any obligation of the Company hereunder or under any other Loan Document shall to the extent permitted by applicable Laws be made free and clear of and without reduction or withholding for any Taxes. If applicable Laws require the Company or the Administrative Agent to withhold or deduct any Tax, such Tax shall be withheld or deducted in accordance with such Laws as determined by the Company or the Administrative Agent, as the case may be, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

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

(b) Payment of Other Taxes by the Company. Without limiting the provisions of subsection (a) above, the Company shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Laws.

(c) Tax Indemnifications. (i) Without limiting the provisions of subsection (a) or (b) above, the Company shall, and does hereby, indemnify the Administrative Agent, each Lender and each L/C Issuer, and shall make payment in respect thereof within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) withheld or deducted by the Company or the Administrative Agent or paid by the Administrative Agent or such Lender, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The Company shall also, and does hereby, indemnify the Administrative Agent, and shall make payment in respect thereof within 10 days after demand therefor, for any amount which a Lender or an L/C Issuer for any reason fails to pay indefeasibly to the Administrative Agent as required by clause (ii) of this subsection. A certificate as to the amount of any such payment or liability delivered to the Company by a Lender or an L/C Issuer (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or an L/C Issuer, shall be conclusive absent manifest error.

(ii) Without limiting the provisions of subsection (a) or (b) above, each Lender and each L/C Issuer shall, and does hereby, indemnify the Company and the Administrative Agent, and shall make payment in respect thereof within 10 days after demand therefor, against any and all Taxes and any and all related losses, claims, liabilities, penalties, interest and expenses (including the fees, charges and disbursements of any counsel for the Company or the Administrative Agent) incurred by or asserted against the Company or the Administrative Agent by any Governmental Authority as a result of the failure by such Lender or such L/C Issuer, as the case may be, to deliver, or as a result of the inaccuracy, inadequacy or deficiency of, any documentation required to be delivered by such Lender or such L/C Issuer, as the case may be, to the Company, any Lender or the Administrative Agent pursuant to subsection (e). Each Lender and each L/C Issuer hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this clause (ii). The agreements in this clause (ii) shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender or an L/C Issuer, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all other Obligations.

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

evidence of such payment reasonably satisfactory to the Company or the Administrative Agent, as the case may be.

(e) Status of Lenders; Tax Documentation (i) Each Lender and each L/C Issuer shall deliver to the Company and to the Administrative Agent, at the time or times prescribed by applicable Laws or when reasonably requested by the Company or the Administrative Agent, such properly completed and executed documentation prescribed by applicable Laws or by the taxing authorities of any jurisdiction and such other reasonably requested information as will permit the Company or the Administrative Agent, as the case may be, to determine (A) whether or not payments made hereunder or under any other Loan Document are subject to Taxes, (B) if applicable, the required rate of withholding or deduction, and (C) such Lender's or such L/C Issuer's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of all payments to be made to such Lender or such L/C Issuer by the Company pursuant to this Agreement or otherwise to establish such Lender's or such L/C Issuer's status for withholding tax purposes in the applicable jurisdiction.

(ii) Without limiting the generality of the foregoing, if the Company is resident for tax purposes in the United States,

(A) any Lender or any L/C Issuer that is a "United States person" within the meaning of Section 7701(a)(30) of the Code shall deliver to the Company and the Administrative Agent executed originals of Internal Revenue Service Form W-9 or such other documentation or information prescribed by applicable Laws or reasonably requested by the Company or the Administrative Agent as will enable the Company or the Administrative Agent, as the case may be, to determine whether or not such Lender or such L/C Issuer is subject to backup withholding or information reporting requirements; and

(B) each Foreign Lender, and each L/C Issuer that is a Foreign Lender, that is entitled under the Code, any Law or any applicable treaty to an exemption from or reduction of withholding Tax with respect to payments hereunder or under any other Loan Document shall deliver to the Company and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender or such L/C Issuer becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Company or the Administrative Agent, but only if such Foreign Lender or such L/C Issuer is legally entitled to do so), whichever of the following is applicable:

- (I) executed originals of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States is a party,
- (II) executed originals of Internal Revenue Service Form W-8ECI,
- (III) executed originals of Internal Revenue Service Form W-8IMY and all required supporting documentation,

(IV) in the case of a Foreign Lender or L/C Issuer claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender or such L/C Issuer is not (A) a “bank” within the meaning of section 881(c)(3)(A) of the Code, (B) a “10 percent shareholder” of the Company within the meaning of section 881(c)(3)(B) of the Code, or (C) a “controlled foreign corporation” described in section 881(c)(3)(C) of the Code and (y) executed originals of Internal Revenue Service Form W-8BEN, or

(V) executed originals of any other form prescribed by applicable Laws as a basis for claiming exemption from or a reduction in United States Federal withholding tax together with such supplementary documentation as may be prescribed by applicable Laws to permit the Company or the Administrative Agent to determine the withholding or deduction required to be made.

(iii) Each Lender and each L/C Issuer shall promptly (A) notify the Company and the Administrative Agent of any change in circumstances which would modify or render invalid any claimed exemption or reduction, and (B) take such steps as shall not be materially disadvantageous to it, in the reasonable judgment of such Lender or such L/C Issuer, and as may be reasonably necessary (including the re-designation of its Lending Office) to avoid any requirement of applicable Laws of any jurisdiction that the Company or the Administrative Agent make any withholding or deduction for taxes from amounts payable to such Lender or such L/C Issuer.

(f) Treatment of Certain Refunds Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender or an L/C Issuer, or have any obligation to pay to any Lender or an L/C Issuer, any refund of Taxes withheld or deducted from funds paid for the account of such Lender or such L/C Issuer, as the case may be. If the Administrative Agent, any Lender or any L/C Issuer determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Company or with respect to which the Company has paid additional amounts pursuant to this Section, it shall pay to the Company an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Company under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses incurred by the Administrative Agent, such Lender or such L/C Issuer, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Company, upon the request of the Administrative Agent, such Lender or such L/C Issuer, agrees to repay the amount paid over to the Company (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent, such Lender or such L/C Issuer in the event the Administrative Agent, such Lender or such L/C Issuer is required to repay such refund to such Governmental Authority. This subsection shall not be construed to require the Administrative Agent, any Lender or any L/C issuer to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Company or any other Person.

3.02 Illegality. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to the Eurodollar Rate, or to determine or charge interest rates based upon the Eurodollar Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Company through the Administrative Agent, (i) any obligation of such Lender to make or continue Eurodollar Rate Loans or to convert Base Rate Committed Loans to Eurodollar Rate Loans shall be suspended, and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Eurodollar Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Company that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Company shall, upon demand from such Lender (with a copy to the Administrative Agent), immediately prepay or, if applicable, convert all such Eurodollar Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate) immediately and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurodollar Rate, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurodollar Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurodollar Rate. Upon any such prepayment or conversion, the Company shall also pay accrued interest on the amount so prepaid or converted.

3.03 Inability to Determine Rates. If the Required Lenders determine that for any reason in connection with any request for a Eurodollar Rate Loan or a conversion thereto that (a) adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or in connection with an existing or proposed Base Rate Loan, or (b) the Eurodollar Rate with respect to a proposed Eurodollar Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Company and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended, and (y) in the event of a determination described in the preceding sentence with respect to the Eurodollar Rate component of the Base Rate, the utilization of the Eurodollar Rate component in determining the Base Rate shall be suspended, in each case until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Company may revoke any pending request for a Borrowing of or conversion to Eurodollar Rate Loans or, failing that, will be deemed to have converted such request into (i) in the case of a Committed Loan, a request for a Committed Borrowing of Base Rate Loans and (ii) in the case of a Swing Line Loan, a request for a Swing Line Borrowing of Base Rate Loans, in each case in the amount specified therein.

3.04 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by Section 3.04(e)) or any L/C Issuer;

(ii) subject any Lender or any L/C Issuer to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any Eurodollar Rate Loan made or participated in by it, or change the basis of taxation of payments to such Lender or such L/C Issuer in respect thereof (except, in each case, for Indemnified Taxes or Other Taxes covered by Section 3.01 and the imposition of, or any change in the rate of, any Excluded Tax payable by such Lender or such L/C Issuer); or

(iii) impose on any Lender or any L/C Issuer or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Rate Loans made or participated in by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining or participating in any Loan the interest of which is determined by reference to the Eurodollar Rate (or of maintaining its obligation to make or participated in any such Loan), or to increase the cost to such Lender or such L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or such L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or such L/C Issuer, the Company will pay to such Lender or such L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or such L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or any L/C Issuer determines that any Change in Law affecting such Lender or such L/C Issuer or any Lending Office of such Lender or such Lender's or such L/C Issuer's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or such L/C Issuer's capital or on the capital of such Lender's or such L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Loans or Letters of Credit held by, such Lender, or the Letters of Credit issued by such L/C Issuer, to a level below that which such Lender or such L/C Issuer or such Lender's or such L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such L/C Issuer's policies and the policies of such Lender's or such L/C Issuer's holding company with respect to capital adequacy), then from time to time the Company will pay to such Lender or such L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or such L/C Issuer or such Lender's or such L/C Issuer's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or such L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or such L/C Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Company shall be conclusive absent manifest error. The Company shall pay such Lender or the L/C Issuer, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or such L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's or such L/C Issuer's right to demand such compensation, provided that the Company shall not be required to compensate a Lender or such L/C Issuer pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or such L/C Issuer, as the case may be, notifies the Company of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Reserves on Eurodollar Rate Loans. The Company shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each Eurodollar Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, provided the Company shall have received at least 10 days' prior notice (with a copy to the Administrative Agent) of such additional interest from such Lender. If a Lender fails to give notice 10 days prior to the relevant Interest Payment Date, such additional interest shall be due and payable 10 days from receipt of such notice.

3.05 Mitigation Obligations; Replacement of Lenders

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.04, or the Company is required to pay any additional amount to any Lender, any L/C Issuer or any Governmental Authority for the account of any Lender or any L/C Issuer pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then such Lender or such L/C Issuer shall, as applicable, use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender or such L/C Issuer, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender or such L/C Issuer, as the case may be, to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or such L/C Issuer, as the case may be. The Company hereby agrees to pay all reasonable costs and expenses incurred by any Lender or any L/C Issuer in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Company is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, the Company may replace such Lender in accordance with Section 10.13.

3.06 Survival. All of the Company's obligations under this Article III shall survive termination of the Aggregate Commitments and repayment of all other Obligations hereunder and resignation of the Administrative Agent.

ARTICLE IV.
CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

4.01 Conditions of Initial Credit Extension. The obligation of each L/C Issuer and each Lender to make its initial Credit Extension hereunder is subject to satisfaction or waiver of the following conditions precedent:

(a) The Administrative Agent's receipt of the following, each of which shall be originals or telecopies (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance satisfactory to the Administrative Agent and each of the Lenders:

(i) executed counterparts of (A) this Agreement, (B) the Security Agreement, (C) the Pledge Agreement, (D) the Escrow and Security Agreement, (E) the Sonic Financial Pledge Agreement and (F) the Subsidiary Guaranty, in each case, sufficient in number for distribution to the Administrative Agent, each Lender and the Company;

(ii) a Note executed by the Company in favor of each Lender requesting a Note;

(iii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party;

(iv) such documents and certifications as the Administrative Agent may reasonably require to evidence that each Loan Party is duly organized or formed, and that each Loan Party is validly existing, in good standing and qualified to engage in business in the respective jurisdictions specified in Schedule 4.01, which includes each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect;

(v) a favorable opinion of Parker Poe Adams & Bernstein LLP, counsel to the Loan Parties, addressed to the Administrative Agent and each Lender, as to the matters

set forth in Exhibit K (which shall include matters of Delaware, North Carolina, South Carolina and Federal Law) and such other matters concerning the Loan Parties and the Loan Documents as the Required Lenders may reasonably request;

(vi) a favorable opinion of local counsel to the Loan Parties in Florida, Texas, California, Alabama, and Tennessee, addressed to the Administrative Agent and each Lender in form and substance satisfactory to the Administrative Agent;

(vii) a certificate of a Responsible Officer of each Loan Party either (A) attaching copies of all consents, licenses and approvals required in connection with the execution, delivery and performance by such Loan Party and the validity against such Loan Party of the Loan Documents to which it is a party, and such consents, licenses and approvals shall be in full force and effect, or (B) stating that no such consents, licenses or approvals are so required;

(viii) a certificate signed by a Responsible Officer of the Company certifying (A) that the conditions specified in Sections 4.02(a), (b) and (c) have been satisfied, and (B) that there has been no event or circumstance since the date of the Audited Financial Statements that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect;

(ix) a certificate signed by the chief executive officer, chief financial officer, treasurer or chief accounting officer (or in the case of Sonic Financial, a president or vice president) of each Loan Party certifying that each Loan Party is Solvent, after giving effect to this Agreement and the other Loan Documents and the Indebtedness pursuant hereto and thereto;

(x) a duly completed Compliance Certificate as of the last day of the fiscal quarter of the Company ended on September 30, 2009, signed by a Responsible Officer of the Company; provided that, Indebtedness outstanding as of September 30, 2009 under the 6.00% Senior Secured Convertible Notes issued by the Company pursuant to the Indenture dated as of May 7, 2009 between the Company, the guarantors set forth therein and U.S. Bank National Association, as Trustee, may be excluded from all calculations thereunder;

(xi) a duly completed Revolving Borrowing Base Certificate dated as of the Closing Date certifying as to the Revolving Borrowing Base as of November 30, 2009, signed by a Responsible Officer of the Company;

(xii) a copy of (A) each standard form of Franchise Agreement for each vehicle manufacturer or distributor and (B) each executed Framework Agreement;

(xiii) duly executed consents and waivers required pursuant to any Franchise Agreement or Framework Agreement;

(xiv) executed counterparts of the Master Intercreditor Agreement, including all Silo Lender exhibits thereto;

(xv) evidence that all insurance required to be maintained pursuant to the Loan Documents has been obtained and is in effect, including endorsements naming the Administrative Agent (on behalf of the Secured Parties) as an additional insured and loss payee, as the case may be, on all such insurance policies maintained with respect to properties of the Company or any Loan Party constituting part of the Collateral;

(xvi) evidence that the Company and the New Vehicle Borrowers (as defined in the Existing Credit Agreement) have terminated the commitments under the New Vehicle Floorplan Facility and the Used Vehicle Floorplan Facility (each as defined in the Existing Credit Agreement) and all loans thereunder have been repaid in the amounts set forth in the floorplan paydown letter dated on or about the date hereof between the Administrative Agent and the Company (the "Existing Floorplan Paydown Letter");

(xvii) consolidating balance sheets (including a separate line item for Eligible Used Vehicle Inventory) for the Company and each Subsidiary as at the end of September 30, 2009, and the related consolidating statements of income or operations, all in reasonable detail prepared by management of the Company or such Subsidiary, in each case with subtotals for (a) each Subsidiary, (b) all New Vehicle Borrowers (excluding the results of any Dual Subsidiaries) and (c) all Silo Subsidiaries grouped by each Silo Lender, and in each case prior to intercompany eliminations;

(xviii) forecasts (including assumptions) prepared by the management of the Company of consolidated balance sheets, income statements and cash flow statements of the Company and its Subsidiaries in form and substance reasonably satisfactory to the Administrative Agent for each of the first three years following the Closing Date;

(xix) if required by the Administrative Agent in its sole discretion, satisfactory results of audits of the Collateral provided that, whether or not any such audit is performed, the Administrative Agent shall be entitled to rely on information provided by any existing lender of the Company or its Subsidiaries as to any Vehicles and existing new vehicle facilities being refinanced or paid down on the Closing Date;

(xx) (x) delivery by the Company and each applicable Loan Party owning any Equity Interests required to be pledged pursuant to this Agreement, the Pledge Agreement or the Sonic Financial Pledge Agreement of all stock certificates evidencing such pledged Equity Interests, accompanied in each case by duly executed stock powers (or other appropriate transfer documents) in blank affixed thereto and (y) delivery by the Company and each other applicable Loan Party owning any Equity Interests required to be delivered in escrow pursuant to the Escrow and Security Agreement of all stock certificates evidencing such Equity Interests;

(xxi) UCC financing statements or amendments to previously filed UCC financing statements for filing in all places required by applicable law to perfect the Liens of the Administrative Agent for the benefit of the Secured Parties under the Security Instruments as a valid and perfected Lien (with the priority described therein) as to items of Collateral in which a security interest may be perfected by the filing of financing statements, and such other documents and/or evidence of other actions as may be

necessary under applicable law to perfect the Liens of the Administrative Agent for the benefit of the Secured Parties under the Security Instruments as a valid and perfected Lien in and to such other Collateral as the Administrative Agent may require;

(xxii) UCC search results with respect to the Company and the Loan Parties showing only Liens acceptable to the Administrative Agent (or pursuant to which arrangements satisfactory to the Administrative Agent shall have been made to remove any unacceptable Liens promptly after the Closing Date),

(xxiii) such duly executed Landlord Waivers for locations of the New Vehicle Borrowers not already in effect pursuant to the Existing Credit Agreement, as may be requested by the Administrative Agent in its sole discretion;

(xxiv) a certificate signed by a Responsible Officer of the Company certifying as to the status of the Unrestricted Subsidiaries;

(xxv) evidence that all floorplan financing arrangements among Chrysler Financial Services Americas LLC and any Subsidiary have been repaid and terminated and all Liens securing obligations thereunder have been released;

(xxvi) executed counterparts of an Assignment and Assumption Agreement (the dated as of the date hereof among all of the lenders party to the Existing Credit Agreement and the Administrative Agent reflecting the assignments described in Section 1.01; and

(xxvii) such other assurances, certificates, documents, consents or opinions as the Administrative Agent, any L/C Issuer, the Swing Line Lender or the Required Lenders reasonably may require.

(b) Any fees required to be paid on or before the Closing Date shall have been paid.

(c) Unless waived by the Administrative Agent, the Company shall have paid all fees, charges and disbursements of counsel to the Administrative Agent to the extent invoiced prior to or on the Closing Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Company and the Administrative Agent).

(d) The Floorplan Credit Facility shall have been consummated substantially simultaneously with the consummation of this Agreement.

Without limiting the generality of the provisions of Section 9.03, for purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required hereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

4.02 Conditions to all Credit Extensions. The obligation of each Lender to honor any Request for Credit Extension (other than pursuant to a Committed Loan Notice requesting only a conversion of Committed Loans to the other Type) is subject to the following conditions precedent:

(a) The representations and warranties of the Company and each other Loan Party contained in Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct on and as of the date of such Credit Extension, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date, and except that for purposes of this Section 4.02, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01.

(b) No Default or Event of Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) No Floorplan Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(d) The Administrative Agent and, if applicable, the applicable L/C Issuer or the Swing Line Lender shall have received a Request for Credit Extension in accordance with the requirements hereof; provided that, with respect to Swing Line Borrowings, for purposes of this Section 4.02(d) and the last sentence of Section 4.02, while an Autoborrow Agreement is in effect, the Company shall be deemed to have given a Swing Line Loan Notice (and reaffirmed the representations and warranties described herein and satisfied all other conditions to funding hereunder) as of each day on which an Autoborrow Advance is made.

(e) The Total Outstandings after giving effect to such Request for Credit Extension shall not exceed the Revolving Advance Limit on such date.

Each Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Committed Loans to the other Type) submitted by the Company shall be deemed to be a representation and warranty that the conditions specified in Sections 4.02(a), (b) and (c) have been satisfied on and as of the date of the applicable Credit Extension.

ARTICLE V. REPRESENTATIONS AND WARRANTIES

The Company represents and warrants to the Administrative Agent and the Lenders that:

5.01 Existence, Qualification and Power; Compliance with Laws. Each Loan Party and each Subsidiary thereof (a) is duly organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all franchises and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and

(ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, (c) is duly qualified and is licensed and in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, and (d) is in compliance with all Laws; except in each case referred to in clause (b)(i), (c) or (d), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.02 Authorization; No Contravention. The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is party, have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law. Each Loan Party and each Subsidiary thereof is in compliance with all Contractual Obligations referred to in clauses (b) and (c), except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.03 Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document (other than (i) any such filing necessary or advisable to perfect in favor of the Administrative Agent, for the benefit of the Secured Parties, the Liens on the Collateral and (ii) any such approval, consent, exemption, authorization, other action, notice or filing that has been obtained, taken, given or made and is in full force and effect), except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.04 Binding Effect. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms.

5.05 Financial Statements; No Material Adverse Effect; No Internal Control Event

(a) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present the financial condition of the Company and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Company and its Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(b) The unaudited consolidated and consolidating balance sheets of the Company and its Subsidiaries dated September 30, 2009, and the related consolidated statements of income or operations, shareholders' equity and cash flows, and consolidating statements of income or operations, in each case for the fiscal quarter ended on that date, and in each case prior to intercompany eliminations (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present the consolidated financial condition of the Company and its Subsidiaries as of the date thereof and their consolidated results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments. Schedule 5.05 sets forth all material indebtedness and other liabilities, direct or contingent, of the Company and its consolidated Subsidiaries not included in such financial statements, including liabilities for taxes, material commitments and Indebtedness.

(c) Since the date of the Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

(d) To the Company's best knowledge, no Internal Control Event exists or has occurred since the date of the Audited Financial Statements that has resulted in or could reasonably be expected to result in a misstatement in any material respect, in any financial information delivered or to be delivered to the Administrative Agent or the Lenders, of (x) covenant compliance calculations provided hereunder or (y) the assets, liabilities, financial condition or results of operations of the Company and its Subsidiaries on a consolidated basis.

5.06 Litigation. There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Company after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against the Company or any of its Subsidiaries or against any of their properties or revenues that (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby, or (b) if determined adversely, could reasonably be expected to have a Material Adverse Effect. Schedule 5.06 (as supplemented by any written notices provided by the Company after the Closing Date pursuant to Section 6.02(a)) sets forth all actions, suits, proceedings, claims or disputes pending, or to the knowledge of the Company after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority seeking damages or other remedies in excess of \$5,000,000 or which if determined adversely, could reasonably be expected to have a Material Adverse Effect.

5.07 No Default. Neither the Company nor any Subsidiary is in default under or with respect to any Contractual Obligation that could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

5.08 Ownership of Property; Liens. Each of the Company and each Subsidiary has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such defects in title as could

not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The property of the Company and its Subsidiaries is subject to no Liens, other than Liens permitted by [Section 7.01](#).

5.09 Environmental Compliance. The Company and its Subsidiaries conduct in the ordinary course of business a review of the effect of existing Environmental Laws and any material claims alleging potential liability or responsibility for violation of any Environmental Law on their respective businesses, operations and properties, and as a result thereof the Company has reasonably concluded that such Environmental Laws and claims could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.10 Insurance. The properties of the Company and its Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of the Company, in such amounts, with such deductibles and covering such risks as (i) are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Company or the applicable Subsidiary operates and (ii) satisfy the requirements of the Security Instruments.

5.11 Taxes. The Company and its Subsidiaries have filed all Federal, state and other material tax returns and reports required to be filed, and have paid all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against the Company or any Subsidiary that would, if made, have a Material Adverse Effect. Neither any Loan Party nor any Subsidiary thereof is party to any tax sharing agreement.

5.12 ERISA Compliance.

(a) Each Plan, and to the knowledge of the Company, each Multiemployer Plan and Multiple Employer Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other Federal or state Laws. Each Pension Plan which is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service to the effect that the form of such Pension Plan is qualified under Section 401(a) of the Code with respect to all plan document qualification requirements for which the applicable remedial amendment period has closed and that the trust related thereto has been determined to be exempt from federal income tax under Section 501(a) of the Code or an application for such a letter is currently being processed by the Internal Revenue Service. To the best knowledge of the Company, nothing has occurred that would prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the best knowledge of the Company, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan or to the knowledge of the Company, any Multiemployer Plan or Multiple Employer Plan that could reasonably be expected to have a Material Adverse Effect. Neither the Company nor any ERISA Affiliate has engaged in any prohibited transaction or violation of the fiduciary

responsibility rules with respect to any Plan, Multiemployer Plan or Multiple Employer Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) (i) No ERISA Event has occurred with respect to any Pension Plan, or to the knowledge of the Company, any Multiemployer Plan or Multiple Employer Plan, and neither the Company nor any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event; (ii) the Company and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; (iii) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is 60% or higher and neither the Company nor any ERISA Affiliate knows of any facts or circumstances which would cause the funding target attainment percentage for any such plan to drop below 60% as of the most recent valuation date; (iv) neither the Company nor any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due which are unpaid; and (v) neither the Company nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA.

5.13 Subsidiaries; Equity Interests. As of the Closing Date, the Company has no Subsidiaries other than those specifically disclosed in Part (a) of Schedule 5.13, and all of the outstanding Equity Interests in such Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by the Company or its Subsidiaries in the amounts specified on Part (a) of Schedule 5.13 free and clear of all Liens. The Company has no equity investments in any other corporation or entity other than those specifically disclosed in Part(b) of Schedule 5.13. All of the outstanding Equity Interests in the Company have been validly issued and are fully paid and nonassessable.

5.14 Margin Regulations; Investment Company Act

(a) The Company is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock.

(b) None of the Company, any Person Controlling the Company, or any Subsidiary is or is required to be registered as an “investment company” under the Investment Company Act of 1940.

5.15 Disclosure. The Company has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information furnished (whether in writing or orally) by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case, as modified or supplemented by other information so

furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Company represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

5.16 Compliance with Laws. Each of the Company and each Subsidiary is in compliance in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

5.17 Intellectual Property; Licenses, Etc. The Company and its Subsidiaries own, or possess the right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses and other intellectual property rights (collectively, "IP Rights") that are reasonably necessary for the operation of their respective businesses, without conflict with the rights of any other Person, except where the failure to do so, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. To the best knowledge of the Company, no slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by the Company or any Subsidiary infringes upon any rights held by any other Person. No claim or litigation regarding any of the foregoing is pending or, to the best knowledge of the Company, threatened, which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.18 Books and Records. Each of the Company and each Subsidiary maintains proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied have been made of all financial transactions and matters involving the assets and business of the Company or such Subsidiary, as the case may be.

5.19 Franchise Agreements and Framework Agreements. The Company has provided to the Administrative Agent true, correct and complete copies of (a) a standard form of Franchise Agreement for each vehicle manufacturer or distributor and (b) each Framework Agreement, in each case in effect as of the Closing Date. Except as set forth on Schedule 5.19 or with respect to any Franchise Agreement entered into after the Closing Date and delivered to the Administrative Agent and each Lender pursuant to Section 6.03(f), there is no material deviation in any Franchise Agreement from the standard form of Franchise Agreements for the applicable vehicle manufacturer or distributor delivered as of the Closing Date. Each Franchise Agreement and Framework Agreement is, other than as disclosed in writing to the Administrative Agent and the Lenders, in full force and effect and is enforceable by the applicable Loan Party in accordance with its terms. To the knowledge of the Company, (a) no party to any Franchise Agreement or Framework Agreement is in material breach of, or has failed to perform in any material respect or is in material default under, such Franchise Agreement or Framework Agreement and (b) no party to any Franchise Agreement or Framework Agreement has given or received any notice of any proposed or threatened termination of such Franchise Agreement or

Framework Agreement (except any such notice that has been disclosed to the Administrative Agent and each Lender, as the case may be, pursuant to Section 6.03(f)).

5.20 Collateral.

(a) The provisions of each of the Security Instruments are effective to create in favor of the Administrative Agent for the benefit of the Secured Parties, a legal, valid and enforceable, perfected security interest (with the priority described therein) in all right, title and interest of each applicable Loan Party in the Collateral described therein, except as otherwise permitted hereunder.

(b) No Contractual Obligation to which any Loan Party is a party or by which the property of any Loan Party is bound prohibits the filing or recordation of any of the Loan Documents or any other action which is necessary or appropriate in connection with the perfection of the Liens on Collateral evidenced and created by any of the Loan Documents.

5.21 Solvency. Both before and after giving effect to the Loans hereunder, each Loan Party is Solvent. On the Closing Date, both before and after giving effect to the Loans hereunder, each Loan Party is Solvent.

5.22 Labor Matters. As of the date hereof, to the Company's and its Subsidiaries' knowledge, there are no material labor disputes to which the Company or any of its Subsidiaries may become a party, including, without limitation, any strikes, lockouts or other disputes relating to such Persons' plants and other facilities.

5.23 Acquisitions. As of the Closing Date and as of the date of each Permitted Acquisition, all material conditions precedent to, all consents from applicable Governmental Authorities, and all other material consents necessary to permit, such Permitted Acquisition will have been obtained, satisfied, or waived (except that (i) no conditions imposed by the Loan Documents are so waivable other than with the consent of the Required Lenders and (ii) no other conditions shall be waived if such waiver would materially adversely affect the benefits to be obtained by the Company or the Secured Parties from such Acquisition), as the case may be.

5.24 Real Estate Indebtedness. The amount of any Indebtedness of the Company and its Subsidiaries secured by Liens on the real property and improvements financed thereby is no greater than eighty-five percent (85%) of the value of such real property and improvements as set forth in an appraisal of such real property and improvements prepared by an independent Member of the Appraisal Institute certified appraiser in connection with such Indebtedness (which appraisal shall be delivered to Administrative Agent upon its request).

5.25 Permitted Service Loaner Indebtedness. All Indebtedness for the financing of Service Loaner Vehicles provided by Service Loaner Lenders which are not parties to the Master Intercreditor Agreement is secured solely by a Lien on said Service Loaner Vehicles so financed by the respective Service Loaner Lenders and the proceeds of such Vehicles.

**ARTICLE VI.
AFFIRMATIVE COVENANTS**

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, the Company shall, and shall (except in the case of the covenants set forth in Sections 6.01, 6.02, and 6.03) cause each Subsidiary to:

6.01 Financial Statements. Deliver to the Administrative Agent and each Lender, in form and detail satisfactory to the Administrative Agent and the Required Lenders:

(a) as soon as available, but in any event within ninety (90) days after the end of each fiscal year of the Company (or if earlier, fifteen (15) days after the date required to be filed with the SEC (without giving effect to any extension permitted by the SEC)), a consolidated and consolidating balance sheet (including a separate line item for Eligible Used Vehicle Inventory (as defined in the Floorplan Credit Agreement)) of the Company and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, shareholders' equity and cash flows and consolidating statements of income or operations, in each case for such fiscal year and with subtotals for (x) each Subsidiary, (y) all New Vehicle Borrowers (excluding the results of any Dual Subsidiaries), and (z) Silo Subsidiaries and Dual Subsidiaries grouped by each Silo Lender, and in each case prior to intercompany eliminations and setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, such consolidated statements to be audited and accompanied by (i) a report and opinion of a Registered Public Accounting Firm of nationally recognized standing reasonably acceptable to the Required Lenders as to whether such financial statements are free of material misstatement, which report and opinion shall be prepared in accordance with audit standards of the Public Company Accounting Oversight Board and applicable Securities Laws and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit or with respect to the absence of material misstatement; and (ii) (A) management's assessment of the effectiveness of the Company's internal controls over financial reporting as of the end of such fiscal year of the Company as required in accordance with Item 308 of SEC Regulation S-K expressing a conclusion which contains no statement that there is a material weakness in such internal controls, except for such material weaknesses as to which the Required Lenders do not object, and (B) an attestation report of such Registered Public Accounting Firm on management's assessment of, and the opinion of the Registered Public Accounting Firm independently assessing the effectiveness of, the Company's internal controls over financial reporting in accordance with Item 308 of SEC Regulation S-K, PCAOB Auditing Standard No. 2 and Section 404 of Sarbanes-Oxley and expressing a conclusion which contains no statement that there is a material weakness in such internal controls, except for such material weakness as to which the Required Lenders do not object, and such consolidating statements to be certified by a Responsible Officer of the Company to the effect that such statements are fairly stated in all material respects when considered in relation to the consolidated financial statements of the Company and its Subsidiaries;

(b) as soon as available, but in any event within thirty (30) days after the end of each of the calendar months (including December) of each fiscal year of the Company (or if earlier,

five days after the date required to be filed with the SEC (without giving effect to any extension permitted by the SEC)):

(i) a consolidated balance sheet (including a separate line item for Eligible Used Vehicle Inventory) of the Company and its Subsidiaries as at the end of such calendar month, and the related month and year-to-date consolidated statements of income or operations, shareholders' equity and cash flows, in each case for such calendar month and for the portion of the Company's fiscal year then ended and with subtotals for (x) each Subsidiary, (y) all New Vehicle Borrowers (excluding the results of any Dual Subsidiaries), and (z) Silo Subsidiaries and Dual Subsidiaries grouped by each Silo Lender, and in each case prior to intercompany eliminations and setting forth in each case in comparative month and year-to-date form the figures for the corresponding calendar month of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, such consolidated statements referred to in this Section 6.01(b)(i) to be certified by a Responsible Officer of the Company as fairly presenting the financial condition, results of operations, shareholders' equity and cash flows of the Company and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes; and

(ii) a consolidating balance sheet (including a separate line item for Eligible Used Vehicle Inventory) of the Company and its Subsidiaries as at the end of such calendar month, and the related year-to-date consolidating statements of income or operations, in each case for such calendar month and for the portion of the Company's fiscal year then ended and with subtotals for (x) each Subsidiary, (y) all New Vehicle Borrowers (excluding the results of any Dual Subsidiaries), and (z) Silo Subsidiaries and Dual Subsidiaries grouped by each Silo Lender, and in each case prior to intercompany eliminations and setting forth in each case in comparative year-to-date form the figures for the corresponding portion of the previous fiscal year, all in reasonable detail, and such consolidating statements referred to in this Section 6.01(b)(ii) to be certified by a Responsible Officer of the Company to the effect that such statements are fairly stated in all material respects when considered in relation to the consolidated financial statements of the Company and its Subsidiaries.

As to any information contained in materials furnished pursuant to Section 6.02(g), the Company shall not be separately required to furnish such information under clause (a) or (b) above, but the foregoing shall not be in derogation of the obligation of the Company to furnish the information and materials described in clauses (a) and (b) above at the times specified therein.

6.02 Certificates; Other Information. Deliver to the Administrative Agent and each Lender, in form and detail satisfactory to the Administrative Agent and the Required Lenders:

(a) Concurrently with:

(i) the delivery of the financial statements referred to in Section 6.01(a) and Section 6.01(b) (with respect to the last month of each fiscal quarter), (A) a duly completed Compliance Certificate signed by a Responsible Officer of the Company,

including the calculation of the financial covenants set forth in Section 7.11(a), (b) and (c) and the Consolidated Total Debt to EBITDA Ratio and (B) a schedule (which such schedule may be included in the Compliance Certificate delivered with respect to such period) describing all actions, suits, proceedings, claims or disputes pending, or to the knowledge of the Company after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority seeking damages or other remedies in excess of \$5,000,000;

(ii) the delivery of the financial statements referred to in Section 6.01(b) (with respect to each month other than the last month of a fiscal quarter), a duly completed Compliance Certificate signed by a Responsible Officer of the Company, but only including the calculation of the financial covenant set forth in Section 7.11(a);

(iii) the delivery of the financial statements referred to in Section 6.01(a), financial projections for the 12 months succeeding the date of such financial statements, such projections to be prepared by management of the Company, in form satisfactory to the Administrative Agent; and

(iv) any event described herein requiring Pro Forma Compliance, a duly completed Pro Forma Compliance Certificate (including the calculation of the financial covenants set forth in Section 7.11(a), (b) and (c) and the Consolidated Total Debt to EBITDA Ratio) or Pro Forma Revolving Borrowing Base Certificate, as applicable, signed by a Responsible Officer of the Company;

(b) concurrently with (and in no event later than the time required for) the delivery of the financial statements referred to in Sections 6.01(a) and (b), a duly completed Revolving Borrowing Base Certificate as of the end of the respective fiscal year or calendar month, signed by a Responsible Officer of the Company; provided that, if any Event of Default shall have occurred and be continuing, the Company shall deliver such Revolving Borrowing Base Certificates, each signed by a Responsible Officer of the Company, at any other time requested by the Administrative Agent;

(c) in the event of any Disposition resulting in Net Cash Proceeds in an amount greater than \$25,000,000 (excluding the value of New Vehicles sold in such Disposition) and concurrently with the delivery of a notice of Disposition required pursuant to Section 6.03(g), a duly completed Revolving Borrowing Base Certificate giving pro forma effect to such Disposition, based on the prior month's Revolving Borrowing Base Certificate, and subtracting sold assets but reflecting prepayments of Loans required pursuant to Section 2.05(c) in connection with such Disposition and delivery of such certificates;

(d) in the event of any Acquisition, the certificates and information required by Section 7.12;

(e) within a reasonable period of time after any request by the Administrative Agent, detailed information regarding assets in the Revolving Borrowing Base, including without limitation receivables ageing reports, inventory and equipment listings for all Vehicles, in each

case in form and substance and containing such details as may be reasonably requested by the Administrative Agent;

(f) promptly after any request by the Administrative Agent or any Lender, copies of any detailed audit reports, management letters or recommendations submitted to the board of directors (or the audit committee of the board of directors) of the Company by independent accountants in connection with the accounts or books of the Company or any Subsidiary, or any audit of any of them;

(g) promptly after the same are available, copies of each annual report, proxy or financial statement or other report or communication sent to the stockholders of the Company, and copies of all annual, regular, periodic and special reports and registration statements which the Company may file or be required to file with the SEC under Section 13 or 15(d) of the Securities Exchange Act of 1934, and not otherwise required to be delivered to the Administrative Agent pursuant hereto;

(h) promptly, and in any event within five Business Days after receipt thereof by any Loan Party or any Subsidiary thereof, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation by such agency regarding financial or other operational results of any Loan Party or any Subsidiary thereof;

(i) promptly after any request by the Administrative Agent, copies of any non-cancelable purchase and sale agreement referenced in the definition of "Consolidated Current Assets"; and

(j) promptly, such additional information regarding the business, financial or corporate affairs of the Company or any Subsidiary, or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may from time to time reasonably request.

Documents required to be delivered pursuant to Section 6.01(a) or (b) or Section 6.02(g) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Company posts such documents, or provides a link thereto on the Company's website on the Internet at the website address listed on Schedule 10.02; or (ii) on which such documents are posted on the Company's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (i) the Company shall deliver paper copies of such documents to the Administrative Agent or any Lender that requests the Company to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (ii) the Company shall notify the Administrative Agent and each Lender (by telecopier or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Notwithstanding anything contained herein, in every instance the Company shall be required to provide paper copies of the Compliance Certificates required by Section 6.02(a) to the Administrative Agent.

Except for such Compliance Certificates, the Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Company with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Company hereby acknowledges that (a) the Administrative Agent and/or the Arranger will make available to the Lenders and the L/C Issuers materials and/or information provided by or on behalf of the Company hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on IntraLinks or another similar electronic system (the "Platform") and (b) certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Company or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Company hereby agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC", the Company shall be deemed to have authorized the Administrative Agent, the Arranger, the L/C Issuers and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Company or its securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 10.07); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information"; and (z) the Administrative Agent and the Arranger shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information".

6.03 Notices. Promptly notify the Administrative Agent and each Lender:

(a) of the occurrence of any Default;

(b) of any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect, including (i) breach or non-performance of, or any default under, a Contractual Obligation of the Company or any Subsidiary; (ii) any notice or correspondence from or on behalf of the applicable franchisor, distributor or manufacturer, the Company or any Subsidiary alleging that any such event has occurred with respect to any Franchise Agreement or Framework Agreement, (iii) any dispute, litigation, investigation, proceeding or suspension between the Company or any Subsidiary and any Governmental Authority which such dispute, litigation, investigation, proceeding or suspension arising under this clause (iii) has resulted or could reasonably be expected to result in a Material Adverse Effect; or (iv) the commencement of, or any material development in, any litigation or proceeding affecting the Company or any Subsidiary, including pursuant to any applicable Environmental Laws, where the result of such event arising under this clause (iv) has resulted or could reasonably be expected to result in a Material Adverse Effect;

(c) of the occurrence of any ERISA Event with respect to a Pension Plan, and subject to notification to the Company, with respect to a Multiemployer Plan or Multiple Employer Plan;

(d) of any material change in accounting policies or financial reporting practices by the Company or any Subsidiary;

(e) of the Registered Public Accounting Firm's determination (in connection with its preparation of any report under Section 6.01(a)(ii)) or the Company's determination at any time of the occurrence or existence of any Internal Control Event;

(f) of (i) any Franchise Agreement entered into after the Closing Date (and a copy of such Franchise Agreement) which deviates in any material respect from the Franchise Agreements for the applicable vehicle manufacturer or distributor delivered as of the Closing Date, (ii) any Framework Agreement (and a copy of such Framework Agreement) entered into after the Closing Date (including the subject matter and term of such Framework Agreement), (iii) the termination or expiration of any Franchise Agreement or Framework Agreement, including the expiration of a Franchise Agreement which has expired as described in Section 8.01(f) and has not been renewed within 30 days, (iv) any amendment or other modification (and a copy of such amendment or modification) of any Framework Agreement, and (v) any material adverse change in the relationship between the Company or any Subsidiary and any vehicle manufacturer or distributor, including the written threat of loss of a new vehicle franchise or the written threat of termination of a Franchise Agreement or Framework Agreement;

(g) of the occurrence of any Disposition of property or assets resulting in Net Cash Proceeds greater than \$25,000,000 (such amount to exclude the value of New Vehicles sold in such Disposition), such notice pursuant to this clause (g) to be given on the date of such Disposition and to include (i) a statement of the date of the Disposition and the property or assets Disposed of, and (ii) an itemized calculation of the Net Cash Proceeds from such Disposition (including showing as a separate line item each category of payments, expenses or taxes that are deducted as part of such calculation; and

Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer of the Company setting forth details of the occurrence referred to therein and stating what action the Company has taken and proposes to take with respect thereto. Each notice pursuant to Section 6.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

6.04 Payment of Obligations. Pay and discharge as the same shall become due and payable (a) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, including Vehicles, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Company or such Subsidiary; (b) all lawful claims which, if unpaid, would by law become a Lien upon its property; and (c) all Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness.

6.05 Preservation of Existence, Etc.; Maintenance of Vehicle Title Documentation. Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 7.04 or 7.05; (b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; (c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect; and (d) if applicable, preserve and maintain, in accordance with its standard policies and procedures, all manufacturer statements of origin, certificates of origin, certificates of title or ownership and other customary vehicle title documentation necessary or desirable in the normal conduct of its business and maintain records evidencing which Vehicles are being used as Demonstrators and Rental Vehicles (each as defined in the Floorplan Credit Agreement).

6.06 Maintenance of Properties; Repairs. (a) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; (b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) use the standard of care typical in the industry in the operation and maintenance of its facilities.

6.07 Maintenance of Insurance. (a) Maintain with financially sound and reputable insurance companies not Affiliates of the Company or any Subsidiary, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business and otherwise as required by the Security Instruments; (b) maintain general public liability insurance at all times with financially sound and reputable insurance companies not Affiliates of the Company or any Subsidiary, against liability on account of damage to persons and property; and (c) maintain insurance under all applicable workers' compensation laws and against loss by reason of business interruption with such policies of insurance to have such limits, deductibles, exclusions, co-insurance and other provisions providing no less coverage than that maintained on the Closing Date, such insurance policies to be in form reasonably satisfactory to the Administrative Agent. Each of the policies described in this Section 6.07 shall provide that the insurer shall give the Administrative Agent not less than thirty (30) days' prior written notice before any material amendment to any such policy by endorsement or any lapse, termination or cancellation thereof, each such policy of liability insurance shall list the Administrative Agent as an additional insured, and each such policy of casualty insurance shall list the Administrative Agent as loss payee pursuant to a loss payee clause in form and substance satisfactory to the Administrative Agent.

6.08 Compliance with Laws and Contractual Obligations. Comply in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees and all Contractual Obligations applicable to it or to its business or property, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

6.09 Books and Records. Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Company or such Subsidiary, as the case may be, including, if applicable, books and records specifying the year, make, model, cost, price, location and vehicle identification number of each Vehicle owned by the Company or such Subsidiary.

6.10 Inspection Rights. Permit representatives and independent contractors of the Administrative Agent and each Lender to visit and inspect any of its properties (including inspecting Vehicles and conducting random samples of the net book value of the Used Vehicles), to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Company (except for access required in connection with a floorplan audit pursuant to Section 6.12, which will be permitted at any time during regular business hours (or at other times consistent with standard industry practice) and without advance notice); provided, however, that when an Event of Default exists the Administrative Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of the Company at any time during normal business hours and without advance notice.

6.11 Use of Proceeds. Use the proceeds of the Credit Extensions for acquisitions, working capital, capital expenditures and other lawful corporate purposes, in each case not in contravention of any Law or any Loan Document; provided that no proceeds of any Credit Extension shall be paid to any Unrestricted Subsidiary.

6.12 [Intentionally Omitted].

6.13 Location of Collateral. Keep the Collateral only at the locations set forth on Schedule 6.13, as such schedule may be revised from time to time as set forth in the Compliance Certificate delivered pursuant to Section 6.02(a), except that Vehicles may, in the ordinary course of business, (i) be temporarily in transit to or between such locations or (ii) be temporarily removed from such locations (a) for repair, (b) when being test driven by potential customers or (c) in the case of Heavy Trucks, for conversion of any such Heavy Truck at a conversion facility, and, if the applicable customer has purchased the applicable Heavy Truck, the conversion facility may transport such Heavy Truck directly to such customer.

6.14 Additional Subsidiaries. As soon as practicable but in any event within thirty (30) days following the acquisition, creation or designation of any Restricted Subsidiary (or the date a Subsidiary otherwise qualifies as a Restricted Subsidiary) cause to be delivered to the Administrative Agent each of the following:

(i) a Joinder Agreement duly executed by such Restricted Subsidiary with all schedules and information thereto appropriately completed (including appropriate indications if such Restricted Subsidiary is a Dual Subsidiary or a Silo Subsidiary);

(ii) a Joinder Agreement (or an amendment to a Joinder Agreement or a supplement to the Pledge Agreement or Escrow and Security Agreement, as applicable) by the direct owner of the Equity Interests in such Restricted Subsidiary, which Joinder Agreement (or amendment or supplement) effects the pledge of the Equity Interests of such Restricted Subsidiary pursuant to the Pledge Agreement or the escrow of the Equity Interests of such Restricted Subsidiary pursuant to the Escrow and Security Agreement, as the case may be;

(iii) UCC financing statements naming such Subsidiary as “Debtor” and naming the Administrative Agent for the benefit of the Secured Parties as “Secured Party,” in form, substance and number sufficient in the reasonable opinion of the Administrative Agent and its counsel to be filed in all UCC filing offices in which filing is necessary or advisable to perfect in favor of the Administrative Agent for the benefit of the Secured Parties the Liens on the Collateral conferred under such Joinder Agreement and other Security Instruments to the extent such Lien may be perfected by UCC filings;

(iv) unless the Required Lenders expressly waive such requirement in accordance with Section 10.01, in the case of any single Acquisition or any related series of Acquisitions with an aggregate Cost of Acquisition of \$25,000,000 or more, an opinion or opinions of counsel to such Restricted Subsidiary dated as of the date of delivery of such Joinder Agreements (and other Loan Documents) provided for in this Section 6.14 and addressed to the Administrative Agent, in form and substance acceptable to the Administrative Agent;

(v) the documents described in Sections 4.01(a)(iii), (iv), (vii), (xii), (xiii), (xxi), (xxii) and (xxiii) with respect to such Restricted Subsidiary; and

(vi) evidence satisfactory to the Administrative Agent that all taxes, filing fees, recording fees and other related transaction costs have been paid; provided that, Sonic FFC 1, Inc., Sonic FFC 2, Inc. and Sonic FFC 3, Inc. shall be excluded from the requirements in this Section 6.14 so long as such Persons have no operations other than serving as special purpose entities for the repayment of Indebtedness identified on Schedule 7.03 as of the Closing Date as “Falcon Indebtedness” with proceeds of rental payments received by such Persons in the amount of such payments.

In addition, such Subsidiary shall also comply with Section 7.16 (in the case of a Silo Subsidiary), Section 7.17 (in the case of a Dual Subsidiary) and Section 7.20.

6.15 Further Assurances. Execute, acknowledge, deliver, and record or file such further instruments, including, without limitation, further security agreements, financing statements, and continuation statements, and do such further acts as may be reasonably necessary, desirable, or proper to carry out more effectively the purposes of this Agreement, to protect the Liens granted in this Agreement or the Loan Documents to which any Loan Party is a party and against the rights or interests of third Persons, and the Company will pay all reasonable costs connected with any of the foregoing.

6.16 Landlord Waivers. With respect to any real property leased by the Company or any Loan Party, where requested by the Administrative Agent, the Company and each Loan Party shall use commercially reasonable efforts (and shall deliver to the Administrative Agent satisfactory evidence of such efforts) to deliver a Landlord Waiver (to the extent not previously delivered to the Administrative Agent) duly executed by the applicable landlord in form and substance reasonably satisfactory to the Administrative Agent.

6.17 Notices regarding Indebtedness.

(a) At the time the Company or any Loan Party enters into any Permitted Indenture Refinancing Indebtedness, the Company shall deliver to the Administrative Agent a certificate, in form and substance acceptable to the Administrative Agent, attaching copies of all material documentation relating to such Permitted Indenture Refinancing Indebtedness, stating the amount of such Permitted Indenture Refinancing Indebtedness and certifying that (i) such Permitted Indenture Refinancing Indebtedness complies with the requirements of Sections 7.15 and 7.09 and the definition of “Permitted Indenture Refinancing Indebtedness” and (ii) no Event of Default shall have occurred and be continuing or would occur as a result thereof.

(b) At the time the Company or any Loan Party enters into any Additional Indebtedness, the Company shall deliver to the Administrative Agent a certificate, in form and substance acceptable to the Administrative Agent, attaching copies of all material documentation relating to such Additional Indebtedness, stating the amount of such Additional Indebtedness and certifying that (i) such Additional Indebtedness complies with the requirements of Sections 7.15 and 7.09 and the definition of “Additional Indebtedness” and (ii) no Event of Default shall have occurred and be continuing or would occur as a result thereof.

6.18 Joinder of Additional Silo Lenders. To the extent not otherwise required to be delivered pursuant to Sections 7.16 or 7.17 and as soon as practicable but in any event within five (5) days following the initial incurrence of Permitted Silo Indebtedness by any Subsidiary from a Silo Lender with respect to a particular franchise, cause to be delivered to the Administrative Agent a joinder agreement to the Master Intercreditor Agreement executed by the applicable Silo Lender, along with any applicable revised exhibits thereto.

6.19 Deposit Accounts. Maintain with the Administrative Agent at all times the depository arrangements in existence with the Administrative Agent on the Closing Date (including the maintenance of all business, operating and administrative deposit accounts) unless otherwise approved by the Administrative Agent.

6.20 Post-Closing Intercreditor Agreements. Within 30 days of the Closing Date, or such later date as determined by the Administrative Agent in its sole discretion, deliver intercreditor agreements executed by each Service Loaner Lender which, as of the Closing Date, provides Permitted Service Loaner Indebtedness but does not provide Permitted Silo Indebtedness and is not a party to the Master Intercreditor Agreement (which such intercreditor agreements shall meet the requirements set forth in the definition of “Permitted Service Loaner Indebtedness”).

**ARTICLE VII.
NEGATIVE COVENANTS**

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, the Company shall not, nor shall it permit any Subsidiary to, directly or indirectly:

7.01 Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

- (a) Liens pursuant to any Loan Document;
- (b) Liens existing on the date hereof and listed on Schedule 7.01 and any refunding, refinancing, renewals or extensions thereof, provided that (i) the property covered thereby is not changed, (ii) the amount secured or benefited thereby is not increased, (iii) the direct or any contingent obligor with respect thereto is not changed, and (iv) any refunding, refinancing, renewal or extension of the obligations secured or benefited thereby is permitted by Section 7.03(b);
- (c) Liens for taxes not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;
- (d) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than thirty (30) days or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person;
- (e) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA;
- (f) deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;
- (g) easements, rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person;
- (h) Liens securing judgments for the payment of money not constituting an Event of Default under Section 8.01(h);
- (i) Liens securing Indebtedness permitted under Section 7.03(e); provided that (i) such Liens do not at any time encumber any property other than the property financed by such

Indebtedness and (ii) the Indebtedness secured thereby does not exceed the cost or fair market value, whichever is lower, of the property being acquired on the date of acquisition;

(j) Liens securing Permitted Silo Indebtedness so long as the respective Silo Lender (and each other party to the Master Intercreditor Agreement) has executed and delivered the Master Intercreditor Agreement to the Administrative Agent and such Liens are subject to the Master Intercreditor Agreement; provided that, Permitted Silo Indebtedness provided by a Silo Lender may be cross-collateralized with other Permitted Silo Indebtedness provided by such Silo Lender;

(k) Liens on Permitted Real Estate Indebtedness Collateral securing either Permitted Real Estate Indebtedness permitted by Section 7.03(l) or permitted Guarantees thereof;

(l) Liens securing Permitted Service Loaner Indebtedness so long as (i) each Service Loaner Lender holding such Indebtedness (and each other party to the Master Intercreditor Agreement or other intercreditor agreement) has executed and delivered to the Administrative Agent the Master Intercreditor Agreement or (ii) the Company has used commercially reasonable efforts to obtain an intercreditor agreement meeting the requirements set forth in the definition of "Permitted Service Loaner Indebtedness"; provided that, Permitted Service Loaner Indebtedness provided by a Service Loaner Lender may be cross-collateralized with other Permitted Service Loaner Indebtedness provided by such Service Loaner Lender;

(m) Liens securing the Floorplan Facility so long as the Floorplan Revolving Administrative Agent (and each other party to the Master Intercreditor Agreement) has executed and delivered the Master Intercreditor Agreement to the Administrative Agent and such Liens are subject to the Master Intercreditor Agreement; and

(n) Liens not otherwise permitted under this Section 7.01; provided that (i) at the time of the creation or incurrence of such Lien, no Default shall exist or would result from such Lien, (ii) no such Lien attaches to any Collateral, and (iii) the aggregate Indebtedness secured by (and the value of the assets subject to) all Liens created or incurred in reliance on this clause (n) shall not exceed \$10,000,000 at any time.

7.02 Investments. Make any Investments, except:

(a) Investments held by the Company or such Subsidiary in the form of cash equivalents or short-term marketable securities;

(b) advances to officers, directors and employees of the Company and Subsidiaries in an aggregate amount not to exceed \$5,000,000 at any time outstanding, for travel, entertainment, relocation and analogous ordinary business purposes;

(c) Investments of the Company in any Subsidiary Guarantor and Investments of any Subsidiary Guarantor in the Company or in another Subsidiary Guarantor;

(d) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and

Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(e) Guarantees permitted by Section 7.03;

(f) Acquisitions permitted by Section 7.12;

(g) capital contributions (in order to meet capital requirements imposed by applicable Law) or insurance premium payments by any Loan Party to SRM Assurance, Ltd., which capital contributions and premium payments do not exceed \$6,000,000 in the aggregate in any fiscal year of the Company;

(h) Buyer Notes obtained by the Company or a Subsidiary in connection with a Disposition permitted by Section 7.05(g), provided, however, that the aggregate amount of all such Investments at any one time shall not exceed \$5,000,000;

(i) Investments made in connection with the Company's supplemental executive retirement plan, as the same may be amended, so long as such Investments do not exceed (A) \$5,000,000 in any given calendar year or (B) \$10,000,000 in the aggregate; and

(j) other Investments not exceeding \$5,000,000 in the aggregate in any fiscal year of the Company.

7.03 Indebtedness. Create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness under the Loan Documents;

(b) Indebtedness outstanding on the date hereof and listed on Schedule 7.03 and any refinancings, refundings, renewals or extensions thereof; provided that (i) the amount of such Indebtedness is not increased at the time of such refinancing, refunding, renewal or extension except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing and by an amount equal to any existing commitments unutilized thereunder and (ii) the terms relating to principal amount, amortization, maturity, collateral (if any) and subordination (if any), and other material terms taken as a whole, of any such refinancing, refunding, renewing or extending Indebtedness, and of any agreement entered into and of any instrument issued in connection therewith, are no less favorable in any material respect to the Loan Parties or the Lenders than the terms of any agreement or instrument governing the Indebtedness being refinanced, refunded, renewed or extended and the interest rate applicable to any such refinancing, refunding, renewing or extending Indebtedness does not exceed the then applicable market interest rate;

(c) Guarantees of the Company or any Subsidiary Guarantor in respect of Indebtedness otherwise permitted hereunder of the Company or any Subsidiary Guarantor;

(d) obligations (contingent or otherwise) of the Company or any Subsidiary existing or arising under any Swap Contract, provided that (i) such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably

anticipated by such Person, or changes in the value of securities issued by such Person, and not for purposes of speculation or taking a “market view;” and (ii) such Swap Contract does not contain any provision exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party;

(e) Indebtedness in respect of capital leases, Synthetic Lease Obligations and purchase money obligations for fixed or capital assets within the limitations set forth in Section 7.01(i); provided, however, that the aggregate amount of all such Indebtedness at any one time outstanding shall not exceed \$5,000,000;

(f) Indebtedness in an aggregate principal amount not to exceed \$10,000,000 at any time outstanding;

(g) Permitted Silo Indebtedness so long as each Silo Lender holding such Indebtedness (and each other party to the Master Intercreditor Agreement) has executed and delivered the Master Intercreditor Agreement to the Administrative Agent;

(h) 2002-4.25% Indenture Indebtedness and any Permitted Indenture Refinancing Indebtedness that has refinanced or replaced any 2002-4.25% Indenture Indebtedness; provided that (i) the aggregate amount of all such 2002-4.25% Indenture Indebtedness and such Permitted Indenture Refinancing Indebtedness at any one time outstanding shall not exceed the aggregate principal amount of such Indebtedness existing as of the Closing Date, less the aggregate principal amount of all 2002-4.25% Indenture Indebtedness that is prepaid as permitted hereunder, plus, to the extent permitted hereunder, the amount of payment-in-kind interest accrued on such 2002-4.25% Indenture Indebtedness, and (ii) both immediately prior to the issuance of such Permitted Indenture Refinancing Indebtedness and after giving effect to such Permitted Indenture Refinancing Indebtedness (A) no Default or Event of Default shall exist, and (B) the Company and its Subsidiaries shall be in Pro Forma Compliance, as evidenced by a Pro Forma Compliance Certificate;

(i) 2003-8.625% Indenture Indebtedness and any Permitted Indenture Refinancing Indebtedness that has refinanced or replaced any 2003-8.625% Indenture Indebtedness; provided that (i) the aggregate amount of all such 2003-8.625% Indenture Indebtedness and such Permitted Indenture Refinancing Indebtedness at any one time outstanding shall not exceed the aggregate principal amount of such Indebtedness existing as of the Closing Date, less the aggregate principal amount of all 2003-8.625% Indenture Indebtedness that is prepaid as permitted hereunder, plus, to the extent permitted hereunder, the amount of payment-in-kind interest accrued on such 2003-8.625% Indenture Indebtedness, and (ii) both immediately prior to the issuance of such Permitted Indenture Refinancing Indebtedness and after giving effect to such Permitted Indenture Refinancing Indebtedness (A) no Default or Event of Default shall exist, and (B) the Company and its Subsidiaries shall be in Pro Forma Compliance, as evidenced by a Pro Forma Compliance Certificate;

(j) 2009-5.0% Indenture Indebtedness and any Permitted Indenture Refinancing Indebtedness that has refinanced or replaced any 2009-5.0% Indenture Indebtedness; provided that (i) the aggregate amount of all such 2009-5.0% Indenture Indebtedness and such Permitted Indenture Refinancing Indebtedness at any one time outstanding shall not exceed the aggregate

principal amount of such Indebtedness existing as of the Closing Date, less the aggregate principal amount of all 2003-8.625% Indenture Indebtedness that is prepaid as permitted hereunder, plus, to the extent permitted hereunder, the amount of payment-in-kind interest accrued on such 2009-5.0% Indenture Indebtedness, and (ii) both immediately prior to the issuance of such Permitted Indenture Refinancing Indebtedness and after giving effect to such Permitted Indenture Refinancing Indebtedness (A) no Default or Event of Default shall exist, and (B) the Company and its Subsidiaries shall be in Pro Forma Compliance, as evidenced by a Pro Forma Compliance Certificate;

(k) Additional Indebtedness in addition to the Indebtedness described in Sections 7.03(h), (i) and (j), if both immediately prior to the issuance of such Additional Indebtedness and after giving effect to such Additional Indebtedness (i) no Default or Event of Default shall exist, and (ii) the Company and its Subsidiaries shall be in Pro Forma Compliance, as evidenced by a Pro Forma Compliance Certificate; provided, however, that the aggregate amount of all such Additional Indebtedness at any one time outstanding shall not exceed \$50,000,000;

(l) Permitted Real Estate Indebtedness;

(m) Permitted Service Loaner Indebtedness so long as (i) each Service Loaner Lender holding such Indebtedness (and each other party to the Master Intercreditor Agreement or other intercreditor agreement) has executed and delivered to the Administrative Agent the Master Intercreditor Agreement or (y) the Company has used commercially reasonable efforts to obtain an intercreditor agreement meeting the requirements set forth in the definition of "Permitted Service Loaner Indebtedness"; provided further that the Indebtedness described in this clause (m) is in an aggregate principal amount not to exceed \$2,500,000 at any time outstanding;

(n) Indebtedness under the Floorplan Credit Agreement so long as the Floorplan Administrative Agent (and each other party to the Master Intercreditor Agreement) has executed and delivered the Master Intercreditor Agreement to the Administrative Agent; and

(o) Indebtedness under any Secured Cash Management Arrangement.

7.04 Fundamental Changes. Merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that, so long as no Default exists or would result therefrom:

(a) any Subsidiary may merge with (i) the Company, provided that the Company shall be the continuing or surviving Person, or (ii) any one or more other Subsidiaries, provided that when any Subsidiary Guarantor is merging with another Subsidiary, the Subsidiary Guarantor shall be the continuing or surviving Person;

(b) subject to Section 6.14, any Subsidiary may merge into or consolidate with another Person in order to consummate an Acquisition permitted by Section 7.12; provided that (i) if the Company is a party to any such merger or consolidation, the Company is the survivor thereof, and (ii) except as described in clause (i) above, if a Subsidiary Guarantor is a party to any such merger or consolidation, a Subsidiary Guarantor is the survivor thereof;

(c) any Subsidiary may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to the Company or to another Subsidiary provided that if the transferor in such a transaction is a Subsidiary Guarantor, then the transferee must either be the Company or a Subsidiary Guarantor;

(d) any Subsidiary may Dispose of all or substantially all of its assets to or in favor of any Person in one transaction or in a series of transactions, provided that such Disposition or Dispositions satisfy the requirements of Section 7.05(g) and in the case of a Disposition of a dealership Subsidiary, Section 7.19; and

(e) any Subsidiary which has Disposed of all or substantially all of its assets in accordance with the terms of this Agreement (i) may be dissolved or have its entity status terminated or (ii) so long as such Subsidiary does not qualify as a Restricted Subsidiary after giving effect to such Disposition, shall promptly at the request of the Company be released by the Administrative Agent from its obligations under the Subsidiary Guaranty and the other Loan Documents, provided that, at any time such Subsidiary thereafter qualifies as a Restricted Subsidiary, the Company shall cause to be delivered to the Administrative Agent all documents required to be delivered by Section 6.14 with respect to such Subsidiary in the timeframes set forth therein.

7.05 Dispositions. Make any Disposition or enter into any agreement to make any Disposition, except:

(a) Dispositions of obsolete or worn out property, whether now owned or hereafter acquired, in the ordinary course of business;

(b) Dispositions of inventory in the ordinary course of business;

(c) Dispositions of equipment or real property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such Disposition are reasonably promptly applied to the purchase price of such replacement property;

(d) Dispositions of property by any Subsidiary to the Company or to a wholly-owned Subsidiary; provided that if the transferor of such property is a Subsidiary Guarantor, the transferee thereof must either be the Company or a Subsidiary Guarantor;

(e) Dispositions permitted by Section 7.04;

(f) Dispositions by the Company and its Subsidiaries of property pursuant to sale-leaseback transactions, provided that the book value of all property so Disposed of shall not exceed \$50,000,000 in any fiscal year;

(g) Dispositions by the Company and its Subsidiaries not otherwise permitted under this Section 7.05; provided that at the time of such Disposition, (i) no Default shall exist or would result from such Disposition and (ii) in the case of a Disposition of a dealership Subsidiary, the requirements of Section 7.19 have been satisfied;

provided, however, that any Disposition pursuant to clauses (a) through (g) shall be for fair market value.

7.06 Restricted Payments. Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that, so long as no Default shall have occurred and be continuing at the time of any action described below or would result therefrom:

- (a) each Subsidiary may make Restricted Payments to the Company and any Subsidiaries of the Company that are Subsidiary Guarantors;
- (b) the Company may declare and make dividend payments or other distributions payable solely in the common stock or other common Equity Interests of such Person;
- (c) any Loan Party may make “net share settlements” of vested restricted stock for tax withholding;
- (d) the Company may make any Restricted Payment permitted by Section 7.15 (including conversions of or similar payments made with respect to the Indenture Indebtedness, any Additional Indebtedness permitted by Section 7.03(k), or any convertible notes that refinance the Indenture Indebtedness or Additional Indebtedness permitted by Section 7.15); and
- (e) the Company may declare and make cash dividend or distribution payments, or purchase, redeem, retire, acquire, cancel or terminate capital stock, in an aggregate amount for all such Restricted Payments not to exceed \$10,000,000 in any fiscal year; provided that, on the date of such Restricted Payment, the Company and its Subsidiaries are in Pro Forma Compliance, as evidenced by a Pro Forma Compliance Certificate.

7.07 Change in Nature of Business. Engage in any material line of business substantially different from those lines of business conducted by the Company and its Subsidiaries on the date hereof or any business substantially related or incidental thereto.

7.08 Transactions with Affiliates. Enter into any transaction of any kind with any Affiliate of the Company, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the Company or such Subsidiary as would be obtainable by the Company or such Subsidiary at the time in a comparable arm’s length transaction with a Person other than an Affiliate, provided that the foregoing restriction shall not apply to transactions between or among the Company and any Subsidiary Guarantor or between and among any Subsidiary Guarantors.

7.09 Burdensome Agreements. Enter into any Contractual Obligation (other than this Agreement or any other Loan Document) that (a) limits the ability (i) of any Subsidiary to make Restricted Payments to the Company or any Loan Party or to otherwise transfer property to the Company or any Loan Party, (ii) of any Subsidiary to Guarantee the Indebtedness of the Company, or (iii) of the Company or any Subsidiary to create, incur, assume or suffer to exist Liens on property of such Person; provided, however, that (x) clauses (i), (ii) and (iii) above shall not prohibit any such restriction on Restricted Payments, Guarantees or liens incurred or provided in favor of any Floorplan Secured Party under the Floorplan Loan Documents, and (y)

clause (iii) above shall not prohibit any negative pledge incurred or provided in favor of any holder of Indebtedness permitted under Section 7.03(e), (g), (l) or (m) solely to the extent any such negative pledge relates to the property financed by or securing such Indebtedness, (y) any negative pledge incurred or provided in favor of any holder of Indebtedness permitted under Section 7.03(i) solely to the extent any such negative pledge does not prohibit any current or future Lien of the Administrative Agent (for the benefit of the Secured Parties), on any property of any Loan Party, or (z) manufacturer limitations on dividends set forth in Franchise Agreements or Framework Agreements which limitations relate to minimum capitalization requirements for dealerships; or (b) requires the grant of a Lien to secure an obligation of such Person if a Lien is granted to secure another obligation of such Person.

7.10 Use of Proceeds. Use the proceeds of any Credit Extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

7.11 Financial Covenants.

(a) Consolidated Liquidity Ratio. Permit the Consolidated Liquidity Ratio as of the end of any calendar month ending during any period set forth below to be less than the ratio set forth below opposite such period:

Period	Ratio
Closing Date through and including March 30, 2011	1.00 to 1.00
March 31, 2011 through and including March 30, 2012	1.05 to 1.00
March 31, 2012 and thereafter	1.10 to 1.00

(b) Consolidated Fixed Charge Coverage Ratio. Permit the Consolidated Fixed Charge Coverage Ratio at any time to be less than the ratios and for the periods set forth below:

Period	Ratio
Closing Date through and including March 30, 2011	1.10 to 1.00
March 31, 2011 through and including March 30, 2012	1.15 to 1.00
March 31, 2012 and thereafter	1.20 to 1.00

(c) Consolidated Total Senior Secured Debt to EBITDA Ratio Permit the Consolidated Total Senior Secured Debt to EBITDA Ratio at any time to be greater than 2.25 to 1.00.

7.12 Acquisitions. Enter into any agreement, contract, binding commitment or other arrangement providing for any Acquisition, or take any action to solicit the tender of securities or proxies in respect thereof in order to effect any Acquisition, unless (i) the Person to be (or whose

assets are to be) acquired does not oppose such Acquisition and the material line or lines of business of the Person to be acquired are substantially the same as one or more line or lines of business conducted by the Company and its Subsidiaries, or substantially related or incidental thereto, (ii) no Default or Floorplan Default shall have occurred and be continuing either immediately prior to or immediately after giving effect to such Acquisition and, (iii) if the aggregate Cost of Acquisition of all Acquisitions (including such Acquisition) occurring in any fiscal year is in excess of \$25,000,000, (w) the Required Lenders shall have consented to such Acquisition, (x) no Default would exist immediately after giving effect to such Acquisitions, (y) the Company shall have furnished to the Administrative Agent pro forma historical financial statements as of the end of the most recently completed fiscal year of the Company and most recent interim fiscal quarter, if applicable, giving effect to such Acquisition and all other Acquisitions consummated since such fiscal year end, and (z) the Company and its Subsidiaries shall be in Pro Forma Compliance after giving effect to such Acquisition, as evidenced by a Pro Forma Compliance Certificate and a Pro Forma Revolving Borrowing Base Certificate, in each case delivered simultaneously with such pro forma historical financial statements, (iv) the Person acquired shall be a wholly-owned Subsidiary, or be merged into the Company or a wholly-owned Subsidiary, immediately upon consummation of the Acquisition (or if assets are being acquired, the acquiror shall be the Company or a wholly-owned Subsidiary), and (v) after the consummation of such Acquisition, the Company or any applicable Subsidiary shall have complied with the provisions of [Section 6.14](#).

7.13 Revolving Borrowing Base.

(a) Permit at any time the sum of the Total Outstandings to exceed the Revolving Advance Limit, unless the Company shall have immediately complied with [Section 2.05\(c\)](#) with respect to such excess; or

(b) substantially change the method of valuation of the Collateral with respect to the Revolving Borrowing Base from that used by the Company and its Subsidiaries on the Closing Date.

7.14 Amendments of Certain Indebtedness. Amend, modify or change in any manner any term or condition of any of the Indenture Indebtedness or any Additional Indebtedness permitted by [Section 7.03\(k\)](#) or refinance or replace any such Indebtedness so that the terms and conditions thereof are less favorable to the Administrative Agent, the Lenders and the L/C Issuers than the terms and conditions of the relevant Indebtedness as of the later of the Closing Date or the date of incurrence thereof.

7.15 Prepayments, etc. of Certain Indebtedness. (i) Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner any of the Indenture Indebtedness or any Additional Indebtedness (such prepayments, redemptions, purchases, defeases or satisfactions referred to as "[Indenture Prepayments](#)"), except that, the Company may make such Indenture Prepayments if, both immediately prior to such Indenture Prepayments and after giving effect to such Indenture Prepayments (A) no Default or Event of Default shall exist, and (B) the Company and its Subsidiaries shall be in Pro Forma Compliance, as evidenced by a Pro Forma Compliance Certificate, or (ii) make any payment in violation of any subordination terms of any of the Indenture Indebtedness or any Additional Indebtedness.

7.16 Silo Subsidiaries. Permit any Subsidiary to become a Silo Subsidiary unless (i) any Silo Lender providing Permitted Silo Indebtedness to such Subsidiary has delivered to the Administrative Agent a joinder agreement to the Master Intercreditor Agreement (or if applicable, a revised exhibit to the Master Intercreditor Agreement for such Silo Lender), (ii) such Subsidiary shall not be designated a New Vehicle Borrower or entitled to the proceeds of any New Vehicle Floorplan Loans, and (iii) prior to the time of designation of such Subsidiary as a Silo Subsidiary, all outstanding New Vehicle Floorplan Loans with respect to such Subsidiary shall have been repaid.

7.17 Dual Subsidiaries. Permit any Subsidiary to become a Dual Subsidiary unless (i) any Silo Lender providing Permitted Silo Indebtedness to such Subsidiary has delivered to the Administrative Agent a joinder agreement to the Master Intercreditor Agreement (or if applicable, a revised exhibit to the Master Intercreditor Agreement for such Silo Lender), (ii) in the event the New Vehicles of any such Dual Subsidiary are financed by both the New Vehicle Floorplan Facility and Permitted Silo Indebtedness (each, an “Applicable Vehicle Floorplan”), each separate brand of New Vehicles of any such Dual Subsidiary must be financed by the same Applicable Vehicle Floorplan, (iii) no Used Vehicles of any such Dual Subsidiary shall be financed by the Used Vehicle Floorplan Facility, and (iv) no Silo Lender may finance Used Vehicles at the applicable dealership unless it finances New Vehicles at such dealership and (v) prior to the time of designation of such Subsidiary as a Dual Subsidiary, all outstanding New Vehicle Floorplan Loans with respect to such Subsidiary for New Vehicles of any dealerships which will be financed by such Permitted Silo Indebtedness shall have been repaid.

7.18 Related Swap Contracts. Permit the Company or any other Loan Party party to any Related Swap Contract to amend, supplement or otherwise modify the terms of any Related Swap Contract or any document relating thereto in any way to advantage, or provide any incremental credit support to, any Lender or any Affiliate of a Lender party to such Related Swap Contract without amending, modifying or supplementing each other Related Swap Contract to equally advantage, or to provide the same incremental credit support to, the Lender or Affiliate of a Lender party to such other Related Swap Contract. Each Lender agrees to and acknowledges (on behalf of itself and its Affiliates) the restrictions on amendments, supplements or other modifications of Related Swap Contracts described herein.

7.19 Disposition of Subsidiary or Franchise. Sell to any Person other than the Company or any of its Subsidiaries, dissolve, or transfer back to the franchisor, any franchise (or Subsidiary that owns one or more franchises), unless any applicable Silo Lender with respect to any Permitted Silo Indebtedness of such franchise (or Subsidiary) has (a) taken any steps necessary so that any remaining assets of the Company and its remaining Subsidiaries no longer secure floorplan Indebtedness of such transferred franchise or Subsidiary and (b) delivered to the Administrative Agent a revised Master Intercreditor Agreement exhibit for such lender, deleting such franchise (or in the case of a sale of a Subsidiary, any franchise owned by such Subsidiary) from such exhibit or other evidence satisfactory to the Administrative Agent in its reasonable discretion that such Silo Lender will deliver such revised exhibit upon payment of amounts remaining under such transferred franchise or Subsidiary’s floorplan Indebtedness.

7.20 Additional Credit Support Documentation. Permit any Subsidiary to Guarantee or grant any Lien in favor of any Silo Lender in respect of Permitted Silo Indebtedness

except for such Guarantees by and Liens granted by Silo Subsidiaries and Dual Subsidiaries which receive Permitted Silo Indebtedness from such Silo Lender. Without limiting the foregoing and without limiting the generality of the Subsidiary Guaranty or Section 6.14, in the event any Silo Lender receives a Guarantee or Lien in violation of the previous sentence, the Company shall cause the applicable Subsidiaries to provide substantially similar Guarantees to the Administrative Agent, the L/C Issuer and the Lenders or grant substantially similar Liens in favor of the Administrative Agent (for the benefit of the Secured Parties) to the same extent.

7.21 Perfection of Deposit Accounts. Permit any Person (other than the Administrative Agent (on behalf of the Secured Parties) to obtain any deposit account control agreement (or otherwise perfect any Lien in) any deposit account of the Company or any of its Subsidiaries.

ARTICLE VIII. EVENTS OF DEFAULT AND REMEDIES

8.01 Events of Default. Any of the following shall constitute an Event of Default (each an "Event of Default"):

(a) Non-Payment. The Company or any other Loan Party fails to pay (i) when and as required to be paid herein, any amount of principal of any Loan or any L/C Obligation, or (ii) within five (5) days after the same becomes due, any interest on any Loan or on any L/C Obligation, or any fee due hereunder, or (iii) within five (5) days after the same becomes due, any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants. The Company fails to perform or observe any term, covenant or agreement contained in any of Section 6.01, 6.02(a), (b), (c) or (d), 6.03, 6.05, 6.10, 6.11 or 6.12 or Article VII; or

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty (30) days after the giving of written notice to such Loan Party specifying the alleged default; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Company or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect when made or deemed made; or

(e) Cross-Default. (i) The Company or any Subsidiary (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness or Guarantee (other than Indebtedness hereunder and Indebtedness under Swap Contracts but including Permitted Silo Indebtedness) having a principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement), either individually

or in the aggregate for all Indebtedness for which a payment default then exists, of more than the Threshold Amount, or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness or Guarantee or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs (each, an “Other Event”), the effect of which default or Other Event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness in excess of the Threshold Amount (either individually or in the aggregate for all Indebtedness for which a covenant default then exists) to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; provided that, the mere fact that any Indebtedness is a “demand obligation” and payment thereof may be demanded at any time (whether or not any Person has defaulted thereunder) shall not, by itself, constitute an “Other Event,” but the demand for payment thereof shall constitute an “Other Event”; or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which the Company or any Subsidiary is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which the Company or any Subsidiary is an Affected Party (as so defined) and, in either event, the Swap Termination Value owed by the Company or such Subsidiary as a result thereof is greater than the Threshold Amount; or

(f) Insolvency Proceedings, Etc. The Company, any Loan Party or any of their respective Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for sixty (60) calendar days, or an order for relief is entered in any such proceeding; or

(g) Inability to Pay Debts; Attachment (i) The Company or any Subsidiary becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within thirty (30) days after its issue or levy; or

(h) Judgments. There is entered against the Company or any Subsidiary (i) a final judgment or order for the payment of money in an aggregate amount exceeding the Threshold Amount, or in the case of the class action lawsuit regarding the APCO etch product, Case No. 02-12274 currently pending in the 13th Judicial Circuit, Hillsborough County, Florida, \$20,000,000 (in each case, to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage), or (ii) any one or more non-monetary final

judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of ten (10) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan or Multiple Employer Plan which has resulted or could reasonably be expected to result in liability of the Company under Title IV of ERISA to the Pension Plan, Multiemployer Plan, Multiple Employer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, or (ii) the Company or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount; or

(j) Invalidity of Loan Documents. (i) Any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or (ii) any Security Instrument shall for any reason (other than pursuant to the terms thereof) cease to create a valid security interest in the Collateral purported to be covered thereby or such security interest shall for any reason cease to be a perfected security interest with the priority provided therefor in such Security Instrument and as contemplated in the Master Intercreditor Agreement subject only to those Liens permitted by Section 7.01; or

(k) Change of Control. There occurs any Change of Control; or

(l) Franchise Agreements and Framework Agreements. (i) Any Franchise Agreement or Framework Agreement is terminated or suspended or expires and a replacement for such Franchise Agreement or Framework Agreement is not entered into within 30 days of such termination, suspension or expiration, (ii) there occurs a default by any Person in the performance or observance of any term of any Franchise Agreement or Framework Agreement which is not cured within any applicable cure period therein, or (iii) there occurs any change in any Franchise Agreement or Framework Agreement, except in each case referred to in clauses (i), (ii) and (iii) to the extent such termination, suspension, expiration, default or change (either individually or in the aggregate) could not reasonably be expected to have a Material Adverse Effect; provided that, in the event a Franchise Agreement expires in accordance with its terms, if and for so long as the respective dealership Subsidiary and manufacturer or distributor are negotiating in good faith to renew such Franchise Agreement, and the respective manufacturer or distributor has not taken (and is not reasonably expected to take) any action to terminate such Franchise Agreement, such expiration shall not by itself be considered an Event of Default under this Section 8.01(l); or

(m) Floorplan Event of Default. A Floorplan Event of Default shall occur and be continuing.

8.02 Remedies Upon an Event of Default

(a) If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(i) declare the commitment of each Lender to make Loans and any obligation of each L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated;

(ii) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Company;

(iii) require that the Company Cash Collateralize the L/C Obligations (in an amount equal to the then Outstanding Amount thereof); and

(iv) exercise on behalf of itself, the Lenders and the L/C Issuers all rights and remedies available to it, the Lenders and the L/C Issuers under the Loan Documents;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Company under the Bankruptcy Code of the United States, the obligation of each Lender to make Loans and any obligation of each L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Company to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

(b) In addition to the foregoing, if any Floorplan Event of Default or Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders or the Required Floorplan Lenders, take any or all of the following actions:

(i) foreclose upon, take possession of, or otherwise exercise any remedies available to it under any Security Instrument with respect to, any of the Collateral securing any of the obligations under the Floorplan Loan Documents, or

(ii) take any action to perfect or preserve the rights of the Revolving Administrative Agent with respect to any Collateral described in clause (i) above, including filing any appropriate claim or document with respect to any such Collateral in any proceeding under any Debtor Relief Law.

8.03 Application of Funds. After the exercise of remedies provided for in this Article VIII (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 8.02), any amounts received on account of the Obligations shall, subject to the provisions of Sections 2.15 and 2.16 (and unless the Administrative Agent determines in good

faith that any such amount should be delivered to another Person pursuant to the Master Intercreditor Agreement), be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III but excluding amounts payable under Related Swap Contracts or Secured Cash Management Arrangements) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting accrued and unpaid interest and principal of the Swing Line Loans due to the Swing Line Lender;

Third, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest, Letter of Credit Fees and amounts payable in respect of Related Swap Agreements or Secured Cash Management Arrangements) payable to the Lenders and the L/C Issuers (including fees, charges and disbursements of counsel to the respective Lenders and the L/C Issuers (including fees and time charges for attorneys who may be employees of any Lender or the L/C Issuers) and amounts payable under Article III), ratably among them in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans, L/C Borrowings and other Obligations (other than such Obligations under Related Swap Contracts or Secured Cash Management Arrangements), ratably among the Lenders and the L/C Issuers in proportion to the respective amounts described in this clause Fourth payable to them;

Fifth, to payment of that portion of the Obligations constituting unpaid principal of the Loans and L/C Borrowings, ratably among the Lenders and the L/C Issuers in proportion to the respective amounts described in this clause Fifth held by them;

Sixth, to the Administrative Agent for the account of the L/C Issuers, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit to the extent not otherwise Cash Collateralized by the Company pursuant to Sections 2.03 and 2.16;

Seventh, to payment of that portion of the Obligations constituting unpaid Obligations then owing under Related Swap Contracts and Secured Cash Management Arrangements, ratably among the Lenders or Affiliate of the Lenders and Cash Management Banks in proportion to the respective amounts described in this clause Seventh held by them;

Eighth, to the payment of all other Obligations of the Loan Parties owing under or in respect of the Loan Documents that are due and payable to the Administrative Agent and the other Secured Parties, or any of them, on such date, ratably based on the respective aggregate amounts of all such Obligations owing to the Administrative Agent and the other Secured Parties on such date; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Company or as otherwise required by Law.

Subject to Section 2.03(c) and 2.16, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Seventh above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

Notwithstanding the foregoing, Obligations arising under Secured Cash Management Arrangements and Related Swap Agreements shall be excluded from the application described above if the Administrative Agent has not received written notice thereof, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Lender or Affiliate of a Lender party to a Related Swap Agreement, as the case may be. Each Cash Management Bank or Affiliate of a Lender party to a Related Swap Agreement not a party to this Agreement that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to the terms of Article IX for itself and its Affiliates as if a "Lender" party hereto.

ARTICLE IX. ADMINISTRATIVE AGENT

9.01 Appointment and Authority. Each of the Lenders and each L/C Issuer hereby irrevocably appoints Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the L/C Issuers, and neither the Company nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions.

9.02 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Company or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

9.03 Exculpatory Provisions. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Company or any of their Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders or (under the circumstances described in Section 8.02(c)) either the Required Lenders or the Required Floorplan Lenders) (or, in each case, such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent by the Company, a Lender or an L/C Issuer.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

9.04 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the

applicable L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or such L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or such L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Company), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.05 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

9.06 Resignation of Administrative Agent. The Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuers and the Company. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Company, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders and the L/C Issuers, appoint a successor Administrative Agent meeting the qualifications set forth above; provided that if the Administrative Agent shall notify the Company and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or any L/C Issuer under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and each L/C Issuer directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Company to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Company and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties

in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

Any resignation by Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation as an L/C Issuer and Swing Line Lender. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer and Swing Line Lender (b) the retiring L/C Issuer and Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the retiring L/C Issuer to effectively assume the obligations of the retiring L/C Issuer with respect to such Letters of Credit.

9.07 Non-Reliance on Administrative Agent and Other Lenders. Each Lender and each L/C Issuer acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and each L/C Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

9.08 No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the Bookrunner, the Arranger or any Syndication Agents or Documentation Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or an L/C Issuer hereunder.

9.09 Administrative Agent 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 any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Company) shall be entitled and empowered, by intervention in such proceeding or otherwise.

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuers and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuers, the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuers and the Administrative Agent under Sections 2.03(i) and (j), 2.10 and 10.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and each L/C Issuer to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuers, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.10 and 10.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or any L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or any L/C Issuer to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

9.10 Collateral and Guaranty Matters. The Lenders and the L/C Issuers irrevocably authorize the Administrative Agent, at its option and in its discretion,

(a) to release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (i) upon termination of the Aggregate Commitments and payment in full of all Obligations (other than (A) contingent indemnification obligations and (B) obligations and liabilities under Secured Cash Management Arrangements and Related Swap Contracts as to which arrangements satisfactory to the applicable Cash Management Bank or applicable Lender or Affiliate of a Lender party to a Related Swap Agreement shall have been made) and the expiration or termination of all Letters of Credit, (ii) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Loan Document, or (iii) subject to Section 10.01, if approved, authorized or ratified in writing by the Required Lenders;

(b) (i) to subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 7.01(i) or to the interests of any lessor or purchaser of accounts receivable in assets that are owned by such Person and not by any Loan Party, (ii) to enter into intercreditor arrangements with holders of Permitted Service Loaner Indebtedness as described in the definition thereof, (iii) to enter into intercreditor arrangements with holders of Permitted Real Estate Indebtedness for the purpose of releasing or subordinating any Lien of the Administrative Agent on property that constitutes Permitted Real Estate Indebtedness Collateral, (iv) to enter into the Master Intercreditor Agreement (and execute, deliver and modify the exhibits described therein from time to time) and (v) release or subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 7.01(n);

(c) to release any Subsidiary Guarantor from its obligations under the Subsidiary Guaranty (and to release any Lien on any property of such Subsidiary Guarantor) if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder;

(d) to terminate any control agreement relating to any business, operating or administrative deposit accounts existing as of the Closing Date and executed in connection with the Existing Credit Agreement; and

(e) to execute and deliver that certain letter agreement with the Ford Motor Company, substantially in the form attached hereto as Exhibit N.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Subsidiary Guarantor from its obligations under the Subsidiary Guaranty pursuant to this Section 9.10.

9.11 Secured Cash Management Arrangements and Secured Hedge Agreements Except as otherwise expressly set forth herein or in any Subsidiary Guaranty or any Security Instrument, no Cash Management Bank or Lender or Affiliate of a Lender party to a Related Swap Agreement that obtains the benefit of the provisions of Section 8.02, any Subsidiary Guaranty or any Collateral by virtue of the provisions hereof or of the Subsidiary Guaranty or any Security Instrument shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article IX to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Cash Management Arrangements and Related Swap Agreements unless the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Lender or Affiliate of a Lender, as the case may be.

ARTICLE X. MISCELLANEOUS

10.01 Amendments, Etc. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Company or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders and the Company or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent (such acknowledgement not to be unreasonably withheld or delayed), and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) waive any condition set forth in Section 4.01(a) without the written consent of each Lender;

(b) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.02) without the written consent of such Lender;

(c) postpone any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees or other amounts due to the Lenders (or any of them) or any scheduled or mandatory reduction of the Aggregate Commitments hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby;

(d) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (iv) of the second proviso to this Section 10.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby; provided, however, that only the consent of the Required Lenders shall be necessary (i) to amend the definition of "Default Rate" or to waive any obligation of the Company to pay interest or Letter of Credit Fees at the Default Rate or (ii) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or L/C Borrowing or to reduce any fee payable hereunder;

(e) change Section 2.13 or Section 8.03 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender; or

(f) change any provision of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender;

(g) release all or substantially all of the value of the Subsidiary Guaranty without the written consent of each Lender;

(h) release all or substantially all of the Collateral in any transaction or series of related transactions, except as specifically required by the Loan Documents, without the written consent of each Lender;

and, provided further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the applicable L/C Issuer in addition to the Lenders required above, affect the rights or duties of such L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Swing Line Lender in addition to the Lenders required above, affect the rights or duties of the Swing Line Lender under this Agreement; (iii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; (iv) the Bank of America Letter and the Wells Fargo Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the respective parties thereto, (v) no amendment, waiver or consent shall modify Section 8.02(b) or any voting requirement under this clause (v) or clause (vi) below, in a manner adverse to any Floorplan Lender or the Floorplan Administrative Agent, unless in writing and signed by such Floorplan Lender or Floorplan Administrative Agent, and (vi) notwithstanding the foregoing, if the Security Agreement expressly requires the consent of the Required Floorplan Lenders or the acknowledgment of the Floorplan Administrative Agent for any amendment, consent or waiver with respect thereto if such amendment, consent or waiver would be adverse in any respect to

any Floorplan Lender or the Floorplan Administrative Agent (a “Floorplan Adverse Amendment, Consent or Waiver”), then no such Floorplan Adverse Amendment, Consent or Waiver with respect to any term of the Security Agreement shall be effective unless (in addition to the requirements set forth in this Section 10.01) such amendment, consent or waiver is signed by the Required Floorplan Lenders and acknowledged by the Floorplan Administrative Agent. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of all Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or the modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender.

Notwithstanding any provision herein to the contrary, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent, the Company and the other Loan Parties (i) to add one or more additional revolving credit or term loan facilities to this Agreement, in each case subject to the limitations in Section 2.13, and to permit the extensions of credit and all related obligations and liabilities arising in connection therewith from time to time outstanding to share ratably (or in a subordinated position to the existing facilities hereunder) in the benefits of this Agreement and the other Loan Documents with the obligations and liabilities from time to time outstanding in respect of the existing facilities hereunder, and (ii) in connection with the foregoing, to permit, as deemed appropriate by the Administrative Agent and approved by the Required Lenders, the Lenders providing such additional credit facilities to be included in any required vote or action required to be approved by the Required Lenders or by any other number or percentage of the Lenders hereunder.

10.02 Notices; Effectiveness; Electronic Communication.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Company, any other Loan Party, the Administrative Agent, Bank of America as an L/C Issuer or the Swing Line Lender to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule 10.02; and

(ii) if to any other Lender or L/C Issuer, to the address, telecopier number, electronic mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender or L/C Issuer on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Company).

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the L/C Issuers hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or any L/C Issuer pursuant to Article II if such Lender or such L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Company may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Company, any Lender, any L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Company's or the Administrative Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to the Company, any Loan Party, any Lender, any L/C Issuer

or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc. Each of the Company, the Administrative Agent, Bank of America, as L/C Issuer and the Swing Line Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender or L/C Issuer may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the Company, the Administrative Agent, the L/C Issuers and the Swing Line Lender. In addition, each Lender and each L/C Issuer (other than Bank of America) agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender or L/C Issuer.

(e) Reliance by Administrative Agent, L/C Issuer and Lenders The Administrative Agent, the L/C Issuers and the Lenders shall be entitled to rely and act upon any notices (including telephonic Committed Loan Notices and Swing Line Loan Notices) purportedly given by or on behalf of the Company even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Company shall indemnify the Administrative Agent, each L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Company. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

10.03 No Waiver; Cumulative Remedies No failure by any Lender, any L/C Issuer or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.04 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Company shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and each of its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by any L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by the Administrative Agent, any Lender or any L/C

Issuer (including the fees, charges and disbursements of any counsel for the Administrative Agent, any Lender or any L/C Issuer), and shall pay all fees and time charges for attorneys who may be employees of the Administrative Agent, any Lender or any L/C Issuer, in connection with the enforcement or protection of its rights, including any audit fees incurred when conducting any audit of any Loan Party or any Collateral during the continuance of any Event of Default (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Company. The Company shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and each L/C Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Company or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the applicable L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Company or any of its Subsidiaries, or any Environmental Liability related in any way to the Company or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Company or any other Loan Party, and regardless of whether any Indemnitee is a party thereto, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of the Indemnitee; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the Company or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Company or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

(c) Reimbursement by Lenders. To the extent that the Company for any reason fails to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agents thereof), each L/C Issuer or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any

such sub-agent), such L/C Issuer or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or such L/C Issuer in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) or such L/C Issuer in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, the Company shall not assert, and the Company hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

(f) Survival. The agreements in this Section shall survive the resignation of the Administrative Agent, the Swing Line Lender and Bank of America as an L/C Issuer, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

10.05 Payments Set Aside. To the extent that any payment by or on behalf of the Company is made to the Administrative Agent, any L/C Issuer, the Swing Line Lender or any other Lender, or the Administrative Agent, any L/C Issuer, the Swing Line Lender or any other Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, such L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and each L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and the L/C Issuers under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

10.06 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Company nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the L/C Issuers and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans (including for purposes of this subsection (b), participations in L/C Obligations and in Swing Line Loans) at the time owing to it; provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$2,500,000 unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Company otherwise consents (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met;

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned, except that this clause (ii) shall not apply to rights in respect of the Swing Line Lender's rights and obligations in respect of Swing Line Loans;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Company (such consent not to be unreasonably withheld) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Company shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender;

(C) the consent of the L/C Issuers (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Letters of Credit (whether or not then outstanding); and

(D) the consent of the Swing Line Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment.

(iv) Assignment and Assumption. The parties to each permitted assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of \$3,500, provided however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fees in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made (A) to any Loan Party or any of the Subsidiaries of any Loan Party, or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) to a natural person.

(vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which

may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Company and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swing Line Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05, and 10.04 with respect to facts and circumstances occurring prior to the effective date of such assignment. Upon request, the Company (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Company (and such agency being solely for tax purposes), shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Company, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. In addition, the Administrative Agent shall maintain on the Register information regarding the designation, and revocation of designation, of any Lender as a Defaulting Lender. The Register shall be available for inspection by the Company and any L/C Issuer at any reasonable time and from time to time upon reasonable prior notice. In addition, at any time that a request for a consent for a material or substantive change to the Loan Documents is pending, any Lender may request and receive from the Administrative Agent a copy of the Register.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Company, the Swing Line Lender, any L/C Issuer or the Administrative Agent, sell participations to any Person (other than a natural person, a Defaulting Lender or the Company or any of the Company's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations and/or Swing Line Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Company, the Administrative Agent, the Lenders and the L/C Issuers shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 10.01 that affects such Participant. Subject to subsection (e) of this Section, the Company agrees that each Participant shall be entitled to the benefits of Sections 3.01 and 3.04 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.13 as though it were a Lender.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 3.01 or 3.04 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Company's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.01 unless the Company is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Company, to comply with Section 3.01(e) as though it were a Lender.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under any of its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce

Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(h) Resignation as an L/C Issuer or Swing Line Lender after Assignment Notwithstanding anything to the contrary contained herein, (i) if at any time Bank of America assigns all of its Commitment and Loans pursuant to subsection (b) above, Bank of America may, (A) upon 30 days' notice to the Company and the Lenders, resign as an L/C Issuer and/or (B) upon 30 days' notice to the Company, resign as Swing Line Lender, and (ii) if at any time Wells Fargo assigns all of its Commitment and Loans pursuant to subsection (b) above, Wells Fargo may, upon 30 days' notice to the Company and the Lenders, resign as an L/C Issuer. In the event of any such resignation by Bank of America or Wells Fargo as an L/C Issuer or Swing Line Lender, the Company shall be entitled to appoint from among the Lenders a successor L/C Issuer or Swing Line Lender (as applicable) hereunder; provided, however, that no failure by the Company to appoint any such successor shall affect the resignation of (x) Bank of America as an L/C Issuer or Swing Line Lender or (y) Wells Fargo as an L/C Issuer, as the case may be. If Bank of America or Wells Fargo resigns as L/C Issuer, it shall retain all the rights, powers, privileges and duties of an L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as an L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Committed Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c)). If Bank of America resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Eurodollar Rate Committed Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment of a successor L/C Issuer and/or Swing Line Lender (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as the case may be, and (b) such successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, of the resigning L/C Issuer outstanding at the time of such succession or make other arrangements satisfactory to Bank of America or Wells Fargo, as the case may be, to effectively assume the obligations of Bank of America or Wells Fargo, as the case may be, with respect to such Letters of Credit.

10.07 Treatment of Certain Information; Confidentiality. Each of the Administrative Agent, the Lenders and the L/C Issuers agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or

Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Company and its obligations, (g) with the consent of the Company or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Lender, any L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than the Company.

For purposes of this Section, "Information" means all information received from the Company or any Subsidiary relating to the Company or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or any L/C Issuer on a nonconfidential basis prior to disclosure by the Company or any Subsidiary, provided that, in the case of information received from the Company or any Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent, the Lenders and the L/C Issuers acknowledges that (a) the Information may include material non-public information concerning the Company or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including Federal and state securities Laws.

10.08 Right of Setoff If an Event of Default shall have occurred and be continuing, each Lender, each L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, such L/C Issuer or any such Affiliate to or for the credit or the account of the Company against any and all of the obligations of the Company now or hereafter existing under this Agreement or any other Loan Document to such Lender or such L/C Issuer, irrespective of whether or not such Lender or such L/C Issuer shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Company may be contingent or unmatured or are owed to a branch or office of such Lender or such L/C Issuer different from the branch or office holding such deposit or obligated on such indebtedness; provided, that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.16 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, each L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, such L/C Issuer or their respective Affiliates may have. Each Lender and each L/C Issuer agrees to notify the Company

and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.09 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Company. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

10.10 Counterparts; Integration; Effectiveness. This Agreement and the other Loan Documents may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement and the other Loan Documents shall become effective when they shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement or any other Loan Document by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement or such other Loan Documents.

10.11 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

10.12 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The

invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 10.12, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, the L/C Issuers or the Swing Line Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

10.13 Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Company is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender is a Defaulting Lender, then the Company may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.06), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Company shall have paid to the Administrative Agent the assignment fee specified in Section 10.06(b);

(b) such Lender shall have received payment of an amount equal to not less than 100% of the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Company (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter; and

(d) such assignment does not conflict with applicable Laws.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Company to require such assignment and delegation cease to apply.

10.14 Governing Law; Jurisdiction; Etc.

(a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NORTH CAROLINA.

(b) SUBMISSION TO JURISDICTION. THE COMPANY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NORTH CAROLINA SITTING IN MECKLENBURG COUNTY AND OF THE UNITED STATES FOR THE WESTERN DISTRICT, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS

AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NORTH CAROLINA STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR ANY L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE COMPANY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. THE COMPANY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

10.15 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

10.16 USA PATRIOT Act Notice Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Company that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Company, which information includes the name and address of the Company and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Company in accordance with the Act.

10.17 Designated Senior Indebtedness. Each party acknowledges and agrees that the Indebtedness under the Loan Documents is "Designated Senior Indebtedness" (or any similar term) under, and as defined in, the Indenture Indebtedness or any Additional Indebtedness.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be made, executed and delivered by their duly authorized officers as of the day and year first above written.

COMPANY:
SONIC AUTOMOTIVE, INC.

By: /s/ DAVID P. COSPER _____
Name: David P. Cosper
Title: Vice Chairman and Chief Financial Officer

AMENDED AND RESTATED CREDIT AGREEMENT
Signature Page

BANK OF AMERICA, N.A.,
as Administrative Agent and as Revolving Administrative Agent (as
collateral agent under the Loan Documents)

By: /s/ ANGELO M. MARTORANA

Name: Angelo M. Martorana

Title: Assistant Vice President

AMENDED AND RESTATED CREDIT AGREEMENT

Signature Page

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as an L/C Issuer

By: /s/ MICHAEL R. BURKITT
Name: Michael R. Burkitt
Title: Senior Vice President

AMENDED AND RESTATED CREDIT AGREEMENT
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LENDERS:
BANK OF AMERICA, N.A.,
as a Lender, Swing Line Lender and an L/C Issuer

By: /s/ M. PATRICIA KAY
Name: M. Patricia Kay
Title: Senior Vice President

AMENDED AND RESTATED CREDIT AGREEMENT
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DCFS USA LLC,
as a Lender

By: /s/ MICHELE NOWAK
Name: Michele Nowak
Title: Credit Director, National Accounts

AMENDED AND RESTATED CREDIT AGREEMENT
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BMW FINANCIAL SERVICES NA, LLC,
as a Lender

By: /s/ SCOTT BARGAR

Name: Scott Bargar

Title: Commercial Finance Credit Manager
BMW Group Financial Services

By: /s/ PATRICK SULLIVAN

Name: Patrick Sullivan

Title: GM, Commercial Finance
BMW Group Financial Services

AMENDED AND RESTATED CREDIT AGREEMENT
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TOYOTA MOTOR CREDIT CORPORATION,
as a Lender

By: /s/ MARK DOI
Name: Mark Doi
Title: National Dealer Credit Manager

AMENDED AND RESTATED CREDIT AGREEMENT
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JPMORGAN CHASE BANK, N.A.,
as a Lender

By: /s/ JEFFREY G. CALDER
Name: Jeffrey G. Calder
Title: Vice President

AMENDED AND RESTATED CREDIT AGREEMENT
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WACHOVIA BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ MICHAEL R. BURKITT
Name: Michael R. Burkett
Title: Senior Vice President

AMENDED AND RESTATED CREDIT AGREEMENT
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COMERICA BANK,
as a Lender

By: /s/ DAVID M. GARBARZ
Name: David M. Garbarz
Title: Senior Vice President

AMENDED AND RESTATED CREDIT AGREEMENT
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WORLD OMNI FINANCIAL CORP.,
as a Lender

By: /s/ BILL SHOPE
Name: Bill Shope
Title: VP, Portfolio Management

AMENDED AND RESTATED CREDIT AGREEMENT
Signature Page

SILO SUBSIDIARIES

1. Arngar, Inc.
2. Autobahn, Inc.
3. FAA Beverly Hills, Inc.
4. FAA Concord T, Inc.
5. FAA San Bruno, Inc.
6. FAA Serramonte L, Inc.
7. FAA Torrance CPJ, Inc.
8. Fort Mill Ford, Inc.
9. Marcus David Corporation
10. Massey Cadillac, Inc.
11. Ontario L, LLC
12. SAI Atlanta B, LLC
13. SAI Broken Arrow C, LLC
14. SAI Clearwater T, LLC
15. SAI Columbus T, LLC
16. SAI Fort Myers B, LLC
17. SAI Fort Myers M, LLC
18. SAI Irondale L, LLC
19. SAI Long Beach B, Inc.
20. SAI Monrovia B, Inc.
21. SAI Montgomery B, LLC
22. SAI Montgomery BCH, LLC
23. SAI Nashville CSH, LLC
24. SAI Nashville M, LLC
25. SAI Oklahoma City C, LLC
26. SAI Oklahoma City T, LLC
27. SAI Orlando CS, LLC
28. SAI Riverside C, LLC
29. SAI Rockville Imports, LLC
30. SAI Rockville L, LLC
31. SAI Tulsa T, LLC
32. Sonic Automotive — 1720 Mason Ave., DB, LLC
33. Sonic Automotive 2752 Laurens Rd., Greenville, Inc.
34. Sonic Automotive — 3401 N. Main, TX, L.P.
35. Sonic Automotive — 4701 I-10 East, TX, L.P.
36. Sonic Automotive of Chattanooga, LLC
37. Sonic Automotive of Nashville, LLC
38. Sonic Automotive of Texas, L.P.
39. Sonic — Cadillac D, L.P.
40. Sonic — Calabasas M, Inc.
41. Sonic—Capitol Cadillac, Inc.
42. Sonic — Coast Cadillac, Inc.

43. Sonic — Denver T, Inc.
44. Sonic — Fort Worth T, L.P.
45. Sonic — Frank Parra Autoplex, L.P.
46. Sonic — Las Vegas C East, LLC
47. Sonic — Las Vegas C West, LLC
48. Sonic — Lone Tree Cadillac, Inc.
49. Sonic — LS Chevrolet, L.P.
50. Sonic — Manhattan Fairfax, Inc.
51. Sonic Momentum B, L.P.
52. Sonic — Newsome Chevrolet World, Inc.
53. Sonic—Plymouth Cadillac, Inc.
54. Sonic — Richardson F, L.P.
55. Sonic — Sanford Cadillac, Inc.
56. Sonic Santa Monica M, Inc.
57. Sonic — Stevens Creek B, Inc.
58. Sonic — Stone Mountain T, L.P.
59. Sonic Walnut Creek M, Inc.
60. Stevens Creek Cadillac, Inc.
61. Town and Country Ford, Incorporated

AMENDED AND RESTATED CREDIT AGREEMENT
Signature Page

DUAL SUBSIDIARIES

1. Philpott Motors, Ltd.
2. SAI Ann Arbor Imports, LLC
3. SAI Montgomery CH, LLC
4. Sonic — Newsome of Florence, Inc.
5. SAI Irondale Imports, LLC

CERTAIN ERISA INFORMATION

Seven dealership subsidiaries of Sonic Automotive, Inc. located in Northern California are contributing employers to the Automotive Industries Pension Trust Fund (EIN # 94-1133245), Plan No. 001 (the "Plan"), a "Multiemployer Plan" (as defined in the Agreement) the participants and beneficiaries of which are primarily union member employees or retirees of the International Association of Machinists and Aerospace Workers District Lodge 190 in Northern California (the "IAM Local 190"), with numerous participating contributing employers primarily located in the State of California.

The federal Pension Protection Act of 2006 (the "Act") requires multiemployer defined benefit pension plans to engage an actuary to annually evaluate the particular pension plan's funding status, and to determine the extent to which the particular plan is projected to meet its obligations. A determination by the actuary that the particular plan is in "critical status" pursuant to the Act triggers requirements for the particular plan to adopt a rehabilitation plan designed to improve the plan's financial condition over time and improve the plan's ability to meet pension obligations in the future. The Board of Trustees of the Automotive Industries Pension Trust Fund has formally notified participants, beneficiaries, contributing employers and the IAM Local 190 that the Plan's actuary certified the Plan to be in critical status pursuant to the Act. The Board has also adopted a Rehabilitation Plan to address such status pursuant to the requirements of the Act, including suspension or elimination of certain benefits to beneficiaries under the Plan and requirements to increase contributing employer contributions beginning in the 2013 calendar year.

COMMITMENTS AND
APPLICABLE PERCENTAGES

<u>Lender</u>	<u>Commitment</u>	<u>Applicable Percentage</u>
DCFS USA LLC	\$ 50,000,000.00	33.3333333333%
Bank of America, N.A.	\$ 30,000,000.00	20.0000000000%
BMW Financial Services NA, LLC	\$ 30,000,000.00	20.0000000000%
Toyota Motor Credit Corporation	\$ 20,000,000.00	13.3333333333%
JPMorgan Chase Bank, N.A.	\$ 8,000,000.00	5.3333333333%
Wachovia Bank, National Association	\$ 5,000,000.00	3.3333333333%
Comerica Bank	\$ 4,000,000.00	2.6666666667%
World Omni Financial Corp.	\$ 3,000,000.00	2.0000000000%
Total	\$ 150,000,000.00	100.0000000000%

EXISTING LETTERS OF CREDIT

Letter of Credit #	Issue Date	Expiry Date	Beneficiary Name	Outstanding Amount
00000003055014	3/24/2003	2/1/2010	ARROWOOD INDEMNITY C	\$ 1,700,000.00
00000003061353	3/12/2004	2/1/2010	THE TRAVELERS INDEMN	\$ 7,100,000.00
00000003062079	4/1/2004	2/1/2010	FALCON FINANCIAL II,	\$ 9,250,694.00
00000003062406	4/1/2004	2/1/2010	FALCON FINANCIAL II,	\$ 4,067,316.00
00000003062407	4/1/2004	2/1/2010	FALCON FINANCIAL II,	\$ 6,103,951.00
00000003074622	4/29/2005	2/1/2010	UNITED STATES FIDELI	\$ 4,160,000.00
00000003080453	2/17/2006	2/1/2010	DAIMLERCHRYSLER FINA	\$ 1,100,000.00
00000003080454	2/17/2006	2/1/2010	FORD MOTOR CREDIT CO	\$ 2,000,000.00
00000003080455	2/17/2006	2/1/2010	GMAC LLC	\$ 7,000,000.00
00000003080768	3/14/2006	2/1/2010	UNIVERSAL UNDERWRITE	\$ 150,000.00
00000003086579	2/7/2007	2/1/2010	HARTFORD FIRE INSURA	\$ 20,820,000.00
00000003090339	10/12/2007	2/1/2010	DCFS USA LLC	\$ 3,400,000.00
00000003090977	12/24/2007	2/1/2010	VEL'S FORD, LLC A CA	\$ 2,126,729.44
00000003099363	4/23/2009	2/1/2010	LEXON INSURANCE COMP	\$ 6,000,000.00
00000003099439	5/5/2009	2/1/2010	INTEGRYS ENERGY SERV	\$ 1,250,000.00
00000003099780	6/3/2009	2/1/2010	TRAVELERS CASUALTY A	\$ 283,200.00
00000003101380	11/18/2009	2/1/2010	BANK OF AMERICA, N.A	\$ 20,000,000.00
				\$ 96,511,890.44

INFORMATION REGARDING COLLATERAL

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
Sonic Automotive, Inc.	Delaware Corporation 2714319	The chief executive office for all entities is 6415 Idlewild Rd., Suite 109, Charlotte, NC		6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Arngar, Inc.	North Carolina Corporation 0005612		Arnold Palmer Cadillac	10725 Pineville Rd. Pineville, NC	CAR SON MAS, L.P.	All Owners of Collateral Locations (if other than Grantor) are unrelated lessors, except where noted.
Autobahn, Inc.	California Corporation C1548941		Autobahn Motors Main Facility	700 Island Pkwy. Belmont, CA	Lucas Trust Properties, LLC	
			Airspace Lease	Beneath Island Pkwy. north of Ralston Ave. Belmont, CA	City of Belmont, CA	
			Remnant Parcel	East of Island Pkwy. and north of Ralston Ave. Belmont, CA	Lucas Trust Properties, LLC	

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
Autobahn, Inc. (continued)			Autobahn Motors- Service/Storage	500-510 Harbor Blvd. Belmont, CA	David S. Lake Trust	
			Autobahn Motors Vehicle Storage/Detailing	1315 Elmer St. Belmont, CA	George W. Williams, Co- Trustee, George W. Williams III G.S. Trust	
					George W. Williams and Borel Bank, Co-Trustees, Hortense Williams Trust	
					Lois Hortense Rosebrook Trust	
					Katherine B. Woodlard, Robert P. Berryman and Mark A. Berryman	
Avalon Ford, Inc.	Delaware Corporation 0896102			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Cornerstone Acceptance Corporation	Florida Corporation P98000064003			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

I. Name	II. Jurisdiction of Formation/ Form of Equity/L.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
FAA Auto Factory, Inc.	California Corporation C2058910			3737 First St. Livermore, CA	Cordiroli Ford Company	
FAA Beverly Hills, Inc.	California Corporation C2069519		Beverly Hills BMW — Service & CPO Facility	8833 Wilshire Blvd. Beverly Hills, CA	Dusenberg Investments	
			Beverly Hills BMW — Sales Facility	8825 Wilshire Blvd. Beverly Hills, CA	8825 Wilshire, LLC	
			Beverly Hills BMW — Rental Parking (Bubble Building)	8840 Wilshire Blvd. Beverly Hills, CA	Bubble Real Estate	
			Beverly Hills BMW — Storage (Avis Lot Fee)	8931 Wilshire Blvd. Beverly Hills, CA	Fortress Holdings L.P.	
			8850 Wilshire Blvd. (BMW Beverly Hills — Storage and Service Overflow)	8850 Wilshire Blvd. Beverly Hills, CA	Illouliau Properties	
			8844 Wilshire Blvd. (BMW Beverly Hills Storage & Service Overflow)	8844 Wilshire Blvd. Beverly Hills, CA	Illouliau Properties	
			Storage Lot	8500 Burton Way Los Angeles, CA	Century Investments, Inc.	
			Garage	99 N. La Cienega Blvd. Beverly Hills, CA	99 North La Cienega, L.P.	
			Storage Lot	8900 Wilshire Blvd. Beverly Hills, CA	Global Five Management, Inc.	

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
FAA Beverly Hills, Inc. (continued)			Parking — Storage Lot	8909 Wilshire Blvd. Beverly Hills, CA	8909 Wilshire Beverly, LLC	
			Service Facility Relocations Site	9000-9001 Olympic Blvd. Beverly Hills, CA	Landmark Group, LLC	
			Parking Facility	9100 Wilshire Blvd. Beverly Hills, CA	Douglas Emmett Management, LLC	
FAA Capitol N, Inc.	California Corporation C2054429			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
FAA Concord H, Inc.	California Corporation C2004304		Concord Honda	1300 Concord Ave. Concord, CA	Rosewood Village Associates	
				2241 Commerce Ave. Concord, CA	Stan Gaunt	
FAA Concord T, Inc.	California Corporation C0613543		Concord Toyota Concord Scion	1090 Concord Ave. Concord, CA	1090 Concord Associates, LLC	
FAA Dublin N, Inc.	California Corporation C2007600			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
FAA Dublin VWD, Inc.	California Corporation C2007571			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
FAA Holding Corp.	California Corporation C2174202			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
FAA Las Vegas H, Inc.	Nevada Corporation C13186-1999		Honda West	7615 W. Sahara Ave. Las Vegas, NV	CARS CNI-2 L.P.	
FAA Poway H, Inc.	California Corporation C2006230		Poway Honda	13747 Poway Rd. Poway, CA	Bay Automotive Properties, LLC	
FAA Poway T, Inc.	California Corporation C2006232			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	Chartown is indirectly owned by O. Bruton Smith
FAA San Bruno, Inc.	California Corporation C2004303		Melody Toyota Melody Scion (Main Facility) (Service and Parts Facility)	750 El Camino Real San Bruno, CA 222 E. San Bruno Ave. San Bruno, CA	Bill & Sylvia Wilson L & P Kaplan	

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
FAA San Bruno, Inc. (continued)			(Parking Lot — New and Used)	732 El Camino Real San Bruno, CA	Peter J. Mandell and Susan Gootnick	
			(Main Facility)	750 El Camino Real San Bruno, CA	Thomas Chapman Trust	
			(Used Car Facility)	650 El Camino Real San Bruno, CA	Martha E. Bishop, Helen J. Carey, The Mary Colter McDonald Trust	
			(Parking — Used Cars)	650 and 660 El Camino Real San Bruno, CA	Bill Malkason	
			(Used Cars)	650 and 660 El Camino Real San Bruno, CA	Sonic Development, LLC	Subsidiary of Sonic Automotive, Inc
			(Parking Lot)	692 El Camino Real San Bruno, CA	Larry Mobley and Larry Malasoma	
				Linden Ave. and Angus Ave. San Bruno, CA	G. W. Williams, Co.	

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
FAA Santa Monica V, Inc.	California Corporation C2165877		Volvo of Santa Monica	1719 Santa Monica Blvd. Santa Monica, CA 1801 Santa Monica Blvd. Santa Monica, CA 1455 18th St. Santa Monica, CA 1447 18th St. Santa Monica, CA	CARS-DB4, LP Sully Three SM, LLC Don Kidson Layn Smith	
FAA Serramonte, Inc.	California Corporation C2004221		Serramonte Auto Plaza Serramonte Mitsubishi	1500 Collins Ave. Colma, CA Serramonte Auto Plaza (Mitsubishi Service and Parts) 445 Serramonte Blvd. Colma, CA Serramonte Nissan 650 Serramonte Blvd. Colma, CA Serramonte PDI Center 900 Collins Ave. Colma, CA	Price Trust Price Trust Cypress Abbey Company Portola Properties	
FAA Serramonte H, Inc.	California Corporation C2069465		Honda of Serramonte	485 Serramonte Blvd. Colma, CA	Price Trust	

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
FAA Serramonte L, Inc.	California Corporation C2004222		Lexus of Serramonte Lexus of Marin	700 Serramonte Blvd. Colma, CA	Price Trust	
FAA Stevens Creek, Inc.	California Corporation C2004216		Stevens Creek Nissan	513 Francisco Blvd. E. San Rafael, CA	CAR FAA II LLC	
			Stevens Creek Nissan — Offsite Vehicle Storage	4855 & 4875 Stevens Creek Blvd. Santa Jose, CA	Rosewood Village Associates	
			Stevens Creek Nissan — Used Car Lot	1507 South 10th St. San Jose, CA	10th Street Land Management	
			Stevens Creek Nissan — Detail and Service Center	4795 Stevens Creek Blvd. San Jose, CA	Donald S. & Mary S. Abinante	
				4885 Stevens Creek Blvd. San Jose, CA	Edmiston & Hock Enterprises, Inc.	
FAA Torrance CPJ, Inc.	California Corporation C2165823		South Bay Chrysler Jeep Dodge Main Facility	20900 Hawthorne Blvd. Torrance, CA	Miletich-Jones Land Co.	
				20433 Hawthorne Blvd. Torrance, CA	Del Thorne LLC	
			CJ Storage Lot	20465 Hawthorne Blvd. Torrance, CA	Marvin Lazar	

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
FirstAmerica Automotive, Inc.	Delaware Corporation 2761294			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Fort Mill Ford, Inc.	South Carolina Corporation			801 Gold Hill Rd. Fort Mill, SC	SRE South Carolina-1, LLC	
Fort Myers Collision Center, LLC	Florida Limited Liability Company L00000004315			12490 Metro Pkwy. Fort Myers, FL	S&T Collision Center	
Franciscan Motors, Inc.	California Corporation C1532758		Acura of Serramonte	465/475 Serramonte Blvd. Colma, CA	Price Trust	
Frontier Oldsmobile- Cadillac, Inc.	North Carolina Corporation 0233650			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

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Kramer Motors Incorporated	California Corporation C0392185		Honda of Santa Monica	1720 Santa Monica Blvd. Santa Monica, CA	CARS-DB4, LP	
			Honda of Santa Monica	1801 Santa Monica Blvd. and 1347 - 18 th St. Santa Monica CA	Sully Three SM, LLC	
			Honda of Santa Monica (other)	1411 — 17 th St. Santa Monica, CA	Sully Three SM, LLC	
			Honda of Santa Monica (storage)	1819 Santa Monica Blvd. Santa Monica, CA	Sully Three SM, LLC	
			1718 Santa Monica Blvd. Santa Monica, CA	Michael N. Amir, Trustee		
L Dealership Group, Inc.	Texas Corporation 151278900			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
			Town and Country Toyota Certified Used Cars Lot	9900 South Blvd. Charlotte, NC	Jesco Ltd. Properties	
Marcus David Corporation	North Carolina Corporation 0272880		CPO and Truck Sales	1300 Cressida Dr. Charlotte, NC	National Retail Properties, LP	
			Town and Country Toyota-Scion Town and Country Toyota	9101 South Blvd. Charlotte, NC	MMR Holdings, LLC	
			Schedule 2A.03(a) — Page 11			

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Massey Cadillac, Inc.	Tennessee Corporation 0230052		Massey Cadillac	24600 Grand River Ave. Detroit, MI	CAR SON MAS, L.P.	
Ontario L, LLC	California Limited Liability Company 200330110050		Crown Lexus	1125 Kettering Dr. Ontario, CA	M.F. Salta Co., Inc.	
Philpott Motors, Ltd.	Texas Limited Partnership 12223010		Philpott Motors Hyundai	1900 U.S. Hwy. 69 Nederland, TX	Rustin B. Penland	
			(Hangar Lease)	4605 Third St. Airport Beaumont, TX	Jefferson County, Texas	
			Philpott Ford Philpott Toyota	1400 U.S. Hwy. 69 Nederland, TX	Philpott Properties, Ltd.	
			Philpott Ford-Toyota (Fleet/Body Shop)	2727 Nall St. Port Neches, TX	Philpott Properties, Ltd.	
SAI AL HC1, Inc.	Alabama Corporation D/C 206-272			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
SAI AL HC2, Inc.	Alabama Corporation D/C 199-217		Tom Williams Collision Center	1874 Grants Mill Rd. Irondale, AL	SRE Alabama — 2, LLC	Indirect Subsidiary of Sonic Automotive, Inc.

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SAI Ann Arbor Imports, LLC	Michigan Limited Liability Company E15303		Mercedes-Benz of Ann Arbor BMW of Ann Arbor	570 Auto Mall Dr. Ann Arbor, MI 501 Auto Mall Dr. Ann Arbor, MI	SRE Michigan-1, LLC c/o CARS SRE Michigan-2 LLC c/o CARS	
SAI Atlanta B, LLC	Georgia Limited Liability Company 08083814		Global Imports [BMW] Global Imports MINI	500 Interstate North Pkwy. SE Atlanta, GA	MMR Holdings, LLC c/o Capital Automotive REIT McLean, VA 22102 Attn: Portfolio Manager	
SAI Broken Arrow C, LLC	Oklahoma Limited Liability Company 3512215667		Speedway Chevrolet	2301 N. Aspen Ave. Broken Arrow, OK	Miller Family Real Estate, LLC	
SAI Charlotte M, LLC	North Carolina Limited Liability Company 0433486			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
SAI Clearwater T, LLC	Florida Limited Liability Company L08000116713		Clearwater Toyota Clearwater Scion	21799 U.S. Hwy. 19 N. Clearwater, FL	CARS-DB4, LP	

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SAI Columbus Motors, LLC	Ohio Limited Liability Company CP13127		Hatfield Subaru Hatfield Hyundai Hatfield Isuzu	1400 Auto Mall Dr. Columbus, OH	MMR Holdings, LLC	
SAI Columbus T, LLC	Ohio Limited Liability Company CP13128		Toyota West Scion West Hatfield Automall	1500 Automall Dr. Columbus, OH	MMR Holdings, LLC	
SAI Columbus VWK, LLC	Ohio Limited Liability Company CP13130		Hatfield Kia Hatfield Volkswagen	1495 Auto Mall Dr. Columbus, OH	MMR Holdings, LLC	
SAI FL HC2, Inc.	Florida Corporation P98000016038		N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith.
SAI FL HC3, Inc.	Florida Corporation P98000064012		N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith.
SAI FL HC4, Inc.	Florida Corporation P98000064009		N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith.

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SAI FL HC6, Inc.	Florida Corporation P99000004218		N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
SAI FL HC7, Inc.	Florida Corporation F86660		N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
SAI Fort Myers B, LLC	Florida Limited Liability Company L08000116712		BMW of Fort Myers MINI of Fort Myers	15421 S. Tamiami Tr. Fort Myers, FL 13880 S. Tamiami Tr. Fort Myers, FL	SRE Florida — 1, LLC CARS (SON-064)	Indirect subsidiary of Sonic Automotive, Inc.
SAI Fort Myers H, LLC	Florida Limited Liability Company L08000116710		Honda of Fort Myers	14020 S. Tamiami Tr. Fort Myers, FL	CAR SONFREE, LLC (also tenant for VW of Fort Myers)	
SAI Fort Myers M, LLC	Florida Limited Liability Company L98000002089		Mercedes-Benz of Fort Myers	15461 S. Tamiami Tr. Fort Myers, FL	SRE Florida — 1, LLC	Indirect subsidiary of Sonic Automotive, Inc.

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SAI Fort Myers VW, LLC	Florida Limited Liability Company L08000116709		Volkswagen of Fort Myers	14060 S. Tamiami Tr. Fort Myers, FL	CAR SONFREE, LLC	
SAI GA HC1, LP	Georgia Limited Partnership 0224680	N/A		6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
SAI Georgia, LLC	Georgia Limited Liability Company 08094603	N/A		6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
SAI Irondale Imports, LLC	Alabama Limited Liability Company 428-744		Tom Williams Imports (BMW)	1000 Tom Williams Way Irondale, AL	SRE Alabama — 2, LLC	Indirect Subsidiary of Sonic Automotive, Inc.
			Tom Williams Audi Tom Williams Porsche	3001 Tom Williams Way Irondale, AL	SRE Alabama — 2, LLC	
			Land Rover Birmingham	3000 Tom Williams Way Irondale, AL	SRE Alabama — 2, LLC	
			MINI of Birmingham	2001 Tom Williams Way Irondale, AL	SRE Alabama — 2, LLC	
SAI Irondale L, LLC	Alabama Corporation DLL 662-073		Tom Williams Lexus	1001 Tom Williams Way Irondale, AL	SRE Alabama — 2, LLC	

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SAI Long Beach B, Inc.	California Corporation C2998588		Long Beach BMW	2998 Cherry Ave. Signal Hill, CA 90755	Velma M. Robinett, Trustee of the Alda C. Jones Trust c/o Signal Hill Redevelopment Agency 2175 Cherry Ave. Signal Hill, CA 90806	
			Long Beach MINI	2725 Temple Ave. Signal Hill, CA 90755	FU Lyons Signal Hill, LLC 15125 Garfield Ave. Paramount, CA 90723	
SAI MD HC1, Inc.	Maryland Corporation D05310776	N/A		6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith.
SAI Monrovia B, Inc.	California Corporation C2979304		BMW of Monrovia	1425-1451 South Mountain Ave. Monrovia, CA	Assael Family Trust c/o Dennis D. and Charyl A. Assael, Trustees 222 Heliotrope Ave. Corona del Mar, CA 92625	
			MINI of Monrovia	1875 South Mountain Ave. Monrovia, CA	SRE California — 4, LLC	SRE California — 4, LLC is an indirect subsidiary of Sonic Automotive, Inc.

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SAI Montgomery B, LLC	Alabama Limited Liability Company 428-746		BMW of Montgomery	190 Eastern Blvd. Montgomery, AL	CC&I LLC	
SAI Montgomery BCH, LLC	Alabama Limited Liability Company 428-745		Classic Cadillac Buick Classic Cadillac Classic Hummer	833 Eastern Blvd. Montgomery, AL	James L. Rouse & Reese H. Bricken	
SAI Montgomery CH, LLC	Alabama Limited Liability Company 428-747		Capitol Chevrolet	711 Eastern Blvd. Montgomery, AL	SRE Alabama-1, LLC	
			Capitol Hyundai	2820 Eastern Blvd. Montgomery, AL	CAR BSC L.L.C.	
SAI Nashville CSH, LLC	Tennessee Limited Liability Company 0336183		Crest Cadillac Crest Hummer Crest Saab	2121 Rosa L. Parks Blvd. Nashville, TN	CAR SON MAS TN L.L.C.	
SAI Nashville H, LLC	Tennessee Limited Liability Company 0336180		Crest Honda	2215 Rosa L. Parks Blvd. Nashville, TN	CAR SON MAS TN L.L.C.	

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SAI Nashville M, LLC	Tennessee Limited Liability Company 0336182		Mercedes-Benz of Nashville	630 Bakers Bridge Ave. Franklin, TN	BKB Properties LLC	
SAI Nashville Motors, LLC	Tennessee Limited Liability Company 0566970		Audi Nashville Jaguar Nashville Porsche of Nashville	2350 Franklin Pike Nashville, TN	SRE Tennessee — 4, LLC 6415 Idlewild Rd. Suite 109 Charlotte, NC	
SAI OK HC1, Inc.	Oklahoma Corporation 1900632183		N/A	725 Melpark Dr. Nashville, TN	SRE Tennessee — 4, LLC 6415 Idlewild Rd. Suite 109 Charlotte, NC	A portion of Chartown is indirectly owned by O. Bruton Smith.
SAI Oklahoma City C, LLC	Oklahoma Limited Liability Company 3512215668		City Chevrolet	5000 W. Reno Oklahoma City, OK	CARS CNI-2 L.P.	

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SAI Oklahoma City H, LLC	Oklahoma Limited Liability Company 3512215666		Steve Bailey Pre-Owned Super Center Steve Bailey Honda	8700 NW Expressway Oklahoma City, OK	Heitzinger Associates	
SAI Oklahoma City T, LLC	Oklahoma Limited Liability Company 3512215664		Dub Richardson Toyota Dub Richardson Scion (Body Shop)	8401 NW Expressway Oklahoma City, OK 9038 NW Expressway Oklahoma City, OK	Heitzinger Associates and Geary Plaza Associates Heitzinger Associates	
SAI Orlando CS, LLC	Florida Limited Liability Company L08000116711		Massey Cadillac Massey Saab of Orlando	4241 N. John Young Pkwy. Orlando, FL	CAR SON MAS, L.P.	
			Massey Cadillac South	8819 S. Orange Blossom Tr. Orlando, FL	CAR SON MAS, L.P.	
			(side street access; possible vehicle storage)	1851 Landstreet Rd.Orlando, FL	Sonic Development, LLC	Sonic Development, LLC is a direct subsidiary of Sonic Automotive, Inc
SAI Riverside C, LLC	Oklahoma Limited Liability Company 3512215685		Riverside Chevrolet (Main Facility)	707 W. 51st St. Tulsa, OK	Hudiburg Trusts Partnership	
			(Reconditioning Facility)	2002 W. Skelly Dr. Tulsa, OK	Union Limited Liability Company	

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SAI Rockville Imports, LLC	Maryland Limited Liability Company W12791083		Rockville Audi Rockville Porsche-Audi Porsche of Rockville	1125 Rockville Pike Rockville, MD 20852	SRE-Virginia 1, LLC c/o Sonic Automotive, Inc. 6415 Idlewild Rd., Suite 109 Charlotte, NC	Indirect Subsidiary of Sonic Automotive, Inc.
SAI Rockville L, LLC	Maryland Limited Liability Company W12796074		Lexus of Rockville	15501 & 15515 Frederick Rd. Rockville, MD	Royco, Inc. 8121 Georgia Ave. Suite 500 Silver Spring, MD 20910	
				711 East Gude Dr. Rockville, MD	The Cotler Properties c/o The Jaffe Group 5454 Wisconsin Ave. Suite 1265 Chevy Chase, MD 20815	
				15814-A and B Paramount Dr. Rockville, MD	Beltway Cable Services Inc. 15815 Paramount Dr. Rockville, MD 20855	
SAI TN HC1, LLC	Tennessee Corporation 0336184		N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith.
SAI TN HC2, LLC	Tennessee Limited Liability Company 0336185		N/A	N/A	N/A	N/A

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SAI TN HC3, LLC	Tennessee Corporation 0336181		N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith.
SAI Tulsa N, LLC	Oklahoma Limited Liability Company 3512215684		Riverside Nissan	8190 E. Skelly Dr. Tulsa, OK	Hudiburg Properties	
SAI Tulsa T, LLC	Oklahoma Limited Liability Company 3512215671		Riverside Toyota Riverside Scion	6868 East B.A. Frontage Rd. Tulsa, OK	CAR SON OK TOY L.L.C.	
Santa Clara Imported Cars, Inc.	California Corporation C0587296		Honda of Stevens Creek Stevens Creek Used Cars	4590 Stevens Creek Blvd. San Jose, CA	Lucas Trust Properties, LLC	
Sonic—2185 Chapman Rd., Chattanooga, LLC	Tennessee Limited Liability Company 0366281		Stevens Creek Honda— Offsite Vehicle Storage	1507 South 10 th St. San Jose, CA	10 th Street Land Management	
			Economy Honda Superstore	2135 Chapman Rd. Chattanooga, TN	Standefor Investment Company	

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Sonic Advantage PA, L.P.	Texas Limited Partnership 800235623		Porsche of West Houston	11890 Katy Fwy. Houston, TX	SRE Texas—2, L.P.	SRE Texas— 2, L.P. is an indirect subsidiary of Sonic Automotive, Inc.
			Audi West Houston	11850 and 11890 Katy Fwy., Houston, TX	SRE Texas—2, L.P.	
			Performance Auto Leasing	19550 Northwest Fwy. Houston, TX	CARS 2 MDMLP	
Sonic Agency, Inc.	Michigan Corporation 35010C			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic Automotive —1720 Mason Ave., DB, Inc.	Florida Corporation P98000064005			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic Automotive —1720 Mason Ave., DB, LLC	Florida Limited Liability Company L98000001576		Mercedes-Benz of Daytona Beach	1720 Mason Ave. Daytona Beach, FL	MMR Holdings, LLC	

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Sonic Automotive 2752 Laurens Rd., Greenville, Inc.	South Carolina Corporation		Century BMW Century MINI	2750 Laurens Rd. Greenville, SC	MMR Holdings, LLC	
			(Parking Lot)	17 Duvall and 2758 Laurens Rd. Greenville, SC	Brockman Real Estate, LLC	
Sonic Automotive - 3401 N. Main, TX, L.P.	Texas Limited Partnership 11376510		Ron Craft Chevrolet Cadillac Baytown Auto Collision Center	4114 Hwy. 10 E. Baytown, TX	CAR SON BAY, L.P.	
Sonic Automotive- 3700 West Broad Street, Columbus, Inc.	Ohio Corporation CP13131			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic Automotive- 4000 West Broad Street, Columbus, Inc.	Ohio Corporation CP13126			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic Automotive - 4701 I-10 East, TX, L.P.	Texas Limited Partnership 11345010		Baytown Ford	4110 Hwy. 10 E. Baytown, TX	CAR SON BAY, L.P.	

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Sonic Automotive 5260 Peachtree Industrial Blvd., LLC	Georgia Limited Liability Company K734665		Dyer and Dyer Volvo	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic Automotive - 6008 N. Dale Mabry, FL, Inc.	Florida Corporation P98000084876			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic Automotive - 9103 E. Independence, NC, LLC	North Carolina Limited Liability Company 0470751		Infiniti of Charlotte Infiniti of Charlotte Parking Lot	9103 E. Independence Blvd. Matthews, NC 9032 Scenic Dr. Matthews, NC	MMR Holdings, LLC CAR SON CHAR L.L.C.	
Sonic Automotive F&I, LLC	Nevada Limited Liability Company LLC8620-1999			7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV		
Sonic Automotive of Chattanooga, LLC	Tennessee Limited Liability Company 0336188		BMW of Chattanooga	6806 E. Brainerd Rd. Chattanooga, TN	75 Pointe Centre Partners, LLC	

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Sonic Automotive of Nashville, LLC	Tennessee Limited Liability Company 0336186		BMW of Nashville MINI of Nashville Sonic Automotive Body Shop	4040 Armory Oaks Dr. Nashville, TN	H.G. Hill Realty Company, Inc.	
Sonic Automotive of Nevada, Inc.	Nevada Corporation C18014-1997			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic Automotive of Texas, L.P.	Texas Limited Partnership 11324210		Lone Star Ford	8477 North Fwy. Houston, TX	MMR Viking Investment Associates, LP	
Sonic Automotive Support, LLC	Nevada Limited Liability Company LLC19412-2003			7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV		
Sonic Automotive West, LLC	Nevada Limited Liability Company LLC9139-1999			7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV		

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Sonic-Buena Park H, Inc.	California Corporation C2356456		Buena Park Honda— Employee Parking	7697 Beach Blvd. Buena Park, CA	Abbott Investments	
			Buena Park Honda—Main	6411 Beach Blvd. Buena Park, CA	Slata Lamacchia Land Company	
			Buena Park Honda—Storage	6192 & 6222 Manchester Ave. and Western Ave.	Morgan Adams	
Sonic—Cadillac D, L.P.	Texas Limited Partnership 800061917		Massey Cadillac	11675 LBJ Fwy. Dallas, TX	CAR SON MAS GAR, L.P.	
Sonic-Calabasas A, Inc.	California Corporation C2413759		Acura 101 West	24650 Calabasas Rd. Calabasas, CA	CARS-CNI-2 L.P.	
Sonic Calabasas M, Inc.	California Corporation C2975101		Mercedes-Benz of Calabasas	24181 Calabasas Rd. Calabasas, CA 91302	Arthur D'Egidio and Assunta D'Egidio, as Trustees of the D'Egidio Trust dated May 13, 1985 and Maria A. D'Egidio, as Trustee of the D'Egidio Trust dated April 29, 1985 17401 Gresham St. Northridge, CA 91325	
				Parking lot north of and abutting above address containing 20,036 square feet, more or less	City of Calabasas, California 26135 Mureau Rd. Calabasas, CA 91302 Attn: City Manager	

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Sonic—Calabasas V, Inc.	California Corporation C2501983			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic—Camp Ford, L.P.	Texas Limited Partnership 12312610			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic—Capitol Cadillac, Inc.	Michigan Corporation 26619C		Capitol Cadillac Capitol Hummer	5901 S. Pennsylvania Ave. Lansing, MI	CAR SON MAS, L.P.	
Sonic—Capitol Imports, Inc.	South Carolina Corporation		Capitol Imports Capitol Hyundai	101 Newland Rd. Columbia, SC	CAR SON NEWSOME II L.L.C.	
Sonic—Carrollton V, L.P.	Texas Limited Partnership 13894610			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic—Carson F, Inc.	California Corporation C2375909			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

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Sonic—Carson LM, Inc.	California Corporation C2375100			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic—Clear Lake Volkswagen, L.P.	Texas Limited Partnership 800207889		Clear Lake Volkswagen	15100 Gulf Fwy. Houston, TX	CARS-DB4, LP	
Sonic—Coast Cadillac, Inc.	California Corporation C2124569		Coast Cadillac	3399 E. Willow St. Long Beach, CA	Bixby Land Company	
Sonic—Denver T, Inc.	Colorado Corporation 20021350687		Mountain States Toyota and Scion	201 W. 70th Ave. Denver, CO	SRE Colorado—1, LLC	Indirect subsidiary of Sonic Automotive, Inc.
Sonic Development, LLC	North Carolina Limited Liability Company 0483658		Mountain States Toyota	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by Bruton O. Smith
Sonic Divisional Operations, LLC	Nevada Limited Liability Company LLC26157— 2004			7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV	Nevada Speedway, LLC	

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
Sonic—Downey Cadillac, Inc.	California Corporation C2375896			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic—Fort Worth T, L.P.	Texas Limited Partnership 13920710		Toyota of Fort Worth Scion of Fort Worth	9001 Camp Bowie W. Fort Worth, TX	SON MCKNY II, L.P.	
Sonic—Frank Parra Autoplex, L.P.	Texas Limited Partnership 800079059		Frank Parra Chevrolet	1000 E. Airport Fwy. Irving, TX	CAR SON PARR L.P.	
			Frank Parra Chrysler Jeep Frank Parra Chrysler Jeep Dodge	700 E. Airport Fwy. Irving, TX	CAR SON PARR L.P.	
Sonic Fremont, Inc.	California Corporation C2935225		Jaguar Fremont Land Rover Fremont Volvo Fremont	5601 and 5701 Cushing Pkwy. Fremont, CA	NICPA of Fremont, Ltd. c/o NICPA Interest, Inc., its general partner Attention: Ricardo M. Weitz, President 9896 Bissonnet, 5th Floor Houston, Texas 77036	
Sonic—Harbor City H, Inc.	California Corporation C2356454		Carson Honda	1435 E. 223rd St. Carson, CA	ENRI 2, LLC	

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
Sonic Houston JLR, LP	Texas Limited Partnership 800735509		Jaguar Houston North Land Rover Houston North	18205 Interstate 45 N Houston, TX	NICPA Holdings, Ltd.	
Sonic Houston LR, L.P.	Texas Limited Partnership 800236309		Land Rover Houston Central	7019 Old Katy Rd. Houston, TX	Capital Automotive, LP	SRE Texas—7, L.P. is an indirect subsidiary of Sonic Automotive, Inc.
Sonic—Houston V, L.P.	Texas Limited Partnership 15286810		Volvo of Houston	11950 Old Katy Rd. Houston, TX	CAR SON NSV II, L.P.	
Sonic-Jersey Village Volkswagen, L.P.	Texas Limited Partnership 800207902		Momentum Volkswagen of Jersey Village	1321 Sherwood Forest Dr. Houston, TX	19550 Northwest Fwy. Houston, TX	CAR SON NSV II, L.P.
Sonic—Las Vegas C East, LLC	Nevada Limited Liability Company LLC7435-2000		Cadillac of Las Vegas	1321 Sherwood Forest Dr. Houston, TX	CAR 2 MOM, LP Elcon Properties, Ltd.	
Sonic—Las Vegas C West, LLC	Nevada Limited Liability Company LLC7434-2000		Cadillac of Las Vegas— West	2711 E. Sahara Ave. Las Vegas, NV	GIHM, LLC	
Sonic—Las Vegas C West, LLC	Nevada Limited Liability Company LLC7434-2000		Cadillac of Las Vegas— West	5185 W. Sahara Ave. Las Vegas, NV	TAS Holding Limited Partnership	

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
Sonic—Lloyd Nissan, Inc.	Florida Corporation P99000014918			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic—Lloyd Pontiac Cadillac, Inc.	Florida Corporation P99000014911			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic—Lone Tree Cadillac, Inc.	Colorado Corporation 20021021609		Don Massey Cadillac	8201 Parkway Dr. Lone Tree, CO	County Line, LLC Argonaut Holdings, LLC	
Sonic—LS Chevrolet, L.P.	Texas Limited Partnership 11958210		Don Massey Collision Center	6208 E. County Line Rd. Littleton, CO	Sunrise Real Estate Services Colorado LLC	
Sonic—LS Chevrolet, L.P.	Texas Limited Partnership 11958210		Lone Star Chevrolet	18800 North Fwy. Houston, TX	CARS-DB4, L.P.	
Sonic—LS Chevrolet, L.P.	Texas Limited Partnership 11958210		Lone Star Chevrolet Parking Lot	18990 Northwest Fwy. Houston, TX	CAR SON STAR, L.P.	
Sonic—LS, LLC	Delaware Limited Liability Company 3440418			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
Sonic—Lute Riley, L.P.	Texas Limited Partnership 11869810		Lute Riley Honda	1331 N. Central Expy. Richardson, TX	MMR Viking Investment Associates, LP	
			(Body Shop)	13561 Goldmark Dr. Richardson, TX	CARS (SON-105)	
Sonic— Manhattan Fairfax, Inc.	Virginia Corporation 0521177—6		BMW of Fairfax	8427 Lee Hwy. Fairfax, VA	MMR Holdings, LLC	
			(Parking Facility)	8435 Lee Hwy. Fairfax, VA	Cockrill Carr, LLC	
Sonic— Massey Chevrolet, Inc.	California Corporation C2375359			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic— Mesquite Hyundai, L.P.	Texas Limited Partnership 800087803			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

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Sonic Momentum B, L.P.	Texas Limited Partnership 800235477		Momentum BMW Momentum MINI	10002 Southwest Fwy. Houston, TX	CARS CNI-2, LP RMC AutoSonic BMWN, L.P.	CARS CNI-2, L.P.
			Momentum BMW (West)	15865 Katy Fwy. Houston, TX		
			(Momentum Body Shop)	9911 Centre Pkwy. Houston, TX		
Sonic Momentum JVP, L.P.	Texas Limited Partnership 800235475		Jaguar Southwest Houston Land Rover Southwest Houston Momentum Volvo	10150 Southwest Fwy. Houston, TX	CARS CNI-2, LP	
			Momentum Porsche	10155 Southwest Fwy. Houston, TX	SRE Texas-3, L.P.	SRE Texas—3, L.P. is an indirect subsidiary of Sonic Automotive, Inc.

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
Sonic Momentum VWA, L.P.	Texas Limited Partnership 800207910		Momentum Volkswagen	2405 Richmond Ave. Houston, TX	RMC Auto Sonic VWA, LP	
			Momentum Audi Certified Pre-Owned Sales	2309 Richmond Ave. Houston, TX	RMC Auto Sonic VWA, LP	
			Momentum Audi	2315 Richmond Ave. Houston, TX	CAR 2 MOM, LP	
			Momentum Audi Back Lot (Storage)	3717-3725 Revere St. Houston, TX	La Mesa Properties Limited	
			Momentum Audi—Parking	2401 Portsmouth Houston, TX	La Mesa Properties Limited	
Sonic—Newsome Chevrolet World, Inc.	South Carolina Corporation		Capitol Chevrolet	111 Newland Rd. Columbia, SC	CAR SON NEWSOME II L.L.C.	
Sonic—Newsome of Florence, Inc.	South Carolina Corporation		Newsome Automotive (Mercedes) Imports of Florence (BMW) Newsome Chevrolet	2199 David McLeod Blvd. Florence, SC	MMR Holdings, LLC	
Sonic of Texas, Inc.	Texas Corporation 150782300			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
Sonic Peachtree Industrial Blvd., L.P.	Georgia Limited Partnership K739239			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic-Plymouth Cadillac, Inc.	Michigan Corporation 26618C		Don Massey Cadillac	40475 Ann Arbor Rd. Plymouth, MI	CAR SON MAS, L.P.	
Sonic Resources, Inc.	Nevada Corporation C24652-2001			7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV		
Sonic — Richardson F, L.P.	Texas Limited Partnership 14037410		North Central Ford	1819 N. Central Expy. Richardson, TX	Baillargeon Family LP	
Sonic — Sanford Cadillac, Inc.	Florida Corporation P02000010148		Massey Cadillac of Sanford	3700 S. Hwy. 17-92 Sanford, FL	CAR SON MAS, L.P.	
Sonic Santa Monica M, Inc.	California Corporation C2727452		W.I. Simonson	1626 Wilshire Blvd. Santa Monica, CA	17th & Wilshire Partnership	
				1330 Colorado Ave. Santa Monica, CA	Investment Co. of Santa Monica	
			(Service)	1215 — 17th St. Santa Monica, CA	7R Apartments	

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names (Parking)	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
				1415 Euclid & 1308 Santa Monica Blvd. Santa Monica, CA	Frances M. Rehwald, Trustee, Frances M. Rehwald Family Trust Judith A. Richards, Trustee, Jevity a. Richards Separate Property Trust William J.S. Rehwald, Trustee, William J.S. Rehwald Separate Property Trust Frances M. Rehwald, Judith a. Richards, William J.S. Rehwald, Trustees, Mary F. Rehwald Separate Property Trust	
Sonic Santa Monica S, Inc.	California Corporation C2788444			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic-Saturn of Silicon Valley, Inc.	California Corporation C2547838			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	Chartown d/b/a Independence Office Park
Sonic — Shottenkirk, Inc.	Florida Corporation P99000043291		Pensacola Honda	5600 Pensacola Blvd. Pensacola, FL	MMR Holdings, LLC	

I. Name	II. Jurisdiction of Formation/ Form of Equity/L.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
Sonic — Stevens Creek B, Inc.	California Corporation C0723787		Stevens Creek BMW	4343 Stevens Creek Blvd. San Jose, CA	Lucas Trust Properties, LLC	
				4333 Stevens Creek Blvd. San Jose, CA	Lucas Trust Properties, LLC	
			Stevens Creek BMW — Offsite Vehicle Storage	1507 S. 10th St. San Jose, CA	10th Street Land Management	
Sonic — Stone Mountain T, L.P.	Georgia Limited Partnership 0342795		Stone Mountain Toyota Stone Mountain Scion	5065 U.S. Hwy. 78 Stone Mountain, GA	Stone Mountain Real Estate Holdings, LLC	
Sonic Tysons Corner H, Inc.	Virginia Corporation 0645231-2		Honda of Tysons Corner	1580 Spring Hill Rd. Vienna, VA	CARS-DB1, LLC	
			(Body Shop)	1548 Spring Hill Rd. Vienna, VA	CARS (ROS-006)	
			(Storage Lot)	Two acres adjacent to 1592 Spring Hill Rd.	CARS (ROS-001)	
				One acre lot on Tyco Rd. at corner of Spring Hill Rd.	Robert Rosenthal	
			(Storage Lot)	8521 Leesburg Pike Vienna, VA	Brandywine Realty Trust	
Sonic Tysons Corner Infiniti, Inc.	Virginia Corporation 0645232-0		Infiniti of Tysons Corner	8527 Leesburg Pike Vienna, VA	Capital Automotive, L.P.	

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Sonic — University Park A, L.P.	Texas Limited Partnership 13748310			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic-Volvo LV, LLC	Nevada Limited Liability Company LLC6829-1999		Volvo of Las Vegas	7705 W. Sahara Ave. Las Vegas, NV	Berberian Properties, LLC	
Sonic Walnut Creek M, Inc.	California Corporation C2508517		Mercedes-Benz of Walnut Creek	1301 Parkside Dr. Walnut Creek, CA	Stead Leasing, Inc.	
			(Parking)	1268 Pine St. Walnut Creek, CA	Janet Murray	
			(Jensen Lease)	1360 Pine St. Walnut Creek, CA	Peter C. Jensen, Trustee of the Peter Cole Jensen and Sharon A. Jensen Living Trust dated December 23, 1986	
			(Storage)	1413 Carlback Ave. Walnut Creek, CA	JoAnn Bertino	
Sonic-West Covina T, Inc.	California Corporation C2356455			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

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Sonic — Williams Cadillac, Inc.	Alabama Corporation D/C 199-219			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic Wilshire Cadillac, Inc.	California Corporation C2882071			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
SRE Alabama — 2, LLC	Alabama Limited Liability Company 670-275		N/A	N/A	N/A	N/A
SRE Alabama-5, LLC	Alabama Limited Liability Company DLL 691-622		N/A	N/A	N/A	N/A
SRE California — 1, LLC	California Limited Liability Company 200202910110		N/A	N/A	N/A	N/A

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
SRE California-2, LLC	California Limited Liability Company 200202910111		N/A	N/A	N/A	N/A
SRE California — 4, LLC	California Limited Liability Company 200202810144		N/A	N/A	N/A	N/A
SRE Colorado — 1, LLC	Colorado Limited Liability Company 20021330518		N/A	N/A	N/A	N/A
SRE Florida — 1, LLC	Florida Limited Liability Company L00000006050		N/A	N/A	N/A	N/A
SRE Florida — 2, LLC	Florida Limited Liability Company L00000006045		N/A	N/A	N/A	N/A
SRE Holding, LLC	North Carolina Corporation 0551475		N/A	N/A	N/A	N/A

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SRE North Carolina — 2, LLC	North Carolina Limited Liability Company 0682830		N/A	N/A	N/A	N/A
SRE Oklahoma-1, LLC	Oklahoma Limited Liability Company 3500697104		N/A	N/A	N/A	N/A
SRE Oklahoma -2, LLC	Oklahoma Limited Liability Company 3500697105		N/A	N/A	N/A	N/A
SRE Oklahoma-5, LLC	Oklahoma Limited Liability Company 3500697108		N/A	N/A	N/A	N/A
SRE South Carolina-3, LLC	South Carolina Limited Liability Company N/A		N/A	N/A	N/A	N/A

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a"	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
SRE South Carolina — 4, LLC	South Carolina Limited Liability Company N/A		N/A	N/A	N/A	N/A
SRE Tennessee-4, LLC	Tennessee Limited Liability Company 0450279		N/A	N/A	N/A	N/A
SRE Texas — 1, L.P.	Texas Limited Partnership 00135233-10		N/A	N/A	N/A	N/A
SRE Texas — 2, L.P.	Texas Limited Partnership 00135234-10		N/A	N/A	N/A	N/A
SRE Texas — 3, L.P.	Texas Limited Partnership 00135235-10		N/A	N/A	N/A	N/A
SRE Texas — 4, L.P.	Texas Limited Partnership 800048705		N/A	N/A	N/A	N/A
SRE Texas — 5, L.P.	Texas Limited Partnership 800048740		N/A	N/A	N/A	N/A

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a"	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
SRE Texas — 6, L.P.	Texas Limited Partnership 800048741		N/A	N/A	N/A	N/A
SRE Texas — 7, L.P.	Texas Limited Partnership 800048742		N/A	N/A	N/A	N/A
SRE Texas — 8, L.P.	Texas Limited Partnership 800048743		N/A	N/A	N/A	N/A
SRE Virginia — 1, LLC	Virginia Limited Liability Company 5050246-0		N/A	N/A	N/A	N/A
SRealEstate Arizona — 2, LLC	Arizona Limited Liability Company L-0951252-2		N/A	N/A	N/A	N/A
SRealEstate Arizona — 3, LLC	Arizona Limited Liability Company L-0951282-8		N/A	N/A	N/A	N/A

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
Stevens Creek Cadillac, Inc.	California Corporation C1293380		St. Claire Cadillac	3737 Stevens Creek Blvd. Santa Jose, CA	Lucas Trust Properties, LLC	
Town and Country Ford, Incorporated	North Carolina Corporation 0148959		St. Claire Cadillac — Offsite Vehicle Storage	1507 South 10th St., San Jose, CA 5401 E. Independence Blvd. Charlotte, NC	10th Street Land Management MMR Holdings, LLC	A portion of Chartown is indirectly owned by O. Bruton Smith
Village Imported Cars, Inc.	Maryland Corporation D00308593			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

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Windward, Inc.	Hawaii Corporation 41788D1		Honda of Hayward (Service)	24895 Mission Blvd. Hayward, CA	Lucas Trust Properties, LLC Barbara Harrison	
			Ground Lease (Sales)	24947-24975 Mission Blvd. Hayward, CA		
			(Vehicle Display) (Vehicle Storage)	24919 Mission Blvd. Hayward, CA Fletcher Ln. Hayward, CA	SRE California — 2, LLC SRE California — 2, LLC	SRE California — 2, LLC is an indirect subsidiary of Sonic Automotive, Inc.
			Ground Lease (Sales)	24933 Mission Blvd. Hayward, CA	Paul Y. Fong	

**GOOD STANDING JURISDICTIONS
AND FOREIGN QUALIFICATIONS**

Name of Entity	Domestic State	Foreign State(s) Authorized
Sonic Automotive, Inc.	Delaware	North Carolina
Arngar, Inc.	North Carolina	
Autobahn, Inc.	California	
Avalon Ford, Inc.	Delaware	California
Cornerstone Acceptance Corporation	Florida	Michigan, North Carolina, Ohio, Tennessee, Texas
FAA Auto Factory, Inc.	California	
FAA Beverly Hills, Inc.	California	
FAA Capitol N, Inc.	California	
FAA Concord H, Inc.	California	
FAA Concord T, Inc.	California	
FAA Dublin N, Inc.	California	
FAA Dublin VWD, Inc.	California	
FAA Holding Corp.	California	
FAA Las Vegas H, Inc.	Nevada	
FAA Poway H, Inc.	California	
FAA Poway T, Inc.	California	
FAA San Bruno, Inc.	California	
FAA Santa Monica V, Inc.	California	
FAA Serramonte H, Inc.	California	
FAA Serramonte L, Inc.	California	
FAA Serramonte, Inc.	California	
FAA Stevens Creek, Inc.	California	

Name of Entity	Domestic State	Foreign State(s) Authorized
FAA Torrance CPJ, Inc.	California	
FirstAmerica Automotive, Inc.	Delaware	California
Fort Mill Ford, Inc.	South Carolina	
Fort Myers Collision Center, LLC	Florida	
Franciscan Motors, Inc.	California	
Frontier Oldsmobile–Cadillac, Inc.	North Carolina	
Kramer Motors Incorporated	California	
L Dealership Group, Inc.	Texas	California
Marcus David Corporation	North Carolina	
Massey Cadillac, Inc.	Tennessee	Michigan
Ontario L, LLC	California	
Philpott Motors, Ltd.	Texas	
SAI AL HC1, Inc.	Alabama	
SAI AL HC2, Inc.	Alabama	
SAI Ann Arbor Imports, LLC	Michigan	
SAI Atlanta B, LLC	Georgia	
SAI Broken Arrow C, LLC	Oklahoma	
SAI Charlotte M, LLC	North Carolina	
SAI Clearwater T, LLC	Florida	
SAI Columbus Motors, LLC	Ohio	
SAI Columbus T, LLC	Ohio	
SAI Columbus VWK, LLC	Ohio	
SAI FL HC2, Inc.	Florida	
SAI FL HC3, Inc.	Florida	
SAI FL HC4, Inc.	Florida	

Name of Entity	Domestic State	Foreign State(s) Authorized
SAI FL HC6, Inc.	Florida	
SAI FL HC7, Inc.	Florida	
SAI Fort Myers B, LLC	Florida	
SAI Fort Myers H, LLC	Florida	
SAI Fort Myers M, LLC	Florida	
SAI Fort Myers VW, LLC	Florida	
SAI GA HC1, LP	Georgia	
SAI Georgia, LLC	Georgia	
SAI Irondale Imports, LLC	Alabama	
SAI Irondale L, LLC	Alabama	
SAI Long Beach B, Inc.	California	
SAI MD HC1, Inc.	Maryland	
SAI Monrovia B, Inc.	California	
SAI Montgomery B, LLC	Alabama	
SAI Montgomery BCH, LLC	Alabama	
SAI Montgomery CH, LLC	Alabama	
SAI Nashville CSH, LLC	Tennessee	
SAI Nashville H, LLC	Tennessee	
SAI Nashville M, LLC	Tennessee	
SAI Nashville Motors, LLC	Tennessee	
SAI OK HC1, Inc.	Oklahoma	
SAI Oklahoma City C, LLC	Oklahoma	
SAI Oklahoma City H, LLC	Oklahoma	
SAI Oklahoma City T, LLC	Oklahoma	
SAI Orlando CS, LLC	Florida	

Name of Entity	Domestic State	Foreign State(s) Authorized
SAI Riverside C, LLC	Oklahoma	
SAI Rockville Imports, LLC	Maryland	
SAI Rockville L, LLC	Maryland	
SAI TN HC1, LLC	Tennessee	
SAI TN HC2, LLC	Tennessee	
SAI TN HC3, LLC	Tennessee	
SAI Tulsa N, LLC	Oklahoma	
SAI Tulsa T, LLC	Oklahoma	
Santa Clara Imported Cars, Inc.	California	
Sonic – Cadillac D, L.P.	Texas	
Sonic – Calabasas V, Inc.	California	
Sonic – Camp Ford, L.P.	Texas	
Sonic – Carrollton V, L.P.	Texas	
Sonic – Carson F, Inc.	California	
Sonic – Denver T, Inc.	Colorado	
Sonic – Downey Cadillac, Inc.	California	
Sonic – Fort Worth T, L.P.	Texas	
Sonic – Frank Parra Autoplex, L.P.	Texas	
Sonic – Harbor City H, Inc.	California	
Sonic – Houston V, L.P.	Texas	
Sonic – Las Vegas C East, LLC	Nevada	
Sonic – Las Vegas C West, LLC	Nevada	
Sonic – Lloyd Nissan, Inc.	Florida	
Sonic – Lloyd Pontiac – Cadillac, Inc.	Florida	
Sonic – Lone Tree Cadillac, Inc.	Colorado	

Name of Entity	Domestic State	Foreign State(s) Authorized
Sonic – LS Chevrolet, L.P.	Texas	
Sonic – LS, LLC	Delaware	Texas
Sonic – Lute Riley, L.P.	Texas	
Sonic – Manhattan Fairfax, Inc.	Virginia	
Sonic – Massey Chevrolet, Inc.	California	
Sonic – Mesquite Hyundai, L.P.	Texas	
Sonic – Newsome Chevrolet World, Inc.	South Carolina	
Sonic – Newsome of Florence, Inc.	South Carolina	
Sonic – Richardson F, L.P.	Texas	
Sonic – Sanford Cadillac, Inc.	Florida	
Sonic – Shottenkirk, Inc.	Florida	
Sonic – Stevens Creek B, Inc.	California	
Sonic – Stone Mountain T, L.P.	Georgia	
Sonic – University Park A, L.P.	Texas	
Sonic – Williams Cadillac, Inc.	Alabama	
Sonic 2185 Chapman Rd., Chattanooga, LLC	Tennessee	
Sonic Advantage PA, L.P.	Texas	
Sonic Agency, Inc.	Michigan	
Sonic Automotive – 1720 Mason Ave., DB, Inc.	Florida	
Sonic Automotive – 1720 Mason Ave., DB, LLC	Florida	
Sonic Automotive – 3401 N. Main, TX, L.P.	Texas	
Sonic Automotive – 4701 I-10 East, TX, L.P.	Texas	
Sonic Automotive – 6008 Dale Mabry, FL, Inc.	Florida	
Sonic Automotive – 9103 E. Independence, NC, LLC	North Carolina	
Sonic Automotive 2752 Laurens Rd., Greenville, Inc.	South Carolina	

Name of Entity	Domestic State	Foreign State(s) Authorized
Sonic Automotive 5260 Peachtree Industrial Blvd., LLC	Georgia	
Sonic Automotive F&I, LLC	Nevada	
Sonic Automotive of Chattanooga, LLC	Tennessee	
Sonic Automotive of Nashville, LLC	Tennessee	
Sonic Automotive of Nevada, Inc.	Nevada	
Sonic Automotive of Texas, L.P.	Texas	
Sonic Automotive Support, LLC	Nevada	
Sonic Automotive West, LLC	Nevada	
Sonic Automotive-3700 West Broad Street, Columbus, Inc.	Ohio	
Sonic Automotive-4000 West Broad Street, Columbus, Inc.	Ohio	
Sonic Calabasas M, Inc.	California	
Sonic Coast Cadillac, Inc.	California	
Sonic Development, LLC	North Carolina	Alabama, California, Colorado, Florida, Georgia, Maryland, Michigan, Nevada, Ohio, Oklahoma, South Carolina, Tennessee, Texas, Virginia
Sonic Divisional Operations, LLC	Nevada	Alabama, California, Colorado, Florida, Georgia, Maryland, Michigan, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Texas, Virginia
Sonic Financial Corporation	North Carolina	
Sonic Fremont, Inc.	California	
Sonic Houston JLR, LP	Texas	
Sonic Houston LR, L.P.	Texas	
Sonic Momentum B, L.P.	Texas	
Sonic Momentum JVP, L.P.	Texas	
Sonic Momentum VWA, L.P.	Texas	

Name of Entity	Domestic State	Foreign State(s) Authorized
Sonic of Texas, Inc.	Texas	
Sonic Peachtree Industrial Blvd., L.P.	Georgia	
Sonic Resources, Inc.	Nevada	
Sonic Santa Monica M, Inc.	California	
Sonic Santa Monica S, Inc.	California	
Sonic Tysons Corner H, Inc.	Virginia	
Sonic Tysons Corner Infiniti, Inc.	Virginia	
Sonic Walnut Creek M, Inc.	California	
Sonic Wilshire Cadillac, Inc.	California	
Sonic–Buena Park H, Inc.	California	
Sonic–Calabasas A, Inc.	California	
Sonic–Capitol Cadillac, Inc.	Michigan	
Sonic–Capitol Imports, Inc.	South Carolina	
Sonic–Carson LM, Inc.	California	
Sonic–Clear Lake Volkswagen, L.P.	Texas	
Sonic–Jersey Village Volkswagen, L.P.	Texas	
Sonic–Plymouth Cadillac, Inc.	Michigan	
Sonic–Saturn of Silicon Valley, Inc.	California	
Sonic–Volvo LV, LLC	Nevada	
Sonic–West Covina T, Inc.	California	
SRE Alabama – 2, LLC	Alabama	
SRE Alabama 5, LLC	Alabama	
SRE California – 1, LLC	California	
SRE California – 4, LLC	California	
SRE California 2, LLC	California	

Name of Entity	Domestic State	Foreign State(s) Authorized
SRE Colorado – 1, LLC	Colorado	
SRE Florida – 1, LLC	Florida	
SRE Florida – 2, LLC	Florida	
SRE Holding, LLC	North Carolina	Alabama, Arizona, Colorado, Texas
SRE North Carolina – 2, LLC	North Carolina	
SRE Oklahoma-1, LLC	Oklahoma	
SRE Oklahoma-2, LLC	Oklahoma	
SRE Oklahoma-5, LLC	Oklahoma	
SRE South Carolina – 3, LLC	South Carolina	
SRE South Carolina – 4, LLC	South Carolina	
SRE Tennessee-4, LLC	Tennessee	
SRE Texas – 1, L.P.	Texas	
SRE Texas – 2, L.P.	Texas	
SRE Texas – 3, L.P.	Texas	
SRE Texas – 4, L.P.	Texas	
SRE Texas – 5, L.P.	Texas	
SRE Texas – 6, L.P.	Texas	
SRE Texas – 7, L.P.	Texas	
SRE Texas – 8, L.P.	Texas	
SRE Virginia – 1, LLC	Virginia	Maryland
SRealEstate Arizona – 2, LLC	Arizona	Oklahoma
SRealEstate Arizona – 3, LLC	Arizona	Oklahoma
Stevens Creek Cadillac, Inc.	California	
Town and Country Ford, Incorporated	North Carolina	
Village Imported Cars, Inc.	Maryland	

Name of Entity

Domestic State

Foreign State(s) Authorized

Windward, Inc.

Hawaii

California

MATERIAL INDEBTEDNESS AND OTHER LIABILITIES

None.

LITIGATION

Actions, suits, proceedings, claims or disputes pending, or to the knowledge of the Company after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority seeking damages or other remedies in excess of \$5,000,000 or which, if determined adversely, could reasonably be expected to have a Material Adverse Effect.

CALIFORNIA**Grewal, Baljinder v. Mercedes-Benz of Calabasas, et al.**

Plaintiff purchased a 2006 Mercedes-Benz S430 from a non-Sonic dealership. The car was serviced at Mercedes-Benz of Calabasas before and after Sonic purchased the dealership. On January 23, 2008 Plaintiff was involved in a single car accident where the vehicle struck a highway guardrail during a rainstorm. The guardrail pierced through the passenger compartment of the vehicle, severely cutting both of Plaintiff's legs. Ultimately both legs were amputated. Plaintiff contends the servicing dealerships failed to adequately service the vehicle, including failing to advise that the wheels needed replacement. A Motion for Summary Judgment is pending on behalf of the Sonic dealership. Trial is scheduled for March 15, 2010. Certain insurance is available with a \$750,000 deductible.

Zamani v. Serramonte Auto Plaza, Sonic Automotive, Inc., et al.

Lawsuit filed by former sales associate at one of Sonic's California dealerships alleging that he was not paid proper commissions for every used vehicle that he sold during his employment from June 2006 to September 2006. The lawsuit purports to be a class action on behalf of all sales associates at all dealerships owned by Sonic in the State of California relating to used vehicle sales. The case has been ordered to Arbitration, and no ruling has occurred to date on class certification.

Hall v. Sonic Automotive, Inc., et al.

Lawsuit filed by consumer alleging that one of Sonic's California dealerships improperly recorded telephone conversations with customers without providing advance warnings or notice required by applicable law. The lawsuit purports to be a class action on behalf of allegedly similarly affected consumers against all of Sonic's California dealerships. No ruling has occurred to date on class certification.

Phillips v. FAA Torrance CPJ, Inc. and Sonic Automotive, Inc.

Lawsuit filed by sales associate at one of Sonic's California dealerships alleging failure to provide rest and meal time breaks and other wage-hour claims. The lawsuit purports to be a class action for two separate classes of employees: (1) on behalf of all sales associates at all

dealerships owned by Sonic in the State of California who were classified as non-exempt employees, and (2) all associates of Sonic's California dealerships where the itemized wage statements merely identified the d/b/a of the employer rather than the employer's formal legal entity name. No ruling has occurred to date on class certification.

Carson CJ, LLC and Kenneth Phillips v. DaimlerChrysler Motors Company, Chrysler Corporation, Inc., Sonic Automotive, Inc., et al.

Lawsuit filed in 2009 by company and individual owner that purchased the Don Kott Chrysler Jeep and Don Kott Kia dealership assets from Sonic in 2005. The plaintiff company had its Chrysler and Jeep franchises terminated by Chrysler Corporation during Chrysler's bankruptcy proceeding in June 2009. Plaintiffs' claims against Sonic allege that Sonic made intentional misrepresentations to the Plaintiffs in conjunction with the 2005 purchase of the dealership assets. Sonic will be moving to compel arbitration of this matter in accordance with the asset purchase agreement.

FLORIDA

Galura, Kimbrell, McNaughton, et al. v. Sonic Automotive, Inc.

Class action of all customers who purchased or leased a vehicle from one of the Company's Florida dealerships after December 31, 1998, where the purchase or lease included an APCO etch product as part of the transaction. Complaint alleges violations of Florida's Unfair Trade Practice Act, Retail Installment Sales Act, etc. relating to the improper disclosure of etch sales. DaimlerChrysler Insurance Company ("DCIC") was providing partial defense costs under a reservation of rights, but their coverage has now been exhausted. The Sonic Defendants still have Motions for Summary Judgment pending. Currently the case is set for trial on March 8, 2010, though that date is very likely to be postponed.

Fecitt, David v BMW of Fort Myers, et al.

Plaintiff purchased a 1999 BMW 323IA from a non-Sonic dealership. BMW of Fort Myers performed some service work on the vehicle and sent some of its wheels to a third party vendor for servicing. Plaintiff was involved in a single car accident after experiencing a tire tread separation. Plaintiff is now a quadriplegic who occasionally needs to breathe with a ventilator. Defendants include the tire manufacturer, the service shop who performed the work at BMW of Fort Myers' request, the garage that sold and installed two tires for Plaintiff, an insurance company and a salvaged vehicle storage company. Discovery is continuing. Certain insurance is available with a \$750,000 deductible.

NORTH CAROLINA

Robert Price et al. v. APCO et al.

This lawsuit has been filed as a purported class action against Automobile Protection Corporation ("APCO"), Sonic Automotive, Inc., and three South Carolina dealership subsidiaries

of Sonic. Plaintiffs contend that the dealerships violated the North Carolina deceptive trade practices act in the manner in which Etch was sold, and that Etch was sold as an unlicensed insurance product. The complaint seeks the certification of alternative classes. One class, the “North Carolina Class” purports to be a class of all North Carolina residents who purchased a vehicle from a Sonic dealership in which the purchase included Etch. The “Nationwide class” purports to be a class of all customers who “purchased or leased a vehicle through a Sonic dealer in any state, with the exception of New York, Florida, and Hawaii (or any other state in which APCO and/or the Company are properly licensed to sell the Etch product)” in which the purchase included Etch.

The parties have agreed to submit this matter to arbitration. This matter has been consolidated with the Owens (below, South Carolina) case and heard by the same arbitrator. The arbitrator is currently considering Plaintiffs’ Motion for Class Certification, although no ruling on class certification has been made to date.

SOUTH CAROLINA

Herron, et al. v. Century BMW, et al.

Adams, et al. v. Action Ford, et al.

Herron was the first case filed by six individuals, asserting claims against almost every automotive dealership in South Carolina. Plaintiffs allege all South Carolina automotive dealers conspired together in a common scheme to deceive all car buyers by presenting car prices in a manner designed to mislead. The claim is that charging customers an administrative fee was improper and that the amount of the administrative fees was excessive. Plaintiffs dismissed all but six dealerships in Herron. Century BMW, a Sonic dealership, is one of the remaining Defendants. Sonic’s dealership moved to compel arbitration in Herron and the court denied the motion. We have appealed and the matter is currently set to be argued before the SC Supreme Court on January 20, 2010.

Adams was a subsequent filing by the same attorneys, and in that action there is a unique Plaintiff for each Defendant. It asserts the same claims, and several of Sonic’s South Carolina dealerships have been named in this case. As to the Sonic dealerships, the case has been stayed pending the outcome of the appeal on the issue of arbitration in Herron.

Owens, Misty, et al. vs. Sonic Automotive, Inc., et al.

Purported class action complaint wherein Plaintiffs allege that Sonic-owned dealerships deceptively marketed and sold the Etch product as a “warranty”, and “stuffed” or “packed” the product into vehicle sales transactions at exorbitant and unconscionable prices without informing the consumer they were paying for Etch. Plaintiffs allege breach of contract, unjust enrichment, and civil conspiracy. The matter has been consolidated with the Price (above, North Carolina) case and is being heard by the same arbitrator. The arbitrator is currently considering Plaintiffs’ Motion for Class Certification, although no ruling on class certification has been made to date.

**SUBSIDIARIES;
OTHER EQUITY INVESTMENTS**

Part (a). Subsidiaries.

Name of Entity	Ownership
1. Sonic Automotive, Inc.	
2. ADI of the Southeast, LLC	Member: Sonic — Newsome Chevrolet World, Inc. — 100%
3. AnTrev, LLC	Member: SRE Holding, LLC — 100%
4. Arngar, Inc.	Sonic Automotive, Inc. — 100%, 1,333 shares
5. Autobahn, Inc.	L Dealership Group, Inc. — 100%, 400,000 shares
6. Avalon Ford, Inc.	Sonic Automotive, Inc. — 100%, 4,164 shares
7. Casa Ford of Houston, Inc.	Sonic Automotive — 4701 I-10 East, TX, L.P. — 100%, Sonic Automotive, Inc. — 100%, 100 shares
8. Cornerstone Acceptance Corporation	Sonic Automotive, Inc. — 100%, 100 shares
9. FAA Auto Factory, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
10. FAA Beverly Hills, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
11. FAA Capitol F, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
12. FAA Capitol N, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
13. FAA Concord H, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
14. FAA Concord N, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
15. FAA Concord T, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
16. FAA Dublin N, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
17. FAA Dublin VWD, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
18. FAA Holding Corp.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
19. FAA Las Vegas H, Inc.	FAA Holding Corp. — 100%, 10,000 shares

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Name of Entity	Ownership
20. FAA Marin F, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
21. FAA Marin LR, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
22. FAA Poway G, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
23. FAA Poway H, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
24. FAA Poway T, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
25. FAA San Bruno, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
26. FAA Santa Monica V, Inc.	FirstAmerica Automotive, Inc.. — 100%, 10,000 shares
27. FAA Serramonte H, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
28. FAA Serramonte L, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
29. FAA Serramonte, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
30. FAA Stevens Creek, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
31. FAA Torrance CPJ, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
32. FirstAmerica Automotive, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
33. Fort Mill Ford, Inc.	Sonic Automotive, Inc. — 100%, 2,700 shares
34. Fort Myers Collision Center, LLC	Member: Sonic Automotive, Inc. — 100%
35. Franciscan Motors, Inc.	L Dealership Group, Inc. — 100%, 700,000 shares
36. Frank Parra Autoplex, Inc.	Sonic Automotive, Inc. — 100%
37. Fremont JLRV, LLC	Class A 152 Class B 116,796 Members: Sonic Automotive, Inc. 90% Ricardo Weitz 10%
38. Frontier Oldsmobile-Cadillac, Inc.	Sonic Automotive, Inc. — 100%, 200 shares
39. HMC Finance Alabama, Inc.	Cornerstone Acceptance Corporation — 100%, 100 shares
40. Kramer Motors Incorporated	FAA Holding Corp. — 100%, 250 shares

Name of Entity	Ownership
41. L Dealership Group, Inc.	FAA Holding Corp. — 100%, 1,046,545 shares
42. Marcus David Corporation	Sonic Automotive, Inc. — 100%, 579,000 shares
43. Massey Cadillac, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
44. Massey Cadillac, Inc.	Sonic Automotive, Inc. — 100%, 1,000 shares
45. Mountain States Motors Co., Inc.	Z Management, Inc. — 100%, 30,000 shares
46. Ontario L, LLC	Member: Sonic Automotive, Inc. 100%
47. Philpott Motors, Ltd.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99% Sonic Automotive, Inc. — 100%, 100 shares Sonic Automotive, Inc. — 100%, 100 shares Sonic Automotive, Inc. — 100%, 100 shares Member: Sonic Automotive, Inc. 100% Member: SAI OK HC1, Inc. 100% Member: SAI OK HC1, Inc. 100% Member: Sonic Automotive, Inc. 100% Member: SAI FL HC2, Inc. 100% Member: Sonic Automotive, Inc. 100% Member: Sonic Automotive, Inc. 100%
48. Royal Motor Company, Inc.	Member: Sonic Automotive, Inc. 100%
49. SAI AL HC1, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
50. SAI AL HC2, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
51. SAI Ann Arbor Imports, LLC	Sonic Automotive, Inc. — 100%, 100 shares
52. SAI Atlanta B, LLC	Member: Sonic Automotive, Inc. 100%
53. SAI Broken Arrow C, LLC	Member: SAI OK HC1, Inc. 100%
54. SAI Charlotte M, LLC	Member: SAI OK HC1, Inc. 100%
55. SAI Clearwater T, LLC	Member: Sonic Automotive, Inc. 100%
56. SAI Columbus Motors, LLC	Member: SAI FL HC2, Inc. 100%
57. SAI Columbus T, LLC	Member: Sonic Automotive, Inc. 100%
58. SAI Columbus VWK, LLC	Member: Sonic Automotive, Inc. 100%
59. SAI FL HC1, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
60. SAI FL HC2, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
61. SAI FL HC3, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
62. SAI FL HC4, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
63. SAI FL HC5, Inc.	Sonic Automotive, Inc. — 100%, 100 shares

Name of Entity	Ownership
64. SAI FL HC6, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
65. SAI FL HC7, Inc.	Sonic Automotive, Inc. — 100%, 500 shares
66. SAI Fort Myers B, LLC	Member: SAI FL HC2, Inc. 100%
67. SAI Fort Myers H, LLC	Member: SAI FL HC4, Inc. 100%
68. SAI Fort Myers M, LLC	Member: SAI FL HC7, Inc. 100%
69. SAI Fort Myers VW, LLC	Member: SAI FL HC4, Inc. 100%
70. SAI GA HC1, LP	Partners: SAI Georgia, LLC, general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
71. SAI Georgia LLC	Member: Sonic Automotive of Nevada, Inc. 100%
72. SAI Irondale Imports, LLC	Member: SAI AL HC2, Inc. 100%
73. SAI Irondale L, LLC	Member: SAI AL HC2, Inc. 100%
74. SAI Lansing CH, LLC	Member: Sonic Automotive, Inc. 100%
75. SAI Long Beach B, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
76. SAI MD HC1, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
77. SAI Monrovia B, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
78. SAI Montgomery B, LLC	Member: SAI AL HC1, Inc. 100%
79. SAI Montgomery BCH, LLC	Member: SAI AL HC1, Inc. 100%
80. SAI Montgomery CH, LLC	Member: SAI AL HC1, Inc. 100%
81. SAI Nashville CSH, LLC	Member: SAI TN HC1, LLC 100%
82. SAI Nashville H, LLC	Member: SAI TN HC3, LLC 100%
83. SAI Nashville M, LLC	Member: SAI TN HC1, LLC 100%
84. SAI Nashville Motors, LLC	Member: SAI TN HC2, LLC 100%
85. SAI NC HC2, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
86. SAI OH HC1, Inc.	Sonic Automotive, Inc. 500 shares

Name of Entity	Ownership
87. SAI OK HC1, Inc.	Sonic Automotive, Inc. — 25%, 100 shares Sonic Automotive of Nevada, Inc. — 74.25%, 297 shares
88. SAI Oklahoma City C, LLC	SAI Georgia, LLC 0.75%, 3 shares
89. SAI Oklahoma City H, LLC	Member: SAI OK HC1, Inc. 100%
90. SAI Oklahoma City T, LLC	Member: SAI OK HC1, Inc. 100%
91. SAI Orlando CS, LLC	Member: SAI FL HC3, Inc. 100%
92. SAI Peachtree, LLC	Member: SAI GA HC1, LP 100%
93. SAI Plymouth C, LLC	Member: Sonic Automotive, Inc. 100%
94. SAI Riverside C, LLC	Member: SAI OK HC1, Inc. 100%
95. SAI Rockville Imports, LLC	Member: SAI MD HC1, Inc. 100%
96. SAI Rockville L, LLC	Member: SAI MD HC1, Inc. 100%
97. SAI Stone Mountain T, LLC	Member: SAI GA HC1, LP 100%
98. SAI TN HC1, LLC	Member: Sonic Automotive of Nevada, Inc. 100%
99. SAI TN HC2, LLC	Member: Sonic Automotive of Nevada, Inc. 100%
100. SAI TN HC3, LLC	Member: Sonic Automotive of Nevada, Inc. 100%
101. SAI Tulsa N, LLC	Member: SAI OK HC1, Inc. 100%
102. SAI Tulsa T, LLC	Member: SAI OK HC1, Inc. 100%
103. SAI VA HC1, Inc.	Sonic Automotive, Inc.- 100%, 100 shares
104. Santa Clara Imported Cars, Inc.	L Dealership Group, Inc. — 100%, 1,082 shares
105. Sonic — 2185 Chapman Rd., Chattanooga, LLC	Members: Sonic Automotive of Nevada, Inc. 1 Class A Unit Sonic Automotive of Nevada, Inc. 99 Class B Units
106. Sonic — Cadillac D, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
107. Sonic — Calabasas M, Inc.	Sonic Automotive, Inc. — 100%, 100 shares

Name of Entity	Ownership
108. Sonic — Calabasas V, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
109. Sonic — Camp Ford, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
110. Sonic — Carrollton V, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
111. Sonic — Carson F, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
112. Sonic — Coast Cadillac, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
113. Sonic — Denver T, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
114. Sonic — Denver Volkswagen, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
115. Sonic — Downey Cadillac, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
116. Sonic — Englewood M, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
117. Sonic — Fort Mill Chrysler Jeep, Inc.	Sonic Automotive, Inc. — 100%, 1,000 shares
118. Sonic — Fort Mill Dodge, Inc.	Sonic Automotive, Inc. — 100%, 1,000 shares
119. Sonic — Fort Worth T, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
120. Sonic — Frank Parra Autoplex, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
121. Sonic — Harbor City H, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
122. Sonic — Houston V, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
123. Sonic — Integrity Dodge LV, LLC	Member: Sonic Automotive, Inc. 100%
124. Sonic — Lake Norman Chrysler Jeep, LLC	Member: Sonic Automotive, Inc. 100%
125. Sonic — Las Vegas C East, LLC	Member: Sonic Automotive, Inc. 100%

Name of Entity	Ownership
126. Sonic — Las Vegas C West, LLC	Member: Sonic Automotive, Inc. 100%
127. Sonic — Lloyd Nissan, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
128. Sonic — Lloyd Pontiac — Cadillac, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
129. Sonic — Lone Tree Cadillac, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
130. Sonic — LS Chevrolet, L.P.	Partners: Sonic — LS, LLC, general partner .1% Sonic Automotive West, LLC, limited partner 99.9%
131. Sonic — LS, LLC	Member: Sonic of Texas, Inc. 100%
132. Sonic — Lute Riley, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
133. Sonic — Manhattan Fairfax, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
134. Sonic — Massey Cadillac, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
135. Sonic — Massey Chevrolet, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
136. Sonic — Massey Pontiac Buick GMC, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
137. Sonic — Mesquite Hyundai, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
138. Sonic — Newsome Chevrolet World, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
139. Sonic — Newsome of Florence, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
140. Sonic — North Charleston Dodge, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
141. Sonic — North Charleston, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
142. Sonic — Reading, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%

Name of Entity	Ownership
143. Sonic — Richardson F, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
144. Sonic — Sam White Nissan, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
145. Sonic — Sanford Cadillac, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
146. Sonic — Shottenkirk, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
147. Sonic — South Cadillac, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
148. Sonic — Stevens Creek B, Inc.	L Dealership Group, Inc. — 100%, 300,000 shares
149. Sonic — Stone Mountain T, L.P.	Partners: SAI Georgia, LLC, general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
150. Sonic — University Park A, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
151. Sonic — Williams Cadillac, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
152. Sonic Advantage PA, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
153. Sonic Agency, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
154. Sonic Automotive — 1720 Mason Ave., DB, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
155. Sonic Automotive — 1720 Mason Ave., DB, LLC	Member: Sonic Automotive — 1720 Mason Ave., DB, Inc. 100%
156. Sonic Automotive — 2490 South Lee Highway, LLC	Members: Sonic Automotive of Nevada, Inc. 1 Class A Unit Sonic Automotive of Nevada, Inc. 99 Class B Units
157. Sonic Automotive — 3401 N. Main, TX, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%

Name of Entity	Ownership
158. Sonic Automotive — 4701 I-10 East, TX, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
159. Sonic Automotive — 5221 I-10 East, TX, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
160. Sonic Automotive 5260 Peachtree Industrial Blvd., LLC	Member: Sonic Peachtree Industrial Blvd., L.P. 100% (100 Units)
161. Sonic Automotive — 6008 N. Dale Mabry, FL, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
162. Sonic Automotive — 9103 E. Independence, NC, LLC	Member: Sonic Automotive, Inc. 100%
163. Sonic Automotive 2424 Laurens Rd., Greenville, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
164. Sonic Automotive 2752 Laurens Rd., Greenville, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
165. Sonic Automotive F&I, LLC	Member: Sonic Automotive, Inc. 100%
166. Sonic Automotive of Chattanooga, LLC	Members: Sonic Automotive of Nevada, Inc. 1 Class A Unit Sonic Automotive of Nevada, Inc. 99 Class B Units
167. Sonic Automotive of Nashville, LLC	Members: Sonic Automotive of Nevada, Inc. 1 Class A Unit Sonic Automotive of Nevada, Inc. 99 Class B Units
168. Sonic Automotive of Nevada, Inc.	Sonic Automotive, Inc. — 100%, 1,000 shares
169. Sonic Automotive of Texas, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
170. Sonic Automotive Support, LLC	Member: Sonic Automotive, Inc. 100%
171. Sonic Automotive West, LLC	Member: Sonic Automotive, Inc. 100%
172. Sonic Automotive-1495 Automall Drive, Columbus, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
173. Sonic Automotive-3700 West Broad Street, Columbus, Inc.	Sonic Automotive, Inc. — 100%, 100 shares

Name of Entity	Ownership
174. Sonic Automotive-4000 West Broad Street, Columbus, Inc. 175. Sonic Clear Lake N, L.P.	Sonic Automotive, Inc. — 100%, 100 shares Partners:
176. Sonic Development, LLC 177. Sonic Divisional Operations, LLC	Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
178. Sonic eStore, Inc.	Member: Sonic Automotive, Inc. 100%
179. Sonic FFC 1, Inc.	Member: Sonic Automotive, Inc. 100%
180. Sonic FFC 2, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
181. Sonic FFC 3, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
182. Sonic Fremont, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
183. Sonic Houston JLR, LP	Sonic Automotive, Inc. — 100%, 100 shares Partners: Sonic of Texas, Inc., general partner 1%
184. Sonic Houston LR, L.P.	Sonic Automotive of Nevada, Inc., limited partner 99% Partners:
185. Sonic Momentum B, L.P.	Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
185. Sonic Momentum B, L.P.	Partners: Sonic of Texas, Inc., general partner 1%
186. Sonic Momentum JVP, L.P.	Sonic Automotive of Nevada, Inc., limited partner 99% Partners:
187. Sonic Momentum VWA, L.P.	Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
188. Sonic of Texas, Inc.	Partners:
189. Sonic Okemos Imports, Inc.	Sonic of Texas, Inc., general partner 1%
190. Sonic Peachtree Industrial Blvd., L.P.	Sonic Automotive of Nevada, Inc., limited partner 99%
	Sonic Automotive, Inc. — 100%, 100 shares Sonic Automotive, Inc. — 100%, 100 shares
	Partners: SAI Georgia, LLC, general partner 1%
	Sonic Automotive of Nevada, Inc., limited partner 99%

Name of Entity	Ownership
191. Sonic Resources, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
192. Sonic Santa Monica M, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
193. Sonic Santa Monica S, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
194. Sonic Tysons Corner H, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
195. Sonic Tysons Corner Infiniti, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
196. Sonic Walnut Creek M, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
197. Sonic Wilshire Cadillac, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
198. Sonic-Buena Park H, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
199. Sonic-Calabasas A, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
200. Sonic-Capitol Cadillac, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
201. Sonic-Capitol Imports, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
202. Sonic-Carson LM, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
203. Sonic-Chattanooga D East, LLC	Member: Sonic Automotive, Inc. 100%
204. Sonic-Clear Lake Volkswagen, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
205. Sonic-Jersey Village Volkswagen, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
206. Sonic-Plymouth Cadillac, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
207. Sonic-Riverside Auto Factory, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
208. Sonic-Saturn of Silicon Valley, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
209. Sonic-Serramonte I, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
210. Sonic-Volvo LV, LLC	Member: Sonic Automotive, Inc. 100%
211. Sonic-West Covina T, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
212. SRE Alabama — 2, LLC	Member: SRE Holding, LLC 100%

Name of Entity	Ownership
213. SRE Alabama — 3, LLC	Member: SRE Holding, LLC 100%
214. SRE Alabama — 4, LLC	Member: SRE Holding, LLC 100%
215. SRE Alabama — 5, LLC	Member: SRE Holding, LLC 100%
216. SRE California — 1, LLC	Member: SRE Holding LLC 100%
217. SRE California — 2, LLC	Member: SRE Holding LLC 100%
218. SRE California — 3, LLC	Member: SRE Holding LLC 100%
219. SRE California — 4, LLC	Member: SRE Holding LLC 100%
220. SRE California — 5, LLC	Member: SRE Holding LLC 100%
221. SRE California — 6, LLC	Member: SRE Holding LLC 100%
222. SRE Colorado — 1, LLC	Member: SRE Holding LLC 100%
223. SRE Colorado — 2, LLC	Member: SRE Holding LLC 100%
224. SRE Colorado — 3, LLC	Member: SRE Holding LLC 100%
225. SRE Florida — 1, LLC	Member: SRE Holding LLC 100%
226. SRE Florida — 2, LLC	Member: SRE Holding LLC 100%
227. SRE Florida — 3, LLC	Member: SRE Holding LLC 100%
228. SRE Georgia — 1, LP	Partners: Sonic of SAI Georgia, LLC, general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99% Partners: Sonic of SAI Georgia, LLC, general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99% Partners: Sonic of SAI Georgia, LLC, general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99% Member: Sonic Automotive, Inc. 100% Member: SRE Holding LLC 100% Member: SRE Holding LLC 100%
229. SRE Georgia — 2, LP	
230. SRE Georgia — 3, LP	
231. SRE Holding, LLC	
232. SRE Maryland — 1, LLC	
233. SRE Maryland — 2, LLC	

Name of Entity	Ownership
234. SRE Michigan — 3, LLC	Member: SRE Holding LLC 100%
235. SRE Nevada — 1, LLC	Member: SRE Holding LLC 100%
236. SRE Nevada — 2, LLC	Member: SRE Holding LLC 100%
237. SRE Nevada — 3, LLC	Member: SRE Holding LLC 100%
238. SRE Nevada — 4, LLC	Member: SRE Holding LLC 100%
239. SRE Nevada — 5, LLC	Member: SRE Holding LLC 100%
240. SRE North Carolina — 1, LLC	Member: SRE Holding LLC 100%
241. SRE North Carolina — 2, LLC	Member: SRE Holding LLC 100%
242. SRE North Carolina — 3, LLC	Member: SRE Holding LLC 100%
243. SRE Oklahoma — 1, LLC	Member: SRE Holding LLC 100%
244. SRE Oklahoma — 2, LLC	Member: SRE Holding LLC 100%
245. SRE Oklahoma — 3, LLC	Member: SRE Holding LLC 100%
246. SRE Oklahoma — 4, LLC	Member: SRE Holding LLC 100%
247. SRE Oklahoma — 5, LLC	Member: SRE Holding LLC 100%
248. SRE South Carolina — 2, LLC	Member: SRE Holding LLC 100%
249. SRE South Carolina — 3, LLC	Member: SRE Holding LLC 100%
250. SRE South Carolina — 4, LLC	Member: SRE Holding LLC 100%
251. SRE Tennessee — 1, LLC	Member: SRE Holding LLC 100%
252. SRE Tennessee — 2, LLC	Member: SRE Holding LLC 100%
253. SRE Tennessee — 3, LLC	Member: SRE Holding LLC 100%
254. SRE Tennessee — 4, LLC	Member: SRE Holding LLC 100%
255. SRE Tennessee — 5, LLC	Member: SRE Holding LLC 100%
256. SRE Tennessee — 6, LLC	Member: SRE Holding LLC 100%

Name of Entity	Ownership
257. SRE Tennessee — 7, LLC	Member: SRE Holding LLC 100%
258. SRE Tennessee — 8, LLC	Member: SRE Holding LLC 100%
259. SRE Tennessee — 9, LLC	Member: SRE Holding LLC 100%
260. SRE Texas — 1, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
261. SRE Texas — 2, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
262. SRE Texas — 3, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
263. SRE Texas — 4, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
264. SRE Texas — 5, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
265. SRE Texas — 6, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
266. SRE Texas — 7, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
267. SRE Texas — 8, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
268. SRE Virginia — 1, LLC	Member: SRE Holding LLC 100%
269. SRE Virginia — 2, LLC	Member: SRE Holding LLC 100%
270. SRealEstate Arizona — 1, LLC	Member: SRE Holding LLC 100%
271. SRealEstate Arizona — 2, LLC	Member: SRE Holding LLC 100%
272. SRealEstate Arizona — 3, LLC	Member: SRE Holding LLC 100%

Name of Entity	Ownership
273. SRealEstate Arizona — 4, LLC	Member: SRE Holding LLC 100%
274. SRealEstate Arizona — 5, LLC	Member: SRE Holding LLC 100%
275. SRealEstate Arizona — 6, LLC	Member: SRE Holding LLC 100%
276. SRealEstate Arizona — 7, LLC	Member: SRE Holding LLC 100%
277. SRM Assurance, Ltd.	Sonic Automotive, Inc. — 100%, 5,000 shares
278. Stevens Creek Cadillac, Inc.	L Dealership Group, Inc. — 100%, 230,000 shares
279. Town and Country Ford, Incorporated	Sonic Automotive, Inc. — 100%, 471.25 shares
280. Village Imported Cars, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
281. Windward, Inc.	L Dealership Group, Inc. — 100%, 140,500 shares
282. Z Management, Inc.	Sonic Automotive, Inc. — 100%, 30,000 shares

Part (b). Other Equity Investments.

None.

FRANCHISE AND FRAMEWORK AGREEMENT MATTERS

None.

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LOCATION OF COLLATERAL

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
1. Sonic Automotive, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
2. Arngar, Inc.	Arnold Palmer Cadillac	10725 Pineville Rd. Pineville, NC
3. Autobahn, Inc.	Autobahn Motors Main Facility	700 Island Pkwy. Belmont, CA
	Airspace Lease	Beneath Island Pkwy. north of Ralston Ave. Belmont, CA
	Remnant Parcel	East of Island Pkwy. and north of Ralston Ave. Belmont, CA
	Autobahn Motors-Service / Storage	500-510 Harbor Blvd. Belmont, CA
	Autobahn Motors Vehicle Storage/Detailing	1315 Elmer St. Belmont, CA 6415 Idlewild Rd. Suite 109 Charlotte, NC
4. Avalon Ford, Inc.		
5. Cornerstone Acceptance Corporation		6415 Idlewild Rd. Suite 109 Charlotte, NC
6. FAA Auto Factory, Inc.		3737 First St. Livermore, CA
7. FAA Beverly Hills, Inc.	Beverly Hills BMW — Service & CPO Facility	8833 Wilshire Blvd. Beverly Hills, CA
	Beverly Hills BMW — Sales Facility	8825 Wilshire Blvd. Beverly Hills, CA
	Beverly Hills BMW — Rental	

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
FAA Beverly Hills, Inc. (continued)	Parking (Bubble Building)	8840 Wilshire Blvd. Beverly Hills, CA
	Beverly Hills BMW — Storage (Avis Lot Fee)	8931 Wilshire Blvd. Beverly Hills, CA
	8850 Wilshire Blvd. (BMW Beverly Hills — Storage and Service Overflow)	8850 Wilshire Blvd. Beverly Hills, CA
	8844 Wilshire Blvd. (BMW Beverly Hills Storage & Service Overflow)	8844 Wilshire Blvd. Beverly Hills, CA
	Storage Lot	8500 Burton Way Los Angeles, CA
	Garage	99 N. La Cienega Blvd. Beverly Hills, CA
	Storage Lot	8900 Wilshire Blvd. Beverly Hills, CA
	Parking — Storage Lot	8909 Wilshire Blvd. Beverly Hills, CA
	Service Facility Relocations Site	9000-9001 Olympic Blvd. Beverly Hills, CA
	Parking Facility	9100 Wilshire Blvd. Beverly Hills, CA
	8. FAA Capitol N, Inc.	
9. FAA Concord H, Inc.	Concord Honda	1300 Concord Ave. Concord, CA
		2241 Commerce Ave. Concord, CA
10. FAA Concord T, Inc.	Concord Toyota Concord Scion	1090 Concord Ave. Concord, CA
11. FAA Dublin N, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
12. FAA Dublin VWD, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
13. FAA Holding Corp.		6415 Idlewild Rd. Suite 109 Charlotte, NC
14. FAA Las Vegas H, Inc.	Honda West	7615 W. Sahara Ave. Las Vegas, NV
15. FAA Poway H, Inc.	Poway Honda	13747 Poway Rd. Poway, CA
16. FAA Poway T, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
17. FAA San Bruno, Inc.	Melody Toyota Melody Scion (Main Facility) (Service and Parts Facility) (Parking Lot — New and Used) (Main Facility) (Used Car Facility) (Parking — Used Cars) (Used Cars) (Parking Lot)	750 El Camino Real San Bruno, CA 222 E. San Bruno Ave. San Bruno, CA 732 El Camino Real San Bruno, CA 750 El Camino Real San Bruno, CA 650 El Camino Real San Bruno, CA 650 and 660 El Camino Real San Bruno, CA 650 and 660 El Camino Real San Bruno, CA 692 El Camino Real San Bruno, CA Linden Ave. and Angus Ave. San Bruno, CA

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
18. FAA Santa Monica V, Inc.	Volvo of Santa Monica	1719 Santa Monica Blvd. Santa Monica, CA 1801 Santa Monica Blvd. Santa Monica, CA 1455 18th St. Santa Monica, CA 1447 18th St. Santa Monica, CA
19. FAA Serramonte, Inc.	Serramonte Auto Plaza Serramonte Mitsubishi Serramonte Auto Plaza (Mitsubishi Service and Parts) Serramonte Nissan Serramonte PDI Center	1500 Collins Ave. Colma, CA 445 Serramonte Blvd. Colma, CA 650 Serramonte Blvd. Colma, CA 900 Collins Ave. Colma, CA
20. FAA Serramonte H, Inc.	Honda of Serramonte	485 Serramonte Blvd. Colma, CA
21. FAA Serramonte L, Inc.	Lexus of Serramonte Lexus of Marin	700 Serramonte Blvd. Colma, CA 513 Francisco Blvd. E. San Rafael, CA
22. FAA Stevens Creek, Inc.	Stevens Creek Nissan Stevens Creek Nissan — Offsite Vehicle Storage Stevens Creek Nissan — Used Car Lot Stevens Creek Nissan — Detail and Service Center	4855 & 4875 Stevens Creek Blvd. Santa Jose, CA 1507 South 10th St. San Jose, CA 4795 Stevens Creek Blvd. San Jose, CA 4885 Stevens Creek Blvd. San Jose, CA

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
23. FAA Torrance CPJ, Inc.	South Bay Chrysler Jeep Dodge Main Facility CJ Storage Lot	20900 Hawthorne Blvd. Torrance, CA 20433 Hawthorne Blvd. Torrance, CA 20465 Hawthorne Blvd. Torrance, CA
24. FirstAmerica Automotive, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
25. Fort Mill Ford, Inc.		801 Gold Hill Rd. Fort Mill, SC
26. Fort Myers Collision Center, LLC		12490 Metro Pkwy. Fort Myers, FL
27. Franciscan Motors, Inc.	Acura of Serramonte	465/475 Serramonte Blvd. Colma, CA
28. Frontier Oldsmobile-Cadillac, Inc.		6415 Idlewild Rd . Suite 109 Charlotte, NC
29. Kramer Motors Incorporated	Honda of Santa Monica Honda of Santa Monica Honda of Santa Monica (other) Honda of Santa Monica (storage)	1720 Santa Monica Blvd. Santa Monica, CA 1801 Santa Monica Blvd. and 1347 — 18th St. Santa Monica CA 1411 — 17th St. Santa Monica, CA 1819 Santa Monica Blvd. Santa Monica, CA 1718 Santa Monica Blvd. Santa Monica, CA
30. L Dealership Group, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
31. Marcus David Corporation	Town and Country Toyota Certified Used Cars Lot CPO and Truck Sales Town and Country Toyota-Scion Town and Country Toyota	9900 South Blvd. Charlotte, NC 1300 Cressida Dr. Charlotte, NC 9101 South Blvd. Charlotte, NC
32. Massey Cadillac, Inc.	Massey Cadillac	24600 Grand River Ave. Detroit, MI
33. Ontario L, LLC	Crown Lexus	1125 Kettering Dr. Ontario, CA
34. Philpott Motors, Ltd.	Philpott Motors Hyundai (Hangar Lease) Philpott Ford Philpott Toyota Philpott Ford-Toyota (Fleet/Body Shop)	1900 U.S. Hwy. 69 Nederland, TX 4605 Third St. Airport Beaumont, TX 1400 U.S. Hwy. 69 Nederland, TX 2727 Nall St. Port Neches, TX
35. SAI AL HC1, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
36. SAI AL HC2, Inc.	Tom Williams Collision Center	1874 Grants Mill Rd. Irondale, AL
37. SAI Ann Arbor Imports, LLC	Mercedes-Benz of Ann Arbor BMW of Ann Arbor	570 Auto Mall Dr. Ann Arbor, MI 501 Auto Mall Dr. Ann Arbor, MI
38. SAI Atlanta B, LLC	Global Imports [BMW] Global Imports MINI	500 Interstate North Pkwy. SE Atlanta, GA
39. SAI Broken Arrow C, LLC	Speedway Chevrolet	2301 N. Aspen Ave. Broken Arrow, OK

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
40. SAI Charlotte M, LLC		6415 Idlewild Rd. Suite 109 Charlotte, NC
41. SAI Clearwater T, LLC	Clearwater Toyota Clearwater Scion	21799 U.S. Hwy. 19 N. Clearwater, FL
42. SAI Columbus Motors, LLC	Hatfield Subaru Hatfield Hyundai Hatfield Isuzu	1400 Auto Mall Dr. Columbus, OH
43. SAI Columbus T, LLC	Toyota West Scion West Hatfield Automall	1500 Automall Dr. Columbus, OH
44. SAI Columbus VWK, LLC	Hatfield Kia Hatfield Volkswagen	1495 Auto Mall Dr. Columbus, OH
45. SAI FL HC2, Inc.	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC
46. SAI FL HC3, Inc.	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC
47. SAI FL HC4, Inc.	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC
48. SAI FL HC6, Inc.	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC
49. SAI FL HC7, Inc.	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC
50. SAI Fort Myers B, LLC	BMW of Fort Myers MINI of Fort Myers	15421 S. Tamiami Tr. Fort Myers, FL 13880 S. Tamiami Tr. Fort Myers, FL

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
51. SAI Fort Myers H, LLC	Honda of Fort Myers	14020 S. Tamiami Tr. Fort Myers, FL
52. SAI Fort Myers M, LLC	Mercedes-Benz of Fort Myers	15461 S. Tamiami Tr. Fort Myers, FL
53. SAI Fort Myers VW, LLC	Volkswagen of Fort Myers	14060 S. Tamiami Tr. Fort Myers, FL
54. SAI GA HC1, LP	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC
55. SAI Georgia, LLC	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC
56. SAI Irondale Imports, LLC	Tom Williams Imports (BMW)	1000 Tom Williams Way Irondale, AL
	Tom Williams Audi Tom Williams Porsche	3001 Tom Williams Way Irondale, AL
	Land Rover Birmingham	3000 Tom Williams Way Irondale, AL
	MINI of Birmingham	2001 Tom Williams Way Irondale, AL
57. SAI Irondale L, LLC	Tom Williams Lexus	1001 Tom Williams Way Irondale, AL
58. SAI Long Beach B, Inc.	Long Beach BMW	2998 Cherry Ave. Signal Hill, CA 90755
	Long Beach MINI	2725 Temple Ave. Signal Hill, CA 90755
59. SAI MD HC1, Inc.	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC
60. SAI Monrovia B, Inc.	BMW of Monrovia	1425-1451 South Mountain Ave. Monrovia, CA
	MINI of Monrovia	1875 South Mountain Ave. Monrovia, CA

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
61. SAI Montgomery B, LLC	BMW of Montgomery	190 Eastern Blvd. Montgomery, AL
62. SAI Montgomery BCH, LLC	Classic Cadillac Buick Classic Cadillac Classic Hummer	833 Eastern Blvd. Montgomery, AL
63. SAI Montgomery CH, LLC	Capitol Chevrolet	711 Eastern Blvd. Montgomery, AL
	Capitol Hyundai	2820 Eastern Blvd. Montgomery, AL
64. SAI Nashville CSH, LLC	Crest Cadillac Crest Hummer Crest Saab	2121 Rosa L. Parks Blvd. Nashville, TN
65. SAI Nashville H, LLC	Crest Honda	2215 Rosa L. Parks Blvd. Nashville, TN
66. SAI Nashville M, LLC	Mercedes-Benz of Nashville	630 Bakers Bridge Ave. Franklin, TN
67. SAI Nashville Motors, LLC	Audi Nashville Jaguar Nashville Porsche of Nashville	2350 Franklin Pike Nashville, TN
		725 Melpark Dr. Nashville, TN
68. SAI OK HC1, Inc.	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC
69. SAI Oklahoma City C, LLC	City Chevrolet	5000 W. Reno Oklahoma City, OK
70. SAI Oklahoma City H, LLC	Steve Bailey Pre-Owned Super Center Steve Bailey Honda	8700 NW Expressway Oklahoma City, OK
71. SAI Oklahoma City T, LLC	Dub Richardson Toyota Dub Richardson Scion (Body Shop)	8401 NW Expressway Oklahoma City, OK 9038 NW Expressway Oklahoma City, OK

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
72. SAI Orlando CS, LLC	Massey Cadillac Massey Saab of Orlando Massey Cadillac South (side street access; possible vehicle storage)	4241 N. John Young Pkwy. Orlando, FL 8819 S. Orange Blossom Tr. Orlando, FL 1851 Landstreet Rd. Orlando, FL 707 W. 51st St. Tulsa, OK
73. SAI Riverside C, LLC	Riverside Chevrolet (Main Facility) (Reconditioning Facility)	2002 W. Skelly Dr. Tulsa, OK
74. SAI Rockville Imports, LLC	Rockville Audi Rockville Porsche-Audi Porsche of Rockville	1125 Rockville Pike Rockville, MD 20852
75. SAI Rockville L, LLC	Lexus of Rockville	15501 & 15515 Frederick Rd. Rockville, MD 711 East Gude Dr. Rockville, MD 15814-A and B Paramount Dr. Rockville, MD
76. SAI TN HC1, LLC	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC
77. SAI TN HC2, LLC	N/A	N/A
78. SAI TN HC3, LLC	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC
79. SAI Tulsa N, LLC	Riverside Nissan	8190 E. Skelly Dr. Tulsa, OK
80. SAI Tulsa T, LLC	Riverside Toyota Riverside Scion	6868 East B.A. Frontage Rd. Tulsa, OK

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
81. Santa Clara Imported Cars, Inc.	Honda of Stevens Creek Stevens Creek Used Cars Stevens Creek Honda — Offsite Vehicle Storage	4590 Stevens Creek Blvd. San Jose, CA 1507 South 10th St. San Jose, CA
82. Sonic — 2185 Chapman Rd., Chattanooga, LLC	Economy Honda Superstore	2135 Chapman Rd. Chattanooga, TN
83. Sonic Advantage PA, L.P.	Porsche of West Houston Audi West Houston Performance Auto Leasing	11890 Katy Fwy. Houston, TX 11850 and 11890 Katy Fwy., Houston, TX 19550 Northwest Fwy. Houston, TX
84. Sonic Agency, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
85. Sonic Automotive — 1720 Mason Ave., DB, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
86. Sonic Automotive — 1720 Mason Ave., DB, LLC	Mercedes-Benz of Daytona Beach	1720 Mason Ave. Daytona Beach, FL
87. Sonic Automotive 2752 Laurens Rd., Greenville, Inc.	Century BMW Century MINI (Parking Lot)	2750 Laurens Rd. Greenville, SC 17 Duvall and 2758 Laurens Rd. Greenville, SC
88. Sonic Automotive — 3401 N. Main, TX, L.P.	Ron Craft Chevrolet Cadillac Baytown Auto Collision Center	4114 Hwy. 10 E. Baytown, TX
89. Sonic Automotive-3700 West Broad Street, Columbus, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
90. Sonic Automotive-4000 West Broad Street, Columbus, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
91. Sonic Automotive — 4701 I-10 East, TX, L.P.	Baytown Ford	4110 Hwy. 10 E. Baytown, TX
92. Sonic Automotive 5260 Peachtree Industrial Blvd., LLC	Dyer and Dyer Volvo	6415 Idlewild Rd. Suite 109 Charlotte, NC
93. Sonic Automotive — 6008 N. Dale Mabry, FL, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
94. Sonic Automotive — 9103 E. Independence, NC, LLC	Infiniti of Charlotte Infiniti of Charlotte Parking Lot	9103 E. Independence Blvd. Matthews, NC 9032 Scenic Dr. Matthews, NC
95. Sonic Automotive F&I, LLC		7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV
96. Sonic Automotive of Chattanooga, LLC	BMW of Chattanooga	6806 E. Brainerd Rd. Chattanooga, TN
97. Sonic Automotive of Nashville, LLC	BMW of Nashville MINI of Nashville Sonic Automotive Body Shop	4040 Armory Oaks Dr. Nashville, TN
98. Sonic Automotive of Nevada, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
99. Sonic Automotive of Texas, L.P.	Lone Star Ford	8477 North Fwy. Houston, TX
100. Sonic Automotive Support, LLC		7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV
101. Sonic Automotive West, LLC		7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
102. Sonic-Buena Park H, Inc.	Buena Park Honda - - Employee Parking	7697 Beach Blvd. Buena Park, CA
	Buena Park Honda — Main	6411 Beach Blvd. Buena Park, CA
	Buena Park Honda — Storage	6192 & 6222 Manchester Ave. and Western Ave.
103. Sonic — Cadillac D, L.P.	Massey Cadillac	11675 LBJ Fwy. Dallas, TX
104. Sonic-Calabasas A, Inc.	Acura 101 West	24650 Calabasas Rd. Calabasas, CA
105. Sonic Calabasas M, Inc.	Mercedes-Benz of Calabasas	24181 Calabasas Rd. Calabasas, CA 91302
		Parking lot north of and abutting above address containing 20,036 square feet, more or less
106. Sonic — Calabasas V, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
107. Sonic — Camp Ford, L.P.		6415 Idlewild Rd. Suite 109 Charlotte, NC
108. Sonic-Capitol Cadillac, Inc.	Capitol Cadillac Capitol Hummer	5901 S. Pennsylvania Ave. Lansing, MI
109. Sonic-Capitol Imports, Inc.	Capitol Imports Capitol Hyundai	101 Newland Rd. Columbia, SC
110. Sonic — Carrollton V, L.P.		6415 Idlewild Rd. Suite 109 Charlotte, NC
111. Sonic — Carson F, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
112. Sonic — Carson LM, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
113. Sonic-Clear Lake Volkswagen, L.P.	Clear Lake Volkswagen	15100 Gulf Fwy. Houston, TX
114. Sonic — Coast Cadillac, Inc.	Coast Cadillac	3399 E. Willow St. Long Beach, CA
115. Sonic — Denver T, Inc.	Mountain States Toyota and Scion Mountain States Toyota	201 W. 70th Ave. Denver, CO
116. Sonic Development, LLC		6415 Idlewild Rd. Suite 109 Charlotte, NC
117. Sonic Divisional Operations, LLC		7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV
118. Sonic — Downey Cadillac, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
119. Sonic — Fort Worth T, L.P.	Toyota of Fort Worth Scion of Fort Worth	9001 Camp Bowie W. Fort Worth, TX
120. Sonic — Frank Parra Autoplex, L.P.	Frank Parra Chevrolet Frank Parra Chrysler Jeep Frank Parra Chrysler Jeep Dodge	1000 E. Airport Fwy. Irving, TX 700 E. Airport Fwy. Irving, TX
121. Sonic Fremont, Inc.	Jaguar Fremont Land Rover Fremont Volvo Fremont	5601 and 5701 Cushing Pkwy. Fremont, CA
122. Sonic — Harbor City H, Inc.	Carson Honda	1435 E. 223rd St. Carson, CA
123. Sonic Houston JLR, LP	Jaguar Houston North Land Rover Houston North	18205 Interstate 45 N Houston, TX

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
124. Sonic Houston LR, L.P.	Land Rover Houston Central Jaguar Houston Central	7019 Old Katy Rd. Houston, TX
		7025 Old Katy Rd. Houston, TX
125. Sonic — Houston V, L.P.	Volvo of Houston	11950 Old Katy Rd. Houston, TX
	(Body Shop)	1321 Sherwood Forest Dr. Houston, TX
126. Sonic-Jersey Village Volkswagen, L.P.	Momentum Volkswagen of Jersey Village	19550 Northwest Fwy. Houston, TX
127. Sonic — Las Vegas C East, LLC	Cadillac of Las Vegas	2711 E. Sahara Ave. Las Vegas, NV
128. Sonic — Las Vegas C West, LLC	Cadillac of Las Vegas — West	5185 W. Sahara Ave. Las Vegas, NV
129. Sonic — Lloyd Nissan, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
130. Sonic — Lloyd Pontiac — Cadillac, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
131. Sonic — Lone Tree Cadillac, Inc.	Don Massey Cadillac	8201 Parkway Dr. Lone Tree, CO
	Don Massey Collision Center	6208 E. County Line Rd. Littleton, CO
132. Sonic — LS Chevrolet, L.P.	Lone Star Chevrolet	18800 North Fwy. Houston, TX
	Lone Star Chevrolet Parking Lot	18990 Northwest Fwy. Houston, TX
133. Sonic — LS, LLC		6415 Idlewild Rd. Suite 109 Charlotte, NC

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
134. Sonic — Lute Riley, L.P.	Lute Riley Honda (Body Shop)	1331 N. Central Expy. Richardson, TX 13561 Goldmark Dr. Richardson, TX
135. Sonic — Manhattan Fairfax, Inc.	BMW of Fairfax (Parking Facility)	8427 Lee Hwy. Fairfax, VA 8435 Lee Hwy. Fairfax, VA
136. Sonic — Massey Chevrolet, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
137. Sonic — Mesquite Hyundai, L.P.		6415 Idlewild Rd. Suite 109 Charlotte, NC
138. Sonic Momentum B, L.P.	Momentum BMW Momentum MINI Momentum BMW (West) (Momentum Body Shop)	10002 Southwest Fwy. Houston, TX 15865 Katy Fwy. Houston, TX 9911 Centre Pkwy. Houston, TX
139. Sonic Momentum JVP, L.P.	Jaguar Southwest Houston Land Rover Southwest Houston Momentum Volvo Momentum Porsche	10150 Southwest Fwy. Houston, TX 10155 Southwest Fwy. Houston, TX

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
140. Sonic Momentum VWA, L.P.	Momentum Volkswagen	2405 Richmond Ave. Houston, TX
	Momentum Audi Certified Pre-Owned Sales	2309 Richmond Ave. Houston, TX
	Momentum Audi	2315 Richmond Ave. Houston, TX
	Momentum Audi Back Lot (Storage)	3717-3725 Revere St. Houston, TX
	Momentum Audi — Parking	2401 Portsmouth Houston, TX
141. Sonic — Newsome Chevrolet World, Inc.	Capitol Chevrolet	111 Newland Rd. Columbia, SC
142. Sonic — Newsome of Florence, Inc.	Newsome Automotive (Mercedes) Imports of Florence (BMW) Newsome Chevrolet	2199 David McLeod Blvd. Florence, SC
143. Sonic of Texas, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
144. Sonic Peachtree Industrial Blvd., L.P.		6415 Idlewild Rd. Suite 109 Charlotte, NC
145. Sonic-Plymouth Cadillac, Inc.	Don Massey Cadillac	40475 Ann Arbor Rd. Plymouth, MI
146. Sonic Resources, Inc.		7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV
147. Sonic — Richardson F, L.P.	North Central Ford	1819 N. Central Expy. Richardson, TX
148. Sonic — Sanford Cadillac, Inc.	Massey Cadillac of Sanford	3700 S. Hwy. 17-92 Sanford, FL
149. Sonic Santa Monica M,	W.I. Simonson	1626 Wilshire Blvd.

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
Inc.		Santa Monica, CA
		1330 Colorado Ave. Santa Monica, CA
	(Service)	1215 — 17th St. Santa Monica, CA
	(Parking)	1415 Euclid & 1308 Santa Monica Blvd. Santa Monica, CA
150. Sonic Santa Monica S, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
151. Sonic-Saturn of Silicon Valley, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
152. Sonic — Shottenkirk, Inc.	Pensacola Honda	5600 Pensacola Blvd. Pensacola, FL
153. Sonic — Stevens Creek B, Inc.	Stevens Creek BMW	4343 Stevens Creek Blvd. San Jose, CA
		4333 Stevens Creek Blvd. San Jose, CA
	Stevens Creek BMW — Offsite Vehicle Storage	1507 S. 10th St. San Jose, CA
154. Sonic — Stone Mountain T, L.P.	Stone Mountain Toyota Stone Mountain Scion	5065 U.S. Hwy. 78 Stone Mountain, GA

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
155. Sonic Tysons Corner H, Inc.	Honda of Tysons Corner (Body Shop) (Storage Lot) (Storage Lot)	1580 Spring Hill Rd. Vienna, VA 1548 Spring Hill Rd. Vienna, VA Two acres adjacent to 1592 Spring Hill Rd. One acre lot on Tyco Rd. at corner of Spring Hill Rd. 8521 Leesburg Pike Vienna, VA
156. Sonic Tysons Corner Infiniti, Inc.	Infiniti of Tysons Corner	8527 Leesburg Pike Vienna, VA
157. Sonic — University Park A, L.P.		6415 Idlewild Rd. Suite 109 Charlotte, NC
158. Sonic-Volvo LV, LLC	Volvo of Las Vegas	7705 W. Sahara Ave. Las Vegas, NV
159. Sonic Walnut Creek M, Inc.	Mercedes-Benz of Walnut Creek (Parking) (Jensen Lease) (Storage)	1301 Parkside Dr. Walnut Creek, CA 1268 Pine St. Walnut Creek, CA 1360 Pine St. Walnut Creek, CA 1413 Carlback Ave. Walnut Creek, CA
160. Sonic-West Covina T, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
161. Sonic — Williams Cadillac, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC

IV.
Trade Names, Trade Styles,
Fictitious Names and “d/b/a”
Names

V.
Collateral Locations

I. Name			V. Collateral Locations
162. Sonic Wilshire Cadillac, Inc.			6415 Idlewild Rd. Suite 109 Charlotte, NC
163. SRE Alabama — 2, LLC	N/A		N/A
164. SRE Alabama—5, LLC	N/A		N/A
165. SRE California — 1, LLC	N/A		N/A
166. SRE California-2, LLC	N/A		N/A
167. SRE California — 4, LLC	N/A		N/A
168. SRE Colorado — 1, LLC	N/A		N/A
169. SRE Florida — 1, LLC	N/A		N/A
170. SRE Florida — 2, LLC	N/A		N/A
171. SRE Holding, LLC	N/A		N/A
172. SRE North Carolina — 2, LLC	N/A		N/A
173. SRE Oklahoma—1, LLC	N/A		N/A
174. SRE Oklahoma—2, LLC	N/A		N/A
175. SRE Oklahoma—5, LLC	N/A		N/A
176. SRE South Carolina—3, LLC	N/A		N/A
177. SRE South Carolina — 4, LLC	N/A		N/A
178. SRE Tennessee—4, LLC	N/A		N/A
179. SRE Texas — 1, L.P.	N/A		N/A
180. SRE Texas — 2, L.P.	N/A		N/A
181. SRE Texas — 3, L.P.	N/A		N/A

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
182. SRE Texas — 4, L.P.	N/A	N/A
183. SRE Texas — 5, L.P.	N/A	N/A
184. SRE Texas — 6, L.P.	N/A	N/A
185. SRE Texas — 7, L.P.	N/A	N/A
186. SRE Texas — 8, L.P.	N/A	N/A
187. SRE Virginia — 1, LLC	N/A	N/A
188. SRealEstate Arizona — 2, LLC	N/A	N/A
189. SRealEstate Arizona — 3, LLC	N/A	N/A
190. SRM Assurance, Ltd.	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC
191. Stevens Creek Cadillac, Inc.	St. Claire Cadillac	3737 Stevens Creek Blvd. Santa Jose, CA
192. Town and Country Ford, Incorporated	St. Claire Cadillac — Offsite Vehicle Storage	1507 South 10th St., San Jose, CA 5401 E. Independence Blvd. Charlotte, NC
193. Village Imported Cars, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
194. Windward, Inc.	Honda of Hayward (Service)	24895 Mission Blvd. Hayward, CA
	Ground Lease (Sales)	24947-24975 Mission Blvd. Hayward, CA
	(Vehicle Display)	24919 Mission Blvd. Hayward, CA
	(Vehicle Storage)	Fletcher Ln. Hayward, CA
	Ground Lease (Sales)	24933 Mission Blvd. Hayward, CA

EXISTING LIENS			
<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
Sonic Automotive, Inc. Delaware Secretary of State			
BBH Financial Services Company	12/28/2004	43658079	Computer equipment
BBH Financial Services Company	12/28/2004	43658152	Computer equipment
BBH Financial Services Company	12/28/2004	43658780	Computer equipment
Dell Financial Services L.P.	05/19/2006	61708031	Leased equipment
Dell Financial Services L.P.	05/19/2006	61708049	Leased equipment
Greater Bay Bank N.A.	02/29/2008	2008 0732816	Leased Equipment — 1 Komatsu Forklift FG15SHT-17 s/n 673434
Arngar, Inc. , d/b/a Arnold Palmer Cadillac North Carolina Secretary of State			
General Electric Capital Corporation (additional debtor Sonic Development, LLC)	12/30/2004	20040125442F	<i>Leased equipment — Service Department Air Systems; Body Shop vehicle lifts; Body Shop paint booth equipment; frame straightening equipment; Body Shop general equipment; Parts Department equipment</i>
Wells Fargo Equipment Finance, Inc. (additional debtor Sonic Development, LLC)	11/02/2005	20050105391H	<i>Leased equipment — all equipment and personal property covered by that certain Lease Schedule NO. 13 dated to Master Lease No. CML-0877-F dated 7/26/04 between Celtic Leasing Corp. and Debtor</i>
Autobahn, Inc. , d/b/a Autobahn Motors California Secretary of State			
Mercedes-Benz of North America, LLC	12/10/1991	91261652	Motor vehicles, parts and accessories for which payment has not been received by Mercedes-Benz North America, Inc. in accordance with the provisions of the Mercedes-Benz Dealer Agreement
<i>Amendment: Continuation</i>	08/21/1996	96234C0412	

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
<i>Amendment: Change Debtor address</i>	01/21/1997	97021C0292	
<i>Amendment: Change S/P name from Inc. to LLC</i>	09/27/2000	00273C0058	
<i>Amendment: Continuation</i>	10/30/2001	01304C0008	
<i>Amendment: Continuation</i>	10/10/2006	06-70880947	
FAA Beverly Hills, Inc., d/b/a Beverly Hills BMW California Secretary of State			
BMW of North America, LLC	10/27/1999	9930660594	A purchase money security interest in all unpaid BMW motor vehicles, including BMW automobiles, sports activity vehicles/light trucks, motorcycles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, Inc. and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
<i>Amendment: Continuation</i>	08/20/2004	04-10021858	
<i>Amendment: Change S/P name from Inc. to LLC</i>	05/10/2005	05-70262321	
<i>Amendment: Restate collateral to delete Inc. and add LLC</i>	05/10/2005	05-70262327	
<i>Amendment: Delete Debtor d/b/a</i>	05/10/2005	05-70262328	
<i>Amendment: Change Debtor information</i>	10/30/2007	07-71348214	
<i>Amendment: Change Debtor information</i>	10/30/2007	07-71348217	
<i>Amendment: Change Debtor information</i>	10/30/2007	07-71348201	
<i>Amendment: Change Debtor information</i>	12/04/2007	07-71389993	

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
<i>Amendment: Continuation</i>	08/04/2009	09-72045370	
FAA Capitol N, Inc. , d/b/a Capitol Nissan California Secretary of State			
Nissan Motor Acceptance Corporation	05/05/2005	05-7025740161	Signs, together with all related materials, tools, parts, fittings, supports, fixings, attachments, illumination, electrical cables, connections and equipment, and concrete foundations
<i>Amendment: Change S/P information</i>	11/06/2006	06-70909110	
<i>Amendment: Change S/P information</i>	02/09/2008	08-71467543	
FAA Las Vegas H, Inc. , d/b/a Honda West Nevada Secretary of State			
Lakeland Bank Equipment Leasing Division	03/27/2007	2007009438-2	Leased Equipment: Market Scan System
FAA Stevens Creek, Inc. , d/b/a Stevens Creek Nissan California Secretary of State			
Nissan Motor Acceptance Corporation	08/21/2007	07-7126162527	Signs, together with all related materials, tools, parts, fittings, supports, fixings, attachments, illumination, electrical cables, connections and equipment, and concrete foundations
Fort Mill Ford, Inc. South Carolina Secretary of State			
Ford Motor Company	10/27/1986	86-051658	All motor vehicles together with all equipment and accessories thereto, including all current and after acquired motor vehicles, held as inventory on lease or rental; or held for lease, rental or sale, pursuant to a Rent-A-Car System and Lease Agreement between secured party and debtor
<i>Amendment: Change Debtor address</i>	03/09/1989	89-012309	
<i>Amendment: Change Debtor address</i>	04/27/1989	89-021926	
<i>Amendment: Continuation</i>	05/06/1991	91-022733	
<i>Amendment: Continuation</i>	05/16/1996	960516-113648A	
<i>Amendment: Change Debtor address</i>	02/15/2001	010215-113328A	

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
<i>Amendment: Continuation</i>	05/02/2001	010502-102524A	
<i>Amendment: Change S/P address</i>	08/09/2002	020809-1036398	
<i>Amendment: Continuation</i>	06/08/2006	060608-1052069	
Marcus David Corporation, d/b/a Town and Country Toyota, Town and Country Toyota Certified Used Cars, Town and Country Toyota-Scion North Carolina Secretary of State			
Coactive Capital Partners LLC	08/18/2006	20060080665E	Leased computer equipment
<i>Amendment: Assignment from US Bancorp</i>	03/22/2007	20070028051G	
US Bancorp	08/29/2007	20070082898F	3 Optiplex 745; 3 15" flat panel; 1 new vehicle lease, retail finance, 2 desk mod seats MDesking modules
Main Street National Bank	06/03/2008	20080051421E	Leased Equipment — 1 DCMdata Digital Lot system including: Itab pen tablet data collection device, printer, internal modem, database synchronization, web site creation and Digital Lot software license
Ontario L, LLC, d/b/a Crown Lexus California Secretary of State			
Lakeland Bank Equipment Leasing Division	05/23/2007	07-7115027818	Leased Equipment — Market Scan System
Philpott Motors, Ltd., d/b/a Philpott Ford, Philpott Toyota, Philpott Motors Hyundai Texas Secretary of State			
Citicorp Leasing, Inc.	01/05/2006	06-0000435412	1 used Linde Model #E15S
Ford Motor Company	05/04/2006	06-0015117556	New, used and demonstrator vehicles, tractors, trailers, semi-trailers and truck and camper bodies, and other goods which are inventory or equipment on or held for lease, rental or sale, together with goods with manufacturer's certificates and certificates of title or ownership on or held for lease, rental or sale, and all accessions thereto, pursuant to a Rent-A-Car System and Lease Agreement between Secured Party and Debtor; manufacturer's certificates and Certificates of Title, ownership, or origin and all accessories and replacement parts of any of the above; all accounts, instruments, chattel papers, lease rentals, contract rights, documents, general intangibles and supporting obligations thereto.
Greater Bay Bank N.A.	10/12/2007	07-0035038743	1 — Used Forklift E15S s/n 324E12613416 including parts, accessories, substitutions, additions, accessions and replacements thereto, and all proceeds

Secured Party	File Date	File Number	Collateral
SAI Ann Arbor Imports, LLC, f/k/a Sonic-Ann Arbor Imports, Inc., d/b/a Mercedes-Benz of Ann Arbor, BMW of Ann Arbor, Auto-Strasse Michigan Secretary of State			
BMW of North America, LLC	10/23/2003	2003202420-2	A purchase money security interest in all unpaid BMW motor vehicles, including but not limited to BMW automobiles, sports activity vehicles/light trucks, motorcycles, tools, special tools, equipment, signage, warranty advances, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
<i>Amendment: Change Debtor information</i>	11/21/2006	2006194891	
<i>Amendment: Continuation</i>	09/05/2008	2008139289-4	
<i>Amendment: Change Debtor name</i>	01/26/2009	2009012242-6	
Mercedes-Benz USA, LLC	11/05/2003	2003212735-1	Motor vehicles, parts, and accessories for which payment has not been received by Mercedes-Benz USA, LLC, in accordance with the provisions of the Mercedes-Benz Dealer Agreements
<i>Amendment: Continuation</i>	09/25/2008	2008149688-2	
<i>Amendment: Change Debtor name</i>	02/12/2009	2009023157-8	
Vesco Oil Corporation <i>Note: Additional debtor: Auto-Strasse, Ltd.</i>	04/07/2004	2004070435-5	Equipment on loan — 4 218-445 Std Oil Reel; 2 224-886 Reel; 6 218-546 Kit; 2 218-548 End Panel Kit; 2 218-588 Solenoid Kit; 4 3330-008 Solenoid Kit; 500 ft wire; 2 203-523 Mt. Channel; 460 ft. 5/8" steel tubing; 120 ft 1 1/2 " black pipe; 40 Ft Unistrut; 1 P6-12CIT hose 6' x 3/4
<i>Amendment: Continuation</i>	10/21/2008	2008162771-6	
Vesco Oil Corporation	05/30/2007	2007085884-9	<i>Equipment on loan: (1) DW165 tank, 165 gal double wall; (1) G575215A pump, flojet; (1) 1740002S strainer, flojet; (1) A770A30B-PB hose, flex 1/4" x 30"; (1) 180-685 water bibb; (1) 110-318 air regulator; (1) 29850 air gauge; (1) 210 air coupler; (1) P6-6 hose 6' x 2/8" air</i>

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
SAI Atlanta B, LLC, f/k/a Sonic-Global Imports, L.P., d/b/a Global Imports BMW, Global Imports MINI Georgia Central Filing			
Compass Bank	03/26/1999	033-1999-005311	All present and future accounts and general intangibles purchased by or transferred to secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect, all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amounts at any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
<i>Amendment: Partial release (copy missing)</i>	03/16/2001	033-2001-003309	
<i>Amendment: Continuation</i>	12/08/2003	033-2003-011919	
<i>Amendment: Continuation</i>	12/19/2008	0332008-12560	
BMW of North America, LLC	09/04/2007	0602007-10773	A purchase money security interest in all unpaid BMW motor vehicles, including BMW automobiles, sports activity vehicles/light trucks, motorcycles, MINI vehicles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
<i>Amendment: Change Debtor name</i>	03/02/2009	0602009-01822	
SAI Broken Arrow C, LLC, f/k/a Speedway Chevrolet, Inc. Oklahoma Secretary of State			
American Tire Distributors, Inc.	06/21/2005	2005007653634	All inventory or merchandise purchased from secured party and held for sale or lease or furnished or to be furnished under contract of service, and all proceeds of the foregoing, and all equipment and proceeds thereof including all additions, accessions or substitutions; all proceeds
SAI Charlotte M, LLC, f/k/a Sonic-Lake Norman Dodge, LLC, f/k/a Sonic Dodge, LLC North Carolina Secretary of State			
American Express Business Finance Corporation	02/05/2003	20030011994M	Leased computer equipment

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
<i>Amendment: Continuation</i>	12/15/2007	20070117237A	
SAI Clearwater T, LLC, f/k/a Sonic Automotive-Clearwater, Inc., d/b/a/ Clearwater Toyota, Clearwater Scion Florida Secretary of State			
Wells Fargo Financial Leasing, Inc.	01/06/2005	200508689005	Computer equipment
US Bancorp (filed under Debtor d/b/a Clearwater Toyota)	21/28/2005	200501498646	Leased computer equipment
US Bancorp (filed under Debtor d/b/a Clearwater Toyota)	07/20/2006	200603215252	Leased Equipment — Computer equipment
US Bancorp (filed under Debtor d/b/a Clearwater Toyota)	11/29/2006	200604254170	Leased Equipment — Computer equipment
SAI Fort Myers B, LLC, f/k/a Sonic-FM, Inc., d/b/a BMW of Fort Myers Florida Secretary of State			
BMW of North America, LLC	04/05/2002	200200808778	A purchase money security interest in all unpaid BMW motor vehicles, including but not limited to BMW automobiles, sports activity vehicles/light trucks, motorcycles, tools, special tools, equipment, signage, warranty advances, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
<i>Amendment: Continuation</i>	01/29/2007	200704690533	
<i>Amendment: Change Debtor information</i>	03/10/2008	200807835615	
<i>Amendment: Change Debtor name</i>	02/27/2009	200900101049	
SAI Fort Myers M, LLC, f/k/a Sonic-FM Automotive, LLC, d/b/a Mercedes-Benz of Fort Myers Florida Secretary of State			
Mercedes-Benz USA, LLC	02/29/2000	200000050147-6	Motor vehicles, parts and accessories for which payment has not been received by Mercedes-Benz USA, Inc. in accordance with the provisions of the Mercedes-Benz Dealer Agreement

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
<i>Amendment: Change S/P name from Inc. to LLC</i>	02/16/2001	200100036392-5	
<i>Amendment: Continuation</i>	11/19/2004	20040835754X	
<i>Amendment: Change Debtor information</i>	12/21/2006	200604417827	
<i>Amendment: Change Debtor name</i>	02/11/2009	200900014006	
SAI Irondale Imports, LLC, f/k/a Sonic-Williams Imports, Inc., d/b/a Tom Williams Imports, Audi, BMW, Porsche, Land Rover			
Alabama Secretary of State			
BMW of North America, LLC	02/17/2000	B2000-07123 FS	A purchase money security interest in all unpaid BMW motor vehicles, including BMW automobiles, sports activity vehicles/light trucks, motorcycles, MINI vehicles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
<i>Amendment: Change Debtor address</i>	03/23/2004	B2000-07123AM	
<i>Amendment: Change Debtor name to delete d/b/a</i>	02/01/2005	B2000-07123AM	
<i>Amendment: Change S/P name from BMW of North America, Inc.</i>	02/01/2005	B2000-07123AM	
<i>Amendment: Continuation</i>	02/01/2005	B2000-07123 CS	
<i>Amendment: Restate collateral</i>	01/17/2006	B2000-07123 AM	A Purchase Money Security Interest in all unpaid BMW motor vehicles, including but not limited to BMW automobiles, sports activity vehicles/light trucks, motorcycles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America LLC (collectively "BMW") and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
			insurance proceeds, and a security interest in and right to set off with respect to all credits and rights to payments held by BMW, its subsidiaries and affiliates for the account of debtor, and as to all of the foregoing whether now owned or hereafter acquired.
<i>Amendment: Change Debtor name</i>	04/02/2009	B2000-07123AM	
<i>Amendment: Change Debtor address</i>	10/01/2009	B2000-07123AM	
Compass Bank dba Commercial Billing Services	08/08/2002	B02-0660244 FS	All present and future accounts and general intangibles purchased by or transferred to secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect, all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amounts at any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
<i>Amendment: Continuation</i>	05/07/2007	B02-0660244CS	
SAI Irondale L, LLC, f/k/a Sonic-Williams Motors, LLC, d/b/a Tom Williams Lexus Alabama Secretary of State			
Compass Bank dba Commercial Billing Service	07/26/2002	B02-0622674 FS	All present and future accounts and general intangibles purchased by or transferred to secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect, all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amounts at any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
<i>Amendment: Continuation</i>	04/05/2007	B02-0622674CS	
<i>Amendment: Change Debtor name</i>	04/23/2009	B02-0622674AM	
Aqua Pure Water Systems, Dolphin Capital Corp., Assignee	08/30/2005	B05-0659918FS	Leased Equipment — 1 Micro Bar s/n 165473; 1 Milk Coorer s/n 002697; 1 Bunn Coffee Brewer s/n WTF306415; 1 Innwave Chiller s/n 2104L11082; 1 Viking Refrigerator s/n VUAR141; 1 Ice O Matic Ice Maker s/n 05021280010728; 1 Vita Mix Blender s/n 000749
Pullman Bank and Trust Company (additional debtors Sonic-Williams Imports, Inc. and Sonic-Williams Cadillac, Inc.)	11/02/2005	B05-0818139FS	Leased Equipment — covered by that certain Lease Schedule 12 dated to Master Lease No. CML-0877-F dated 7/26/04 between Celtic Leasing and Lessee
<i>Amendment: Restate collateral</i>	12/29/2005	B05-0818139FS	
<i>Amendment: Assignment from Celtic Leasing Corp.</i>	12/29/2005	B05-0818139 AS	[Adds more detail to description of leased equipment]
Wells Fargo Equipment Finance, Inc. (additional debtors Sonic-Williams Imports, Inc. and Sonic-Williams Cadillac, Inc.)	11/02/2005	B05-0818151FS	Leased Equipment — covered by that certain Lease Schedule 13 dated to Master Lease No. CML-0877-F dated 7/26/04 between Celtic Leasing and Lessee

Secured Party	File Date	File Number	Collateral
SAI Long Beach B, Inc. , d/b/a Long Beach BMW, Long Beach MINI Florida Secretary of State			
BMW of North America, LLC	08/13/2007	07-7125294239	A purchase money security interest in all unpaid BMW motor vehicles, including BMW automobiles, sports activity vehicles/light trucks, motorcycles, MINI vehicles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
SAI Monrovia B, Inc. , d/b/a BMW of Monrovia, MINI of Monrovia Florida Secretary of State			
BMW of North America, LLC	07/18/2007	07-7121775916	A purchase money security interest in all unpaid BMW motor vehicles, including BMW automobiles, sports activity vehicles/light trucks, motorcycles, MINI vehicles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
SAI Montgomery B, LLC, f/k/a Sonic Montgomery B, Inc., d/b/a BMW of Montgomery Alabama Secretary of State			
Compass Bank	04/18/2005	B05-0284796 FS	All present and future accounts and general intangibles purchased by or transferred to secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect, all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amounts at any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
BMW of North America, LLC	06/27/2005	B05-0489290 FS	A purchase money security interest in all unpaid BMW motor vehicles, including BMW automobiles, sports activity vehicles/light trucks, motorcycles, MINI vehicles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
<i>Amendment: Change Debtor name</i>	04/02/2009	B05-0489290AM	
SAI Montgomery BCH, LLC, f/k/a Cobb Pontiac-Cadillac, Inc., d/b/a Classic Cadillac, Classic Cadillac Buick, Classic Hummer Alabama Secretary of State			
Compass Bank Commercial Billing Service	03/28/1990	B90-11752 FS	All present and future accounts and general intangibles purchased by or transferred to secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect, all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amounts at any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
<i>Amendment: Change S/P from Central Bank of the South dba Commercial Billing Service</i>	11/30/1994	B90-11752 AM	
<i>Amendment: Continuation</i>	11/30/1994	B90-11752 CS	

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
<i>Amendment: Continuation</i>	12/09/1999	B1990-11752 CS	
<i>Amendment: Continuation</i>	12/01/2004	B1990-11752 CS	
SAI Montgomery CH, LLC, f/k/a Capitol Chevrolet and Imports, Inc., d/b/a Capitol Chevrolet, Capitol Hyundai Alabama Secretary of State			
Compass Bank	08/19/2002	B02-0691500 FS	All present and future accounts and general intangibles purchased by or transferred to secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect, all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amounts at any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
<i>Amendment: Change debtor information</i>	08/15/2005	B02-0691500AM	
<i>Amendment: Continuation</i>	05/07/2007	B02-0691500CS	
General Electric Capital Corporation, Assignee of Berny Office Solutions (filed under debtor name Capital Chevrolet Inc.)	04/18/2000	B2000-15379 FS	<i>Konica and Sharp copiers</i>
<i>Amendment: Continuation</i>	02/18/2005	B2000-15379 CS	
SAI Nashville CSH, LLC, f/k/a Sonic-Crest Cadillac, LLC, d/b/a Crest Cadillac, Crest Hummer, Crest Saab Tennessee Secretary of State			
Compass Bank dba Commercial Billing Service	05/13/2002	102-020599	All present and future accounts and general intangibles purchased by or transferred to secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect, all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amounts at any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
<i>Amendment: Amend amount of maximum principal indebtedness</i>	06/01/2002	302-032546	
<i>Amendment: Continuation</i>	02/09/2007	107-006316	
<i>Amendment: Change Debtor Name</i>	04/23/2009	309-020596	

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
Irwin Union Bank and Trust Company (in name of Crest Cadillac, Inc.)	06/29/2001	301-084579	Contract #40052138LE — Car wash machinery and equipment together with all accessions, attachments and additions thereto and replacements thereof
<i>Amendment: Continuation</i>	01/23/2006	206-004296	
SAI Nashville H, LLC, f/k/a Sonic-Crest H, LLC, d/b/a Crest Honda Tennessee Secretary of State			
Compass Bank dba Commercial Billing Service	06/24/2002	202-036728	All present and future accounts and general intangibles purchased by or transferred to secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect, all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amounts at any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
<i>Amendment: Continuation</i>	03/02/2007	307-114168	
<i>Amendment: Change Debtor name</i>	04/23/2009	309-020595	
SAI Nashville M, LLC, f/k/a Sonic Nashville M, LLC, f/k/a Sonic Nashville MB, Inc., d/b/a Mercedes-Benz of Nashville Tennessee Secretary of State			
Compass Bank dba Commercial Billing Service	04/05/2005	105-021181	All present and future accounts and general intangibles purchased by or transferred to secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect, all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amounts at any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
<i>Amendment: Change Debtor name</i>	04/23/2009	309-020594	
Mercedes-Benz USA, LLC	04/07/2005	305-020582	Motor vehicles, parts, and accessories for which payment has not been received by Mercedes-Benz USA, LLC in accordance with the provisions of the Mercedes-Benz Dealer Agreements
<i>Amendment: Change Debtor name</i>	02/12/2009	209-007725	
SAI Oklahoma City C, LLC, f/k/a Sonic-West Reno Chevrolet, Inc., d/b/a City Chevrolet Oklahoma Secretary of State			
American Tire Distributors, Inc.	07/25/2005	2005009154834	All inventory or merchandise purchased from secured party and held for sale or lease or furnished or to be furnished under contract of service, and all proceeds of the foregoing, and all equipment and proceeds thereof including all additions, accessions or substitutions; all proceeds
US Bancorp	08/09/2005	2005009814332	Leased copier equipment

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
SAI Oklahoma City T, LLC, f/k/a Wrangler Investments, Inc., d/b/a Dub Richardson Toyota, Dub Richardson Scion Oklahoma Secretary of State			
General Electric Capital Corporation	12/30/2004	2004015737940	Leased equipment — Service Department air systems; Service Department Vehicle Lifts; Service Department Lube System; Service Department Exhaust System; General Shop equipment; Wheel Service/Alignment equipment; Engine Service equipment; Washing equipment; Roll Over Car Wash equipment; Parts Department equipment
Wells Fargo Equipment Finance, Inc.	11/02/2005	2005013361021	Leased equipment
Pullman Bank and Trust Company.	11/02/2005	2005013361122	Leased equipment — Carwash equipment
<i>Amendment: Restate collateral</i>	12/21/2005	2005015151424	
<i>Amendment: Assignment from Celtic Leasing Corp.</i>	12/27/2005	E2005015275936	
American Tire Distributors, Inc.	02/27/2006	2006002320015	All debtors inventory or merchandise purchased from Secured Party now or hereafter acquired and held for sale or lease or furnished or to be furnished under contract of services, and all proceeds of the foregoing (all hereinafter called inventory), and all equipment and proceeds thereof including any and all additions, accessions, or substitutions; proceeds
SAI Orlando CS, LLC, f/k/a Sonic-North Cadillac, Inc., d/b/a Massey Cadillac, Massey Saab of Orlando Florida Secretary of State			
The Valvoline Company, a division of Ashland Inc.	09/08/2006	200603608203	Leased Equipment — Fluid pumping equipment
SAI Tulsa T, LLC, f/k/a Sonic-Oklahoma T, Inc., d/b/a Riverside Toyota, Riverside Scion Oklahoma Secretary of State			
J.D. Young Leasing, LLC	10/30/2008	E2008012366836	Leased Equipment — 2 — PHSI Black Water Systems s/n 0650202857 and 0736207610
Sonic Automotive-1720 Mason Ave., DB, Inc. Florida Secretary of State			
American Tire Distributors, Inc.	06/23/2006	200602981172	All debtors inventory or merchandise purchased from Secured Party now or hereafter acquired and held for sale or lease or furnished or to be furnished under contract of services, and all proceeds of the foregoing (all hereinafter called inventory), and all equipment and proceeds thereof including any and all additions, accessions, or substitutions; proceeds

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
Sonic Automotive-1720 Mason Ave., DB, LLC, d/b/a Mercedes-Benz of Daytona Beach Florida Secretary of State			
Mercedes-Benz of North America, Inc.	01/04/1999	990000001662-8	Motor vehicles, parts and accessories for which payment has not been received by Mercedes-Benz North America, Inc. in accordance with the provisions of the Mercedes-Benz Deal Agreement
<i>Amendment: Change additional debtor d/b/a from Higgenbotham Automobiles</i>	06/30/2000	200000151617-6	
<i>Amendment: Continuation</i>	11/10/2003	200305418988	
<i>Amendment: Continuation</i>	09/25/2008	200809230362	
Sonic Automotive 2752 Laurens Rd., Greenville, Inc., d/b/a Century BMW, Century MINI South Carolina Secretary of State			
Compass Bank d/b/a Commercial Billing Service	10/01/1998	981001-091107A	All present and future accounts and general intangibles purchased by or transferred to the secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect; all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amount oat any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
<i>Amendment: Continuation</i>	07/14/2003	030714-1246220	
<i>Amendment: Continuation</i>	07/16/2008	080716-0906202	

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
BMW of North America LLC	08/05/2002	020805-1140573	A purchase money security interest in all unpaid BMW motor vehicles, including BMW automobiles, sports activity vehicles/light trucks, motorcycles, MINI vehicles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
<i>Amendment: Delete debtor d/b/a</i>	10/27/2005	051027-1204584	
<i>Amendment: Continuation</i>	05/22/2007	070522-1229389	
<i>Amendment: Change Debtor information</i>	08/19/2009	090819-1248279	
Sonic Automotive-4701 I-10 East, TX, LP, d/b/a Baytown Ford Texas Secretary of State			
Ford Motor Company	11/28/2005	05-0036354400	New, used and demonstrator vehicles, tractors, trailers, semi-trailers and truck and camper bodies, and other goods which are inventory or equipment on or held for lease, rental or sale, together with goods with manufacturer's certificates and certificates of title or ownership on or held for lease, rental or sale, and all accessions thereto, pursuant to a Rent-A-Car System and Lease Agreement between Secured Party and Debtor; manufacturer's certificates and Certificates of Title, ownership, or origin and all accessories and replacement parts of any of the above; all accounts, instruments, chattel papers, lease rentals, contract rights, documents, general intangibles and supporting obligations thereto.
Sonic Automotive 5260 Peachtree Industrial Blvd., LLC, d/b/a Dyer and Dyer Volvo, Volvo at Gwinnett Place Georgia Secretary of State			
Compass Bank	10/01/1987	87-9976	All present and future accounts and general intangibles purchased by or transferred to secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect, all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amounts at any time owing to debtor by secured party in

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
<i>Amendment: Change S/P from Central Bank of the South dba Commercial Billing Service</i>	07/29/1997	044-1997-007559	connection with said agreement) or in the possession of secured party
<i>Amendment: Continuation</i>	07/29/1997	044-1997-007560	
<i>Amendment: Change Debtor name to Sonic Automotive, Inc. from Dyer & Dyer Inc.</i>	05/20/1998	044-1998-005201	
<i>Amendment: Add additional Debtor address</i>	09/29/1999	044-1999-008249	
<i>Amendment: Add additional Debtor address</i>	03/03/2000	044-2000-002232	
<i>Amendment: Change Debtor name from Sonic Automotive</i>	08/20/2001	044-2001-006054	
<i>Amendment: Continuation</i>	07/18/2002	044-2002-003612	
<i>Amendment: Continuation</i>	07/06/2007	044200702639	
Sonic Automotive-9103 E. Independence, NC, LLC, d/b/a Infiniti of Charlotte North Carolina Secretary of State			
Infiniti Financial Services, a division of Nisan Motor Acceptance Corporation	12/04/2007	20070113213A	Signs, together with all related materials, tools, parts, fittings, supports, fixings, attachments, illumination, electrical cables, connections and equipment, and concrete foundations
Sonic Automotive of Chattanooga, LLC, d/b/a BMW of Chattanooga Tennessee Secretary of State			
BMW of North America, LLC	10/28/2002	302-060389	A purchase money security interest in all unpaid BMW motor vehicles, including BMW automobiles, sports activity vehicles/light trucks, motorcycles, MINI vehicles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like)

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
			held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
<i>Amendment: Change Debtor information</i>	11/21/2006	206-073733	
<i>Amendment: Continuation</i>	07/24/2007	107-039829	
Sonic Automotive of Nashville, LLC, d/b/a BMW of Nashville, MINI of Nashville, Sonic Automotive Body Shop Tennessee Secretary of State			
Compass Bank dba Commercial Billing Service	10/12/1998	982-085571	All present and future accounts and general intangibles purchased by or transferred to the secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect; all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amount out any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
<i>Amendment: Add Debtor address</i>	03/26/1999	993-016437	
<i>Amendment: Continuation</i>	07/08/2003	103-029596	
<i>Amendment: Continuation</i>	07/16/2008	208-035771	
BMW of North America, LLC	10/28/2002	302-060387	A purchase money security interest in all unpaid BMW motor vehicles, including BMW automobiles, sports activity vehicles/light trucks, motorcycles, MINI vehicles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
<i>Amendment: Continuation</i>	07/23/2007	107-039469	
Sonic Automotive of Texas, L.P., d/b/a Lone Star Ford Texas Secretary of			
Danka Financial Services	09/26/2001	02-0004414813	Leased copier

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
<i>Amendment: Continuation</i>	09/19/2006	06-00312562	
Jones Oil, Inc. (filed under Debtor d/b/a)	06/08/2005	05-0017911054	TMS-800 one hose mech. Fuel console; White tucker tuthill pulser
Ford Motor Company	12/08/2005	05-0037542177	New, used and demonstrator vehicles, tractors, trailers, semi-trailers and truck and camper bodies, and other goods which are inventory or equipment on or held for lease, rental or sale, together with goods with manufacturer's certificates and certificates of title or ownership on or held for lease, rental or sale, and all accessions thereto, pursuant to a Rent-A-Car System and Lease Agreement between Secured Party and Debtor; manufacturer's certificates and Certificates of Title, ownership, or origin and all accessories and replacement parts of any of the above; all accounts, instruments, chattel papers, lease rentals, contract rights, documents, general intangibles and supporting obligations thereto.
Sonic-2185 Chapman Rd., Chattanooga, LLC, d/b/a Economy Honda Cars, Economy Honda Superstore Tennessee Secretary of State			
Compass Bank dba Commercial Billing Service	08/30/2001	301-095978	All present and future accounts and general intangibles purchased by or transferred to secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect, all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amounts at any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
<i>Amendment: Continuation</i>	05/03/2006	306-125297	
Sonic-Calabasas A, Inc., d/b/a Acura 101 West California Secretary of State			
US Bancorp	01/30/2006	06-7057036509	Leased Equipment — New vehicle lease desking module , 1 desking module network seat
US Bancorp	02/20/2007	07-7103274091	Leased Equipment — Optiplex 74519 ELO Flat Panel monitor desking module
US Bancorp	02/19/2008	08-7147676470	2 Optiplex 745; 2 15" flat panel; 1 network seat, custom SW desking module
Sonic-Calabasas M, Inc., d/b/a Mercedes-Benz of Calabasas California Secretary of State			
Mercedes-Benz USA, LLC	07/31/2007	07-7124004691	New motor vehicles, parts and accessories for which payment has not been received by Mercedes-Benz USA LLC, in accordance with the provisions of the Mercedes-Benz Dealer Agreements

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
Sonic-Camp Ford, L.P. Texas Secretary of State			
Dept. of Treasury — IRS	06/12/2006	06-0020027289	Federal tax lien in the amount of \$11,165.91
Sonic-Capitol Cadillac, Inc., d/b/a Capitol Cadillac, Capitol Hummer Michigan Secretary of State			
Vesco Oil Corporation	07/08/1986	8820392	Equipment on loan — fluid pumping equipment
<i>Amendment: Continuation</i>	02/13/1991	C447574	
<i>Amendment: Continuation</i>	01/12/1996	D052125	
<i>Amendment: Continuation</i>	01/26/2001	D737599	
<i>Amendment: Continuation</i>	03/14/2006	2006045178-2	
Vesco Oil Corporation	04/19/2006	2006070892-7	Fluid pumping equipment
Vesco Oil Corporation	06/10/2009	2009085838-6	Equipment on loan — 1 RM74900 Refurb 74000 machine
Vesco Oil Corporation	06/26/2009	2009095738-6	Equipment on loan — 2 WO401 Enviropurge Adapter IT; 2 W31501 S-Tool; 2 RM4000 Enviropurge unit; 1 M75500 machine power steering
Sonic-Carson F, Inc., d/b/a Don Kott Ford California Secretary of State			
General Electric Capital Corporation	09/11/2002	0225460680	Leased computer system
<i>Amendment: Continuation</i>	04/26/2007	07-71117202	

Secured Party	File Date	File Number	Collateral
Sonic-Carson LM, Inc., d/b/a Don Kott Lincoln Mercury California Secretary of State			
Ford Motor Company	05/09/2002	0213060440	New, used and demonstrator motor vehicles, tractors, trailers, semi-trailers and truck and camper bodies, and other goods which are inventory or equipment on or held for lease, rental or sale, together with goods with manufacturer's certificates and certificates of title or ownership on or held for lease, rental or sale, and all accessions thereto, pursuant to a Rent-A-Car System and Lease Agreement between secured party and debtor; manufacturer's certificates and certificates of title, ownership or origin and all accessories and replacement parts of any of the above; all accounts, instruments, chattel paper, lease rentals, contract rights, documents, general intangibles and supporting obligations
<i>Amendment: Change S/P address</i>	09/12/2005	05-70410070	
<i>Amendment: Continuation</i>	01/04/2007	07-70975818	
Sonic Development, LLC North Carolina Secretary of State			
General Electric Capital Corporation (Additional debtor: Arngar, Inc.)	12/30/2004	20040125442F	Leased Equipment — Service Department air systems, Body Shop vehicle lifts, Body Shop paint booth equipment, Frame straightening equipment; Body Shop general equipment, Parts Department equipment
General Electric Capital Corporation	12/30/2004	20040125446K	Leased Equipment — Service Department air systems, Service Department vehicle lifts, Service Department lube system, Service Department exhaust systems; General shop equipment, Wheel service and alignment equipment, Transmission equipment, Air conditioning equipment, Vertical Lift equipment, Parts Department equipment
General Electric Capital Corporation	12/30/2004	20040125452G	Leased Equipment — Service Department air systems, Service Department vehicle lifts, Service Department lube system, Service Department exhaust systems; General shop equipment, Wheel service and alignment equipment, Parts Department equipment
General Electric Capital Corporation	12/30/2004	20040125453H	Leased Equipment — Service Department air systems, Service Department vehicle lifts, Service Department lube system, Service Department exhaust systems; General shop equipment, Tune-up/electrical equipment, Wheel service and alignment equipment, Parts Department equipment
General Electric Capital Corporation (Additional debtor: Sonic-Harbor City H, Inc.)	12/30/2004	20040125454J	Leased Equipment — Service Department air systems, Service Department vehicle lifts, Service Department lube system, Service Department exhaust systems; General shop equipment, Tune-up/electric equipment, Air

Secured Party	File Date	File Number	Collateral
			conditioning equipment, Brake service equipment, Wheel service and alignment equipment, Transmission equipment, Engine service equipment, Washing equipment, Parts Department equipment
General Electric Capital Corporation (Additional debtor: Wrangler Investments, Inc.)	12/30/2004	20040125458B	Leased Equipment — Service Department air systems, Service Department vehicle lifts, Service Department lube system, Service Department exhaust systems; General shop equipment, Wheel service and alignment equipment, Engine service equipment, Roll Over car wash equipment, Parts Department equipment
Wells Fargo Equipment Finance, Inc. (Additional debtor: Sonic-Stevens Creek B, Inc.)	01/03/2005	20050000489K	Leased Equipment — Service Department air systems, Service Department vehicle lifts, Service Department lube system, Service Department exhaust systems; General shop equipment, Tune-up/electric equipment, Air conditioning equipment, Brake service equipment, Wheel service and alignment equipment, Transmission equipment, Engine service equipment, Washing equipment, Parts Department equipment
Wells Fargo Equipment Finance, Inc. (additional debtor Arngar, Inc.)	11/02/2005	20050105391H	Leased Equipment — covered by that certain Lease Schedule 13 dated to Master Lease No. CML-0877-F dated 7/26/04 between Celtic Leasing and Lessee
Pullman Bank and Trust Company	11/02/2005	20050105396B	Leased equipment — covered by that certain Lease Schedule 13 dated to Master Lease No. CML-0877-F dated 7/26/04 between Celtic Leasing and Lessee
<i>Amendment: Restate collateral</i>	12/21/2005	20050121956B	
<i>Amendment: Assignment from Celtic Leasing Corp.</i>	12/27/2005	20050122513B	
Sonic-Fort Worth T, L.P. , d/b/a Toyota of Fort Worth, Scion of Fort Worth Texas Secretary of State			
Ervin Leasing Company	10/08/2007	07-0034473311	Leased Equipment — Mobile Mini 8x20 open bay security office 2007 model s/n JS20U4W0143
Sonic-Frank Parra Autoplex, L.P. , d/b/a Frank Parra Chevrolet, Frank Parra Chrysler Jeep, Frank Parra Chrysler Jeep Dodge Texas Secretary of State			
American Tire Distributors, Inc.	07/10/2006	06-0023158732	Purchase Money Security Agreement covering: all of debtors inventory or merchandise purchased from American Tire Distributors now or hereafter acquired and held for sale or lease or furnished under contract of service, and all proceeds of the foregoing (all hereinafter called inventory), and all equipment and proceeds thereof including any and all additions, accessions, or substitutions thereof. (x) Proceeds of the collateral are also covered.

Sonic-Harbor City H, Inc., d/b/a Carson Honda

Secured Party	File Date	File Number	Collateral
California Secretary of State			
General Electric Capital Corporation	12/29/2004	04-7010253496	Leased Equipment — Service Department air systems; Shop Equipment; Service Department vehicle lifts; Service Department lubrication system; Service Department exhaust system; General shop equipment; Air conditioning equipment; Brake Service equipment; Wheel Service/Alignment equipment; Transmission equipment; Engine Service equipment; Washing equipment; Parts Department equipment
Wells Fargo Equipment Finance, Inc. 11/01/2005 (additional debtor Sonic-Stevens Creek B, Inc.)		05-7047448938	Leased Equipment — covered by that certain Lease Schedule 13 dated to Master Lease No. CML-0877-F dated 7/26/04 between Celtic Leasing and Lessee
Sonic-Lloyd Nissan, Inc., d/b/a Lloyd Nissan, Lloyd Automotive Florida Secretary of State			
Nissan Motor Acceptance Corporation	03/04/2004	200406349035	Signs, together with all related materials, tools, parts, fittings, supports, fixings, attachments, illumination, electrical cables, connections and equipment, and concrete foundations
<i>Amendment: Change S/P information</i>	11/14/2006	200604141589	
<i>Amendment: Change S/P information</i>	01/09/2008	200807387140	
<i>Amendment: Continuation</i>	10/07/2008	200809311389	
Sonic-Manhattan Fairfax, Inc., d/b/a BMW of Fairfax Virginia Secretary of State			
BMW of North America, LLC	09/27/1999	990927-7803	All unpaid BMW Motor Vehicles, including BMW automobiles and motorcycles, warranty advances, holdbacks, incentives, warranty credits, parts and accessories that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, Inc. and or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing whether now owned or hereafter acquired
<i>Amendment: Continuation</i>	07/09/2004	040709-7310-4	
<i>Amendment: Change S/P name from Inc. to LLC</i>	07/14/2005	050714-7028-8	
<i>Amendment: Delete d/b/a as additional debtor</i>	07/14/2005	050714-7026-4	
<i>Amendment: Restate collateral</i>	12/28/2005	051228-7173-5	A purchase money security interest in all unpaid BMW motor vehicles,

Secured Party	File Date	File Number	Collateral
			including BMW automobiles, sports activity vehicles/light trucks, motorcycles, MINI vehicles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
<i>Amendment: Change Debtor information</i>	01/25/2007	070125-7270-6	
<i>Amendment: Change Debtor information</i>	09/22/2008	080922-7434-6	
<i>Amendment: Continuation</i>	06/08/2009	090608-7646-5	
Sonic-Mesquite Hyundai, L.P. , d/b/a Philpott Chevrolet, Mesquite Hyundai Texas Secretary of State			
The Valvoline Company/ a division of Ashland, Inc.	01/31/2006	06-0003399797	1 — Alemite 3620 elec meter; 1 — Alemite 8078 D Reel; 1 — Buffalo OV275 Gal Tank; 1 — EBS Brake Flush Machine; 1 — Graco 203-876 Lubt Pump; 1 — Hydro 3856 3-button dilution machine; 1 — NS 1208 G.O. Pump w/Meter; 1 — Sellers #290 Cat Pressure Washer
Sonic Momentum B, L.P. , d/b/a Momentum BMW, Momentum MINI, Momentum Collision Center Texas Secretary of State			
BMW of North America, LLC	09/24/2004	04-0082933655	A purchase money security interest in all unpaid BMW motor vehicles, including BMW automobiles, sports activity vehicles/light trucks, motorcycles, MINI vehicles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
<i>Amendment: Continuation</i>	04/20/2009	09-00112142	
Sonic-Newsome of Florence, Inc. , d/b/a Newsome Automotive (Mercedes), Imports of Florence (BMW), Newsome Chevrolet, Capitol Chevrolet of Florence South Carolina Secretary of State			
BMW of North America, LLC	03/29/2000	000329-101319A	A purchase money security interest in all unpaid BMW motor vehicles, including BMW automobiles, sports activity vehicles/light trucks, motorcycles, MINI vehicles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
<i>Amendment: Delete Debtor d/b/a Imports of Florence</i>	03/18/2005	050318-1140292	
<i>Amendment: Change S/P name from Inc. to LLC</i>	03/18/2005	050318-1141077	
<i>Amendment: Continuation</i>	03/18/2005	050318-1142012	
<i>Amendment: Restate collateral</i>	01/17/2006	060117-1205163	A Purchase Money Security Interest in all unpaid BMW motor vehicles, including but not limited to BMW automobiles, sports activity vehicles/light trucks, motorcycles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America LLC (collectively "BMW") and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right to set off with respect to all credits and rights to payments held by BMW, its subsidiaries and affiliates for the account of debtor, and as to all of the foregoing whether now owned or hereafter acquired.
Mercedes-Benz USA, LLC	02/23/2001	010223-134301A	Motor vehicles, parts and accessories for which payment has not been received by Mercedes-Benz USA, LLC in accordance with the provisions of the Mercedes-Benz Retailer Agreement

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
<i>Amendment: Continuation</i>	02/15/2006	060215-1348517	
Sonic-Plymouth Cadillac, Inc. , d/b/a Don Massey Cadillac Michigan Secretary of State			
Vesco Oil Corporation	06/30/2004	2004132905-7	Equipment on loan: 1 SP Tank custom sized .5; 1 PC275 gallon tank; 120 ft. 5/8" steel tubing; 2 P6-6 H hose 6'x3/8" air; 2 P6-6 hose 6'x3/8" air; 10 6C2ATRL 3/8" gates
<i>Amendment: Continuation</i>	01/06/2009	2009002019-1	
Sonic-Richardson F., L.P. , d/b/a North Central Ford Texas Secretary of State			
Ford Motor Company	01/11/2001	01-005683	All motor vehicles together with all equipment and accessories thereto, including all current and after acquired motor vehicles, held as inventory on lease or rental; or held for lease, rental or sale, pursuant to a Rent-A-Car System and Lease Agreement between secured party and debtor
<i>Amendment: Continuation</i>	11/29/2005	05-00364473	
<i>Amendment: Change debtor information</i>	11/29/2005	05-00364481	
<i>Amendment: Change S/P address</i>	11/29/2005	05-00364486	
Sonic Santa Monica M, Inc. , d/b/a W.I. Simonson California Secretary of State			
Mercedes-Benz USA, LLC	06/02/2005	05-7029278010	Motor vehicles, parts and accessories for which payment has not been received by Mercedes-Benz USA, LLC in accordance with the provisions of the Mercedes-Benz Dealer Agreement
Mercedes-Benz (filed under Debtor d/b/a [Inc.])	11/04/2002	0230960824	Motor vehicles, parts and accessories for which payment has not been received by Mercedes-Benz North America, Inc. in accordance with the provisions of the Mercedes-Benz Deal Agreement
Sonic-Santa Monica S, Inc. , d/b/a Santa Monica Subaru California Secretary of State			
Reyna Capital Corporation	12/14/2006	06-7095551785	Leased Equipment — Computer equipment and software

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
Sonic-Stevens Creek B, Inc., f/k/a Don Lucas International, Inc., d/b/a Stevens Creek BMW California Secretary of State			
BMW of North America, Inc.	01/31/2000	0003360313	A purchase money security interest in all unpaid BMW motor vehicles, including BMW automobiles, sports activity vehicles/light trucks, motorcycles, MINI vehicles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
<i>Amendment: Change Debtor address</i>	01/30/2001	01031C0242	
<i>Amendment: Continuation</i>	11/23/2004	04-70065566	
<i>Amendment: Change Debtor name from f/k/a</i>	11/23/2004	04-70065565	
<i>Amendment: Change Debtor address</i>	03/07/2005	05-70182663	
<i>Amendment: Change S/P address</i>	05/10/2005	05-70282350	
<i>Amendment: Restate collateral</i>	05/10/2005	05-70262352	A Purchase Money Security Interest in all unpaid BMW motor vehicles, including but not limited to BMW automobiles, sports activity vehicles/light trucks, motorcycles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America LLC (collectively "BMW") and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right to set off with respect to all credits and rights to payments held by BMW, its subsidiaries and affiliates for the account of debtor, and as to all of the foregoing whether now owned or hereafter acquired
<i>Amendment: Delete Debtor d/b/a</i>	12/01/2005	05-70503928	

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
<i>Amendment: Change Debtor information</i>	02/26/2009	09-71889092	
Wells Fargo Equipment Finance, Inc.	12/30/2004	04-7010510159	Leased Equipment — Service Department air systems; Service Department vehicle lifts; Service Department lube system; Service Department exhaust system; General shop equipment; Tune up/Electrical equipment; Air conditioning equipment; Brake service equipment; Wheel Service/Alignment equipment; Transmission equipment; Engine Service equipment; Washing equipment; Parts Department equipment
Pullman Bank and Trust Company	11/01/2005	05-7047444994	Leased Equipment — Car wash equipment covered by that certain Lease Schedule No. 12 dated to Master Lease No. CML-0877-F dated 7/26/04 between Celtic Leasing and Lessor
<i>Amendment: Restate collateral</i>	12/20/2005	05-70527433	
<i>Amendment: Assignment from Celtic Leasing Corp.</i>	12/27/2005	05-70531750	
Wells Fargo Equipment Finance, Inc.	11/01/2005	05-7047448938	Leased Equipment — covered by that certain Lease Schedule No. 13 dated to Master Lease No. CML-0877-F dated 7/26/04 between Celtic Leasing and Lessor
Sonic-Stone Mountain T, L.P., d/b/a Stone Mountain Toyota, Stone Mountain Scion Georgia Secretary of State			
Greenepointe Funding L.C. (filed under Debtor d/b/a Stone Mountain Toyota)	02/02/2005	044-2005-000633	22 pagers and related equipment
Sonic Tysons Corner Infiniti, Inc, d/b/a Infiniti of Tysons Corner Virginia State Corporation Commission			
Infiniti Financial Services, a division of Nissan Motor Acceptance Corporation	05/20/2008	080520-7396-2	Signs, together with all related materials, tools, parts, fittings, supports, footings, attachments, documentation, electrical cables, connections and equipment, and concrete foundations
Sonic Walnut Creek M, Inc., f/k/a Sonic-Dublin M, Inc., d/b/a Mercedes-Benz of Walnut Creek California Secretary of State			
Mercedes-Benz USA, LLC	03/16/2006	06-7062844976	Motor vehicles, parts and accessories for which payment has not been received by Mercedes-Benz USA LLC, in accordance with the provisions of the Mercedes-Benz Dealer Agreements
Sonic-West Covina T., Inc., d/b/a West Covina Toyota, West Covina Scion California Secretary of State			
Lakeland Bank Equipment Leasing Division	07/26/2007	07-7123514020	Leased Equipment — Market Scan System

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
Sonic-Williams Cadillac, Inc., d/b/a Tom Williams Cadillac Alabama Secretary of State			
Compass Bank dba Commercial Billing Services	08/08/2002	B02-0660273FS	All present and future accounts and general intangibles purchased by or transferred to secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect, all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amounts at any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
<i>Amendment: Continuation</i>	05/07/2007	B02-0660273CS	
General Electric Capital Corporation	12/30/2004	B05-0000179 FS	Leased Equipment — Service Department air systems; Service Department vehicle lifts; Service Department lube system; Service Department exhaust system; General shop equipment; Wheel Service and alignment equipment; Parts Department equipment
Pullman Bank and Trust Company	11/02/2005	B05-0818139FS	Leased Equipment — all equipment and personal property covered by that certain Lease Schedule No. 12 dated to Master Lease No. CML-0877-F dated 7/26/04 between Celtic Leasing Corp. and Debtor
<i>Amendment: Restate collateral</i>	12/29/2005	B05-0818139AM	Add detail of locations of leased equipment
<i>Amendment: Assignment from Celtic Leasing Corp to Pullman Bank and Trust Company</i>	12/29/2005	B05-0818139AS	
Wells Fargo Equipment Finance, Inc. (additional debtors Sonic-Williams Imports, Inc. and Sonic-Williams Motors, Inc.))	11/02/2005	B05-0818151FS	Leased Equipment — all equipment and personal property covered by that certain Lease Schedule NO. 13 dated to Master Lease No. CML-0877-F dated 7/26/04 between Celtic Leasing Corp. and Debtor
Town and Country Ford, Incorporated North Carolina Secretary of State			
Ford Motor Company	11/26/1985	0167802	All motor vehicles together with all equipment and accessories thereto, including all current and after acquired motor vehicles, held as inventory on lease or rental; or held for lease, rental or sale, pursuant to a Rent-A-Car System and Lease Agreement between secured party and debtor
<i>Amendment: Continuation</i>	06/05/1990	0685748	
<i>Amendment: Continuation</i>	06/02/1995	1231697	
<i>Amendment: Continuation</i>	05/30/2000	2000055011	

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
<i>Amendment: Change debtor information</i>	09/26/2005	20050091602G	
<i>Amendment: Change S/P address</i>	09/26/2005	20050091601F	
<i>Amendment: Continuation</i>	09/26/2005	20050091607A	
American Express Business Finance Corporation	03/18/2002	20020032486H	Leased equipment
<i>Amendment: Continuation</i>	03/13/2007	20070024866G	

EXISTING INDEBTEDNESS

Description	Creditor	Original Principal Balance	Principal Balance as of 12/31/09	Maturity Date
Advantage Lease Holdings*	iStar Financial	\$ 8,213,445	\$ 5,552,703	09/01/2016
Richmond Lease Holdings*	iStar Financial	\$ 5,622,157	\$ 3,648,897	11/01/2015
Momentum Lease Holdings*	iStar Financial	\$ 12,735,033	\$ 8,312,886	12/01/2015
Capital Lease — Concord Toyota Facility	1090 Concord Associates, LLC	\$ 6,514,841	\$ 6,096,298	12/01/2025
Capital Lease — Audi Diagnostic Machine	ISDC Holdings	\$ 7,450	\$ 2,681	12/01/2010
Capital Lease — Phone System	GE Capital	\$ 2,770	\$ 7,586	04/01/2012
Capital Lease — Fork Lift	Wells Fargo	\$ 13,728	\$ 7,869	12/01/2011

* Indicates indebtedness constituting "Falcon Indebtedness"

**ADMINISTRATIVE AGENT'S OFFICE;
CERTAIN ADDRESSES FOR NOTICES**

BORROWER:

Sonic Automotive, Inc.
6415 Idlewild Road, Suite 109
Charlotte, North Carolina 28212
Attention: Stephen K. Coss and Greg Young
Telephone: 704-566-2420 and 704-566-2489
Facsimile: 704-927-3412 and 704-566-2480
Email: steve.coss@sonicautomotive.com and greg.young@sonicautomotive.com
Website Address: www.sonicautomotive.com
U.S. Taxpayer ID Number: 56-2010790

ADMINISTRATIVE AGENT:

For Payments and Requests for Credit Extensions:

Bank of America, N.A.
101 North Tryon Street
Mail Code: NC1-001-04-39
Charlotte, North Carolina 28255
Attention: Jelani S. Ford
Telephone: 980-386-7637
Facsimile: 704-719-8266
Email: jelani.s.ford@bankofamerica.com

Wire Instructions:

Bank of America, N. A.
New York, New York
ABA Number: 026009593
Account Name: Bank of America Credit Services
Account Number: 136-621-225-0600
Reference: Sonic Automotive, Inc.

For Credit Related Matters:

Bank of America, N.A.
100 N. Westshore Boulevard
Mail Code: FL2-399-02-05
Tampa, Florida 33609
Attention: Kenneth W. Winston
Telephone: 813-384-3638
Facsimile: 800-851-6341
Email: kenneth.winston@baml.com

with copy to:

Bank of America, N.A.
800 Hingham Street
Mail Code: MA1-600-01-01
Rockland, Massachusetts 02370
Attention: M. Patricia Kay
Telephone: 781-878-2109
Facsimile: 781-878-1136
Email: patty.kay@baml.com

Other Notices/Deliveries to Administrative Agent:

Bank of America, N.A.
231 South LaSalle Street
Mail Code: IL1-231-10-41
Chicago, Illinois 60604
Attention: Anne M. Zeschke
Telephone: 312-828-4900
Facsimile: 877-206-1771
Email: anne.m.zeschke@bankofamerica.com

LETTER OF CREDIT ISSUERS:

BANK OF AMERICA, N.A.

1000 W. Temple Street
Mail Code: CA9-705-07-05
Los Angeles, California 90012-1514
Attention: Bolivar G. Carrillo
Telephone: 213-481-7842
Facsimile: 213-457-8841
Email: bolivar.carrillo@bankofamerica.com

WELLS FARGO BANK, NATIONAL ASSOCIATION

401 Linden Street
Winston-Salem, North Carolina 27101
Attention: Domestic Trade Operations — Standby Letters of Credit Centers of Excellence
Telephone: 800-776-3862 option 2
Facsimile: 336-735-0590
Email: amy.walton1@wachovia.com

SWING LINE LENDER:

BANK OF AMERICA, N.A.

101 North Tryon Street
Mail Code: NC1-001-04-39
Charlotte, North Carolina 28255
Attention: Jelani S. Ford
Telephone: 980-386-7637
Facsimile: 704-719-8266
Email: jelani.s.ford@bankofamerica.com

FORM OF COMMITTED LOAN NOTICE

Date: _____, ____

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement, dated as of January 15, 2010 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement" the terms defined therein being used herein as therein defined), among Sonic Automotive, Inc., a Delaware corporation (the "Company"), the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and Wells Fargo Bank, National Association, as an L/C Issuer.

The undersigned hereby requests (select one):

A Borrowing of Committed Loans

A conversion of Committed Loans

1. On _____ (a Business Day).

2. In the amount of \$_____.

3. Comprised of _____
[Type of Committed Loan requested]

The Committed Borrowing, if any, requested herein complies with the provisos to the first sentence of Section 2.01 of the Credit Agreement.

SONIC AUTOMOTIVE, INC.

By: _____
Name: _____
Title: _____

Form of Committed Loan Notice

FORM OF SWING LINE LOAN NOTICE

Date: _____, ____

To: Bank of America, N.A., as Swing Line Lender
Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement, dated as of January 15, 2010 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement" the terms defined therein being used herein as therein defined), among Sonic Automotive, Inc., a Delaware corporation (the "Company"), the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and Wells Fargo Bank, National Association, as an L/C Issuer.

The undersigned hereby requests (select one):

A Swing Line Borrowing

A conversion of Swing Line Loans

1. On _____ (a Business Day).

2. In the amount of \$_____.

3. Comprised of _____
[Type of Swing Line Loan requested]

The Swing Line Borrowing, if any, requested herein complies with the requirements of the provisos to the first sentence of Section 2.04(a) of the Credit Agreement.

SONIC AUTOMOTIVE, INC.

By: _____
Name: _____
Title: _____

Form of Swing Line Loan Notice

FORM OF NOTE

FOR VALUE RECEIVED, the undersigned (the "Company") hereby promises to pay to _____ or registered assigns (the "Lender"), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of each Loan from time to time made by the Lender to the Company under that certain Amended and Restated Credit Agreement, dated as of January 15, 2010 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the Company, the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and Wells Fargo Bank, National Association, as an L/C Issuer.

The Company promises to pay interest on the unpaid principal amount of each Loan from the date of such Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Credit Agreement. Except as otherwise provided in Section 2.04(f) of the Credit Agreement with respect to Swing Line Loans, all payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Credit Agreement.

This Note is one of the Notes referred to in the Credit Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Note is also entitled to the benefits of the Subsidiary Guaranty and is secured by the Collateral. Upon the occurrence and continuation of one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Note shall (if required by the Credit Agreement) become, or may be declared to be, immediately due and payable all as provided in the Credit Agreement. Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Note and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

Form of Note

C-1

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NORTH CAROLINA.

SONIC AUTOMOTIVE, INC.

By: _____
Name: _____
Title: _____

Form of Note

C-2

LOANS AND PAYMENTS WITH RESPECT THERETO

Date	Type of Loan Made	Amount of Loan Made	End of Interest Period	Amount of Principal or Interest Paid This Date	Outstanding Principal Balance This Date	Notation Made By

Form of Note
C-3

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (this "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [the][each] Assignor identified in item 1 below ([the][each, an] "Assignor") and [the][each] Assignee identified in item 2 below ([the][each, an] "Assignee"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees] hereunder are several and not joint.]² Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below (including, without limitation, the Letters of Credit or the Swing Line Loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "Assigned Interest"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: _____

¹ For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

² Include bracketed language if there are either multiple Assignors or multiple Assignees.

2. Assignee[s]: _____

[for each Assignee, indicate [Affiliate][Approved Fund] of [*Identify Lender*]]

3. Borrower or the Company: Sonic Automotive, Inc., a Delaware corporation

4. Administrative Agent: Bank of America, N.A., as the administrative agent under the Credit Agreement

5. Credit Agreement: Amended and Restated Credit Agreement, dated as of January 15, 2010 among Sonic Automotive, Inc., a Delaware corporation, the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and Wells Fargo Bank, National Association, as an L/C Issuer.

6. Assigned Interest:

Assignor[s] ³	Assignee[s] ⁴	Aggregate Amount of Commitment for all Lenders*	Amount of Commitment Assigned*	Percentage Assigned of Commitment ⁵	CUSIP Number
		\$ _____	\$ _____	_____%	
		\$ _____	\$ _____	_____%	
		\$ _____	\$ _____	_____%	

[7. Trade Date: _____] ⁶

Effective Date: _____, 20__ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

³ List each Assignor, as appropriate.

⁴ List each Assignee, as appropriate.

* Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

⁵ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

⁶ To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

Form of Assignment and Assumption

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Title:

[Consented to and] ⁷ Accepted:

BANK OF AMERICA, N.A., as
Administrative Agent **[, an L/C Issuer and Swing Line Lender**

By: _____
Title:

[Consented to:]⁸

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as an L/C Issuer

By: _____
Title:

⁷ To be added only if the consent of the Administrative Agent, such L/C Issuer or Swing Line Lender, as applicable, is required by the terms of the Credit Agreement.

⁸ To be added only if the consent of the applicable L/C Issuer is required by the terms of the Credit Agreement.

[Consented to:]⁹

SONIC AUTOMOTIVE, INC.

By: _____
Title:

⁹ To be added only if the consent of the Company is required by the terms of the Credit Agreement.

Form of Assignment and Assumption

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STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1. Assignor. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Company, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Company, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 10.06(b)(iii) and (v) of the Credit Agreement (subject to such consents, if any, as may be required under Section 10.06(b)(iii) of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by [the][such] Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire [the][such] Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 6.01 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) if it is a Foreign Lender, attached hereto is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance upon the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

Form of Assignment and Assumption

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of North Carolina.

Form of Assignment and Assumption

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FORM OF AMENDED AND RESTATED SUBSIDIARY GUARANTY

See Attached

Form of Amended and Restated Subsidiary Guaranty

E-1

FORM OF COMPLIANCE CERTIFICATE

Financial Statement Date: _____, ____

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to (i) that certain Amended and Restated Credit Agreement, dated as of January 15, 2009 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Revolving Credit Agreement"; all terms used herein but not otherwise defined herein have the respective meanings given thereto in the Credit Agreement), among Sonic Automotive, Inc., a Delaware corporation (the "Company"), the lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent (in such capacity, the "Revolving Administrative Agent"), Swing Line Lender and an L/C Issuer and Wells Fargo Bank, National Association, as an L/C Issuer and (ii) that certain Syndicated New and Used Vehicle Floorplan Credit Agreement, dated as of January 15, 2009 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Floorplan Credit Agreement"; and collectively with the Revolving Credit Agreement, the "Credit Agreements"), among the Company, certain Subsidiaries of the Company from time to time party thereto, the lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent (in such capacity, the "Floorplan Administrative Agent", and collectively with the Revolving Administrative Agent, the "Administrative Agents"), New Vehicle Swing Line Lender and Used Vehicle Swing Line Lender, and Bank of America, N.A., as Revolving Administrative Agent (in the capacity of collateral agent for the Secured Parties (as defined in the Floorplan Credit Agreement)).

The undersigned Responsible Officer hereby certifies as of the date hereof that he/she is the _____ of the Company, and that, as such, he/she is authorized to execute and deliver this Certificate to the Administrative Agents on the behalf of the Company, and that:

[Use following paragraph 1 for fiscal year-end financial statements]

1. Attached hereto as Schedule 1 are the year-end audited financial statements required by Section 6.01(a) of each Credit Agreement for the fiscal year of the Company ended as of the above date, together with the report and opinion of an independent certified public accountant required by such section.

[Use following paragraph 1 for fiscal month-end financial statements]

1. Attached hereto as Schedule 1 are the unaudited financial statements required by Section 6.01(b) of each Credit Agreement for the fiscal month of the Company ended as of the above date. Such monthly financial statements fairly present the financial condition, results of operations and cash flows of the Company and its Subsidiaries in accordance with GAAP as at

Form of Compliance Certificate

such date and for such period, subject only to normal year-end audit adjustments and the absence of footnotes.

2. The undersigned has reviewed and is familiar with the terms of each Credit Agreement and has made, or has caused to be made under his/her supervision, a detailed review of the transactions and condition (financial or otherwise) of the Company and its Subsidiaries during the accounting period covered by the attached financial statements.

3. A review of the activities of the Loan Parties during such fiscal period has been made under the supervision of the undersigned with a view to determining whether during such fiscal period each Loan Party has performed and observed all of its Obligations under the Loan Documents, and

[to the best knowledge of the undersigned during such fiscal period, each Loan Party performed and observed each covenant and condition of the Loan Documents applicable to it, and no Default has occurred and is continuing.]

—*or*—

[the following covenants or conditions have not been performed or observed and the following is a list of each such Default and its nature and status:]

4. A review of the activities of the Loan Parties during such fiscal period has been made under the supervision of the undersigned with a view to determining whether during such fiscal period each Loan Party has performed and observed all of its Obligations under the Loan Documents (each defined term used in this Section 6 shall have the meanings set forth for such term in the Floorplan Credit Agreement), and

[select one:]

[to the best knowledge of the undersigned during such fiscal period, each Loan Party performed and observed each covenant and condition of the Loan Documents applicable to it, and no Default has occurred and is continuing.]

—*or*—

[the following covenants or conditions have not been performed or observed and the following is a list of each such Default and its nature and status:]

5. The representations and warranties of the Company and each Loan Party contained in Article V of the Revolving Credit Agreement, and any representations and warranties of any Loan Party that are contained in any document furnished at any time under or in connection with the Loan Documents, are true and correct on and as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that for purposes of this Compliance Certificate, the representations and warranties contained in subsections (a) and (b) of Section 5.05 of the Revolving Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01 of the

Form of Compliance Certificate

Revolving Credit Agreement, including the statements in connection with which this Compliance Certificate is delivered.

6. The representations and warranties of the Company and each Loan Party contained in Article V of the Floorplan Credit Agreement, and any representations and warranties of any Loan Party that are contained in any document furnished at any time under or in connection with the Loan Documents, are true and correct on and as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that for purposes of this Compliance Certificate, the representations and warranties contained in subsections (a) and (b) of Section 5.05 of the Floorplan Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01 of the Floorplan Credit Agreement, including the statements in connection with which this Compliance Certificate is delivered (each defined term used in this Section 6 shall have the meanings set forth for such term in the Floorplan Credit Agreement).

7. The financial covenant analyses and information set forth on Schedule 2 attached hereto are true and accurate on and as of the date of this Certificate.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of _____, _____.

SONIC AUTOMOTIVE, INC.

By: _____
Name: _____
Title: _____

Form of Compliance Certificate

SCHEDULE 1

to the Compliance Certificate
Financial Statements

Form of Compliance Certificate

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SCHEDULE 2
to the Compliance Certificate
(\$ in 000’s)

I. Section 7.11(a) – Consolidated Liquidity Ratio.

- A. Consolidated Current Assets at Statement Date:
- 1. Current assets at Statement Date: \$ _____
 - 2. All long-term assets of discontinued operations held for sale and included in current assets at Statement Date: \$ _____
 - 3. Long-term assets of discontinued operations held for sale which are subject to a non-cancelable purchase and sale agreement which are to be Disposed of within 60 days of such date of Statement Date: \$ _____
 - 4. Investments made in connection with the Company’s supplemental executive retirement plan at Statement Date: \$ _____
 - 5. Temporary Excess Cash at Statement Date: \$ _____
 - 6. Consolidated Current Assets Numerator at Statement Date (Lines I.A.1 – 2 + 3 – 4– 5): \$ _____
- B. Revolving Facility Liquidity Amount at Statement Date:
- 1. Revolving Advance Limit:
 - (a) Aggregate Commitments at Statement Date: \$ _____
 - (b) The Revolving Borrowing Base at Statement Date: \$ _____
 - (c) Revolving Advance Limit: (Lesser of Lines I.B.1(a) and I.B.1(b)): \$ _____
 - 2. Total Outstandings at Statement Date: \$ _____
 - 3. Lines I.B.1(c) – I.B.2: \$ _____
 - 4. The largest principal amount of Committed Loans that may be borrowed under the Credit Agreement without resulting in an Event of Default under Section 7.11(c) (on a pro forma basis as of the Statement Date) after giving pro forma effect to such Committed Loans: \$ _____

¹ Not to exceed (A) \$5,000,000 in any given calendar year or (B) \$10,000,000 in the aggregate.

5. Revolving Facility Liquidity Amount at Statement Date (Lesser of Lines I.B.3 and I.B.4): \$ _____
6. Temporary Letter of Credit Amount at Statement Date²: \$ _____
7. Lines I.B.5 + I.B.6: \$ _____
- C. Consolidated Current Liabilities at Statement Date: \$ _____
- D. Consolidated Current Liabilities consisting of any balloon, bullet or similar final scheduled principal payment that would repay any Indebtedness permitted by Section 7.03 in full at Statement Date: \$ _____
- E. Consolidated Current Liabilities listed in Line I.D. which are due within one (1) fiscal quarter following Statement Date: \$ _____
- F. Temporary Indebtedness at Statement Date: \$ _____
- G. Without duplication, Indebtedness (whether or not reflected as a Consolidated Current Liability) under all floorplan financing arrangements at Statement Date: \$ _____
- H. Consolidated Liquidity Ratio ((Lines I.A.6. + I.B.7) ÷ (Lines I.C. – I.D. + I.E. – I.F. + I.G.): _____ to 1
Minimum Required:

Period	Ratio
Closing Date through and including March 30, 2011	1.00 to 1.00
March 31, 2011 through and including March 30, 2012	1.05 to 1.00
March 31, 2012 and thereafter	1.10 to 1.00

II. Section 7.11 (b) – Consolidated Fixed Charge Coverage Ratio.

- A. Consolidated EBITDAR for four consecutive fiscal quarters ending on above date (“Subject Period”):
1. Consolidated Net Income for Subject Period: \$ _____
 2. Consolidated Interest Expense with respect to non-floorplan Indebtedness (including interest expense not payable in cash) for Subject Period*: \$ _____

² May be included on or before January 31, 2010 only, but only to the extent such Temporary Letter of Credit Amount was included in Total Outstandings as of such date.

* To the extent deducted in computing Consolidated Net Income in Line II.A.1. above.

- | | | |
|--|---|----------|
| 3. | Consolidated Interest Expense with respect to Used Vehicle floorplan Indebtedness for Subject Period*: | \$ _____ |
| 4. | Charges against income for income taxes for Subject Period*: | \$ _____ |
| 5. | Depreciation expenses for Subject Period*: | \$ _____ |
| 6. | Amortization expenses (including, without limitation, amortization of other intangible assets and transaction costs) for Subject Period*: | \$ _____ |
| 7. | Non-cash charges for Subject Period*: | \$ _____ |
| 8. | Extraordinary losses for Subject Period*: | \$ _____ |
| 9. | Legal fees, broker fees and other transaction expenses incurred in connection with any Permitted Acquisition (not to exceed \$1,000,000 in the aggregate for each such Acquisition) during Subject Period*: | \$ _____ |
| 10. | Consolidated Rental Expense*: | \$ _____ |
| 11. | Non-cash lease termination charges, net of amortization*: | \$ _____ |
| 12. | Extraordinary gains during Subject Period**: | \$ _____ |
| 13. | Gains on repurchases for long-term Indebtedness during Subject Period**: | \$ _____ |
| 14. | Consolidated EBITDAR for Subject Period (Lines II.A.1 + 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9 + 10 + 11 - 12 - 13): | \$ _____ |
| B. Assumed maintenance and capital expenditures during Subject Period: | | |
| 1. | \$100,000 | |
| 2. | Average daily number of physical dealership locations at which the Subsidiaries operated franchised vehicle dealerships during the Subject Period = _____ | |
| 3. | Line II.B.1 multiplied by Line II.B.2: | \$ _____ |
| C. | Numerator (Line II.A.14 – II.B.3): | \$ _____ |
| D. | Consolidated Fixed Charges for Subject Period: | |

** To the extent included in computing Consolidated Net Income in Line II.A.1. above.

Form of Compliance Certificate

1. Consolidated Interest Expense with respect to non-floorplan Indebtedness for Subject Period: \$ _____
2. Interest expense not payable in cash included in Line C.1. which is not payable as a result of any default for Subject Period: \$ _____
3. Consolidated Interest Expense with respect to Used Vehicle floorplan Indebtedness for Subject Period: \$ _____
4. Consolidated Principal Payments for Subject Period: \$ _____
5. Consolidated Rental Expenses for Subject Period: \$ _____
6. Income taxes paid in cash during Subject Period: \$ _____
7. Specified Payments for Subject Period:
 - i. Restricted Payments permitted by Section 7.06(e)³: \$ _____
 - ii Restricted Payment set forth in Line II.D.7.i. constituting repurchases of long-term Indebtedness solely with net cash proceeds of cash capital contributions made in exchange solely for Class A Common Stock of the Company \$ _____
 - iii. Prepayments, redemptions, purchases, defeases or other satisfactions of Indenture Indebtedness or Additional Indebtedness prior to the scheduled maturity thereof, as permitted by Section 7.15): \$ _____
 - iv Payment set forth in Line II.D.7.iii. constituting repurchases of long-term Indebtedness solely with net cash proceeds of cash capital contributions made in exchange solely for Class A Common Stock of the Company \$ _____
 - v. Refinancing of Indenture Indebtedness using the proceeds of Permitted Indenture Refinancing Indebtedness with respect thereto: \$ _____
8. Cash refunds of income taxes during the Subject Period: \$ _____
9. Consolidated Fixed Charges for Subject Period (Lines II.D.1 - 2 + 3 + 4 + 5 + 6 + 7i. - 7.ii. + 7iii - 7.iv. - 7.v. - 8): \$ _____

³ Amount not to exceed \$10,000,000 in any fiscal year.

E. Consolidated Fixed Charge Coverage Ratio ((Line II.C.) ÷ Line II.D.9): _____ to 1

Minimum Required:

Period	Ratio
Closing Date through and including March 30, 2011	1.10 to 1.00
March 31, 2011 through and including March 30, 2012	1.15 to 1.00
March 31, 2012 and thereafter	1.20 to 1.00

III. Section 7.11 (c) – Consolidated Total Senior Secured Debt to EBITDA Ratio.

A. Consolidated Total Outstanding Senior Secured Indebtedness at Statement Date:

1. Aggregate outstanding principal amount of secured Consolidated Funded Indebtedness at Statement Date: \$ _____
2. Aggregate outstanding principal amount of Indebtedness under New Vehicle Floorplan Facility at Statement Date*¹: \$ _____
3. Aggregate outstanding principal amount of Indebtedness under Permitted Silo Indebtedness for New Vehicle inventory at Statement Date*²: \$ _____
4. Consolidated Total Outstanding Senior Secured Indebtedness at Statement Date (Lines III.A. 1 - 2 - 3): \$ _____

B. Consolidated EBITDA for Subject Period:

1. Consolidated EBITDAR (Line II.A.13): \$ _____
2. Consolidated Rental Expense (Line II.A.10): \$ _____
3. Consolidated EBITDA for Subject Period ((Line III.B.1 - Line III.B.2): \$ _____

C. Consolidated Total Senior Secured Debt to EBITDA Ratio (Line III.A.4 ÷ Line III.B.3): _____ to 1

Maximum permitted: 2.25 to 1.00

* To the extent such amounts were included in secured Consolidated Funded Indebtedness in Line II.A.1. above.

* To the extent such amounts were included in secured Consolidated Funded Indebtedness in Line II.A.1. above.

IV. Consolidated Total Debt to EBITDA Ratio.

- A. Consolidated Total Outstanding Indebtedness: \$ _____
- B. Amount of Line IV.A. that would otherwise be deemed to be equity solely because of the effect of FASB 14-1: \$ _____
- C. Indebtedness under the New Vehicle Floorplan Facility: \$ _____
- D. Permitted Silo Indebtedness for New Vehicle inventory: \$ _____
- E. Temporary Additional Indebtedness as of Statement Date: \$ _____
- F. Consolidated Total Debt numerator at Statement Date (Line IV.A. - B - C. - D. - E.): \$ _____
- G. Consolidated EBITDA for Subject Period (Line III.B.3.): \$ _____
- H. Consolidated Total Debt to EBITDA Ratio (Line IV.F. ÷ Line IV.G.): _____ to 1

Applicable Rate — Revolving Credit Agreement

Pricing Level	Consolidated Total Debt to EBITDA Ratio	Commitment Fee	Eurodollar Rate Loans + Letter of Credit Fee	Base Rate Loans +
1	Less than 4.00:1.00	0.375%	2.50%	1.50%
2	Less than 4.50:1.00 but greater than or equal to 4.00:1.00	0.50%	3.00%	2.00%
3	Less 5.00:1.00 but greater than or equal to 4.50:1.00	0.50%	3.50%	2.50%
4	Greater than or equal to 5.00:1.00	0.625%	4.00%	3.00%

Applicable Rate — Floorplan Credit Agreement

Pricing Level	Consolidated Total Debt to EBITDA Ratio	Commitment Fee on New Vehicle Floorplan Facility	Commitment Fee on Used Vehicle Floorplan Facility	Eurodollar Rate Loans + (for New Vehicle Floorplan Facility)	Base Rate Loans + (for New Vehicle Floorplan Facility)	Eurodollar Rate Loans + (for Used Vehicle Floorplan Facility)	Base Rate Loans + (for Used Vehicle Floorplan Facility)
1	Less than 4.00:1.00	0.20%	0.25%	1.50%	0.50%	1.75%	0.75%
2	Less than 4.50:1.00 but greater than or equal to 4.00:1.00	0.25%	0.30%	1.75%	0.75%	2.00%	1.00%
3	Less 5.00:1.00 but greater than or equal to 4.50:1.00	0.25%	0.30%	2.00%	1.00%	2.25%	1.25%
4	Greater than or equal to 5.00:1.00	0.30%	0.35%	2.25%	1.25%	2.50%	1.50%

Form of Compliance Certificate

V. Information Regarding Litigation Matters.⁴

Describe all actions, suits, proceedings, claims or disputes pending, or to the knowledge of the Company after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority seeking damages or other remedies in excess of \$5,000,000:

VI. Information Regarding Disposition.⁵

Describe all asset purchase agreements entered into during Subject Period, intended closing dates of dispositions thereunder and amounts of discontinued operations and all new and used vehicle floorplan indebtedness associated therewith:

⁴ To be included with Compliance Certificates delivered for each March, June, September and December.

⁵ VI. to be completed if Line I.A.3. is included in the Consolidated Liquidity Ratio or if Consolidated Interest Expense, Consolidated Principal Payments or Consolidated Rental Expenses attributable to Permitted Dispositions are excluded from the Consolidated Fixed Charge calculation above

FORM OF JOINDER AGREEMENT

See attached.

Form of Joinder Agreement

G-1

FORM OF AMENDED AND RESTATED PLEDGE AGREEMENT

See attached.

Form of Amended and Restated Pledge Agreement

H-1-1

FORM OF AMENDED AND RESTATED ESCROW AND SECURITY AGREEMENT

See attached.

Form of Amended and Restated Escrow and Security Agreement

H-2-1

FORM OF AMENDED AND RESTATED SONIC FINANCIAL PLEDGE AGREEMENT

See attached.

Form of Amended and Restated Sonic Financial Agreement

H-3-1

FORM OF REVOLVING BORROWING BASE CERTIFICATE

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement, dated as of January 15, 2010 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement"), among Sonic Automotive, Inc., a Delaware corporation (the "Company"), the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer and Wells Fargo Bank, National Association, as an L/C Issuer. Terms used herein not otherwise defined herein have the respective meanings given thereto in the Credit Agreement.

The undersigned Responsible Officer of the Company hereby certifies as of the date hereof that at the close of business on _____ (the "Calculation Date") the Revolving Borrowing Base¹ was _____, computed as set forth on the schedule attached hereto.

SONIC AUTOMOTIVE, INC.

By: _____

Its: _____

Date: _____

¹ See definition of Revolving Borrowing Base in the Credit Agreement.

Form of Revolving Borrowing Base Certificate

REVOLVING BORROWING BASE SCHEDULE

		Available Revolving Borrowing Base Amount	
		<u>Column 1</u>	<u>Column 2</u>
I.	Eligible Accounts		
	<u>Factory Receivables, Net of Holdback:</u>		
A.	Net Book Value of factory receivables	\$ _____	
B.	Net Book Value of warranty claims receivables — factory	\$ _____	
C.	Net Book Value of warranty claims receivables — other	\$ _____	
D.	2210 — A/R factory holdback	\$ _____	
E.	Net Book Value of Accounts which constitute factory receivables, net of holdback (Lines I.A + B + C — D)	\$ _____	
F.	Net Book Value of Accounts described in Line I.E which are subject to any Lien (other than the Administrative Agent’s Lien or Liens permitted by Section 7.01(j) and (m) of the Credit Agreement so long as such Liens are subject to the Master Intercreditor Agreement) ²	\$ _____	
G.	Net Book Value of any other Accounts described in Line I.E which fail to satisfy any of the requirements set forth in the definition of “Eligible Accounts” in the Credit Agreement	\$ _____	
H.	Lines I.F + G	\$ _____	
I.	Net Book Value of Eligible Accounts which constitute factory receivables, net of holdback (Lines I.E — H)	\$ _____	
J.	Line I.I x 75%		\$ _____
	<u>Finance Receivables:</u>		
K.	Net Book Value of Accounts which constitute current finance receivables	\$ _____	
L.	Net Book Value of Accounts described in Line I.K which are subject to any Lien (other than the Administrative Agent’s Lien or Liens permitted by Section 7.01(j) and (m) of the Credit Agreement so long as such Liens are subject to the Master Intercreditor Agreement)	\$ _____	

² Administrative Agent’s Lien means a perfected Lien of the Administrative Agent (for the benefit of the Secured Parties) pursuant to the Loan Documents with the priority referenced in the Master Intercreditor Agreement.

		Available Revolving Borrowing Base Amount	
		<u>Column 1</u>	<u>Column 2</u>
M.	Net Book Value of any other Accounts described In Line I.K which fail to satisfy any of the requirements set forth in the definition of "Eligible Accounts" in the Credit Agreement	\$ _____	
N.	Lines I.L + M	\$ _____	
O.	Net Book Value of Eligible Accounts which constitute current finance receivables (Lines I.K – N)	\$ _____	
P.	Line I.O x 75%		\$ _____
<u>Parts & Service Receivables:</u>			
Q.	Net Book Value of Accounts which constitute receivables for parts and services	\$ _____	
R.	Allowance for doubtful Accounts described in Line I.Q	\$ _____	
S.	Amounts payable in connection with parts and services related to the Accounts described in Line I.Q	\$ _____	
T.	Lines I.R + S	\$ _____	
U.	Lines I.Q – T	\$ _____	
V.	Net Book Value of Accounts described in Line I.U which are subject to any Lien (other than the Administrative Agent's Lien or Liens permitted by Section 7.01(j) and (m) of the Credit Agreement so long as such Liens are subject to the Master Intercreditor Agreement)	\$ _____	
W.	Net Book Value of any other Accounts described in Line I.U which fail to satisfy any of the requirements set forth in the definition of "Eligible Accounts" in the Credit Agreement	\$ _____	
X.	Lines I.V + W	\$ _____	
Y.	Net Book Value of Eligible Accounts which constitute receivables for parts and services (after netting any amounts payable in connection with such parts and services) (Lines I.U – X)	\$ _____	
Z.	Line I.Y x 75%		\$ _____
II. Eligible Inventory			
A.	Net Book Value of parts Inventory	\$ _____	
B.	Net Book Value of accessories Inventory	\$ _____	
C.	Net Book Value of parts and accessories Inventory (Lines II.A + B)	\$ _____	

Form of Revolving Borrowing Base Certificate

**Available Revolving Borrowing
Base Amount**

	Column 1	Column 2
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D. Net Book Value of parts and accessories Inventory described in Line II.C which is subject to any Lien (other than the Administrative Agent’s Lien or Liens permitted by Section 7.01(j) and (m) of the Credit Agreement so long as such Liens are subject to the Master Intercreditor Agreement)	\$ _____	
E. Net Book Value of any other parts and accessories Inventory described in Line II.C which fails to satisfy any of the requirements set forth in the definition of “Eligible Inventory” in the Credit Agreement	\$ _____	
F. Lines II.D + E	\$ _____	
G. Net Book Value of Eligible Inventory which constitutes parts and accessories (Lines II.C — F)	\$ _____	
H. Line II.G x 60%		\$ _____

III. Eligible Equipment

A. Gross Book Value of equipment — machinery and shop	\$ _____	
B. Gross Book Value of equipment — parts and accessories	\$ _____	
C. Gross Book Value of furniture and trade fixtures (signage)	\$ _____	
D. Gross Book Value of computer equipment	\$ _____	
E. Gross Book Value of company Vehicles (excluding Inventory and any other Vehicles financed by the New Vehicle Floorplan Facility, Permitted Silo Indebtedness, Permitted Service Loaner Indebtedness or included in the Used Vehicle Borrowing Base (as defined in the Floorplan Credit Agreement)	\$ _____	
F. Lines III.A + B + C + D + E	\$ _____	
G. Accumulated depreciation — machinery and shop	\$ _____	
H. Accumulated depreciation — parts and accessories	\$ _____	
I. Accumulated depreciation — furniture and trade fixtures (signage)	\$ _____	
J. Accumulated depreciation — computer equipment	\$ _____	
K. Accumulated depreciation — company vehicles	\$ _____	
L. Lines III.F + G + H + I + J + K	\$ _____	
M. Amount of Equipment Notes payable	\$ _____	
N. Net Book Value of Equipment, less Equipment Notes payable (Lines III.L — M)	\$ _____	

Form of Revolving Borrowing Base Certificate

		Available Revolving Borrowing Base Amount	
		<u>Column 1</u>	<u>Column 2</u>
O.	Net Book Value of Equipment described in Line III.N which is subject to any Lien (other than the Administrative Agent's Lien or Liens permitted by Section 7.01(j) and (m) of the Credit Agreement so long as such Liens are subject to the Master Intercreditor Agreement)	\$ _____	
P.	Net Book Value of any other Equipment described in Line III.N which fails to satisfy any of the requirements set forth in the definition of "Eligible Equipment" in the Credit Agreement	\$ _____	
Q.	Lines III.O + P	\$ _____	
R.	Net Book Value of Eligible Equipment (Lines III.N – Q)	\$ _____	
S.	Line III.R. x 40%		\$ _____
IV. Stock of Speedway Motor Sports, Inc.			
A.	Fair market value (determined using the average daily share price for the five (5) Business Days immediately preceding the Calculation Date) of the 5,000,000 shares of common stock of Speedway Motor Sports, Inc. pledged as Collateral	\$ _____	
B.	Line IV.A. x 50%		\$ _____
V. Revolving Borrowing Base (Total of Column 2)			
A.	Total of column 2	\$ _____	
B.	Lesser of (i) Aggregate Commitments and (ii) Line V.A.	\$ _____	
VI. Revolving Advance Limit			
A.	Revolving Advance Limit (Lines V.B)	\$ _____	
B.	Outstanding Amount of all Committed Loans	\$ _____	
C.	Outstanding Amount of all Swing Line Loans	\$ _____	
D.	Outstanding Amount of all L/C Obligations	\$ _____	
E.	Lines VI.B + C + D	\$ _____	
F.	Amount available to be drawn under revolving credit facility provided for by the Credit Agreement (Lines VI.A – E)		\$ _____

Form of Revolving Borrowing Base Certificate

FORM OF AMENDED AND RESTATED SECURITY AGREEMENT

See attached.

Form of Amended and Restated Security Agreement

J-1

OPINION MATTERS

See attached.

Opinion Matters

K-1

FORM OF MASTER INTERCREDITOR AGREEMENT

See attached.

Form of Master Intercreditor Agreement

L-1

FORM OF REPORT OF LETTER OF CREDIT INFORMATION

To: Bank of America, N.A. as Administrative Agent

Attn:

Phone No.:

Fax No.:

Ref: Letters of Credit

Issued for the account of Sonic Automotive, Inc.
 or any Subsidiary thereof under
 the Amended and Restated Credit Agreement
 dated as of January [], 2010

Reporting Period : ___/___/20___ through ___/___/20___

L/C No.	Maximum Face Amount	Current Face Amount	Currency of L/C	Escalating Y/N(?) If "Y" Provide Schedule*	Beneficiary Name	Issuance Date	Expiry Date	Auto Renewal	Auto Renewal Period/Notice	Date of Amendment	Amount of Amendment	Type of Amendment

Form of Report of Letter of Credit Information

FORM OF FORD MOTOR CREDIT CONSENT

See attached.

Form of Ford Motor Credit Consent

N-1

NOTE

January 15, 2010

FOR VALUE RECEIVED, the undersigned (the "Company") hereby promises to pay to **BANK OF AMERICA, N.A.** or registered assigns (the "Lender"), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of each Loan from time to time made by the Lender to the Company under that certain Amended and Restated Credit Agreement, dated as of January 15, 2010 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the Company, the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and Wells Fargo Bank, National Association, as an L/C Issuer.

The Company promises to pay interest on the unpaid principal amount of each Loan from the date of such Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Credit Agreement. Except as otherwise provided in Section 2.04(f) of the Credit Agreement with respect to Swing Line Loans, all payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Credit Agreement.

This Note is one of the Notes referred to in the Credit Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Note is also entitled to the benefits of the Subsidiary Guaranty and is secured by the Collateral. Upon the occurrence and continuation of one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Note shall (if required by the Credit Agreement) become, or may be declared to be, immediately due and payable all as provided in the Credit Agreement. Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Note and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

[Remainder of page left blank intentionally; signature page follows.]

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NORTH CAROLINA.

SONIC AUTOMOTIVE, INC.

By: /s/ DAVID P. COSPER
Name: David P. Cospes
Title: Vice Chairman and Chief Financial Officer

NOTE

January 15, 2010

FOR VALUE RECEIVED, the undersigned (the "Company") hereby promises to pay to **DCFS USA LLC** or registered assigns (the "Lender"), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of each Loan from time to time made by the Lender to the Company under that certain Amended and Restated Credit Agreement, dated as of January 15, 2010 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the Company, the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and Wells Fargo Bank, National Association, as an L/C Issuer.

The Company promises to pay interest on the unpaid principal amount of each Loan from the date of such Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Credit Agreement. Except as otherwise provided in Section 2.04(f) of the Credit Agreement with respect to Swing Line Loans, all payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Credit Agreement.

This Note is one of the Notes referred to in the Credit Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Note is also entitled to the benefits of the Subsidiary Guaranty and is secured by the Collateral. Upon the occurrence and continuation of one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Note shall (if required by the Credit Agreement) become, or may be declared to be, immediately due and payable all as provided in the Credit Agreement. Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Note and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

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THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NORTH CAROLINA.

SONIC AUTOMOTIVE, INC.

By: /s/ DAVID P. COSPER
Name: David P. Cospes
Title: Vice Chairman and Chief Financial Officer

NOTE

January 15, 2010

FOR VALUE RECEIVED, the undersigned (the "Company") hereby promises to pay to **BMW FINANCIAL SERVICES NA, LLC** or registered assigns (the "Lender"), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of each Loan from time to time made by the Lender to the Company under that certain Amended and Restated Credit Agreement, dated as of January 15, 2010 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the Company, the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and Wells Fargo Bank, National Association, as an L/C Issuer.

The Company promises to pay interest on the unpaid principal amount of each Loan from the date of such Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Credit Agreement. Except as otherwise provided in Section 2.04(f) of the Credit Agreement with respect to Swing Line Loans, all payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Credit Agreement.

This Note is one of the Notes referred to in the Credit Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Note is also entitled to the benefits of the Subsidiary Guaranty and is secured by the Collateral. Upon the occurrence and continuation of one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Note shall (if required by the Credit Agreement) become, or may be declared to be, immediately due and payable all as provided in the Credit Agreement. Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Note and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

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THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NORTH CAROLINA.

SONIC AUTOMOTIVE, INC.

By: /s/ DAVID P. COSPER
Name: David P. Cospes
Title: Vice Chairman and Chief Financial Officer

NOTE

January 15, 2010

FOR VALUE RECEIVED, the undersigned (the "Company") hereby promises to pay to **TOYOTA MOTOR CREDIT CORPORATION** or registered assigns (the "Lender"), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of each Loan from time to time made by the Lender to the Company under that certain Amended and Restated Credit Agreement, dated as of January 15, 2010 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the Company, the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and Wells Fargo Bank, National Association, as an L/C Issuer.

The Company promises to pay interest on the unpaid principal amount of each Loan from the date of such Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Credit Agreement. Except as otherwise provided in Section 2.04(f) of the Credit Agreement with respect to Swing Line Loans, all payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Credit Agreement.

This Note is one of the Notes referred to in the Credit Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Note is also entitled to the benefits of the Subsidiary Guaranty and is secured by the Collateral. Upon the occurrence and continuation of one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Note shall (if required by the Credit Agreement) become, or may be declared to be, immediately due and payable all as provided in the Credit Agreement. Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Note and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

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THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NORTH CAROLINA.

SONIC AUTOMOTIVE, INC.

By: /s/ DAVID P. COSPER
Name: David P. Cospes
Title: Vice Chairman and Chief Financial Officer

NOTE

January 15, 2010

FOR VALUE RECEIVED, the undersigned (the "Company") hereby promises to pay to **JPMORGAN CHASE BANK, N.A.** or registered assigns (the "Lender"), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of each Loan from time to time made by the Lender to the Company under that certain Amended and Restated Credit Agreement, dated as of January 15, 2010 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the Company, the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and Wells Fargo Bank, National Association, as an L/C Issuer.

The Company promises to pay interest on the unpaid principal amount of each Loan from the date of such Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Credit Agreement. Except as otherwise provided in Section 2.04(f) of the Credit Agreement with respect to Swing Line Loans, all payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Credit Agreement.

This Note is one of the Notes referred to in the Credit Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Note is also entitled to the benefits of the Subsidiary Guaranty and is secured by the Collateral. Upon the occurrence and continuation of one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Note shall (if required by the Credit Agreement) become, or may be declared to be, immediately due and payable all as provided in the Credit Agreement. Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Note and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

[Remainder of page left blank intentionally; signature page follows.]

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NORTH CAROLINA.

SONIC AUTOMOTIVE, INC.

By: /s/ DAVID P. COSPER
Name: David P. Cospes
Title: Vice Chairman and Chief Financial Officer

NOTE

January 15, 2010

FOR VALUE RECEIVED, the undersigned (the "Company") hereby promises to pay to **WACHOVIA BANK, NATIONAL ASSOCIATION** or registered assigns (the "Lender"), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of each Loan from time to time made by the Lender to the Company under that certain Amended and Restated Credit Agreement, dated as of January 15, 2010 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement"), the terms defined therein being used herein as therein defined), among the Company, the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and Wells Fargo Bank, National Association, as an L/C Issuer.

The Company promises to pay interest on the unpaid principal amount of each Loan from the date of such Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Credit Agreement. Except as otherwise provided in Section 2.04(f) of the Credit Agreement with respect to Swing Line Loans, all payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Credit Agreement.

This Note is one of the Notes referred to in the Credit Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Note is also entitled to the benefits of the Subsidiary Guaranty and is secured by the Collateral. Upon the occurrence and continuation of one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Note shall (if required by the Credit Agreement) become, or may be declared to be, immediately due and payable all as provided in the Credit Agreement. Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Note and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

[Remainder of page left blank intentionally; signature page follows.]

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NORTH CAROLINA.

SONIC AUTOMOTIVE, INC.

By: /s/ DAVID P. COSPER
Name: David P. Cospers
Title: Vice Chairman and Chief Financial Officer

NOTE

January 15, 2010

FOR VALUE RECEIVED, the undersigned (the "Company") hereby promises to pay to **COMERICA BANK** or registered assigns (the "Lender"), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of each Loan from time to time made by the Lender to the Company under that certain Amended and Restated Credit Agreement, dated as of January 15, 2010 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the Company, the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and Wells Fargo Bank, National Association, as an L/C Issuer.

The Company promises to pay interest on the unpaid principal amount of each Loan from the date of such Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Credit Agreement. Except as otherwise provided in Section 2.04(f) of the Credit Agreement with respect to Swing Line Loans, all payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Credit Agreement.

This Note is one of the Notes referred to in the Credit Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Note is also entitled to the benefits of the Subsidiary Guaranty and is secured by the Collateral. Upon the occurrence and continuation of one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Note shall (if required by the Credit Agreement) become, or may be declared to be, immediately due and payable all as provided in the Credit Agreement. Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Note and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

[Remainder of page left blank intentionally; signature page follows.]

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NORTH CAROLINA.

SONIC AUTOMOTIVE, INC.

By: /s/ DAVID P. COSPER
Name: David P. Cospes
Title: Vice Chairman and Chief Financial Officer

NOTE

January 15, 2010

FOR VALUE RECEIVED, the undersigned (the "Company") hereby promises to pay to **WORLD OMNI FINANCIAL CORP.** or registered assigns (the "Lender"), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of each Loan from time to time made by the Lender to the Company under that certain Amended and Restated Credit Agreement, dated as of January 15, 2010 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the Company, the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and Wells Fargo Bank, National Association, as an L/C Issuer.

The Company promises to pay interest on the unpaid principal amount of each Loan from the date of such Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Credit Agreement. Except as otherwise provided in Section 2.04(f) of the Credit Agreement with respect to Swing Line Loans, all payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Credit Agreement.

This Note is one of the Notes referred to in the Credit Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Note is also entitled to the benefits of the Subsidiary Guaranty and is secured by the Collateral. Upon the occurrence and continuation of one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Note shall (if required by the Credit Agreement) become, or may be declared to be, immediately due and payable all as provided in the Credit Agreement. Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Note and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

[Remainder of page left blank intentionally; signature page follows.]

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NORTH CAROLINA.

SONIC AUTOMOTIVE, INC.

By: /s/ DAVID P. COSPER
Name: David P. Cospes
Title: Vice Chairman and Chief Financial Officer

**AMENDED AND RESTATED
SUBSIDIARY GUARANTY AGREEMENT**

THIS AMENDED AND RESTATED SUBSIDIARY GUARANTY AGREEMENT (this "Guaranty Agreement"), dated as of January 15, 2010, is made by **EACH OF THE UNDERSIGNED AND EACH OTHER PERSON WHO SHALL BECOME A PARTY HERETO BY EXECUTION OF A JOINDER AGREEMENT WHICH IDENTIFIES SUCH PERSON THEREIN AS A "REVOLVING SUBSIDIARY GUARANTOR"** (each a "Guarantor" and collectively the "Guarantors") to **BANK OF AMERICA, N.A.**, a national banking association organized and existing under the laws of the United States, as administrative agent (in such capacity, the "Administrative Agent") for each of the lenders (the "Lenders") now or hereafter party to the Revolving Credit Agreement defined below (collectively with the Administrative Agent, and certain other Persons parties to Related Swap Contracts and Secured Treasury Management Arrangements as more particularly described in Section 19 hereof, the "Revolving Secured Parties"). All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Revolving Credit Agreement.

WITNESSETH

WHEREAS, Sonic Automotive, Inc., a Delaware corporation ("the Company"), certain Subsidiaries of the Company party thereto (each an "Existing New Vehicle Borrower"), certain of the Lenders (the "Existing Lenders") and the Administrative Agent entered into that certain Credit Agreement dated February 17, 2006 (as amended prior to (but excluding) the date hereof, the "Existing Credit Agreement"), pursuant to which certain of the Existing Lenders agreed to make available (a) to the Company, a revolving credit facility, including a letter of credit subfacility and a swingline subfacility, (b) to the Existing New Vehicle Borrowers, a revolving new vehicle floorplan facility, including a new vehicle swingline subfacility and (c) to the Company, a revolving used vehicle floorplan facility, including a used vehicle swingline subfacility; and

WHEREAS, certain Subsidiaries of the Company (the "Existing Guarantors") entered into a Guaranty Agreement dated as of February 17, 2006 (the "Existing Guaranty Agreement") pursuant to which the Existing Guarantors have guaranteed the payment and performance of the obligations of the Company, the New Vehicle Borrowers and the other Loan Parties (as defined in the Existing Credit Agreement) under the Existing Credit Agreement and other loan documents related thereto; and

WHEREAS, the Company has requested that the Existing Credit Agreement be amended and restated in order to, among other things, (a) extend the maturity date of the revolving credit facility provided therein, (b) reduce the maximum aggregate amount of the revolving credit facility provided therein to \$150,000,000, and (c) make certain other amendments to the Existing Credit Agreement on the terms and conditions set forth in that certain Amended and Restated Credit Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Revolving Credit Agreement") among the Company, the Administrative Agent and the Lenders; and

WHEREAS, the Company, the Administrative Agent and the Lenders have agreed to enter into the Revolving Credit Agreement, subject to, among other things, a condition that the parties amend and restate the Existing Guaranty Agreement as provided herein; and

WHEREAS, each Guarantor is, directly or indirectly, a Subsidiary of the Company; and

WHEREAS, each Guarantor will materially benefit from the Loans to be made, and the Letters of Credit to be issued, under the Revolving Credit Agreement; and

WHEREAS, each Guarantor is required to enter into this Guaranty Agreement pursuant to the terms of the Revolving Credit Agreement; and

WHEREAS, a material part of the consideration given in connection with and as an inducement to the execution and delivery of the Revolving Credit Agreement by the Revolving Secured Parties was the obligation of the Company to cause each Guarantor to enter into this Guaranty Agreement, and the Revolving Secured Parties are unwilling to extend and maintain the credit facilities provided under the Loan Documents unless the Guarantors enter into this Guaranty Agreement;

NOW, THEREFORE, in order to induce (i) the Lenders to amend and restate the Existing Credit Agreement and (ii) the Revolving Secured Parties to make available to the Company or maintain the credit facilities provided for in the Revolving Credit Agreement, the parties hereto agree that the Existing Guaranty Agreement is hereby amended and restated in this Guaranty Agreement as follows:

1. Guaranty. Each Guarantor hereby jointly and severally, unconditionally, absolutely, continually and irrevocably guarantees to the Administrative Agent for the benefit of the Revolving Secured Parties the payment and performance in full of the Guaranteed Liabilities (as defined below). For all purposes of this Guaranty Agreement, "Guaranteed Liabilities" means: (a) the Company's prompt payment in full, when due or declared due and at all such times, of all Obligations and all other amounts pursuant to the terms of the Revolving Credit Agreement, the Notes, and all other Loan Documents heretofore, now or at any time or times hereafter owing, arising, due or payable from the Company to any one or more of the Revolving Secured Parties, including principal, interest, premiums and fees (including, but not limited to, loan fees and reasonable fees, charges and disbursements of counsel ("Attorney Costs")); (b) each Loan Party's prompt, full and faithful performance, observance and discharge of each and every agreement, undertaking, covenant and provision to be performed, observed or discharged by such Loan Party under the Revolving Credit Agreement, the Notes and all other Loan Documents; and (c) the prompt payment in full by each Loan Party, when due or declared due and at all such times, of obligations and liabilities now or hereafter arising under Related Swap Contracts and Secured Cash Management Arrangements. The Guarantors' obligations to the Revolving Secured Parties under this Guaranty Agreement are hereinafter collectively referred to as the "Guarantors' Obligations" and, with respect to each Guarantor individually, the "Guarantor's Obligations". Notwithstanding the foregoing, the liability of each Guarantor individually with respect to its Guarantor's Obligations shall be limited to an aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance under Section 548 of the United States Bankruptcy Code or any comparable provisions of any applicable state law.

Each Guarantor agrees that it is jointly and severally, directly and primarily liable (subject to the limitation in the immediately preceding sentence) for the Guaranteed Liabilities.

The Guarantors' Obligations are secured by various Security Instruments referred to in the Revolving Credit Agreement, including without limitation, the Security Agreement and the Pledge Agreement.

2. Payment. If the Company or any other Loan Party shall default in payment or performance of any of the Guaranteed Liabilities, whether principal, interest, premium, fee (including, but not limited to, loan fees and Attorney Costs), or otherwise, when and as the same shall become due, and after expiration of any applicable grace period, whether according to the terms of the Revolving Credit Agreement, by acceleration, or otherwise, or upon the occurrence and during the continuance of any Event of Default under the Revolving Credit Agreement, then any or all of the Guarantors will, upon demand thereof by the Administrative Agent, fully pay to the Administrative Agent, for the benefit of the Revolving Secured Parties, subject to any restriction on each Guarantor's Obligations set forth in Section 1 hereof, an amount equal to all the Guaranteed Liabilities then due and owing.

3. Absolute Rights and Obligations. This is a guaranty of payment and not of collection. The Guarantors' Obligations under this Guaranty Agreement shall be joint and several, absolute and unconditional irrespective of, and each Guarantor hereby expressly waives, to the extent permitted by law, any defense to its obligations under this Guaranty Agreement and all Security Instruments to which it is a party by reason of:

(a) any lack of legality, validity or enforceability of the Revolving Credit Agreement, of any of the Notes, of any other Loan Document, or of any other agreement or instrument creating, providing security for, or otherwise relating to any of the Guarantors' Obligations, any of the Guaranteed Liabilities, or any other guaranty of any of the Guaranteed Liabilities (the Loan Documents and all such other agreements and instruments being collectively referred to as the "Related Agreements");

(b) any action taken under any of the Related Agreements, any exercise of any right or power therein conferred, any failure or omission to enforce any right conferred thereby, or any waiver of any covenant or condition therein provided;

(c) any acceleration of the maturity of any of the Guaranteed Liabilities, of the Guarantor's Obligations of any other Guarantor, or of any other obligations or liabilities of any Person under any of the Related Agreements;

(d) any release, exchange, non-perfection, lapse in perfection, disposal, deterioration in value, or impairment of any security for any of the Guaranteed Liabilities, for any of the Guarantor's Obligations of any Guarantor, or for any other obligations or liabilities of any Person under any of the Related Agreements;

(e) any dissolution of the Company or any Guarantor or any other party to a Related Agreement, or the combination or consolidation of the Company or any

Guarantor or any other party to a Related Agreement into or with another entity or any transfer or disposition of any assets of the Company or any Guarantor or any other party to a Related Agreement;

(f) any extension (including without limitation extensions of time for payment), renewal, amendment, restructuring or restatement of, any acceptance of late or partial payments under, or any change in the amount of any borrowings or any credit facilities available under, the Revolving Credit Agreement, any of the Notes or any other Loan Document or any other Related Agreement, in whole or in part;

(g) the existence, addition, modification, termination, reduction or impairment of value, or release of any other guaranty (or security therefor) of the Guaranteed Liabilities (including without limitation the Guarantor's Obligations of any other Guarantor and obligations arising under any other Guaranty now or hereafter in effect);

(h) any waiver of, forbearance or indulgence under, or other consent to any change in or departure from any term or provision contained in the Revolving Credit Agreement, any other Loan Document or any other Related Agreement, including without limitation any term pertaining to the payment or performance of any of the Guaranteed Liabilities, any of the Guarantor's Obligations of any other Guarantor, or any of the obligations or liabilities of any party to any other Related Agreement;

(i) any other circumstance whatsoever (with or without notice to or knowledge of any Guarantor) which may or might in any manner or to any extent vary the risks of such Guarantor, or might otherwise constitute a legal or equitable defense available to, or discharge of, a surety or a guarantor, including without limitation any right to require or claim that resort be had to the Company or any other Loan Party or to any collateral in respect of the Guaranteed Liabilities or Guarantors' Obligations, whether arising under North Carolina General Statutes Sections 26-7 and 26-9 or otherwise.

It is the express purpose and intent of the parties hereto that this Guaranty Agreement and the Guarantors' Obligations hereunder and under each Joinder Agreement shall be absolute and unconditional under any and all circumstances and shall not be discharged except by payment as herein provided.

4. Currency and Funds of Payment. All Guarantors' Obligations will be paid in lawful currency of the United States of America and in immediately available funds, regardless of any law, regulation or decree now or hereafter in effect that might in any manner affect the Guaranteed Liabilities, or the rights of any Revolving Secured Party with respect thereto as against any Loan Party, or cause or permit to be invoked any alteration in the time, amount or manner of payment by any Loan Party of any or all of the Guaranteed Liabilities.

5. Events of Default. Without limiting the provisions of Section 2 hereof, in the event that there shall occur and be continuing an Event of Default, then notwithstanding any collateral or other security or credit support for the Guaranteed Liabilities, at the Administrative

Agent's election and without notice thereof or demand therefor, the Guarantors' Obligations shall immediately be and become due and payable.

6. Subordination. Until this Guaranty Agreement is terminated in accordance with Section 22 hereof, each Guarantor hereby unconditionally subordinates all present and future debts, liabilities or obligations now or hereafter owing to such Guarantor (i) of the Company, to the payment in full of the Guaranteed Liabilities, (ii) of every other Guarantor (an "obligated guarantor"), to the payment in full of the Guarantors' Obligations of such obligated guarantor, and (iii) of each other Person now or hereafter constituting a Loan Party, to the payment in full of the obligations of such Loan Party owing to any Revolving Secured Party and arising under the Loan Documents, Related Swap Contracts or Secured Cash Management Arrangements. All amounts due under such subordinated debts, liabilities, or obligations shall, upon the occurrence and during the continuance of an Event of Default, be collected and, upon request by the Administrative Agent, paid over forthwith to the Administrative Agent for the benefit of the Revolving Secured Parties on account of the Guaranteed Liabilities, the Guarantors' Obligations, or such other obligations, as applicable, and, after such request and pending such payment, shall be held by such Guarantor as agent and bailee of the Revolving Secured Parties separate and apart from all other funds, property and accounts of such Guarantor.

7. Suits. Each Guarantor from time to time shall pay to the Administrative Agent for the benefit of the Revolving Secured Parties, on demand, at the Administrative Agent's Office or such other address as the Administrative Agent shall give notice of to such Guarantor, the Guarantors' Obligations as they become or are declared due, and in the event such payment is not made forthwith, the Administrative Agent may proceed to suit against any one or more or all of the Guarantors. At the Administrative Agent's election, one or more and successive or concurrent suits may be brought hereon by the Administrative Agent against any one or more or all of the Guarantors, whether or not suit has been commenced against the Company, any other Guarantor, or any other Person and whether or not the Revolving Secured Parties have taken or failed to take any other action to collect all or any portion of the Guaranteed Liabilities or have taken or failed to take any actions against any collateral securing payment or performance of all or any portion of the Guaranteed Liabilities, and irrespective of any event, occurrence, or condition described in Section 3 hereof.

8. Set-Off and Waiver. Each Guarantor waives any right to assert against any Revolving Secured Party as a defense, counterclaim, set-off, recoupment or cross claim in respect of its Guarantor's Obligations, any defense (legal or equitable) or other claim which such Guarantor may now or at any time hereafter have against the Company or any or all of the Revolving Secured Parties without waiving any additional defenses, set-offs, counterclaims or other claims otherwise available to such Guarantor. Each Guarantor agrees that each Revolving Secured Party shall have a lien for all the Guarantor's Obligations upon all deposits or deposit accounts, of any kind, or any interest in any deposits or deposit accounts, now or hereafter pledged, mortgaged, transferred or assigned to such Revolving Secured Party or otherwise in the possession or control of such Revolving Secured Party for any purpose (other than solely for safekeeping) for the account or benefit of such Guarantor, including any balance of any deposit account or of any credit of such Guarantor with the Revolving Secured Party, whether now existing or hereafter established, and hereby authorizes each Revolving Secured Party from and

after the occurrence of an Event of Default at any time or times with or without prior notice to apply such balances or any part thereof to such of the Guarantor's Obligations to the Revolving Secured Parties then due and in such amounts as provided for in the Revolving Credit Agreement or otherwise as they may elect. For the purposes of this Section 8, all remittances and property shall be deemed to be in the possession of a Revolving Secured Party as soon as the same may be put in transit to it by mail or carrier or by other bailee.

9. Waiver of Notice; Subrogation.

(a) Each Guarantor hereby waives to the extent permitted by law notice of the following events or occurrences: (i) acceptance of this Guaranty Agreement; (ii) the Lenders' heretofore, now or from time to time hereafter making Loans and issuing Letters of Credit and otherwise loaning monies or giving or extending credit to or for the benefit of the Company or any other Loan Party, or otherwise entering into arrangements with any Loan Party giving rise to Guaranteed Liabilities, whether pursuant to the Revolving Credit Agreement or the Notes or any other Loan Document or Related Agreement or any amendments, modifications, or supplements thereto, or replacements or extensions thereof; (iii) presentment, demand, default, non-payment, partial payment and protest; and (iv) any other event, condition, or occurrence described in Section 3 hereof. Each Guarantor agrees that each Revolving Secured Party may heretofore, now or at any time hereafter do any or all of the foregoing in such manner, upon such terms and at such times as each Revolving Secured Party, in its sole and absolute discretion, deems advisable, without in any way or respect impairing, affecting, reducing or releasing such Guarantor from its Guarantor's Obligations, and each Guarantor hereby consents to each and all of the foregoing events or occurrences.

(b) Each Guarantor hereby agrees that payment or performance by such Guarantor of its Guarantor's Obligations under this Guaranty Agreement may be enforced by the Administrative Agent on behalf of the Revolving Secured Parties upon demand by the Administrative Agent to such Guarantor without the Administrative Agent being required, such Guarantor expressly waiving to the extent permitted by law any right it may have to require the Administrative Agent, to (i) prosecute collection or seek to enforce or resort to any remedies against the Company or any other Guarantor or any other guarantor of the Guaranteed Liabilities, or (ii) seek to enforce or resort to any remedies with respect to any security interests, Liens or encumbrances granted to the Administrative Agent or any Lender or other party to a Related Agreement by the Company, any other Guarantor or any other Person on account of the Guaranteed Liabilities or any guaranty thereof, **IT BEING EXPRESSLY UNDERSTOOD, ACKNOWLEDGED AND AGREED TO BY SUCH GUARANTOR THAT DEMAND UNDER THIS GUARANTY AGREEMENT MAY BE MADE BY THE ADMINISTRATIVE AGENT, AND THE PROVISIONS HEREOF ENFORCED BY THE ADMINISTRATIVE AGENT, EFFECTIVE AS OF THE FIRST DATE ANY EVENT OF DEFAULT OCCURS AND IS CONTINUING UNDER THE REVOLVING CREDIT AGREEMENT.**

(c) Each Guarantor further agrees with respect to this Guaranty Agreement that it shall have no right of subrogation, reimbursement, contribution or indemnity, nor any right of recourse to security for the Guaranteed Liabilities unless and until 93 days immediately following the Facility Termination Date shall have elapsed without the filing or commencement, by or against any Loan Party, of any state or federal action, suit, petition or proceeding seeking any reorganization, liquidation or other relief or arrangement in respect of creditors of, or the appointment of a receiver, liquidator, trustee or conservator in respect to, such Loan Party or its assets. This waiver is expressly intended to prevent the existence of any claim in respect to such subrogation, reimbursement, contribution or indemnity by any Guarantor against the estate of any other Loan Party within the meaning of Section 101 of the Bankruptcy Code, in the event of a subsequent case involving any other Loan Party. If an amount shall be paid to any Guarantor on account of such rights at any time prior to termination of this Guaranty Agreement in accordance with the provisions of Section 22 hereof, such amount shall be held in trust for the benefit of the Revolving Secured Parties and shall forthwith be paid to the Administrative Agent, for the benefit of the Revolving Secured Parties, to be credited and applied upon the Guarantors' Obligations, whether matured or unmatured, in accordance with the terms of the Revolving Credit Agreement or otherwise as the Revolving Secured Parties may elect. The agreements in this subsection shall survive repayment of all of the Guarantors' Obligations, the termination or expiration of this Guaranty Agreement in any manner, including but not limited to termination in accordance with Section 22 hereof, and occurrence of the Facility Termination Date.

10. Effectiveness; Enforceability. This Guaranty Agreement shall be effective as of the date first above written and shall continue in full force and effect until termination in accordance with Section 22 hereof. Any claim or claims that the Revolving Secured Parties may at any time hereafter have against a Guarantor under this Guaranty Agreement may be asserted by the Administrative Agent on behalf of the Revolving Secured Parties by written notice directed to such Guarantor in accordance with Section 24 hereof.

11. Representations and Warranties. Each Guarantor warrants and represents to the Administrative Agent, for the benefit of the Revolving Secured Parties, that it is duly authorized to execute and deliver this Guaranty Agreement (or the Joinder Agreement to which it is a party, as applicable), and to perform its obligations under this Guaranty Agreement, that this Guaranty Agreement (or the Joinder Agreement to which it is a party, as applicable) has been duly executed and delivered on behalf of such Guarantor by its duly authorized representatives; that this Guaranty Agreement (and any Joinder Agreement to which such Guarantor is a party) is legal, valid, binding and enforceable against such Guarantor in accordance with its terms except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles; and that such Guarantor's execution, delivery and performance of this Guaranty Agreement (and any Joinder Agreement to which such Guarantor is a party) do not violate or constitute a breach of any of its Organizational Documents, any agreement or instrument to which such Guarantor is a party, or any law, order, regulation, decree or award of any governmental authority or arbitral body to which it or its properties or operations is subject.

12. Expenses. Each Guarantor agrees to be jointly and severally liable for the payment of all reasonable fees and expenses, including Attorney Costs, incurred by any Revolving Secured Party in connection with the enforcement of this Guaranty Agreement, whether or not suit be brought.

13. Reinstatement. Each Guarantor agrees that this Guaranty Agreement shall continue to be effective or be reinstated, as the case may be, at any time payment received by any Revolving Secured Party in respect of any Guaranteed Liabilities is rescinded or must be restored for any reason, or is repaid by any Revolving Secured Party in whole or in part in good faith settlement of any pending or threatened avoidance claim.

14. Attorney-in-Fact. To the extent permitted by law, each Guarantor hereby appoints the Administrative Agent, for the benefit of the Revolving Secured Parties, as such Guarantor's attorney-in-fact for the purposes of carrying out the provisions of this Guaranty Agreement and taking any action and executing any instrument which the Administrative Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment is coupled with an interest and is irrevocable; provided, that the Administrative Agent shall have and may exercise rights under this power of attorney only upon the occurrence and during the continuance of an Event of Default.

15. Reliance. Each Guarantor represents and warrants to the Administrative Agent, for the benefit of the Revolving Secured Parties, that: (a) such Guarantor has adequate means to obtain on a continuing basis (i) from the Company, information concerning the Loan Parties and the Loan Parties' financial condition and affairs and (ii) from other reliable sources, such other information as it deems material in deciding to provide this Guaranty Agreement and any Joinder Agreement ("Other Information"), and has full and complete access to the Loan Parties' books and records and to such Other Information; (b) such Guarantor is not relying on any Revolving Secured Party or its or their employees, directors, agents or other representatives or Affiliates, to provide any such information, now or in the future; (c) such Guarantor has been furnished with and reviewed the terms of the Revolving Credit Agreement and such other Loan Documents and Related Agreements as it has requested, is executing this Guaranty Agreement (or the Joinder Agreement to which it is a party, as applicable) freely and deliberately, and understands the obligations and financial risk undertaken by providing this Guaranty Agreement (and any Joinder Agreement); (d) such Guarantor has relied solely on the Guarantor's own independent investigation, appraisal and analysis of each Loan Party, each Loan Party's financial condition and affairs, the "Other Information", and such other matters as it deems material in deciding to provide this Guaranty Agreement (and any Joinder Agreement) and is fully aware of the same; and (e) such Guarantor has not depended or relied on any Revolving Secured Party or its or their employees, directors, agents or other representatives or Affiliates, for any information whatsoever concerning any Loan Party or any Loan Party's financial condition and affairs or any other matters material to such Guarantor's decision to provide this Guaranty Agreement (and any Joinder Agreement), or for any counseling, guidance, or special consideration or any promise therefor with respect to such decision. Each Guarantor agrees that no Revolving Secured Party has any duty or responsibility whatsoever, now or in the future, to provide to such Guarantor any information concerning any Loan Party or any Loan Party's financial condition and affairs, or any Other Information, other than as expressly provided herein, and that, if such Guarantor

receives any such information from any Revolving Secured Party or its or their employees, directors, agents or other representatives or Affiliates, such Guarantor will independently verify the information and will not rely on any Revolving Secured Party or its or their employees, directors, agents or other representatives or Affiliates, with respect to such information.

16. Rules of Interpretation. The rules of interpretation contained in Sections 1.03 and 1.06 of the Revolving Credit Agreement shall be applicable to this Guaranty Agreement and each Joinder Agreement and are hereby incorporated by reference. All representations and warranties contained herein shall survive the delivery of documents and any extension of credit referred to herein or guaranteed hereby.

17. Entire Agreement. This Guaranty Agreement and each Joinder Agreement, together with the Revolving Credit Agreement and other Loan Documents, constitutes and expresses the entire understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior negotiations, agreements, understandings, inducements, commitments or conditions, express or implied, oral or written, except as herein contained. The express terms hereof control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof. Except as provided in Section 22, neither this Guaranty Agreement nor any Joinder Agreement nor any portion or provision hereof or thereof may be changed, altered, modified, supplemented, discharged, canceled, terminated, or amended orally or in any manner other than as provided in the Revolving Credit Agreement.

18. Binding Agreement; Assignment. This Guaranty Agreement, each Joinder Agreement and the terms, covenants and conditions hereof and thereof, shall be binding upon and inure to the benefit of the parties hereto and thereto, and to their respective heirs, legal representatives, successors and assigns; provided, however, that no Guarantor shall be permitted to assign any of its rights, powers, duties or obligations under this Guaranty Agreement, any Joinder Agreement or any other interest herein or therein without the prior written consent of the Administrative Agent. Without limiting the generality of the foregoing sentence of this Section 18, any Lender may assign to one or more Persons, or grant to one or more Persons participations in or to, all or any part of its rights and obligations under the Revolving Credit Agreement (to the extent permitted by the Revolving Credit Agreement); and to the extent of any such permitted assignment or participation such other Person shall, to the fullest extent permitted by law, thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise, subject however, to the provisions of the Revolving Credit Agreement, including Article IX thereof (concerning the Administrative Agent) and Section 10.06 thereof concerning assignments and participations. All references herein to the Administrative Agent shall include any successor thereof.

19. Related Swap Contracts and Secured Cash Management Arrangements. All obligations of any Loan Party under or in respect of Related Swap Contracts and Secured Cash Management Arrangements (which are not prohibited under the terms of the Revolving Credit Agreement) to which any Lender or any Affiliate of any Lender is a party, shall be deemed to be Guaranteed Liabilities, and each Lender or Affiliate of a Lender party to any such Related Swap Contract or Secured Cash Management Arrangement shall be deemed to be a Revolving Secured Party hereunder with respect to such Guaranteed Liabilities; provided,

however, that such obligations shall cease to be Guaranteed Liabilities at such time, prior to the Facility Termination Date, as such Person (or Affiliate of such Person) shall cease to be a "Lender" under the Revolving Credit Agreement.

No Person who obtains the benefit of this Guaranty Agreement by virtue of the provisions of this Section shall have, prior to the Facility Termination Date, any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Guarantors' Obligations (including the release or modification of any Guarantors' Obligations or security therefor) other than in its capacity as a Lender and only to the extent expressly provided in the Loan Documents. Notwithstanding any other provisions of this Guaranty Agreement to the contrary, the Administrative Agent shall only be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, the Guaranteed Liabilities arising under Related Swap Contracts and Secured Cash Management Arrangements to the extent the Administrative Agent has received written notice of such Obligations, together with such supportive documentation as it may request from the applicable Lender or Affiliate of a Lender. Each Revolving Secured Party not a party to the Revolving Credit Agreement who obtains the benefit of this Guaranty Agreement by virtue of the provisions of this Section shall be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to the terms of the Revolving Credit Agreement, and that with respect to the actions and omissions of the Administrative Agent hereunder or otherwise relating hereto that do or may affect such Revolving Secured Party, the Administrative Agent and each of its Related Parties shall be entitled to all the rights, benefits and immunities conferred under Article IX of the Revolving Credit Agreement.

20. Severability. The provisions of this Guaranty Agreement are independent of and separable from each other. If any provision hereof shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision hereof, but this Guaranty Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

21. Counterparts. This Guaranty Agreement may be executed in any number of counterparts each of which when so executed and delivered shall be deemed an original, and it shall not be necessary in making proof of this Guaranty Agreement to produce or account for more than one such counterpart executed by the Guarantors against whom enforcement is sought. Without limiting the foregoing provisions of this Section 21, the provisions of Section 10.10 of the Revolving Credit Agreement shall be applicable to this Guaranty Agreement.

22. Termination. Subject to reinstatement pursuant to Section 13 hereof, this Guaranty Agreement and each Joinder Agreement, and all of the Guarantors' Obligations hereunder (excluding those Guarantors' obligations relating to Guaranteed Liabilities that expressly survive such termination) shall terminate on the Facility Termination Date.

23. Remedies Cumulative; Late Payments. All remedies hereunder are cumulative and are not exclusive of any other rights and remedies of the Administrative Agent or any other Secured Party provided by law or under the Revolving Credit Agreement, the other Loan Documents or other applicable agreements or instruments. The making of the Loans and other

credit extensions pursuant to the Revolving Credit Agreement and other Related Agreements shall be conclusively presumed to have been made or extended, respectively, in reliance upon each Guarantor's guaranty of the Guaranteed Liabilities pursuant to the terms hereof. Any amounts not paid when due under this Guaranty Agreement shall bear interest at the Default Rate.

24. Notices. Any notice required or permitted hereunder or under any Joinder Agreement shall be given, (a) with respect to each Guarantor, at the address of the Company indicated in Schedule 10.02 of the Revolving Credit Agreement and (b) with respect to the Administrative Agent or any other Revolving Secured Party, at the Administrative Agent's address indicated in Schedule 10.02 of the Revolving Credit Agreement. All such addresses may be modified, and all such notices shall be given and shall be effective, as provided in Section 10.02 of the Revolving Credit Agreement for the giving and effectiveness of notices and modifications of addresses thereunder.

25. Joinder. Each Person who shall at any time execute and deliver to the Administrative Agent a Joinder Agreement and who is identified therein as a "Guarantor" shall thereupon irrevocably, absolutely and unconditionally become a party hereto and obligated hereunder as a Guarantor, and all references herein and in the other Loan Documents to the Guarantors or to the parties to this Guaranty Agreement shall be deemed to include such Person as a Guarantor hereunder.

26. Governing Law; Venue; Waiver of Jury Trial

(a) THIS GUARANTY AGREEMENT AND EACH JOINDER AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NORTH CAROLINA APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

(b) EACH GUARANTOR HEREBY EXPRESSLY AND IRREVOCABLY AGREES AND CONSENTS THAT ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY AGREEMENT OR ANY JOINDER AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN MAY BE INSTITUTED IN ANY STATE OR FEDERAL COURT SITTING MECKLENBURG COUNTY, STATE OF NORTH CAROLINA, UNITED STATES OF AMERICA AND, BY THE EXECUTION AND DELIVERY OF THIS GUARANTY AGREEMENT OR A JOINDER AGREEMENT, SUCH GUARANTOR EXPRESSLY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE IN, OR TO THE EXERCISE OF JURISDICTION OVER IT AND ITS PROPERTY BY, ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING, AND EACH GUARANTOR HEREBY IRREVOCABLY SUBMITS GENERALLY AND UNCONDITIONALLY TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING.

(c) EACH GUARANTOR AGREES THAT SERVICE OF PROCESS MAY BE MADE BY PERSONAL SERVICE OF A COPY OF THE SUMMONS AND COMPLAINT OR OTHER LEGAL PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING, OR BY REGISTERED OR CERTIFIED MAIL (POSTAGE PREPAID) TO THE ADDRESS FOR NOTICES TO SUCH GUARANTOR IN EFFECT PURSUANT TO SECTION 24 HEREOF, OR BY ANY OTHER METHOD OF SERVICE PROVIDED FOR UNDER THE APPLICABLE LAWS IN EFFECT IN THE STATE OF NORTH CAROLINA.

(d) NOTHING CONTAINED IN SUBSECTIONS (b) or (c) HEREOF SHALL PRECLUDE THE ADMINISTRATIVE AGENT FROM BRINGING ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY AGREEMENT OR ANY JOINDER AGREEMENT OR ANY OTHER LOAN DOCUMENT IN THE COURTS OF ANY JURISDICTION WHERE ANY GUARANTOR OR ANY OF SUCH GUARANTOR'S PROPERTY OR ASSETS MAY BE FOUND OR LOCATED. TO THE EXTENT PERMITTED BY THE APPLICABLE LAWS OF ANY SUCH JURISDICTION, EACH GUARANTOR HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT AND EXPRESSLY WAIVES, IN RESPECT OF ANY SUCH SUIT, ACTION OR PROCEEDING, OBJECTION TO THE EXERCISE OF JURISDICTION OVER IT AND ITS PROPERTY BY ANY SUCH OTHER COURT OR COURTS WHICH NOW OR HEREAFTER MAY BE AVAILABLE UNDER APPLICABLE LAW.

(e) IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS OR REMEDIES UNDER OR RELATED TO THIS GUARANTY AGREEMENT OR ANY JOINDER AGREEMENT OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR THAT MAY IN THE FUTURE BE DELIVERED IN CONNECTION THEREWITH, EACH GUARANTOR AND THE ADMINISTRATIVE AGENT ON BEHALF OF THE REVOLVING SECURED PARTIES HEREBY AGREE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, THAT ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY AND HEREBY IRREVOCABLY WAIVE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT ANY SUCH PERSON MAY HAVE TO TRIAL BY JURY IN ANY SUCH ACTION, SUIT OR PROCEEDING.

(f) EACH GUARANTOR HEREBY EXPRESSLY WAIVES ANY OBJECTION IT MAY HAVE THAT ANY COURT TO WHOSE JURISDICTION IT HAS SUBMITTED PURSUANT TO THE TERMS HEREOF IS AN INCONVENIENT FORUM.

27. Amendment and Restatement. The parties hereto agree that the Existing Guaranty Agreement is hereby amended and restated in this Guaranty Agreement, and this Guaranty Agreement shall constitute neither a release nor novation of any obligation or liability arising under the Existing Guaranty Agreement nor a refinancing of any indebtedness or obligations arising thereunder or under the Existing Credit Agreement or related documents, but

rather the obligations and liabilities in effect under the Existing Guaranty Agreement shall continue in effect on the terms hereof.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Guaranty Agreement as of the day and year first written above.

GUARANTORS:

ARNGAR, INC.
AUTOBAHN, INC.
AVALON FORD, INC.
CORNERSTONE ACCEPTANCE CORPORATION
FAA AUTO FACTORY, INC.
FAA BEVERLY HILLS, INC.
FAA CAPITOL N, INC.
FAA CONCORD H, INC.
FAA CONCORD T, INC.
FAA DUBLIN N, INC.
FAA DUBLIN VWD, INC.
FAA HOLDING CORP.
FAA LAS VEGAS H, INC.
FAA POWAY H, INC.
FAA POWAY T, INC.
FAA SAN BRUNO, INC.
FAA SANTA MONICA V, INC.
FAA SERRAMONTE, INC.
FAA SERRAMONTE H, INC.
FAA SERRAMONTE L, INC.
FAA STEVENS CREEK, INC.
FAA TORRANCE CPJ, INC.
FIRSTAMERICA AUTOMOTIVE, INC.
FORT MILL FORD, INC.
FORT MYERS COLLISION CENTER, LLC
FRANCISCAN MOTORS, INC.
FRONTIER OLDSMOBILE-CADILLAC, INC.
KRAMER MOTORS INCORPORATED
L DEALERSHIP GROUP, INC.
MARCUS DAVID CORPORATION
MASSEY CADILLAC, INC.
ONTARIO L, LLC
SAI AL HC1, INC.
SAI AL HC2, INC.
SAI ANN ARBOR IMPORTS, LLC

By: /s/ DAVID P. COSPER

Name: David P. Cospers

Title: Vice President and Treasurer

SUBSIDIARY GUARANTY AGREEMENT
Signature Page

SAI ATLANTA B, LLC
SAI BROKEN ARROW C, LLC
SAI CHARLOTTE M, LLC
SAI COLUMBUS MOTORS, LLC
SAI COLUMBUS VWK, LLC
SAI FL HC2, INC.
SAI FL HC3, INC.
SAI FL HC4, INC.
SAI FL HC6, INC.
SAI FL HC7, INC.
SAI FORT MYERS B, LLC
SAI FORT MYERS H, LLC
SAI FORT MYERS M, LLC
SAI FORT MYERS VW, LLC
SAI IRONDALE IMPORTS, LLC
SAI LONG BEACH B, INC.
SAI MD HC1, INC.
SAI MONROVIA B, INC.
SAI MONTGOMERY B, LLC
SAI MONTGOMERY BCH, LLC
SAI MONTGOMERY CH, LLC
SAI NASHVILLE CSH, LLC
SAI NASHVILLE H, LLC
SAI NASHVILLE M, LLC
SAI NASHVILLE MOTORS, LLC
SAI OK HC1, INC.
SAI OKLAHOMA CITY C, LLC
SAI OKLAHOMA CITY H, LLC
SAI ORLANDO CS, LLC
SAI RIVERSIDE C, LLC
SAI ROCKVILLE IMPORTS, LLC
SAI TN HC1, LLC
SAI TN HC2, LLC
SAI TN HC3, LLC
SAI TULSA N, LLC
SANTA CLARA IMPORTED CARS, INC.
SONIC — 2185 CHAPMAN RD., CHATTANOOGA, LLC
SONIC — CALABASAS V, INC.
SONIC — CARSON F, INC.

By: /s/ DAVID P. COSPER
Name: David P. Cospers
Title: Vice President and Treasurer

SUBSIDIARY GUARANTY AGREEMENT
Signature Page

SONIC — COAST CADILLAC, INC.
SONIC — DENVER T, INC.
SONIC — DOWNEY CADILLAC, INC.
SONIC — HARBOR CITY H, INC.
SONIC — LAS VEGAS C EAST, LLC
SONIC — LAS VEGAS C WEST, LLC
SONIC — LLOYD NISSAN, INC.
SONIC — LLOYD PONTIAC — CADILLAC, INC.
SONIC — LONE TREE CADILLAC, INC.
SONIC — LS, LLC
SONIC — MANHATTAN FAIRFAX, INC.
SONIC — MASSEY CHEVROLET, INC.
SONIC — NEWSOME CHEVROLET WORLD, INC.
SONIC — NEWSOME OF FLORENCE, INC.
SONIC — SANFORD CADILLAC, INC.
SONIC — SHOTTENKIRK, INC.
SONIC — STEVENS CREEK B, INC.
SONIC — WILLIAMS CADILLAC, INC.
SONIC AGENCY, INC.
SONIC AUTOMOTIVE — 1720 MASON AVE., DB, INC.
SONIC AUTOMOTIVE — 1720 MASON AVE., DB, LLC
SONIC AUTOMOTIVE — 6008 N. DALE MABRY, FL, INC.
SONIC AUTOMOTIVE — 9103 E. INDEPENDENCE, NC, LLC
SONIC AUTOMOTIVE 2752 LAURENS RD., GREENVILLE, INC.
SONIC AUTOMOTIVE 5260 PEACHTREE INDUSTRIAL BLVD., LLC
SONIC AUTOMOTIVE F&I, LLC
SONIC AUTOMOTIVE OF CHATTANOOGA, LLC
SONIC AUTOMOTIVE OF NASHVILLE, LLC
SONIC AUTOMOTIVE OF NEVADA, INC.
SONIC AUTOMOTIVE SUPPORT, LLC
SONIC AUTOMOTIVE WEST, LLC
SONIC AUTOMOTIVE-3700 WEST BROAD STREET, COLUMBUS, INC.

By: /s/ DAVID P. COSPER
Name: David P. Cospers
Title: Vice President and Treasurer

SUBSIDIARY GUARANTY AGREEMENT
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SONIC AUTOMOTIVE-4000 WEST BROAD STREET,
COLUMBUS, INC.
SONIC CALABASAS M, INC.
SONIC DEVELOPMENT, LLC
SONIC DIVISIONAL OPERATIONS, LLC
SONIC FREMONT, INC.
SONIC OF TEXAS, INC.
SONIC RESOURCES, INC.
SONIC SANTA MONICA M, INC.
SONIC SANTA MONICA S, INC.
SONIC TYSONS CORNER H, INC.
SONIC TYSONS CORNER INFINITI, INC.
SONIC WALNUT CREEK M, INC.
SONIC WILSHIRE CADILLAC, INC.
SONIC-BUENA PARK H, INC.
SONIC-CALABASAS A, INC.
SONIC-CAPITOL CADILLAC, INC.
SONIC-CAPITOL IMPORTS, INC.
SONIC-CARSON LM, INC.
SONIC-PLYMOUTH CADILLAC, INC.
SONIC-SATURN OF SILICON VALLEY, INC.
SONIC-VOLVO LV, LLC
SONIC-WEST COVINA T, INC.
SRE ALABAMA — 2, LLC
SRE ALABAMA-5, LLC
SRE CALIFORNIA — 1, LLC
SRE CALIFORNIA — 2, LLC
SRE CALIFORNIA — 4, LLC
SRE COLORADO — 1, LLC
SRE FLORIDA — 1, LLC
SRE FLORIDA — 2, LLC
SRE HOLDING, LLC
SRE NORTH CAROLINA — 2, LLC
SRE OKLAHOMA-1, LLC
SRE OKLAHOMA-2, LLC
SRE OKLAHOMA-5, LLC
SRE SOUTH CAROLINA — 3, LLC
SRE SOUTH CAROLINA — 4, LLC
SRE TENNESSEE-4, LLC
SRE VIRGINIA — 1, LLC

By: /s/ DAVID P. COSPER

Name: David P. Cospers

Title: Vice President and Treasurer

SUBSIDIARY GUARANTY AGREEMENT
Signature Page

**SREALESTATE ARIZONA — 2, LLC
SREALESTATE ARIZONA — 3, LLC
STEVENS CREEK CADILLAC, INC.
TOWN AND COUNTRY FORD, INCORPORATED
VILLAGE IMPORTED CARS, INC.
WINDWARD, INC.**

By: /s/ DAVID P. COSPER
Name: David P. Cosper
Title: Vice President and Treasurer

**SAI GA HC1, LP
SONIC PEACHTREE INDUSTRIAL BLVD., L.P.
SONIC — STONE MOUNTAIN T, L.P.**

By: SAI GEORGIA, LLC, as Sole General Partner

**By: SONIC AUTOMOTIVE OF NEVADA, INC., as Sole
Member**

By: /s/ DAVID P. COSPER
Name: David P. Cosper
Title: Vice President and Treasurer

SONIC — LS CHEVROLET, L.P.

By: SONIC — LS, LLC, as Sole General Partner

By: /s/ DAVID P. COSPER
Name: David P. Cosper
Title: Vice President and Treasurer

SUBSIDIARY GUARANTY AGREEMENT
Signature Page

PHILPOTT MOTORS, LTD.
SONIC — CADILLAC D, L.P.
SONIC — CAMP FORD, L.P.
SONIC — CARROLLTON V, L.P.
SONIC — FORT WORTH T, L.P.
SONIC — FRANK PARRA AUTOPLEX, L.P.
SONIC — HOUSTON V, L.P.
SONIC — LUTE RILEY, L.P.
SONIC — MESQUITE HYUNDAI, L.P.
SONIC — RICHARDSON F, L.P.
SONIC — UNIVERSITY PARK A, L.P.
SONIC ADVANTAGE PA, L.P.
SONIC AUTOMOTIVE — 3401 N. MAIN, TX, L.P.
SONIC AUTOMOTIVE — 4701 I-10 EAST, TX, L.P.
SONIC AUTOMOTIVE OF TEXAS, L.P.
SONIC HOUSTON JLR, LP
SONIC HOUSTON LR, L.P.
SONIC MOMENTUM B, L.P.
SONIC MOMENTUM JVP, L.P.
SONIC MOMENTUM VWA, L.P.
SONIC-CLEAR LAKE VOLKSWAGEN, L.P.
SONIC-JERSEY VILLAGE VOLKSWAGEN, L.P.
SRE TEXAS — 1, L.P.
SRE TEXAS — 2, L.P.
SRE TEXAS — 3, L.P.
SRE TEXAS — 4, L.P.
SRE TEXAS — 5, L.P.
SRE TEXAS — 6, L.P.
SRE TEXAS — 7, L.P.
SRE TEXAS — 8, L.P.

By: SONIC OF TEXAS, INC., as Sole General Partner

By: /s/ DAVID P. COSPER

Name: David P. Cospers

Title: Vice President and Treasurer

SUBSIDIARY GUARANTY AGREEMENT
Signature Page

SAI CLEARWATER T, LLC

By: SAI FL HC2, INC., as Sole Member

By: /s/ DAVID P. COSPER
Name: David P. Cospers
Title: Vice President and Treasurer

SAI COLUMBUS T, LLC

By: SONIC AUTOMOTIVE, INC., as Sole Member

By: /s/ DAVID P. COSPER
Name: David P. Cospers
Title: Vice President and Treasurer

SAI GEORGIA LLC

By: SONIC AUTOMOTIVE OF NEVADA, INC., as Sole Member

By: /s/ DAVID P. COSPER
Name: David P. Cospers
Title: Vice President and Treasurer

SAI IRONDALE L, LLC

By: SAI AL HC2, INC., as Sole Member

By: /s/ DAVID P. COSPER
Name: David P. Cospers
Title: Vice President and Treasurer

SAI OKLAHOMA CITY T, LLC

SAI TULSA T, LLC

By: SAI OK HC1, INC., as Sole Member

By: /s/ DAVID P. COSPER
Name: David P. Cospers
Title: Vice President and Treasurer

SAI ROCKVILLE L, LLC

By: SAI MD HC1, INC., as Sole Member

By: /s/ DAVID P. COSPER

Name: David P. Cospers

Title: Vice President and Treasurer

SUBSIDIARY GUARANTY AGREEMENT
Signature Page

REVOLVING ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ ANGELO M. MARTORANA

Name: Angelo M. Martorana

Title: Assistant Vice President

SUBSIDIARY GUARANTY AGREEMENT

Signature Page

**AMENDED AND RESTATED
SECURITIES PLEDGE AGREEMENT**

THIS AMENDED AND RESTATED SECURITIES PLEDGE AGREEMENT (this "Pledge Agreement") is made and entered into as of January 15, 2010 by **SONIC AUTOMOTIVE, INC.**, a Delaware corporation (a "Company" and a "Pledgor"), **EACH OF THE UNDERSIGNED SUBSIDIARIES OF THE COMPANY AND EACH OTHER PERSON WHO SHALL BECOME A PARTY HERETO BY EXECUTION OF A JOINDER AGREEMENT** (each a "Pledgor" and, collectively with the Company, the "Pledgors") and **BANK OF AMERICA, N.A.**, a national banking association, as Administrative Agent (in such capacity, the "Administrative Agent") for each of the lenders (the "Lenders") now or hereafter party to the Revolving Credit Agreement defined below (collectively with the Administrative Agent and certain other Persons parties to Related Swap Contracts and Secured Cash Management Arrangements as more particularly described in Section 17 hereof, the "Revolving Secured Parties"). All capitalized terms used but not otherwise defined herein shall have the respective meanings assigned thereto in the Revolving Credit Agreement.

WITNESSETH:

WHEREAS, the Company, certain Subsidiaries of the Company party thereto (each a "New Vehicle Borrower" and together with the Company, the "Borrowers" and each individually a "Borrower"), certain of the Lenders (the "Existing Lenders") and the Administrative Agent entered into that certain Credit Agreement dated as of February 17, 2006 (as amended prior to (but excluding) the date hereof, the "Existing Credit Agreement"), pursuant to which certain of the Existing Lenders agreed to make available to the Borrowers (a) a revolving credit facility, including a letter of credit subfacility and a swingline subfacility, (b) a revolving new vehicle floorplan facility, including a new vehicle swingline subfacility and (c) a revolving used vehicle floorplan facility, including a used vehicle swingline subfacility; and

WHEREAS, the Company and certain Subsidiaries of the Company (the "Existing Pledgors") entered into a Securities Pledge Agreement dated as of February 17, 2006 (as amended prior to (but excluding) the date hereof, the "Existing Pledge Agreement"), pursuant to which the Existing Pledgors have secured their obligations arising under the Existing Credit Agreement; and

WHEREAS, the Company has requested that the Existing Credit Agreement be amended and restated in order to, among other things, (a) extend the maturity date of the revolving credit facility provided therein, (b) reduce the maximum aggregate amount of the revolving credit facility provided therein to \$150,000,000, and (c) make certain other amendments to the Existing Credit Agreement on the terms and conditions set forth in that certain Amended and Restated Credit Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Revolving Credit Agreement") among the Company, the Administrative Agent and the Lenders party thereto from time to time (the "Lenders");

WHEREAS, the Administrative Agent and the Lenders have agreed to enter into the Revolving Credit Agreement, subject to, among other things, a condition that the parties amend and restate the Existing Pledge Agreement as provided herein; and

WHEREAS, each of (i) the Company, as collateral security for the payment and performance of the Obligations and the obligations and liabilities of any Loan Party now existing or hereafter arising under Related Swap Contracts and Secured Cash Management Arrangements, and (ii) each other Pledgor (including each Subsidiary party to a Joinder Agreement), as collateral security for the payment and performance of its Guarantor's Obligations (as defined in the Subsidiary Guaranty), and the payment and performance of its obligations and liabilities (whether now existing or hereafter arising) hereunder or under any of the other Loan Documents to which it is now or hereafter becomes a party (such obligations and liabilities of the Pledgors described in clauses (i) and (ii) being referred to as "Secured Obligations"), is willing to pledge and grant to the Administrative Agent for the benefit of the Revolving Secured Parties a security interest in all of the Equity Interests of certain of its Subsidiaries as more particularly described on Schedule I attached hereto (collectively, the "Pledged Interests"), and certain related property (such Subsidiaries, together with all other Subsidiaries whose Equity Interests may be required to be subject to this Pledge Agreement from time to time, are hereinafter referred to collectively as the "Pledged Subsidiaries"); and

WHEREAS, the Company and each Subsidiary party hereto will materially benefit from the Loans to be made, and the Letters of Credit to be issued, under the Revolving Credit Agreement and each such Subsidiary is a party (as signatory or by joinder) to the Subsidiary Guaranty pursuant to which such Subsidiary guarantees the Obligations of the Company and the other Subsidiaries; and

WHEREAS, the Revolving Secured Parties are unwilling to make available or maintain the credit facilities under the Revolving Credit Agreement unless the Company and each other Pledgor enter into this Pledge Agreement;

NOW, THEREFORE, in order to induce (i) the Lenders to amend and restate the Existing Credit Agreement and (ii) the Revolving Secured Parties to enter into the Loan Documents and to make or maintain the credit facilities provided for therein available to or for the account of the Company and in consideration of the promises and the mutual covenants contained herein, the parties hereto agree that the Existing Pledge Agreement is hereby amended and restated as follows:

1. Pledge of Pledged Interests: Other Collateral.

(a) As collateral security for the payment and performance by each Pledgor of its now or hereafter existing Secured Obligations, each Pledgor hereby grants, pledges and collaterally assigns to the Administrative Agent for the benefit of the Revolving Secured Parties a first priority security interest in all of the following items of property in which it now has or may at any time hereafter acquire an interest or the power to transfer rights therein, and wheresoever located:

- (i) the Pledged Interests; and
- (ii) all money, securities, security entitlements and other investment property, dividends, rights, general intangibles and other property at any time and

from time to time (x) declared or distributed in respect of or in exchange for or on conversion of any Pledged Interest, or (y) by its or their terms exchangeable or exercisable for or convertible into any Pledged Interest; and

(iii) all other property of whatever character or description, including money, securities, security entitlements and other investment property, and general intangibles hereafter delivered to the Administrative Agent in substitution for or as an addition to any of the foregoing; and

(iv) all securities accounts to which may at any time be credited any or all of the foregoing or any proceeds thereof and all certificates and instruments representing or evidencing any of the foregoing or any proceeds thereof; and

(v) all proceeds of any of the foregoing.

All such Pledged Interests, certificates, instruments, cash, securities, interests, dividends, rights and other property referred to in clauses (i) through (v) of this Section 1 are herein collectively referred to as the "Collateral."

(b) Subject to Section 10(a), each Pledgor agrees to deliver all certificates, instruments or other documents representing any Collateral to the Administrative Agent at such location as the Administrative Agent shall from time to time designate by written notice pursuant to Section 22 for its custody at all times until termination of this Pledge Agreement, together with such instruments of assignment and transfer as requested by the Administrative Agent.

(c) Each Pledgor agrees to execute and deliver, or cause to be executed and delivered by other Persons, at Pledgor's expense, all share certificates, documents, instruments, agreements, financing statements (and amendments thereto and continuations thereof), assignments, control agreements, or other writings as the Administrative Agent may reasonably request from time to time to carry out the terms of this Pledge Agreement or to protect or enforce the Administrative Agent's Lien and security interest in the Collateral hereunder granted to the Administrative Agent for the benefit of the Revolving Secured Parties and further agrees to do and cause to be done upon the Administrative Agent's request, at Pledgor's expense, all things determined by the Administrative Agent to be necessary or advisable to perfect and keep in full force and effect the Lien in the Collateral hereunder granted to the Administrative Agent for the benefit of the Revolving Secured Parties, including the prompt payment of all out-of-pocket fees and expenses incurred in connection with any filings made to perfect or continue the Lien and security interest in the Collateral hereunder granted in favor of the Administrative Agent for the benefit of the Revolving Secured Parties.

(d) All filing fees, advances, charges, costs and expenses (including fees, charges and disbursements of counsel ("Attorney Costs")), incurred or paid by the Administrative Agent or any Lender in exercising any right, power or remedy conferred by this Pledge Agreement, or in the enforcement thereof, shall become a part of the Secured Obligations secured hereunder and shall be paid to the Administrative Agent for

the benefit of the Revolving Secured Parties by the Pledgor in respect of which the same was incurred immediately upon demand therefor, and any amounts not so paid on demand (in addition to other rights and remedies resulting from such nonpayment) shall bear interest from the date of demand until paid in full at the Default Rate.

(e) Each Pledgor agrees to register and cause to be registered the interest of the Administrative Agent, for the benefit of the Revolving Secured Parties, in the Collateral on its own books and records and the registration books of each of the Pledged Subsidiaries.

2. Status of Pledged Interests. Each Pledgor hereby represents, warrants and covenants to the Administrative Agent for the benefit of the Revolving Secured Parties, with respect to itself and the Collateral as to which it has or acquires any interest, that:

(a) All of the Pledged Interests are, as of the date of execution of this Pledge Agreement or Joinder Agreement by each Pledgor pledging such Pledged Interests (such date as applicable with respect to each Pledgor, its "Applicable Date"), and shall at all times thereafter be validly issued and outstanding, fully paid and non-assessable, are accurately described on Schedule I, and (except as set forth on Schedule I) constitute all of the issued and outstanding Equity Interests of each Pledged Subsidiary.

(b) The Pledgor is as at its Applicable Date and shall at all times thereafter (subject to Dispositions permitted under the Revolving Credit Agreement) be the sole registered and record and beneficial owner of the Pledged Interests, free and clear of all Liens, charges, equities, options, hypothecations, encumbrances and restrictions on pledge or transfer, including transfer of voting rights (other than the pledge hereunder and applicable restrictions pursuant to federal and state and applicable foreign securities laws). Without limiting the foregoing, the Pledged Interests are not and will not be subject to any voting trust, shareholders agreement, right of first refusal, voting proxy, power of attorney or other similar arrangement (other than the rights hereunder in favor of the Administrative Agent).

(c) At no time shall any Pledged Interests (i) be held or maintained in the form of a security entitlement or credited to any securities account and (ii) which constitute a "security" (or as to which the related Pledged Subsidiary has elected to have treated as a "security") under Article 8 of the Uniform Commercial Code of the State of North Carolina or of any other jurisdiction whose laws may govern (the "UCC") be maintained in the form of uncertificated securities. With respect to Pledged Interests that are "securities" under the UCC, or as to which the issuer has elected at any time to have such interests treated as "securities" under the UCC, such Pledged Interests are, and shall at all times be, represented by the share certificates listed on Schedule I hereto, which share certificates, with stock powers duly executed in blank by the Pledgor, have been delivered to the Administrative Agent or are being delivered to the Administrative Agent simultaneously herewith or, in the case of Additional Interests as defined in Section 21, shall be delivered pursuant to Section 21. In addition, with respect to all Pledged Interests, including Pledged Interests that are not "securities" under the UCC and as to which the applicable Pledged Subsidiary has not elected to have such interests treated as

“securities” under the UCC, the Pledgor has at its Applicable Date delivered to the Administrative Agent (or has previously delivered to the Administrative Agent or, in case of Additional Interests shall deliver pursuant to Section 21) Uniform Commercial Code financing statements (or appropriate amendments thereto) duly authorized by the Pledgor and naming the Administrative Agent for the benefit of the Revolving Secured Parties as “secured party,” in form, substance and number sufficient in the reasonable opinion of the Administrative Agent to be filed in all UCC filing offices and in all jurisdictions in which filing is necessary or advisable to perfect in favor of the Administrative Agent for the benefit of the Revolving Secured Parties the Lien on such Pledged Interests, together with all required filing fees. Without limiting the foregoing provisions of this Section 2(c), with respect to any Pledged Interests issued by any Subsidiary organized under the laws of a jurisdiction other than the United States (a “Foreign Subsidiary”), Pledgor shall deliver or cause to be delivered, (i) in addition to or in substitution for all or any of the foregoing items, as the Administrative Agent may elect, such other instruments, certificates, agreements, notices, filings, and other documents, and take or cause to be taken such other action, as the Administrative Agent may determine to be necessary or advisable under the laws of the jurisdiction of formation of such Foreign Subsidiary, to grant, perfect and protect as a first priority lien in such Collateral in favor of the Administrative Agent for the benefit of the Revolving Secured Parties, and (ii) an opinion of counsel acceptable in form and substance to the Administrative Agent issued by a law firm acceptable to the Administrative Agent licensed to practice law in such foreign jurisdiction, addressing with respect to such Pledged Interests the matters described in Section 6.14 of the Revolving Credit Agreement.

(d) It has full corporate power, legal right and lawful authority to execute this Pledge Agreement (and any Joinder Agreement applicable to it) and to pledge, assign and transfer its Pledged Interests in the manner and form hereof.

(e) The pledge, assignment and delivery of its Pledged Interests (along with undated stock powers executed in blank, financing statements and other agreements referred to in Section 2(c) hereof) to the Administrative Agent for the benefit of the Revolving Secured Parties pursuant to this Pledge Agreement (or any Joinder Agreement) creates or continues, as applicable, a valid and perfected first priority security interest in such Pledged Interests in favor of the Administrative Agent for the benefit of the Revolving Secured Parties, securing the payment of the Secured Obligations, assuming, in the case of the Pledged Interests which constitute certificated “securities” under the UCC, continuous and uninterrupted possession by or on behalf of the Administrative Agent. The Pledgor will at its own cost and expense defend the Revolving Secured Parties’ right, title and security interest in and to the Collateral against the claims and demands of all persons whomsoever.

(f) Except as otherwise expressly provided herein pursuant to a Disposition permitted under the Revolving Credit Agreement, none of the Pledged Interests (nor any interest therein or thereto) shall be sold, transferred or assigned without the Administrative Agent’s prior written consent, which may be withheld for any reason.

(g) It shall at all times cause the Pledged Interests of such Pledgor that constitute "securities" (or as to which the issuer elects to have treated as "securities") under the UCC to be represented by the certificates now and hereafter delivered to the Administrative Agent in accordance with Sections 1, 2 and 21 hereof and that it shall cause each of the Pledged Subsidiaries as to which it is the Pledgor not to issue any Equity Interests, or securities convertible into, or exchangeable or exercisable for, Equity Interests, at any time during the term of this Pledge Agreement unless the Pledged Interests of such Pledge Subsidiary are issued solely to either (y) such Pledgor who shall immediately comply with Sections 2 and 21 hereof with respect to such property or (z) the Company or a Subsidiary Guarantor who shall immediately pledge such additional Equity Interests to the Administrative Agent for the benefit of the Revolving Secured Parties pursuant to Section 21 or 23 hereof, as applicable, on substantially identical terms as are contained herein and deliver or cause to be delivered the appropriate documents described in Section 2(c) hereof to the Administrative Agent and take such further actions as the Administrative Agent may deem necessary in order to perfect a first priority security interest in such Equity Interests.

(h) The exact legal name and address, type of Person, jurisdiction of formation, jurisdiction of formation identification number (if any), and location of the chief executive office of such Pledgor are as specified on Schedule II attached hereto. No Pledgor shall change its name, jurisdiction of formation (whether by reincorporation, merger or otherwise), or the location of its chief executive office, except upon giving not less than thirty (30) days' prior written notice to the Administrative Agent and taking or causing to be taken all such action at such Pledgor's expense as may be reasonably requested by the Administrative Agent to perfect or maintain the perfection of the Lien of the Administrative Agent in Collateral.

3. Preservation and Protection of Collateral.

(a) The Administrative Agent shall be under no duty or liability with respect to the collection, protection or preservation of the Collateral, or otherwise, beyond the use of reasonable care in the custody and preservation thereof while in its possession.

(b) Each Pledgor agrees to pay when due all taxes, charges, Liens and assessments against the Collateral in which it has an interest, unless being contested in good faith by appropriate proceedings diligently conducted and against which adequate reserves have been established in accordance with GAAP applied on a basis consistent with that used in preparing the Audited Financial Statements and evidenced to the satisfaction of the Administrative Agent and provided that all enforcement proceedings in the nature of levy or foreclosure are effectively stayed. Upon the failure of any Pledgor to so pay or contest such taxes, charges, Liens or assessments, or upon the failure of any Pledgor to pay any amount pursuant to Section 1(c), the Administrative Agent at its option may pay or contest any of them (the Administrative Agent having the sole right to determine the legality or validity and the amount necessary to discharge such taxes, charges, Liens or assessments) but shall not have any obligation to make any such payment or contest. All sums so disbursed by the Administrative Agent, including Attorney Costs, court costs, expenses and other charges related thereto, shall be payable

on demand by the applicable Pledgor to the Administrative Agent and shall be additional Secured Obligations secured by the Collateral, and any amounts not so paid on demand (in addition to other rights and remedies resulting from such nonpayment) shall bear interest from the date of demand until paid in full at the Default Rate.

(c) Each Pledgor hereby (i) irrevocably authorizes the Administrative Agent to file (with, or to the extent permitted by applicable law, without the signature of the Pledgor appearing thereon) financing statements (including amendments thereto and continuations and copies thereof) showing such Pledgor as “debtor” at such time or times and in all filing offices as the Administrative Agent may from time to time reasonably determine to be necessary or advisable to perfect or protect the rights of the Administrative Agent and the Revolving Secured Parties hereunder, or otherwise to give effect to the transactions herein contemplated, and (ii) irrevocably ratifies and acknowledges all such actions taken by or on behalf of the Administrative Agent prior to the Applicable Date.

4. Default. Upon the occurrence and during the continuance of any Event of Default, the Administrative Agent is given full power and authority, then or at any time thereafter, to sell, assign, deliver or collect the whole or any part of the Collateral, or any substitute therefor or any addition thereto, in one or more sales, with or without any previous demands or demand of performance or, to the extent permitted by law, notice or advertisement, in such order as the Administrative Agent may elect; and any such sale may be made either at public or private sale at the Administrative Agent’s place of business or elsewhere, either for cash or upon credit or for future delivery, at such price or prices as the Administrative Agent may reasonably deem fair; and the Administrative Agent or any other Revolving Secured Party may be the purchaser of any or all Collateral so sold and hold the same thereafter in its own right free from any claim of any Pledgor or right of redemption. Demands of performance, advertisements and presence of property and sale and notice of sale are hereby waived to the extent permissible by law. Any sale hereunder may be conducted by an auctioneer or any officer or agent of the Administrative Agent. Each Pledgor recognizes that the Administrative Agent may be unable to effect a public sale of the Collateral by reason of certain prohibitions contained in the Securities Act of 1933, as amended (the “Securities Act”), and applicable state law, and may be otherwise delayed or adversely affected in effecting any sale by reason of present or future restrictions thereon imposed by governmental authorities, and that as a consequence of such prohibitions and restrictions the Administrative Agent may be compelled (i) to resort to one or more private sales to a restricted group of purchasers who will be obliged to agree, among other things, to acquire the Collateral for their own account, for investment and not with a view to the distribution or resale thereof, or (ii) to seek regulatory approval of any proposed sale or sales, or (iii) to limit the amount of Collateral sold to any Person or group. Each Pledgor agrees and acknowledges that private sales so made may be at prices and upon terms less favorable to such Pledgor than if such Collateral was sold either at public sales or at private sales not subject to other regulatory restrictions, and that the Administrative Agent has no obligation to delay the sale of any of the Collateral for the period of time necessary to permit the Pledged Subsidiary to register or otherwise qualify the Collateral, even if such Pledged Subsidiary would agree to register or otherwise qualify such Collateral for public sale under the Securities Act or applicable state law. Each Pledgor further agrees, to the extent permitted by applicable law, that the use of private sales made under the foregoing circumstances to dispose of the Collateral shall be

deemed to be dispositions in a commercially reasonable manner. Each Pledgor hereby acknowledges that a ready market may not exist for the Pledged Interests if they are not traded on a national securities exchange or quoted on an automated quotation system and agrees and acknowledges that in such event the Pledged Interests may be sold for an amount less than a pro rata share of the fair market value of the Pledged Subsidiary's assets minus its liabilities. In addition to the foregoing, the Revolving Secured Parties may exercise such other rights and remedies as may be available under the Loan Documents, at law (including without limitation the UCC) or in equity.

5. Proceeds of Sale. The net cash proceeds resulting from the collection, liquidation, sale, or other disposition of the Collateral shall be applied first to the expenses (including all Attorney Costs) of retaking, holding, storing, processing and preparing for sale, selling, collecting, liquidating and the like, and then to the satisfaction of all Secured Obligations in accordance with the terms of Section 8.03 of the Revolving Credit Agreement. Each Pledgor shall be liable to the Administrative Agent, for the benefit of the Revolving Secured Parties, and shall pay to the Administrative Agent, for the benefit of the Revolving Secured Parties, on demand any deficiency which may remain after such sale, disposition, collection or liquidation of the Collateral.

6. Presentments, Demands and Notices. The Administrative Agent shall not be under any duty or obligation whatsoever to make or give any presentments, demands for performances, notices of nonperformance, protests, notice of protest or notice of dishonor in connection with any obligations or evidences of indebtedness held thereby as collateral, or in connection with any obligations or evidences of indebtedness which constitute in whole or in part the Secured Obligations secured hereunder.

7. Attorney-in-Fact. Each Pledgor hereby appoints the Administrative Agent as the Pledgor's attorney-in-fact for the purposes of carrying out the provisions of this Pledge Agreement and taking any action and executing any instrument which the Administrative Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest; provided, that the Administrative Agent shall have and may exercise rights under this power of attorney only upon the occurrence and during the continuance of an Event of Default. Without limiting the generality of the foregoing, upon the occurrence and during the continuance of an Event of Default, the Administrative Agent shall have the right and power to receive, endorse and collect all checks and other orders for the payment of money made payable to any Pledgor representing any dividend, interest payment, principal payment or other distribution payable or distributable in respect to the Collateral or any part thereof and to give full discharge for the same.

8. Reinstatement. The granting of a security interest in the Collateral and the other provisions hereof shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Secured Obligations is rescinded or must otherwise be returned by any Revolving Secured Party or is repaid by any Revolving Secured Party in whole or in part in good faith settlement of a pending or threatened avoidance claim, whether upon the insolvency, bankruptcy or reorganization of any Pledgor or any other Loan Party or otherwise, all as though such payment had not been made. The provisions of this Section 8 shall survive repayment of all of the Secured Obligations and the termination or expiration of this Pledge Agreement in any

manner, including but not limited to termination upon occurrence of the Facility Termination Date.

9. Waiver by the Pledgors. Each Pledgor waives to the extent permitted by applicable law (a) any right to require any Revolving Secured Party or any other obligee of the Secured Obligations to (i) proceed against any Person or entity, including without limitation any Loan Party, (ii) proceed against or exhaust any Collateral or other collateral for the Secured Obligations, or (iii) pursue any other remedy in its power, (b) any defense arising by reason of any disability or other defense of any other Person, or by reason of the cessation from any cause whatsoever of the liability of any other Person or entity, (c) any right of subrogation, (d) any right to enforce any remedy which any Revolving Secured Party or any other obligee of the Secured Obligations now has or may hereafter have against any other Person and any benefit of and any right to participate in any collateral or security whatsoever now or hereafter held by the Administrative Agent for the benefit of the Revolving Secured Parties. Each Pledgor authorizes each Revolving Secured Party and each other obligee of the Secured Obligations without notice (except notice required by applicable law) or demand and without affecting its liability hereunder or under the Loan Documents from time to time to: (x) take and hold security, other than the Collateral herein described, for the payment of such Secured Obligations or any part thereof, and exchange, enforce, waive and release the Collateral herein described or any part thereof or any such other security; and (y) apply such Collateral or other security and direct the order or manner of sale thereof as such Revolving Secured Party or obligee in its discretion may determine.

The Administrative Agent may at any time deliver (without representation, recourse or warranty) the Collateral or any part thereof to a Pledgor and the receipt thereof by such Pledgor shall be a complete and full acquittance for the Collateral so delivered, and the Administrative Agent shall thereafter be discharged from any liability or responsibility therefor.

10. Dividends and Voting Rights.

(a) All dividends and other distributions with respect to any of the Pledged Interests shall be subject to the pledge hereunder, provided, however, that cash dividends paid to a Pledgor as record owner of the Pledged Interests, to the extent permitted by the Revolving Credit Agreement to be declared and paid, may be retained by such Pledgor so long as no Event of Default shall have occurred and be continuing, free from any Liens hereunder.

(b) So long as no Event of Default shall have occurred and be continuing, the registration of the Collateral in the name of a Pledgor as record and beneficial owner shall not be changed and such Pledgor shall be entitled to exercise all voting and other rights and powers pertaining to the Collateral for all purposes not inconsistent with the terms of the Loan Documents.

(c) Upon the occurrence and during the continuance of any Event of Default, all rights of the Pledgors to receive and retain cash dividends and other distributions upon the Collateral pursuant to subsection (a) above shall cease and shall thereupon be vested in the Administrative Agent for the benefit of the Revolving Secured Parties, and each Pledgor shall promptly deliver, or shall cause to be promptly delivered, all such cash

dividends and other distributions with respect to the Pledged Interests to the Administrative Agent (together, if the Administrative Agent shall request, with the documents described in Sections 1(c) and 2(c) hereof or other negotiable documents or instruments so distributed) to be held by it hereunder or, at the option of the Administrative Agent, to be applied to the Secured Obligations. Pending delivery to the Administrative Agent of such property, each Pledgor shall keep such property segregated from its other property and shall be deemed to hold the same in trust for the benefit of the Revolving Secured Parties.

(d) Upon the occurrence and during the continuance of any Event of Default, at the option of the Administrative Agent, all rights of each of the Pledgors to exercise the voting or consensual rights and powers which it is authorized to exercise pursuant to subsection (b) above shall cease and the Administrative Agent may thereupon (but shall not be obligated to), at its request, cause such Collateral to be registered in the name of the Administrative Agent or its nominee or agent for the benefit of the Revolving Secured Parties and/or exercise such voting or consensual rights and powers as appertain to ownership of such Collateral, and to that end each Pledgor hereby appoints the Administrative Agent as its proxy, with full power of substitution, to vote and exercise all other rights as a shareholder with respect to such Pledged Interests hereunder upon the occurrence and during the continuance of any Event of Default, which proxy is coupled with an interest and is irrevocable until the Facility Termination Date, and each Pledgor hereby agrees to provide such further proxies as the Administrative Agent may request; provided, however, that the Administrative Agent in its discretion may from time to time refrain from exercising, and shall not be obligated to exercise, any such voting or consensual rights or such proxy.

11. Continued Powers. Until the Facility Termination Date shall have occurred, the power of sale and other rights, powers and remedies granted to the Administrative Agent for the benefit of the Revolving Secured Parties hereunder shall continue to exist and may, at any time after the occurrence and during the continuance of an Event of Default, be exercised by the Administrative Agent at any time and from time to time irrespective of the fact that any of the Secured Obligations or any part thereof may have become barred by any statute of limitations or that any part of the liability of any Pledgor may have ceased.

12. Other Rights. The rights, powers and remedies given to the Administrative Agent for the benefit of the Revolving Secured Parties by this Pledge Agreement shall be in addition to all rights, powers and remedies given to the Administrative Agent or any Revolving Secured Party under any other Loan Document or by virtue of any statute or rule of law. Any forbearance or failure or delay by the Administrative Agent in exercising any right, power or remedy hereunder shall not be deemed to be a waiver of such right, power or remedy, and any single or partial exercise of any right, power or remedy hereunder shall not preclude the further exercise thereof; and every right, power and remedy of the Revolving Secured Parties shall continue in full force and effect until such right, power or remedy is specifically waived in accordance with the terms of the Revolving Credit Agreement.

13. Anti-Marshaling Provisions. The right is hereby given by each Pledgor to the Administrative Agent, for the benefit of the Revolving Secured Parties, to make releases

(whether in whole or in part) of all or any part of the Collateral agreeable to the Administrative Agent without notice to, or the consent, approval or agreement of other parties and interests, including junior lienors, which releases shall not impair in any manner the validity of or priority of the Liens and security interests in the remaining Collateral conferred hereunder, nor release any Pledgor from personal liability for the Secured Obligations. Notwithstanding the existence of any other security interest in the Collateral held by the Administrative Agent, for the benefit of the Revolving Secured Parties, the Administrative Agent shall have the right to determine the order in which any or all of the Collateral shall be subjected to the remedies provided in this Pledge Agreement. Each Pledgor hereby waives any and all right to require the marshaling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein or in any Loan Document.

14. Entire Agreement. This Pledge Agreement and each Joinder Agreement, together with the Revolving Credit Agreement and other Loan Documents, constitutes and expresses the entire understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior negotiations, agreements and understandings, inducements, commitments or conditions, express or implied, oral or written, except as herein contained. The express terms hereof and of the Joinder Agreements control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof and thereof. Neither this Pledge Agreement nor any Joinder Agreement nor any portion or provision hereof or thereof may be changed, altered, modified, supplemented, discharged, canceled, terminated, or amended orally or in any manner other than as provided in the Revolving Credit Agreement.

15. Further Assurances. Each Pledgor agrees at its own expense to do such further acts and things, and to execute and deliver, and cause to be executed and delivered as may be necessary or advisable to give effect thereto, such additional conveyances, assignments, financing statements, control agreements, documents, certificates, stock powers, agreements and instruments, as the Administrative Agent may at any time reasonably request in connection with the administration or enforcement of this Pledge Agreement or any Joinder Agreement or related to the Collateral or any part thereof or in order better to assure and confirm unto the Administrative Agent its rights, powers and remedies for the benefit of the Revolving Secured Parties hereunder or thereunder. Each Pledgor hereby consents and agrees that the Pledged Subsidiaries and all other Persons, shall be entitled to accept the provisions hereof and of the Joinder Agreements as conclusive evidence of the right of the Administrative Agent, on behalf of the Revolving Secured Parties, to exercise its rights, privileges, and remedies hereunder and thereunder with respect to the Collateral, notwithstanding any other notice or direction to the contrary heretofore or hereafter given by any Pledgor or any other Person to any of such Pledged Subsidiaries or other Persons.

16. Binding Agreement; Assignment. This Pledge Agreement and each Joinder Agreement, and the terms, covenants and conditions hereof and thereof, shall be binding upon and inure to the benefit of the parties hereto, and to their respective successors and assigns, except that no Pledgor shall be permitted to assign this Pledge Agreement, any Joinder Agreement or any interest herein or therein or in the Collateral, or any part thereof or interest therein, or otherwise pledge, encumber or grant any option with respect to the Collateral, or any part thereof, or any cash or property held by the Administrative Agent as Collateral under this Pledge Agreement. Without limiting the generality of the foregoing sentence of this Section 16,

any Lender may assign to one or more Persons, or grant to one or more Persons participations in or to, all or any part of its rights and obligations under the Revolving Credit Agreement (to the extent permitted by the Revolving Credit Agreement); and to the extent of any such permitted assignment or participation such other Person shall, to the fullest extent permitted by law, thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise, subject however, to the provisions of the Revolving Credit Agreement, including Article IX thereof (concerning the Administrative Agent) and Section 10.06 thereof (concerning assignments and participations). All references herein to the Administrative Agent and to the Revolving Secured Parties shall include any successor thereof or permitted assignee, and any other obligees from time to time of the Secured Obligations.

17. Related Swap Contracts and Secured Cash Management Arrangements. All obligations of any Pledgor under or in respect of Related Swap Contracts and Secured Cash Management Arrangements (which are not prohibited under the terms of the Revolving Credit Agreement) to which any Lender or any Affiliate of any Lender is a party, shall be deemed to be Secured Obligations secured hereby, and each Lender or Affiliate of a Lender party to any such Related Swap Contract or Secured Cash Management Arrangement shall be deemed to be a Revolving Secured Party hereunder with respect to such Secured Obligations; provided, however, that such obligations shall cease to be Secured Obligations at such time, prior to the Facility Termination Date, as such Person (or Affiliate of such Person) shall cease to be a "Lender" under the Revolving Credit Agreement.

No Person who obtains the benefit of any Lien by virtue of the provisions of this Section shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and only to the extent expressly provided in the Loan Documents. Notwithstanding any other provisions of this Pledge Agreement to the contrary, the Administrative Agent shall only be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, the Secured Obligations arising under Related Swap Contracts or Secured Cash Management Arrangements to the extent the Administrative Agent has received written notice of such Obligations, together with such supportive documentation as it may request from the applicable Lender or Affiliate of a Lender. Each Revolving Secured Party not a party to the Revolving Credit Agreement who obtains the benefit of this Pledge Agreement by virtue of the provisions of this Section shall be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to the terms of the Revolving Credit Agreement, and that with respect to the actions and omissions of the Administrative Agent hereunder or otherwise relating hereto that do or may affect such Revolving Secured Party, the Administrative Agent and each of its Related Parties shall be entitled to all the rights, benefits and immunities conferred under Article IX of the Revolving Credit Agreement.

18. Severability. The provisions of this Pledge Agreement are independent of and separable from each other. If any provision hereof shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision hereof, but this Pledge Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

19. Counterparts. This Pledge Agreement may be executed in any number of counterparts each of which when so executed and delivered shall be deemed an original, and it shall not be necessary in making proof of this Pledge Agreement to produce or account for more than one such counterpart executed by the Pledgor against whom enforcement is sought. Without limiting the foregoing provisions of this Section 19, the provisions of Section 10.10 of the Revolving Credit Agreement shall be applicable to this Pledge Agreement.

20. Termination. Subject to the provisions of Section 8, this Pledge Agreement and each Joinder Agreement, and all obligations of the Pledgors hereunder (excluding those obligations and liabilities that expressly survive such termination) shall terminate without delivery of any instrument or performance of any act by any party on the Facility Termination Date. Upon such termination of this Pledge Agreement, the Administrative Agent shall, at the sole expense of the Pledgors, promptly deliver to the Pledgors the certificates evidencing its shares of Pledged Interests (and any other property received as a dividend or distribution or otherwise in respect of such Pledged Interests to the extent then held by the Administrative Agent as additional Collateral hereunder), together with any cash then constituting the Collateral not then sold or otherwise disposed of in accordance with the provisions hereof, and take such further actions at the request of the Pledgors as may be necessary to effect the same.

21. Additional Interests. If any Pledgor shall at any time acquire or hold any additional Pledged Interests, including any Pledged Interests issued by any Subsidiary not listed on Schedule I hereto which are required to be subject to a Lien pursuant to a Pledge Agreement by the terms hereof or of any provision of the Revolving Credit Agreement (any such shares being referred to herein as the "Additional Interests"), such Pledgor shall deliver to the Administrative Agent for the benefit of the Revolving Secured Parties (i) a Pledge Agreement Supplement in the form of Exhibit A hereto with respect to such Additional Interests duly completed and executed by such Pledgor and (iii) any other document required in connection with such Additional Interests as described in Section 2(c). Each Pledgor shall comply with the requirements of this Section 21 concurrently with the acquisition of any such Additional Interests or, in the case of Additional Interests to which Section 6.14 of the Revolving Credit Agreement applies, within the time period specified in such Section or elsewhere in the Revolving Credit Agreement with respect to such Additional Interests; provided, however, that the failure to comply with the provisions of this Section 21 shall not impair the Lien on Additional Interests conferred hereunder.

22. Notices. Any notice required or permitted hereunder shall be given (a) with respect to the Company and each Subsidiary which is a Pledgor hereunder, at the address of the Company indicated in Schedule 10.02 of the Revolving Credit Agreement, (b) with respect to the Administrative Agent or a Lender, at the Administrative Agent's address indicated in Schedule 10.02 of the Revolving Credit Agreement. All such addresses may be modified, and all such notices shall be given and shall be effective, as provided in Section 10.02 of the Revolving Credit Agreement for the giving and effectiveness of notices and modifications of addresses thereunder.

23. Joinder. Each Person who shall at any time execute and deliver to the Administrative Agent a Joinder Agreement and who is identified therein as a "Pledgor" shall thereupon irrevocably, absolutely and unconditionally become a party hereto and obligated

hereunder as a Pledgor and shall have thereupon pursuant to Section 1 hereof granted a security interest in and collaterally assigned and pledged to the Administrative Agent for the benefit of the Revolving Secured Parties all Pledged Interests which it has at its Applicable Date or thereafter acquires any interest or the power to transfer, and all references herein and in the other Loan Documents to the Pledgors or to the parties to this Pledge Agreement shall be deemed to include such Person as a Pledgor hereunder. Each such Joinder Agreement shall be accompanied by the Supplemental Schedules referred to therein, appropriately completed with information relating to the Pledgor executing such Joinder Agreement and its property. Each of the applicable Schedules attached hereto shall be deemed amended and supplemented without further action by such information reflected on the Supplemental Schedules to each such Joinder Agreement.

24. Rules of Interpretation. The rules of interpretation contained in Sections 1.02 and 1.05 of the Revolving Credit Agreement shall be applicable to this Pledge Agreement and each Joinder Agreement and are hereby incorporated by reference. All representations and warranties contained herein shall survive the delivery of documents and any Credit Extensions referred to herein or secured hereby.

25. Governing Law; Waivers.

(a) THIS PLEDGE AGREEMENT AND EACH JOINDER AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NORTH CAROLINA APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

(b) EACH PLEDGOR HEREBY EXPRESSLY AND IRREVOCABLY AGREES AND CONSENTS THAT ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS PLEDGE AGREEMENT OR ANY JOINDER AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN MAY BE INSTITUTED IN ANY STATE OR FEDERAL COURT SITTING IN MECKLENBURG COUNTY, STATE OF NORTH CAROLINA, UNITED STATES OF AMERICA AND, BY THE EXECUTION AND DELIVERY OF THIS PLEDGE AGREEMENT OR A JOINDER AGREEMENT, EXPRESSLY WAIVES ANY OBJECTION THAT IT MAY HAVE NOW OR HEREAFTER TO THE LAYING OF THE VENUE OR TO THE JURISDICTION OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND IRREVOCABLY SUBMITS GENERALLY AND UNCONDITIONALLY TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING.

(c) EACH PLEDGOR AGREES THAT SERVICE OF PROCESS MAY BE MADE BY PERSONAL SERVICE OF A COPY OF THE SUMMONS AND COMPLAINT OR OTHER LEGAL PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING, OR BY REGISTERED OR CERTIFIED MAIL (POSTAGE PREPAID) TO THE ADDRESS OF SUCH PLEDGOR PROVIDED IN SECTION 22 OR BY ANY OTHER METHOD OF SERVICE PROVIDED FOR UNDER THE APPLICABLE LAWS IN EFFECT IN THE STATE OF NORTH CAROLINA.

(d) NOTHING CONTAINED IN SUBSECTIONS (b) OR (c) HEREOF SHALL PRECLUDE THE ADMINISTRATIVE AGENT FROM BRINGING ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS PLEDGE AGREEMENT OR ANY JOINDER AGREEMENT OR THE OTHER LOAN DOCUMENTS IN THE COURTS OF ANY PLACE WHERE ANY PLEDGOR OR ANY OF SUCH PLEDGOR'S PROPERTY OR ASSETS MAY BE FOUND OR LOCATED. TO THE EXTENT PERMITTED BY THE APPLICABLE LAWS OF ANY SUCH JURISDICTION, EACH PLEDGOR HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT AND EXPRESSLY WAIVES, IN RESPECT OF ANY SUCH SUIT, ACTION OR PROCEEDING, OBJECTION TO THE EXERCISE OF JURISDICTION OVER IT AND ITS PROPERTY BY ANY SUCH OTHER COURT OR COURTS WHICH NOW OR HEREAFTER, BY REASON OF ITS PRESENT OR FUTURE DOMICILE, OR OTHERWISE, MAY BE AVAILABLE UNDER APPLICABLE LAW.

(e) IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS OR REMEDIES UNDER OR RELATED TO THIS PLEDGE AGREEMENT OR ANY JOINDER AGREEMENT OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR THAT MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THE FOREGOING, EACH PARTY HEREBY AGREES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, THAT ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY AND HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT SUCH PERSON MAY HAVE TO TRIAL BY JURY IN ANY SUCH ACTION, SUIT OR PROCEEDING.

(f) EACH PLEDGOR HEREBY EXPRESSLY WAIVES ANY OBJECTION IT MAY HAVE THAT ANY COURT TO WHOSE JURISDICTION IT HAS SUBMITTED PURSUANT TO THE TERMS HEREOF IS AN INCONVENIENT FORUM.

26. Amendment and Restatement. The parties hereto agree that the Existing Pledge Agreement is hereby amended and restated in this Pledge Agreement, and this Pledge Agreement shall constitute neither a release nor novation of any lien or security interest arising under the Existing Pledge Agreement nor a refinancing of any indebtedness or obligations arising thereunder or under the Existing Credit Agreement or related documents, but rather the liens and security interests in effect under the Existing Pledge Agreement shall continue in effect on the terms hereof.

[Signature Pages Follow.]

IN WITNESS WHEREOF, the parties have duly executed this Pledge Agreement on the day and year first written above.

PLEDGORS:

SONIC AUTOMOTIVE, INC.

By: /s/ DAVID P. COSPER

Name: David P. Cosper

Title: Vice Chairman and Chief Financial Officer

FAA HOLDING CORP.

FIRSTAMERICA AUTOMOTIVE, INC.

L DEALERSHIP GROUP, INC.

SAI AL HC1, INC.

SAI FL HC3, INC.

SAI FL HC4, INC.

SAI FL HC7, INC.

SAI MD HC1, INC.

SAI OK HC1, INC.

SAI TN HC1, LLC

SAI TN HC2, LLC

SONIC — LS, LLC

SONIC AUTOMOTIVE — 1720 MASON AVE., DB, INC.

SONIC AUTOMOTIVE OF NEVADA, INC.

SONIC AUTOMOTIVE WEST, LLC

SONIC OF TEXAS, INC.

SRE HOLDING, LLC

By: /s/ DAVID P. COSPER

Name: David P. Cosper

Title: Vice President and Treasurer

SAI GEORGIA LLC

By: **SONIC AUTOMOTIVE OF NEVADA, INC.,**
as Sole Member

By: /s/ DAVID P. COSPER

Name: David P. Cosper

Title: Vice President and Treasurer

AMENDED AND RESTATED
SECURITIES PLEDGE AGREEMENT
Signature Page

SONIC PEACHTREE INDUSTRIAL BLVD., L.P.

By: SAI GEORGIA, LLC, as Sole General Partner

By: SONIC AUTOMOTIVE OF NEVADA, INC., as Sole Member

By: /s/ DAVID P. COSPER

Name: David P. Cosper

Title: Vice President and Treasurer

AMENDED AND RESTATED
SECURITIES PLEDGE AGREEMENT
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ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ ANGELO M. MARTORANA

Name: Angelo M. Martorana

Title: Assistant Vice President

AMENDED AND RESTATED
SECURITIES PLEDGE AGREEMENT
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SCHEDULE I

<u>Name of Pledgor</u>	<u>Name, Jurisdiction of Formation and Type of Entity of Pledged Subsidiary</u>	<u>Class or Type of Pledged Interest</u>	<u>Total Amount of Class or Type of Pledged Interests Authorized</u>	<u>Total Amount of Class or Type Outstanding</u>	<u>Total Amount Pledged</u>	<u>Certificate Number (if applicable)</u>	<u>Par Value (if applicable)</u>	<u>Name of Transfer Agent (if any)</u>
FAA Holding Corp.	L Dealership Group, Inc. Texas Corporation 151278900	Common Stock	1,000	1,000	1,000	8	\$ 0.01	
FAA Holding Corp.	FAA Santa Monica V, Inc. California Corporation C2165877	Common Stock	100,000	10,000	10,000	2	N/A	
FirstAmerica Automotive, Inc.	FAA Auto Factory, Inc. California Corporation C2058910	Common Stock	100,000	10,000	10,000	2	N/A	
FirstAmerica Automotive, Inc.	FAA Capitol N, Inc. California Corporation C2054429	Common Stock	100,000	10,000	10,000	2	N/A	

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FirstAmerica Automotive, Inc.	FAA Dublin VWD, Inc. California Corporation C2007571	Common Stock	100,000	10,000	10,000	2	N/A	
FirstAmerica Automotive, Inc.	FAA Dublin N, Inc. California Corporation C2007600	Common Stock	100,000	10,000	10,000	2	N/A	
FirstAmerica Automotive, Inc.	FAA Holding Corp. California Corporation C2174202	Common Stock	100,000	10,000	10,000	2	N/A	
FirstAmerica Automotive, Inc.	FAA Poway T, Inc. California Corporation C2006232	Common Stock	100,000	10,000	10,000	2	N/A	
FirstAmerica Automotive, Inc.	FAA Torrance CPJ, Inc. California Corporation C2165823	Common Stock	100,000	10,000	10,000	2	N/A	

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FirstAmerica Automotive, Inc.	Sonic -- Coast Cadillac, Inc. California Corporation C2124569	Common Stock	100,000	10,000	10,000	2	N/A	
L Dealership Group, Inc.	Autobahn, Inc. California Corporation C1548941	Common Stock	1,000,000	400,000	400,000	2	N/A	
L Dealership Group, Inc.	Stevens Creek Cadillac, Inc. California Corporation C1293380	Common Stock (Class A)	750,000	230,000	230,000	10	N/A	
		Common Stock (Class B)	250,000	-0-	-0-	N/A	N/A	
SAI AL HC1, Inc.	SAI Montgomery CH, LLC Alabama Limited Liability Company 428-747	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	

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SAI AL HC1, Inc.	SAI Montgomery BCH, LLC Alabama Limited Liability Company 428-745	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
SAI FL HC3, Inc.	SAI Orlando CS, LLC Florida Limited Liability Company L08000116711	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
SAI FL HC4, Inc.	SAI Fort Myers VW, LLC Florida Limited Liability Company L08000116709	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
SAI FL HC7, Inc.	SAI Fort Myers M, LLC Florida Limited Liability Company L98000002089	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	

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SAI Georgia, LLC Sonic Automotive of Nevada, Inc.	SAI GA HC1, LP	General Partner	N/A	1.00%	1.00%	N/A	N/A	
	Georgia Limited Partnership 0224680	Interest Limited Partner Interest		99.00%	99.00%			
SAI Georgia, LLC Sonic Automotive of Nevada, Inc.	Sonic Peachtree Industrial Blvd., L.P.	General Partner	N/A	1.00%	1.00%	N/A	N/A	
	Georgia Limited Partnership K739239	Interest Limited Partner Interest		99.00%	99.00%			
SAI MD HC1, Inc.	SAI Rockville Imports, LLC Maryland Limited Liability Company W12796074	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
SAI OK HC1, Inc.	SAI Broken Arrow C, LLC Oklahoma Limited Liability Company 3512215667	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	

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SAI OK HC1, Inc.	SAI Oklahoma City C, LLC Oklahoma Limited Liability Company 3512215668	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
SAI OK HC1, Inc.	SAI Riverside C, LLC Oklahoma Limited Liability Company 3512215685	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
SAI TN HC1, LLC	SAI Nashville CSH, LLC Tennessee Limited Liability Company 0336183	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
SAI TN HC1, LLC SAI TN HC1, LLC	SAI Nashville M, LLC Tennessee Limited Liability Company 0336182	LLC Interest	1 99	1 99	1 99	N/A	N/A	

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SAI TN HC2, LLC	SAI Nashville Motors, LLC Tennessee Limited Liability Company 0566970	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
Sonic Automotive, Inc.	Arngar, Inc. North Carolina Corporation 0005612	Common Stock	100,000	1,333	1,333	14	N/A	
Sonic Automotive, Inc.	Avalon Ford, Inc. Delaware Corporation 0896102	Common Stock	10,000	4,164	4,164	17	N/A	
Sonic Automotive, Inc.	Cornerstone Acceptance Corporation Florida Corporation P98000064003	Common Stock	1,000	100	100	2	N/A	
Sonic Automotive, Inc.	Fort Mill Ford, Inc. South Carolina Corporation	Common Stock	10,000	2,700	2,700	13	N/A	

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Sonic Automotive, Inc.	Fort Myers Collision Center, LLC Florida Limited Liability Company L00000004315	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
Sonic Automotive, Inc.	Frontier Oldsmobile-Cadillac, Inc. North Carolina Corporation 0233650	Common Stock	200,000	200	200	4	\$ 0.50	
Sonic Automotive, Inc.	Massey Cadillac, Inc. Tennessee Corporation 0230052	Common Stock	1,000	100	100	5	N/A	
Sonic Automotive, Inc.	SAI AL HC1, Inc. Alabama Corporation D/C 206-272	Common Stock	1,000	100	100	1	N/A	

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Sonic Automotive, Inc.	SAI Charlotte M, LLC North Carolina Limited Liability Company 0433486	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
Sonic Automotive, Inc.	SAI Columbus Motors, LLC Ohio Limited Liability Company CP13127	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
Sonic Automotive, Inc.	SAI Columbus VWK, LLC Ohio Limited Liability Company CP13130	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
Sonic Automotive, Inc.	SAI FL HC3, Inc. Florida Corporation P98000064012	Common Stock	1,000	100	100	2	N/A	

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Sonic Automotive, Inc.	SAI FL HC4, Inc. Florida Corporation P98000064009	Common Stock	1,000	100	100	2	N/A	
Sonic Automotive, Inc.	SAI FL HC6, Inc. Florida Corporation P99000004218	Common Stock	1,000	100	100	1	N/A	
Sonic Automotive, Inc.	SAI FL HC7, Inc. Florida Corporation F86660	Common Stock	500	500	500	22	\$ 1.00	
Sonic Automotive, Inc.	Sonic Agency, Inc. Michigan Corporation 35010C	Common Stock	1,000	100	100	1	N/A	
Sonic Automotive, Inc.	Sonic Automotive F&I, LLC Nevada Limited Liability Company LLC8620-1999	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	

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Sonic Automotive, Inc.	Sonic Automotive Support, LLC Nevada Limited Liability Company LLC19412-2003	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
Sonic Automotive, Inc.	Sonic Automotive West, LLC Nevada Limited Liability Company LLC9139-1999	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
Sonic Automotive, Inc.	Sonic Automotive - 1720 Mason Ave., DB, Inc. Florida Corporation P98000064005	Common Stock	1,000	100	100	1	N/A	
Sonic Automotive, Inc.	Sonic Automotive-3700 West Broad Street, Columbus, Inc. Ohio Corporation CP13131	Common Stock	1,000	100	100	1	\$ 0.01	

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Sonic Automotive, Inc.	Sonic Automotive-4000 West Broad Street, Columbus, Inc. Ohio Corporation CP13126	Common Stock	1,000	100	100	1	\$ 0.01	
Sonic Automotive, Inc.	Sonic Automotive - 6008 N. Dale Mabry, FL, Inc. Florida Corporation P98000084876	Common Stock	1,000	100	100	1	N/A	
Sonic Automotive, Inc.	Sonic Calabasas M, Inc. California Corporation C2975101	Common Stock	1,000	100	100	1	N/A	
Sonic Automotive, Inc.	Sonic -- Calabasas V, Inc. California Corporation C2501983	Common Stock	1,000	100	100	1	N/A	

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Sonic Automotive, Inc.	Sonic – Capitol Cadillac, Inc. Michigan Corporation 26619C	Common Stock	1,000	100	100	1	N/A	
Sonic Automotive, Inc.	Sonic – Capitol Imports, Inc. South Carolina Corporation	Common Stock	1,000	100	100	1	N/A	
Sonic Automotive, Inc.	Sonic – Carson F, Inc. California Corporation C2375909	Common Stock	1,000	100	100	1	N/A	
Sonic Automotive, Inc.	Sonic – Carson LM, Inc. California Corporation C2375100	Common Stock	1,000	100	100	1	N/A	

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Sonic Automotive, Inc.	Sonic Development, LLC North Carolina Limited Liability Company 0483658	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
Sonic Automotive, Inc.	Sonic Divisional Operations, LLC Nevada Limited Liability Company LLC26157-2004	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
Sonic Automotive, Inc.	Sonic -- Downey Cadillac, Inc. California Corporation C2375896	Common Stock	1,000	100	100	2	N/A	
Sonic Automotive, Inc.	Sonic Fremont, Inc. California Corporation C2935225	Common Stock	1,000	100	100	1	N/A	

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Sonic Automotive, Inc.	Sonic - Las Vegas C East, LLC Nevada Limited Liability Company LLC7435-2000	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
Sonic Automotive, Inc.	Sonic - Las Vegas C West, LLC Nevada Limited Liability Company LLC7434-2000	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
Sonic Automotive, Inc.	Sonic - Lloyd Nissan, Inc. Florida Corporation P99000014918	Common Stock	1,000	100	100	1	N/A	
Sonic Automotive, Inc.	Sonic - Lloyd Pontiac - Cadillac, Inc. Florida Corporation P99000014911	Common Stock	1,000	100	100	1	N/A	

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Sonic Automotive, Inc.	Sonic – Lone Tree Cadillac, Inc. Colorado Corporation 20021021609	Common Stock	1,000	100	100	1	N/A	
Sonic Automotive, Inc.	Sonic – Massey Chevrolet, Inc. California Corporation C2375359	Common Stock	1,000	100	100	1	N/A	
Sonic Automotive, Inc.	Sonic – Newsome Chevrolet World, Inc. South Carolina Corporation	Common Stock	1,000	100	100	2	N/A	
Sonic Automotive, Inc.	Sonic of Texas, Inc. Texas Corporation 150782300	Common Stock	1,000	100	100	1	N/A	
Sonic Automotive, Inc.	Sonic – Plymouth Cadillac, Inc. Michigan Corporation 26618C	Common Stock	1,000	100	100	1	N/A	

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Sonic Automotive, Inc.	Sonic Resources, Inc. Nevada Corporation C24652-2001	Common Stock	1,000	100	100	2	N/A	
Sonic Automotive, Inc.	Sonic – Sanford Cadillac, Inc. Florida Corporation P02000010148	Common Stock	1,000	100	100	1	N/A	
Sonic Automotive, Inc.	Sonic Santa Monica M, Inc. California Corporation C2727452	Common Stock	1,000	100	100	1	N/A	
Sonic Automotive, Inc.	Sonic Santa Monica S, Inc. California Corporation C2788444	Common Stock	1,000	100	100	1	N/A	
Sonic Automotive, Inc.	Sonic – Saturn of Silicon Valley, Inc. California Corporation C2547838	Common Stock	1,000	100	100	1	N/A	

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Sonic Automotive, Inc.	Sonic – Volvo LV, LLC Nevada Limited Liability Company LLC6829-1999	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
Sonic Automotive, Inc.	Sonic Walnut Creek M, Inc. California Corporation C2508517	Common Stock	1,000	100	100	2	N/A	
Sonic Automotive, Inc.	Sonic – West Covina T, Inc. California Corporation C2356455	Common Stock	1,000	100	100	1	N/A	
Sonic Automotive, Inc.	Sonic – Williams Cadillac, Inc. Alabama Corporation D/C 199-219	Common Stock	1,000	100	100	1	N/A	

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Sonic Automotive, Inc.	Sonic Wilshire Cadillac, Inc. California Corporation C2882071	Common Stock	1,000	100	100	1	N/A	
Sonic Automotive, Inc.	SRE Holding, LLC North Carolina Limited Liability Company 0551475	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
Sonic Automotive, Inc.	Town and Country Ford, Incorporated North Carolina Corporation 0148959	Common Stock	2,000	471.25	471.25	75	N/A	
Sonic Automotive, Inc.	Village Imported Cars, Inc. Maryland Corporation D00308593	Common Stock	3,000	1,567	1,567	13	N/A	

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Sonic Automotive of Nevada, Inc.	SAI Georgia, LLC Georgia Limited Liability Company 08094603	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
Sonic Automotive of Nevada, Inc.	SAI TN HC1, LLC Tennessee Limited Liability Company 0336184	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
Sonic Automotive of Nevada, Inc.	SAI TN HC2, LLC Tennessee Limited Liability Company 0336185	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
Sonic Automotive of Nevada, Inc.	SAI TN HC3, LLC Tennessee Limited Liability Company 0336184	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	

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Sonic Automotive - 1720 Mason Ave., DB, Inc.	Sonic Automotive - 1720 Mason Ave., DB, LLC Florida Limited Liability Company L98000001576	LLC Interest (Units)	100	100	100	N/A	N/A	
Sonic — LS, LLC	Sonic -- LS Chevrolet, L.P. Texas Limited Partnership 11958210	General Partner Interest	N/A	.10%	.10%	N/A	N/A	
Sonic Automotive West, LLC		Limited Partner Interest	N/A	99.90%	99.90%			
Sonic of Texas, Inc.	Sonic Advantage PA, L.P. Texas Limited Partnership 800235623	General Partner Interest	N/A	1.00%	1.00%	N/A	N/A	
Sonic Automotive of Nevada, Inc.		Limited Partner Interest	N/A	99.00%	99.00%			

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Sonic of Texas, Inc.	Sonic Automotive of Texas, L.P.	General Partner Interest	N/A	1.00%	1.00%	N/A	N/A	
Sonic Automotive of Nevada, Inc.	Texas Limited Partnership 11324210	Limited Partner Interest	N/A	99.00%	99.00%			
Sonic of Texas, Inc.	Sonic Automotive - 3401 N. Main, TX, L.P.	General Partner Interest	N/A	1.00%	1.00%	N/A	N/A	
Sonic Automotive of Nevada, Inc.	Texas Limited Partnership 11376510	Limited Partner Interest	N/A	99.00%	99.00%			
Sonic of Texas, Inc.	Sonic Automotive - 4701 I-10 East, TX, L.P.	General Partner Interest	N/A	1.00%	1.00%	N/A	N/A	
Sonic Automotive of Nevada, Inc.	Texas Limited Partnership 11345010	Limited Partner Interest	N/A	99.00%	99.00%			

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Sonic of Texas, Inc.	Sonic – Cadillac D, L.P.	General Partner Interest	N/A	1.00%	1.00%	N/A	N/A	
Sonic Automotive of Nevada, Inc.	Texas Limited Partnership 800061917	Limited Partner Interest	N/A	99.00%	99.00%			
Sonic of Texas, Inc.	Sonic – Camp Ford, L.P.	General Partner Interest	N/A	1.00%	1.00%	N/A	N/A	
Sonic Automotive of Nevada, Inc.	Texas Limited Partnership 12312610	Limited Partner Interest	N/A	99.00%	99.00%			
Sonic of Texas, Inc.	Sonic – Carrollton V, L.P.	General Partner Interest	N/A	1.00%	1.00%	N/A	N/A	
Sonic Automotive of Nevada, Inc.	Texas Limited Partnership 13894610	Limited Partner Interest	N/A	99.00%	99.00%			
Sonic of Texas, Inc.	Sonic – Clear Lake Volkswagen, L.P.	General Partner Interest	N/A	1.00%	1.00%	N/A	N/A	
Sonic Automotive of Nevada, Inc.	Texas Limited Partnership 800207889	Limited Partner Interest	N/A	99.00%	99.00%			

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Sonic of Texas, Inc. Sonic Automotive of Nevada, Inc.	Sonic – Frank Parra Autoplex, L.P. Texas Limited Partnership 800079059	General Partner Interest	N/A	1.00%	1.00%	N/A	N/A	
		Limited Partner Interest	N/A	99.00%	99.00%			
Sonic of Texas, Inc. Sonic Automotive of Nevada, Inc.	Sonic Houston JLR, LP Texas Limited Partnership 800735509	General Partner Interest	N/A	1.00%	1.00%	N/A	N/A	
		Limited Partner Interest		99.00%	99.00%			
Sonic of Texas, Inc. Sonic Automotive of Nevada, Inc.	Sonic Houston LR, L.P. Texas Limited Partnership 800236309	General Partner Interest	N/A	1.00%	1.00%	N/A	N/A	
		Limited Partner Interest	N/A	99.00%	99.00%			
Sonic of Texas, Inc. Sonic Automotive of Nevada, Inc.	Sonic – Houston V, L.P Texas Limited Partnership 15286810	General Partner Interest	N/A	1.00%	1.00%	N/A	N/A	
		Limited Partner Interest	N/A	99.00%	99.00%			

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Sonic of Texas, Inc. Sonic Automotive of Nevada, Inc.	Sonic – Jersey Village Volkswagen, L.P. Texas Limited Partnership 800207902	General Partner Interest	N/A	1.00%	1.00%	N/A	N/A	
		Limited Partner Interest	N/A	99.00%	99.00%			
Sonic of Texas, Inc.	Sonic – LS, LLC Delaware Limited Liability Company 3440418	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
Sonic of Texas, Inc. Sonic Automotive of Nevada, Inc.	Sonic – Mesquite Hyundai, L.P. Texas Limited Partnership 800087803	General Partner Interest	N/A	1.00%	1.00%	N/A	N/A	
		Limited Partner Interest	N/A	99.00%	99.00%			
Sonic of Texas, Inc. Sonic Automotive of Nevada, Inc.	Sonic Momentum JVP, L.P. Texas Limited Partnership 800235475	General Partner Interest	N/A	1.00%	1.00%	N/A	N/A	
		Limited Partner Interest	N/A	99.00%	99.00%			

Name of Pledgor	Name, Jurisdiction of Formation and Type of Entity of Pledged Subsidiary	Class or Type of Pledged Interest	Total Amount of Class or Type of Pledged Interests Authorized	Total Amount of Class or Type Outstanding	Total Amount Pledged	Certificate Number (if applicable)	Par Value (if applicable)	Name of Transfer Agent (if any)
Sonic of Texas, Inc. Sonic Automotive of Nevada, Inc.	Sonic Momentum VWA, L.P. Texas Limited Partnership 800207910	General Partner Interest Limited Partner Interest	N/A N/A	1.00% 99.00%	1.00% 99.00%	N/A	N/A	
	Sonic – Richardson F, L.P. Texas Limited Partnership 14037410	General Partner Interest Limited Partner Interest	N/A N/A	1.00% 99.00%	1.00% 99.00%	N/A	N/A	
Sonic of Texas, Inc. Sonic Automotive of Nevada, Inc.	Sonic – University Park A, L.P. Texas Limited Partnership 13748310	General Partner Interest Limited Partner Interest	N/A N/A	1.00% 99.00%	1.00% 99.00%	N/A	N/A	
	SRE Texas-1, L.P. Texas Limited Partnership 13523310	General Partner Interest Limited Partner Interest	N/A	1.00% 99.00%	1.00% 99.00%	N/A	N/A	

Name of Pledgor	Name, Jurisdiction of Formation and Type of Entity of Pledged Subsidiary	Class or Type of Pledged Interest	Total Amount of Class or Type of Pledged Interests Authorized	Total Amount of Class or Type Outstanding	Total Amount Pledged	Certificate Number (if applicable)	Par Value (if applicable)	Name of Transfer Agent (if any)
Sonic of Texas, Inc. Sonic Automotive of Nevada, Inc.	SRE Texas-2, L.P.	General Partner Interest	N/A	1.00%	1.00%	N/A	N/A	
	Texas Limited Partnership 13523410	Limited Partner Interest		99.00%	99.00%			
Sonic of Texas, Inc. Sonic Automotive of Nevada, Inc.	SRE Texas-3, L.P.	General Partner Interest	N/A	1.00%	1.00%	N/A	N/A	
	Texas Limited Partnership 13523510	Limited Partner Interest		99.00%	99.00%			
Sonic of Texas, Inc. Sonic Automotive of Nevada, Inc.	SRE Texas-4, L.P.	General Partner Interest	N/A	1.00%	1.00%	N/A	N/A	
	Texas Limited Partnership 800048705	Limited Partner Interest		99.00%	99.00%			
Sonic of Texas, Inc. Sonic Automotive of Nevada, Inc.	SRE Texas -- 5, L.P.	General Partner Interest	N/A	1.00%	1.00%	N/A	N/A	
	Texas Limited Partnership 800048740	Limited Partner Interest		99.00%	99.00%			
Sonic of Texas, Inc. Sonic Automotive of Nevada, Inc.	SRE Texas-6, L.P.	General Partner Interest	N/A	1.00%	1.00%	N/A	N/A	
	Texas Limited Partnership 800048741	Limited Partner Interest		99.00%	99.00%			

Name of Pledgor	Name, Jurisdiction of Formation and Type of Entity of Pledged Subsidiary	Class or Type of Pledged Interest	Total Amount of Class or Type of Pledged Interests Authorized	Total Amount of Class or Type Outstanding	Total Amount Pledged	Certificate Number (if applicable)	Par Value (if applicable)	Name of Transfer Agent (if any)
Sonic of Texas, Inc. Sonic Automotive of Nevada, Inc.	SRE Texas – 7, L.P.	General Partner Interest	N/A	1.00%	1.00%	N/A	N/A	
	Texas Limited Partnership 800048742	Limited Partner Interest		99.00%	99.00%			
Sonic of Texas, Inc. Sonic Automotive of Nevada, Inc.	SRE Texas-8, L.P.	General Partner Interest	N/A	1.00%	1.00%	N/A	N/A	
	Texas Limited Partnership 800048743	Limited Partner Interest		99.00%	99.00%			
Sonic Peachtree Industrial Blvd., L.P.	Sonic Automotive 5260 Peachtree Industrial Blvd., LLC Georgia Limited Liability Company K734665	LLC Interest (Units)	100	100	100	N/A	N/A	
SRE Holding, LLC	SRE Alabama – 2, LLC Alabama Limited Liability Company 670-275	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	

Name of Pledgor	Name, Jurisdiction of Formation and Type of Entity of Pledged Subsidiary	Class or Type of Pledged Interest	Total Amount of Class or Type of Pledged Interests Authorized	Total Amount of Class or Type Outstanding	Total Amount Pledged	Certificate Number (if applicable)	Par Value (if applicable)	Name of Transfer Agent (if any)
SRE Holding, LLC	SRE Alabama-5, LLC Alabama Limited Liability Company DLL691-622	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
SRE Holding, LLC	SRealEstate Arizona-2, LLC Arizona Limited Liability Company L09512522	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
SRE Holding, LLC	SRealEstate Arizona-3, LLC Arizona Limited Liability Company L09512828	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
SRE Holding, LLC	SRE California -- 1, LLC California Limited Liability Company 200202910110	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	

Name of Pledgor	Name, Jurisdiction of Formation and Type of Entity of Pledged Subsidiary	Class or Type of Pledged Interest	Total Amount of Class or Type of Pledged Interests Authorized	Total Amount of Class or Type Outstanding	Total Amount Pledged	Certificate Number (if applicable)	Par Value (if applicable)	Name of Transfer Agent (if any)
SRE Holding, LLC	SRE California-2, LLC California Limited Liability Company 200202910111	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
SRE Holding, LLC	SRE California – 4, LLC California Limited Liability Company 200202810144	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
SRE Holding, LLC	SRE Colorado – 1, LLC Colorado Limited Liability Company 20021330518	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
SRE Holding, LLC	SRE Florida-1, LLC Florida Limited Liability Company L00000006050	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	

Name of Pledgor	Name, Jurisdiction of Formation and Type of Entity of Pledged Subsidiary	Class or Type of Pledged Interest	Total Amount of Class or Type of Pledged Interests Authorized	Total Amount of Class or Type Outstanding	Total Amount Pledged	Certificate Number (if applicable)	Par Value (if applicable)	Name of Transfer Agent (if any)
SRE Holding, LLC	SRE Florida-2, LLC Florida Limited Liability Company L00000006045	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
SRE Holding, LLC	SRE North Carolina-2, LLC North Carolina Limited Liability Company 0682830	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
SRE Holding, LLC	SRE Oklahoma-1, LLC Oklahoma Limited Liability Company 3500697104	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
SRE Holding, LLC	SRE Oklahoma – 2, LLC Oklahoma Limited Liability Company 3500697105	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	

Name of Pledgor	Name, Jurisdiction of Formation and Type of Entity of Pledged Subsidiary	Class or Type of Pledged Interest	Total Amount of Class or Type of Pledged Interests Authorized	Total Amount of Class or Type Outstanding	Total Amount Pledged	Certificate Number (if applicable)	Par Value (if applicable)	Name of Transfer Agent (if any)
SRE Holding, LLC	SRE Oklahoma-5, LLC Oklahoma Limited Liability Company 3500697108	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
SRE Holding, LLC	SRE South Carolina-3, LLC South Carolina Limited Liability Company	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
SRE Holding, LLC	SRE South Carolina -- 4, LLC South Carolina Limited Liability Company	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	
SRE Holding, LLC	SRE Tennessee - 4, LLC Tennessee Limited Liability Company 0450279	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	

Name of Pledgor	Name, Jurisdiction of Formation and Type of Entity of Pledged Subsidiary	Class or Type of Pledged Interest	Total Amount of Class or Type of Pledged Interests Authorized	Total Amount of Class or Type Outstanding	Total Amount Pledged	Certificate Number (if applicable)	Par Value (if applicable)	Name of Transfer Agent (if any)
SRE Holding, LLC	SRE Virginia - 1, LLC Virginia Limited Liability Company 5050246-0	LLC Interest	N/A	100.00%	100.00%	N/A	N/A	

SCHEDULE II

<u>Name and Address of Pledgor</u>	<u>Type of Person</u>	<u>Jurisdiction of Formation of Pledgor</u>	<u>Jurisdiction of Formation Identification Number</u>
FAA Holding Corp. 6415 Idlewild Road, Suite 109 Charlotte, NC 28212	Corporation	California	C2174202
FirstAmerica Automotive, Inc. 6415 Idlewild Road, Suite 109 Charlotte, NC 28212	Corporation	Delaware	2761294
L Dealership Group, Inc. 6415 Idlewild Road, Suite 109 Charlotte, NC 28212	Corporation	Texas	151278900
SAI AL HC1, Inc. 6415 Idlewild Road, Suite 109 Charlotte, NC 28212	Corporation	Alabama	206-272
SAI FL HC3, Inc. 6415 Idlewild Road, Suite 109 Charlotte, NC 28212	Corporation	Florida	P98000064012
SAI FL HC4, Inc. 6415 Idlewild Road, Suite 109 Charlotte, NC 28212	Corporation	Florida	P98000064009
SAI FL HC7, Inc. 6415 Idlewild Road, Suite 109 Charlotte, NC 28212	Corporation	Florida	F86660
SAI Georgia, LLC 6415 Idlewild Road, Suite 109 Charlotte, NC 28212	Limited Liability Company	Georgia	08094603
SAI MD HC1, Inc. 6415 Idlewild Road, Suite 109 Charlotte, NC 28212	Corporation	Maryland	D05310776
SAI OK HC1, Inc. 6415 Idlewild Road, Suite 109 Charlotte, NC 28212	Corporation	Oklahoma	1900632183
SAI TN HC1, LLC 6415 Idlewild Road, Suite 109 Charlotte, NC 28212	Limited Liability Company	Tennessee	0336184

Name and Address of Pledgor	Type of Person	Jurisdiction of Formation of Pledgor	Jurisdiction of Formation Identification Number
SAI TN HC2, LLC 6415 Idlewild Road, Suite 109 Charlotte, NC 28212	Limited Liability Company	Tennessee	0336185
Sonic Automotive, Inc. 6415 Idlewild Road, Suite 109 Charlotte, NC 28212	Corporation	Delaware	2714319
Sonic Automotive of Nevada, Inc. 6415 Idlewild Road, Suite 109 Charlotte, NC 28212	Corporation	Nevada	C18014-1997
Sonic Automotive — 1720 Mason Ave., DB, Inc. 6415 Idlewild Road, Suite 109 Charlotte, NC 28212	Corporation	Florida	P98000064005
Sonic Automotive West, LLC 6415 Idlewild Road, Suite 109 Charlotte, NC 28212	Corporation	Nevada	LLC9139-1999
Sonic — LS, LLC 6415 Idlewild Road, Suite 109 Charlotte, NC 28212	Limited Liability Company	Delaware	3440418
Sonic of Texas, Inc. 6415 Idlewild Road, Suite 109 Charlotte, NC 28212	Corporation	Texas	150782300
Sonic Peachtree Industrial Blvd., L.P. 6415 Idlewild Road, Suite 109 Charlotte, NC 28212	Limited Partnership	Georgia	K739239
SRE Holding, LLC 6415 Idlewild Road, Suite 109 Charlotte, NC 28212	Limited Liability Company	North Carolina	0551475

EXHIBIT A

PLEDGE AGREEMENT SUPPLEMENT

THIS PLEDGE AGREEMENT SUPPLEMENT (as from time to time amended, revised, modified, supplemented or amended and restated, this "Supplement"), dated as of _____, _____ is made by _____, a _____ (the "Pledgor"), in favor of **BANK OF AMERICA, N.A.**, in its capacity as Administrative Agent (the "Administrative Agent") for the Revolving Secured Parties (as defined in the Pledge Agreement referenced below) now or hereafter party to the Revolving Credit Agreement (as defined in the Pledge Agreement referred to below). All capitalized terms used but not defined herein shall have the meanings given to such terms in such Pledge Agreement.

RECITALS:

A. The Pledgor is required under the terms of that certain Amended and Restated Securities Pledge Agreement dated as of January 15, 2010 executed by the Pledgor (among others), or to which the Pledgor has been joined as a party pursuant to a Joinder Agreement, in favor of the Administrative Agent for the benefit of the Revolving Secured Parties (as from time to time amended, revised, modified, supplemented or amended and restated, the "Pledge Agreement"), to cause certain Pledged Interests held by it and listed on Annex A to this Supplement (the "Additional Interests") to be specifically identified as subject to the Pledge Agreement.

B. A material part of the consideration given in connection with and as an inducement to the execution and delivery of the Credit Agreement by the Revolving Secured Parties was the obligation of the Pledgor to pledge to the Administrative Agent for the benefit of the Revolving Secured Parties the Additional Interests, whether then owned or subsequently acquired or created

C. The Pledgor has acquired rights in the Additional Interests and desires to pledge, and evidence its prior pledge, to the Administrative Agent for the benefit of the Revolving Secured Parties all of the Additional Interests in accordance with the terms of the Revolving Credit Agreement and the Pledge Agreement.

In order to induce the Revolving Secured Parties to from time to time make and maintain extensions of credit under the Revolving Credit Agreement, Related Swap Contracts and Related Cash Management Arrangements, the Pledgor hereby agrees as follows:

1. Affirmations. The Pledgor hereby reaffirms and acknowledges the pledge and collateral assignment to, and the grant of security interest in, the Additional Interests contained in the Pledge Agreement and pledges and collaterally assigns to the Administrative Agent for the benefit of the Revolving Secured Parties, and grants to the Administrative Agent for the benefit of the Revolving Secured Parties a first priority lien and security interest in, the Additional Interests and all of the following:

(a) all money, securities, security entitlements and other investment property, dividends, rights, general intangibles and other property at any time and from time to time (x) declared or distributed in respect of or in exchange for or on conversion of any or all of the Additional Interests or (y) by its or their terms exchangeable or exercisable for or convertible into any Additional Interest or other Pledged Interest;

(b) all other property of whatever character or description, including money, securities, security entitlements and other investment property, and general intangibles hereafter delivered to the Administrative Agent in substitution for or as an addition to any of the foregoing;

(c) all securities accounts to which may at any time be credited any or all of the foregoing or any proceeds thereof and all certificates and instruments representing or evidencing any of the foregoing or any proceeds thereof; and

(d) all proceeds of any of the foregoing.

The Pledgor hereby acknowledges, agrees and confirms by its execution of this Supplement that the Additional Interests constitute "Pledged Interests" under and are subject to the Pledge Agreement, and the items of property referred to in clauses (a) through (d) above (the "Additional Collateral") shall collectively constitute "Collateral" under and are subject to the Pledge Agreement. Each of the representations and warranties with respect to Pledged Interests and Collateral contained in the Pledge Agreement is hereby made by the Pledgor with respect to the Additional Interests and the Additional Collateral, respectively. The Pledgor further represents and warrants that Annex A attached to this Supplement contains a true, correct and complete description of the Additional Interests, and that all other documents required to be furnished to the Administrative Agent pursuant to Section 2(c) of the Pledge Agreement in connection with the Additional Collateral have been delivered or are being delivered simultaneously herewith to the Administrative Agent. The Pledgor further acknowledges that Schedule I to the Pledge Agreement shall be deemed, as to it, to be supplemented as of the date hereof to include the Additional Interests as described on Annex A to this Supplement.

2. Counterparts. This Pledge Agreement Supplement may be executed in any number of counterparts each of which when so executed and delivered shall be deemed an original, and it shall not be necessary in making proof of this Pledge Agreement Supplement to produce or account for more than one such counterpart executed by the Pledgor. Without limiting the foregoing provisions of this Section 2, the provisions of Section 10.10 of the Credit Agreement shall be applicable to this Pledge Agreement.

3. Governing Law; Venue; Waiver of Jury Trial. The provisions of Section 25 of the Pledge Agreement are hereby incorporated by reference as if fully set forth herein.

IN WITNESS WHEREOF, the Pledgor has caused this Supplement to be duly executed by its authorized officer as of the day and year first above written.

PLEDGOR:

By: _____
Name: _____
Title: _____

ANNEX A
(to Pledge Agreement Supplement of _____ dated _____)

Additional Interests

Name of Pledgor	Name, Jurisdiction of Formation and Type of Entity of Pledged Subsidiary	Class or Type of Additional Interest	Total Amount of Class or Type of Additional Interests Authorized	Total Amount of Class or Type Outstanding	Total Amount Pledged	Certificate Number (if applicable)	Par Value (if applicable)	Name of Transfer Agent (if any)

**AMENDED AND RESTATED
ESCROW AND SECURITY AGREEMENT**

THIS AMENDED AND RESTATED ESCROW AND SECURITY AGREEMENT (this "Agreement") is made and entered into as of January 15, 2010 among **SONIC AUTOMOTIVE, INC.**, a Delaware corporation (the "Company" and a "Grantor"), **EACH OF THE UNDERSIGNED SUBSIDIARIES OF THE COMPANY AND EACH OTHER PERSON WHO SHALL BECOME A PARTY HERETO BY EXECUTION OF A JOINDER AGREEMENT** (each a "Grantor", and collectively with the Company, the "Grantors"), and **BANK OF AMERICA, N.A.**, a national banking association, as Administrative Agent (the "Administrative Agent") for each of the lenders (the "Lenders") now or hereafter party to the Revolving Credit Agreement defined below (collectively with the Administrative Agent, and certain other Persons parties to Related Swap Contracts and Secured Cash Management Arrangements as more particularly described in Section 21 hereof, the "Revolving Secured Parties"). All capitalized terms used but not otherwise defined herein shall have the respective meanings assigned thereto in the Revolving Credit Agreement.

WITNESSETH:

WHEREAS, the Company, certain Subsidiaries of the Company party thereto (each a "New Vehicle Borrower" and together with the Company, the "Borrowers" and each individually a "Borrower"), certain of the Lenders (the "Existing Lenders") and the Administrative Agent entered into that certain Credit Agreement dated February 17, 2006 (as amended prior to (but excluding) the date hereof, the "Existing Credit Agreement"), pursuant to which certain of the Existing Lenders agreed to make available to the Borrowers (a) a revolving credit facility, including a letter of credit subfacility and a swingline subfacility, (b) a revolving new vehicle floorplan facility, including a new vehicle swingline subfacility and (c) a revolving used vehicle floorplan facility, including a used vehicle swingline subfacility; and

WHEREAS, the Company and certain Subsidiaries of the Company (the "Existing Grantors") entered into an Escrow and Security Agreement dated as of February 17, 2006 (as amended prior to (but excluding) the date hereof, the "Existing Escrow and Security Agreement"), pursuant to which the Existing Grantors have secured their obligations arising under the Existing Credit Agreement; and

WHEREAS, the Company has requested that the Existing Credit Agreement be amended and restated in order to, among other things, (a) extend the maturity date of the revolving credit facility provided therein, (b) reduce the maximum aggregate amount of the revolving credit facility provided therein to \$150,000,000, and (c) make certain other amendments to the Existing Credit Agreement on the terms and conditions set forth in that certain Amended and Restated Credit Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Revolving Credit Agreement") among the Company, the Administrative Agent and the Lenders;

WHEREAS, the Administrative Agent and the Lenders have agreed to enter into the Revolving Credit Agreement, subject to, among other things, a condition that the parties amend and restate the Existing Escrow and Security Agreement as provided herein; and

WHEREAS, each Grantor will materially benefit from the Loans to be made, and the Letters of Credit to be issued, under the Revolving Credit Agreement, and each Grantor (other than the Company) is a party (as signatory or by joinder) to the Subsidiary Guaranty pursuant to which such Grantor guarantees the Obligations of the Company and the other Subsidiaries;

WHEREAS, in order to induce the Revolving Secured Parties to enter into the Loan Documents and to make Loans and issue Letters of Credit, each Grantor has agreed to make all shares of capital stock or Equity Interests of the Subsidiaries described on Schedule I (as such schedule may be supplemented from time to time) (collectively, the "Escrow Subsidiaries") of the respective Grantor subject to the terms and provisions of this Agreement;

WHEREAS, the Equity Interests in the Escrow Subsidiaries are not permitted to be pledged under the terms of the applicable Franchise Agreements, Framework Agreements, similar manufacturer agreements or indebtedness agreements of such Escrow Subsidiaries (the "Restricted Equity Interests");

WHEREAS, in lieu of a pledge by the Grantors to the Administrative Agent of the Restricted Equity Interests, the Grantors shall grant a security interest in certain Disposition Proceeds (as defined below) of such Restricted Equity Interests;

WHEREAS, to further protect the Revolving Secured Parties, the Grantors will deliver the Escrowed Shares (as defined below) into escrow to be held in accordance with this Agreement;

WHEREAS, as collateral security for payment and performance of the Obligations and the obligations and liabilities of any Loan Party now existing or hereafter arising under Related Swap Contracts and Secured Cash Management Arrangements, each Grantor is willing to grant to the Administrative Agent for the benefit of the Revolving Secured Parties a security interest in certain of its personal property and assets pursuant to the terms of this Agreement;

WHEREAS, the Revolving Secured Parties are unwilling to make available or maintain the credit facilities under the Revolving Credit Agreement unless the Company and each other Grantor enter into this Agreement;

NOW, THEREFORE, in order to induce (i) the Lenders to amend and restate the Existing Credit Agreement and (ii) the Revolving Secured Parties to enter into the Loan Documents and to make or maintain the credit facilities provided for therein available to or for the account of the Company and in consideration of the promises and the mutual covenants contained herein, the parties hereto agree that the Existing Escrow and Security Agreement is hereby amended and restated as follows:

ARTICLE I

ESCROW

1.1 Escrow. Upon the terms hereof, each Grantor hereby delivers to the Administrative Agent, *in escrow* (the "Escrow") all of the issued and outstanding certificated

shares of capital stock or other Equity Interests now or hereafter owned by such Grantor described on Schedule I attached hereto and incorporated herein, as Schedule I may be amended or supplemented from time to time (collectively, the "Escrowed Shares"). In addition, each Grantor hereby agrees to deliver to the Administrative Agent, in escrow, any Restricted Disposition Proceeds (as defined below) as and when received by the Grantor in respect of such Escrowed Shares.

1.2 Terms of Escrow. (a) The parties hereby appoint the Administrative Agent as escrow agent in accordance with the terms and conditions set forth herein, and the Escrow Agent hereby accepts such appointment as escrow agent.

(b) The Administrative Agent shall disburse all or any part of the Escrowed Shares as follows: any time the Administrative Agent receives (i) a written notification executed by a Grantor (or such Grantor's successor interest to the Escrowed Shares), advising the Administrative Agent of a proposed Disposition (as defined below) of Escrowed Shares or other Restricted Disposition Proceeds, (ii) (subject to Section 4.5(a)(iii)) all Disposition Proceeds (as herein defined) paid or payable to Grantors in respect of such Escrowed Shares and, (iii) if other than cash, duly executed instruments of assignment and delivery, the Administrative Agent shall immediately release such portion of the Escrowed Shares, subject as herein provided, as is specified in such written notice to the Persons specified in such written notice.

(c) The Administrative Agent shall not be responsible for the sufficiency or accuracy of the form of, or the execution, validity, value or genuineness of, any document or property received, held or delivered by it hereunder, or of any signature or endorsement thereon, or for any lack of endorsement thereon, or for any description therein, nor shall the Administrative Agent be responsible or liable to the other parties hereto or to anyone else in any respect on account of the identity, authority, or rights of the Persons executing or delivering or purporting to execute or deliver any document or property or this Agreement.

(d) (i) In its capacity as escrow agent, the Administrative Agent shall have no duties or responsibilities other than those expressly set forth herein and except as expressly set forth herein, shall have no duty to enforce any obligation of any Person, to make any payment or delivery of Disposition Proceeds, or to direct or cause any payment or delivery thereof, or to direct or cause any payment or delivery thereof to be made, or to enforce any obligation of any Person to perform any other act. The Administrative Agent shall be under no liability to any Person by reason of any failure on the part of any other Person to perform such Person's obligations under any agreement involving or relating in any way to the Escrowed Shares or the disposition thereof by the Grantors. Except as provided in Section 1.2(b), the Administrative Agent shall not be obligated to recognize any agreement between any or all of the Grantors and any other Persons.

(ii) The Administrative Agent shall not be liable to the Grantors or to any other Person for any action taken or omitted by it in good faith and in the exercise of its own best judgment. The Administrative Agent may rely conclusively and shall be protected in acting upon any order, notice, demand, certificate, opinion or advice of counsel (including counsel chosen by the Administrative Agent), statement, instrument, report or other paper or document (not only as to its due execution and the validity and

effectiveness of its provisions, but as to the acceptability and reliability of any information therein contained) which is believed by the Administrative Agent to be genuine and to be signed or presented by the proper Person or Persons.

(e) The Grantors shall pay all income, withholding and any other taxes imposed on or measured by income which are attributable to income from the Escrowed Shares and the Disposition Proceeds for the time all or any part thereof are held in escrow hereunder, and shall file all tax and information returns applicable thereto. To the extent that the Administrative Agent becomes liable for the payment of taxes, including withholding taxes, in respect of income derived from the Escrowed Shares and Disposition Proceeds, the Administrative Agent may but shall not be obligated to pay such taxes. The Administrative Agent may withhold or offset from any amount payable by the Administrative Agent to the Grantors such amount as the Administrative Agent determines in its sole discretion to be sufficient to provide for the payment of such taxes; alternately any such amount paid by the Administrative Agent shall become a part of the Obligations. In addition, the Administrative Agent shall be indemnified and held harmless by the Grantors from and against any liability for such taxes and for any penalties or interest in respect of taxes on such investment income or payments in the manner provided in subparagraph (k) below.

(f) The Administrative Agent is acting as an escrow agent only with respect to the Escrowed Shares and related Restricted Disposition Proceeds (as defined below). If any dispute arises as to whether the Administrative Agent is obligated to deliver the Escrowed Shares or as to whom the Escrowed Shares are to be delivered, the Administrative Agent shall not be required to make any delivery, but in such event the Administrative Agent may hold the Escrowed Shares until receipt by the Administrative Agent of the Disposition Proceeds and (i) instructions in writing, signed by all parties which have, or claim to have, an interest in the Escrowed Shares, directing the disposition of the Escrowed Shares, or (ii) in the absence of such writing, a final judgment from a court of competent jurisdiction or final binding arbitration award providing for the disposition of the Escrowed Shares.

(g) The Administrative Agent shall be entitled to reimbursement from the Grantors for all expenses paid or incurred by the Administrative Agent in the administration of its duties hereunder, including, but not limited to, all attorneys' fees, advisors' and consultants' fees and disbursements and all taxes or other governmental charges.

(h) The Administrative Agent may resign as escrow agent at any time and be discharged from its duties as escrow agent hereunder by giving the Grantors at least 30 days' notice thereof. As soon as practicable after its resignation, the Administrative Agent shall turn over to a successor escrow agent appointed by it and the Grantors all Escrowed Shares held hereunder upon presentation of a document appointing the new escrow agent and its acceptance thereof. If no new escrow agent is so appointed within the 60-day period following such notice of resignation, the Administrative Agent may deposit the Escrowed Shares with any court it deems appropriate.

(i) From time to time on and after the date hereof, including without limitation concurrently with the delivery of a written notice as provided in Section 1.02(b), the Grantors shall deliver or cause to be delivered to the Administrative Agent such further

documents and instruments and shall do and cause to be done such further acts as the Administrative Agent shall reasonably request to carry out more effectively the provisions and purposes of this Agreement, to evidence compliance herewith or to assure itself that it is protected in acting hereunder.

(j) It is agreed that the Grantor shall retain all rights to dividends, all rights to vote and all other rights in respect of ownership of the Escrowed Shares, subject only to the Security Interest in the Disposition Proceeds Collateral (each as defined below); provided, that any certificated Restricted Equity Interests received as a dividend or other distribution in respect of Escrowed Shares shall be delivered to the Administrative Agent in escrow to be held pursuant to the terms of this Agreement.

(k) **EACH GRANTOR SHALL AND DOES HEREBY JOINTLY AND SEVERALLY INDEMNIFY AND HOLD THE ADMINISTRATIVE AGENT AND EACH OF THE LENDERS AND OTHER REVOLVING SECURED PARTIES AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ATTORNEYS-IN-FACT AND AFFILIATES (EACH AN "INDEMNITEE" AND COLLECTIVELY, THE "INDEMNITEES") HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, COSTS, DAMAGES, JUDGMENTS, ATTORNEYS FEES, EXPENSES, OBLIGATIONS AND LIABILITIES OF ANY KIND OR NATURE INCLUDING REASONABLE ATTORNEYS FEES AND EXPENSES INCURRED IN CONNECTION THEREWITH ("LIABILITIES") WHICH ANY INDEMNITEE INCURS OR SUSTAINS, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE SERVICES OF THE ADMINISTRATIVE AGENT HEREUNDER, THE ACTIONS OR OMISSIONS OF ANY INDEMNITEE IN CONNECTION WITH THIS AGREEMENT, THE ESCROWED SHARES AND/OR THE DISPOSITION PROCEEDS HELD BY THE ADMINISTRATIVE AGENT HEREUNDER OR ANY INCOME EARNED THEREFROM INCLUDING, WITHOUT LIMITATION, LIABILITIES WHICH ARISE IN WHOLE OR IN PART FROM THE NEGLIGENCE, WHETHER SOLE OR CONCURRENT ON THE PART OF ANY INDEMNITEE BUT EXPRESSLY EXCLUDING THEREFROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY SUCH INDEMNITEE. THE FOREGOING INDEMNITY SHALL SURVIVE SATISFACTION OF THE OBLIGATIONS AND TERMINATION OF THIS AGREEMENT.**

ARTICLE II

GRANT OF SECURITY INTEREST

2.1 Assignment and Grant of Security. Each Grantor hereby grants as collateral security for the payment, performance and satisfaction of all of its Obligations and the obligations and liabilities of any Loan Party now existing or hereafter arising under Related Swap Contracts and Secured Cash Management Arrangements (such Obligations, obligations and liabilities referred to collectively as the "Secured Obligations"), to the Administrative Agent for the benefit of the Revolving Secured Parties a continuing first priority security interest in and to, and collaterally assigns to the Administrative Agent for the benefit of the Revolving Secured

Parties (collectively, the “Security Interest”) all rights, titles and interests which such Grantor now has or at any time in the future may acquire in the following (collectively, the “Disposition Proceeds”): (i) all purchase and sale agreements relating to any of the Restricted Equity Interests and all rights to secure payment thereunder; (ii) the net cash proceeds and all securities, general intangibles, contract rights, or any other proceeds whatsoever (other than shares of a Subsidiary which the Grantor is not obligated to pledge) which are received or from time to time receivable or otherwise distributed in respect of the transfer, sale, assignment, conveyance or other disposition of any kind (each, a “Disposition”) of the Escrowed Shares or other Restricted Equity Interests and any other property substituted or exchanged therefor (other than Restricted Disposition Proceeds (as hereinafter defined) and other shares of a Subsidiary which the Grantor is not obligated to pledge) including without limitation proceeds from any foreclosure sale or any other forced sale or liquidation or any sale or disposition arising or occurring pursuant to a plan in bankruptcy; and (iii) any and all proceeds or other sums payable and/or distributable with respect to, all or any of the Escrowed Shares or other Restricted Equity Interests and the other interests described in the preceding clauses (i), (ii) and (iii) hereof. Disposition Proceeds which constitute Restricted Equity Interests shall be referred to herein as “Restricted Disposition Proceeds” and shall not be included within the property subject to the Security Interest. The Disposition Proceeds subject to the Security Interest are referred to herein as the “Disposition Proceeds Collateral”.

2.2 Delivery of Disposition Proceeds. Upon any Disposition of all or a part of the Escrowed Shares or other Restricted Equity Interests (including without limitation any foreclosure sale, any other forced sale or any sale or disposition arising or occurring pursuant to a plan in bankruptcy), subject to Section 4.5(a)(iii), the Grantors shall deliver to the Administrative Agent the Disposition Proceeds, including (with respect to any certificated Disposition Proceeds) duly executed instruments of transfer, all in form and substance satisfactory to the Administrative Agent. The term “certificated” when used with the term “Disposition Proceeds” shall mean any such Disposition Proceeds which are evidenced or represented by a note, certificate, instrument, chattel paper or other written evidence of ownership or entitlement. All Restricted Disposition Proceeds shall be held by the Administrative Agent as part of the Escrow. All Disposition Proceeds Collateral shall be held by the Administrative Agent in its capacity as Administrative Agent under the Loan Documents and the Administrative Agent shall be deemed to have possession thereof for purposes of perfecting the Security Interest in any such property.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties. Each Grantor represents and warrants as follows:

(a) This Agreement and the grant of the Security Interest pursuant hereto creates a valid first priority security interest in the Disposition Proceeds securing the payment of the Obligations, and upon taking possession thereof, the filing of financing statements in accordance with the UCC, and/or any other necessary actions to perfect such security interest, such first priority security interest in such Disposition Proceeds will be duly perfected; and all

filings and other actions necessary or desirable to perfect and protect such security interest and such priority have been duly taken (or will be taken).

(b) No consent of any other Person and no authorization, approval or other action by, and no notice to or filing with, any Governmental Authority is required (i) for the grant by Grantors of the Security Interest in the Disposition Proceeds or for the execution, delivery, performance or enforceability of this Agreement by the Grantors, (ii) for the perfection or maintenance of the Security Interest in the Disposition Proceeds created hereby (including the first priority nature of such Security Interest) except for the taking of possession thereof, the UCC filings or any other action required by the UCC or other applicable perfection statutes, or (iii) for the exercise by the Administrative Agent or any Revolving Secured Party of the rights provided for in this Agreement or the remedies in respect of the Disposition Proceeds pursuant to this Agreement.

(c) The Grantors are, individually or collectively, as applicable, the legal and beneficial owners of the Escrowed Shares and other Restricted Equity Interests; all of the Escrowed Shares and other Restricted Equity Interests currently outstanding and described on Schedule I are duly authorized and issued, fully paid and non-assessable, and all documentary, stamp or other taxes or fees owing in connection with the issuance thereof have been paid; to the knowledge of the Grantors, no dispute, right of setoff, counterclaim or defense exists with respect to all or any part of the Escrowed Shares or other Restricted Equity Interests; the Escrowed Shares and other Restricted Equity Interests are free and clear of all Liens, mortgages, pledges, charges, security interests or other encumbrances, options, warrants, puts, calls and other rights of third persons, and restrictions, other than restrictions on transferability imposed by this Agreement, the Revolving Credit Agreement, the other Loan Documents and the applicable Franchise Agreement and applicable state and federal securities laws; neither this Agreement, the Revolving Credit Agreement nor any of the other Loan Documents creates or requires the creation or the granting by any Grantor of a Security Interest in the Escrowed Shares and other Restricted Equity Interests.

(d) The original certificates representing all of the certificated Escrowed Shares and other certificated Restricted Equity Interests have been delivered to the Administrative Agent, in *escrow*; the Restricted Equity Interests described on Schedule I constitute (i) all of the issued and outstanding capital stock of each of the Escrow Subsidiaries as of the date hereof and (ii) the indicated number of shares and/or ownership interest percentages of the entities as shown on Schedule I; none of the Escrow Subsidiaries have issued, nor are there outstanding, any options, warrants or other rights in favor of any Grantor or any other Person to acquire the Escrowed Shares or other Restricted Equity Interests or any capital stock of any of the Escrow Subsidiaries.

(e) This Agreement constitutes a legal, valid and binding obligation of each Grantor enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and general principals of equity; each Grantor has the corporate or partnership, as the case may be, power and authority and the legal right to execute and deliver, to perform its obligations under, and to (i) deliver the Escrowed Shares into the Escrow, and (ii) to grant the Security Interest in the Disposition Proceeds Collateral pursuant to this Agreement; and each Grantor has

taken all necessary, corporate, limited liability company or partnership, as the case may be, action to authorize its execution, delivery and performance of, the delivery of the Escrowed Shares into the Escrow, and the grant of the security interest in the Disposition Proceeds Collateral pursuant to this Agreement.

(f) The execution, delivery and performance of this Agreement will not (i) conflict with or result in any breach or contravention of any Contractual Obligation of any Grantor, including any agreement between a Grantor and any manufacturer or distributor, (ii) violate any Law, or (iii) result in the creation or imposition of any Lien on any of the properties or revenues of any Grantor pursuant to any applicable Law or Contractual Obligation of any Grantor, except as contemplated hereby.

(g) No action, suit or proceeding of or before any Governmental Authority is pending or, to the knowledge of Grantors, threatened by or against any Grantor or against any of its properties or revenues with respect to this Agreement or any of the transactions contemplated hereby.

(h) There are no conditions precedent to the effectiveness of this Agreement that have not been satisfied or waived.

ARTICLE IV

COVENANTS

Grantors covenant and agree as follows:

4.1 Further Assurances. (a) Each Grantor agrees that, where any agreement existing as of the date hereof or hereafter to which such Grantor is a party contains any restriction prohibiting such Grantor from (i) transferring the Escrowed Shares into the Escrow, or (ii) granting the Security Interest in the Disposition Proceeds Collateral, such Grantor will obtain or use its best efforts to obtain the necessary consent to or waiver of such restriction from any Person so as to enable such Grantor to effectively transfer the Escrowed Shares into the Escrow and grant to Administrative Agent such Security Interest in the Disposition Proceeds Collateral.

(b) Each Grantor will from time to time at its expense promptly execute and deliver all further instruments and documents, and take all further action, that may be reasonably necessary or desirable, or that Administrative Agent may reasonably request, in order to perfect and protect the Security Interest granted or purported to be granted hereby or in any Joinder Agreement, in the Disposition Proceeds Collateral, in the priority thereof, or to create or preserve the full benefits of this Agreement and the rights and powers of Administrative Agent herein or in any Joinder Agreement, or to enable Administrative Agent to exercise and enforce its rights and remedies hereunder or thereunder with respect to any of the Disposition Proceeds Collateral. Without limiting the generality of the foregoing, upon written request by Administrative Agent, each Grantor will: (i) if the Disposition Proceeds Collateral are certificated, deliver to Administrative Agent such certificated Disposition Proceeds Collateral duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Administrative Agent; and (ii) execute and file such financing or continuation

statements, or amendments thereto, and such other instruments or notices, as may be necessary, or as Administrative Agent may request, in order to perfect and preserve the Security Interest granted or purported to be granted hereby with respect to any and all such Disposition Proceeds Collateral.

(c) Each Grantor hereby authorizes Administrative Agent to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Disposition Proceeds Collateral without the signature of such Grantor where and to the extent permitted by applicable law. A photocopy or other reproduction of this Agreement or any financing statement covering the Disposition Proceeds Collateral or any part thereof shall be sufficient as a financing statement where and to the extent permitted by applicable law.

(d) Each Grantor will furnish to Administrative Agent from time to time, upon the written request of Administrative Agent, statements and schedules further identifying and describing the Disposition Proceeds Collateral, and such other reports in connection with the Disposition Proceeds Collateral, as Administrative Agent may reasonably request.

(e) In addition to such other information as shall be specifically provided for herein, Grantors shall furnish to Administrative Agent such other information with respect to the Disposition Proceeds Collateral as Administrative Agent may reasonably request from time to time in connection with the Disposition Proceeds Collateral, or the protection, preservation, maintenance or enforcement of the Security Interest or the Disposition Proceeds Collateral, including, without limitation, all documents and things in Grantors' possession, or subject to its demand for possession, related to the Disposition Proceeds Collateral.

(f) Subject to Section 4.5(a)(iii), each Grantor shall, if any of the Disposition Proceeds Collateral are received by such Grantor, (i) in the case of Disposition Proceeds Collateral, forthwith transfer and deliver to Administrative Agent all such Disposition Proceeds Collateral either in cash or if certificated, duly endorsed and accompanied by duly executed instruments of transfer, all in form satisfactory to the Administrative Agent, all of which thereafter shall be held by Administrative Agent as collateral security for payment and performance of the Obligations, pursuant to the terms of this Agreement, and (ii) in the case of Restricted Disposition Proceeds, forthwith deliver such Restricted Disposition Proceeds in escrow to the Administrative Agent to be held as Escrowed Shares.

(g) Each Grantor agrees that if such Grantor shall at any time acquire any additional Restricted Equity Interests of any Escrow Subsidiary, such Grantor shall, as soon as practically possible, (and without the necessity for any request or demand by Administrative Agent) deliver the certificates representing such shares or interests to Administrative Agent, in *escrow* in the same manner and with the same effect as described in Article 1 hereof. Upon delivery, such shares or evidences of ownership shall thereupon constitute Escrowed Shares for the purposes and upon the terms and conditions set forth in this Agreement.

(h) No Grantor will make any Disposition of the Escrowed Shares or other Restricted Equity Interests (whether certificated or uncertificated) or any part thereof, or create directly or indirectly any security interest or otherwise encumber (other than any restriction imposed by any Franchise Agreement to which the Grantor is a party) any of the Escrowed

Shares or other Restricted Equity Interests, or permit any of the Escrowed Shares or other Restricted Equity Interests to ever be or become subject to any warrant, put, option or other rights of third Persons or any attachment, execution, sequestration or other legal or equitable process, or any security interest or encumbrance of any kind, in each case, unless and until any Disposition Proceeds Collateral are paid and/or delivered to the Administrative Agent in accordance with the Agreement, or are received and retained by the requisite Grantor in accordance with Section 4.5(a)(iii), and any Restricted Disposition Proceeds are delivered in escrow to the Administrative Agent to be held as Escrowed Shares.

(i) The Grantors shall enforce or secure in the name of Administrative Agent, for the benefit of the Revolving Secured Parties, the performance of each and every obligation, term, covenant, condition and agreement relating to any Disposition Proceeds Collateral, and the Grantors shall appear in and defend any action or proceeding arising under, occurring out of or in any manner connected therewith and upon request by the Administrative Agent, the Grantors will do so in the name of the Administrative Agent and on behalf of the Revolving Secured Parties, but at the expense of the Grantors, and the Grantors shall pay all costs and expenses of the Administrative Agent and the Revolving Secured Parties, including, but not limited to, attorneys' fees and disbursements, in any action or proceeding in which the Revolving Secured Parties may appear.

(j) Each Grantor shall allow the Administrative Agent to inspect all records of such Grantor relating to the Escrowed Shares and/or the Disposition Proceeds Collateral, and to make and take away copies of such records.

(k) Each Grantor shall promptly notify the Administrative Agent of any material change in any fact or circumstance warranted or represented by such Grantor in this Agreement or in any other writing furnished by such Grantor to the Administrative Agent in connection with the Escrowed Shares or this Agreement.

(l) Each Grantor shall promptly notify the Administrative Agent of any claim, action or proceeding affecting title to the Escrowed Shares, or any part thereof, the Disposition Proceeds Collateral, or the Security Interest, and at the request of the Administrative Agent, appear in and defend, at the Grantors' expense, any such action or proceeding.

(m) The Grantors (jointly and severally) shall promptly pay to the Administrative Agent the amount of all reasonable costs and expenses of the Administrative Agent and/or the Revolving Secured Parties, including, but not limited to, reasonable attorneys' fees, incurred by the Administrative Agent or the Revolving Secured Parties in connection with this Agreement and the enforcement of the rights of the Administrative Agent or the Revolving Secured Parties hereunder, in accordance with Section 10.05 of the Revolving Credit Agreement.

(n) At no time shall any Escrowed Shares or other Restricted Equity Interests (i) be held or maintained in the form of a security entitlement or credited to any securities account and (ii) which constitute a "security" (or as to which the related Escrow Subsidiary has elected to have treated as a "security") under Article 8 of the Uniform Commercial Code of the State of North Carolina or of any other jurisdiction whose laws may govern (the "UCC") be maintained in the form of uncertificated securities.

(o) Each Grantor and each issuer of any Escrowed Shares or other Restricted Equity Interests shall mark each register or other ownership or transfer record relating to any of the Escrowed Shares or other Restricted Equity Interests with a notation indicating that (a) such securities, if Escrowed Shares, are subject to this Agreement and the Escrow hereunder, (b) any Disposition of any Escrowed Shares or other Restricted Equity Interests is subject to this Agreement, and (c) any Disposition Proceeds Collateral are subject to the Security Interest and Escrow hereunder.

4.2 Conversions; etc. Should the Escrowed Shares, or any part thereof, ever be in any manner converted by any of the Escrow Subsidiaries into another property of the same or another type or any money or other proceeds ever be paid or delivered to any Grantor as a result of such Grantor's rights in the Escrowed Shares, then in any such event (except as otherwise provided herein), (i) (in the case of property other than Restricted Equity Interests) all such property, money and other proceeds shall be and/or become part of the Disposition Proceeds Collateral, and each Grantor covenants forthwith to pay or deliver to the Administrative Agent all of the same which is susceptible of delivery; and at the same time, if the Administrative Agent deems it necessary and so requests, such Grantors will properly endorse or assign the same to the Administrative Agent for the benefit of the Revolving Secured Parties, and (ii) (in the case of Restricted Equity Interests) such property shall be delivered in escrow to the Administrative Agent to be held as Escrowed Shares. Without limiting the generality of the foregoing, each Grantor hereby agrees that the shares of capital stock of the surviving corporation in any merger or consolidation involving any of the Escrow Subsidiaries or any of the Escrowed Shares shall be deemed to constitute Disposition Proceeds Collateral (or, if applicable, Restricted Disposition Proceeds) if the surviving Escrow Subsidiary ceases to be either a direct or indirect wholly owned Subsidiary of the Company.

4.3 Preservation of Escrowed Shares. Neither the Administrative Agent nor the Revolving Secured Parties shall have any responsibility for or obligation or duty with respect to all or any part of the Escrowed Shares or other Restricted Equity Interests or any Disposition Proceeds Collateral or any matter or proceeding arising out of or relating thereto, including, without limitation, beyond the use of reasonable care in the custody and preservation thereof while in its possession, any obligation or duty to collect any sums due in respect thereof or to protect or preserve any rights against prior parties or any other rights pertaining thereto, it being understood and agreed that the Grantors shall be responsible generally for the preservation of all rights in the Escrowed Shares, the other Restricted Equity Interests and the Disposition Proceeds Collateral.

4.4 Collection of the Loan. Neither the Administrative Agent nor any Revolving Secured Party shall ever be liable for any failure to use due diligence in the collection of any and all amounts due and owing under the Notes, the Revolving Credit Agreement or any other Loan Documents, or any part thereof.

4.5 Rights of Parties Before the Occurrence of an Event of Default

(a) Exercising Rights and Receipt of Cash Proceeds Prior to an Event of Default Unless and until an Event of Default shall occur and be continuing:

(i) With respect to all Disposition Proceeds Collateral, subject to the other provisions of this Agreement, the Grantors shall be entitled to receive all cash dividends or interest paid in respect of or attributable to such Disposition Proceeds Collateral and any and all other Distributions. As used herein “Distributions” shall mean the declaration or payment of any dividend or other distribution on or with respect to such Disposition Proceeds Collateral, and any other payment made with respect to such Disposition Proceeds Collateral other than in respect of a Disposition thereof. All such Distributions shall if received by any Person other than the Administrative Agent, be held in trust for the benefit of the Administrative Agent and the Revolving Secured Parties and shall forthwith be delivered to the Administrative Agent duly endorsed and accompanied by duly executed instruments of transfer, all in form and substance satisfactory to the Administrative Agent to be held subject to the Security Interest and the other provisions of this Agreement.

(ii) With respect to all Disposition Proceeds Collateral, each Grantor shall have the right to vote and give consents with respect to all such Disposition Proceeds Collateral owned by it and to consent to, ratify, or waive notice of any and all meetings and take such other action as it deems appropriate to protect or further its interests in respect thereof; provided that such right shall in no case be exercised for any purpose contrary to, or in violation of, any of the terms or provisions of this Agreement, the Notes, the Revolving Credit Agreement, or any other Loan Document.

(iii) The requisite Grantor shall be entitled to receive and retain the cash purchase price for any sale of Restricted Equity Interests that is a Permitted Disposition (the “Retained Cash”) and shall not be required to deliver the Retained Cash to the Administrative Agent pursuant to Section 4.1(f) or any other provision hereof.

(b) Exercising Rights in Disposition Proceeds Collateral After the Occurrence of an Event of Default Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent, without the consent of any Grantor, may:

(i) At any time vote or consent in respect of any Disposition Proceeds Collateral and authorize any such Disposition Proceeds Collateral to be voted and such consents to be given, ratify and waive notice of any and all meetings, and take such other action as shall seem desirable to the Administrative Agent, in its sole discretion, to protect or further the interests of the Administrative Agent and the Revolving Secured Parties in respect of any such Disposition Proceeds Collateral as though it were the outright owner thereof, and, each Grantor hereby irrevocably constitutes and appoints the Administrative Agent, after the occurrence and during the continuance of an Event of Default, its sole proxy and attorney-in-fact, with full power of substitution to vote and act with respect to any and all such Disposition Proceeds Collateral standing in the name of such Grantor or with respect to which such Grantor is entitled to vote and act. The proxy and power of attorney herein granted are coupled with interests, are irrevocable, and shall continue throughout the term of this Agreement;

(ii) In respect of any Disposition Proceeds Collateral, join in and become a party to any plan of recapitalization, reorganization or readjustment (whether

voluntary or involuntary) as shall seem desirable to the Administrative Agent in respect of any such Disposition Proceeds Collateral, and deposit any such Disposition Proceeds Collateral under any such plan; make any exchange, substitution, cancellation or surrender of such Disposition Proceeds Collateral required by any such plan and take such action with respect to any such Disposition Proceeds Collateral as may be required by any such plan or for the accomplishment thereof; and no such disposition, exchange, substitution, cancellation or surrender shall be deemed to constitute a release of such Disposition Proceeds Collateral from the Security Interest of this Agreement;

(iii) Receive for application as provided in Section 8.03 of the Revolving Credit Agreement all payments of whatever kind made upon or with respect to any Disposition Proceeds Collateral; and

(iv) Subject to the provisions of Section 4.5(c) hereof, transfer or endorse into its name, or into the name or names of its nominee or nominees, all or any of the Disposition Proceeds Collateral.

(c) Right of Sale of Disposition Proceeds Collateral After the Occurrence of an Event of Default Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may sell, without recourse to judicial proceedings, by way of one or more contracts, with the right (except at private sale) to bid for and buy, free from any right of redemption, any Disposition Proceeds Collateral upon five (5) days' notice (which notice is agreed to be reasonable notice for the purposes hereof) to the Grantors of the time and place of sale, for cash, upon credit or for future delivery, at the Administrative Agent's option and in the Administrative Agent's complete discretion:

(i) At public sale, including a sale at any broker's board or exchange; or

(ii) At private sale in any manner which will not require the Disposition Proceeds Collateral, or any part thereof, to be registered in accordance with the Securities Act of 1933, as amended, or the rules and regulations promulgated thereunder, or any other law or regulation, at the best price reasonably obtainable by the Administrative Agent at any such private sale or other disposition in the manner mentioned above.

The Administrative Agent is also hereby authorized, but not obligated, to take such actions, give such notices, obtain such consents, and do such other things as the Administrative Agent may deem required or appropriate in the event of sale or disposition of such Disposition Proceeds Collateral. Each Grantor understands that the Administrative Agent may in its sole discretion approach a restricted number of potential purchasers and that a sale under such circumstances may yield a lower price for such Disposition Proceeds Collateral, or any portion thereof, than would otherwise be obtainable if the same were registered and sold in the open market. Each Grantor agrees (A) that in the event the Administrative Agent shall so sell such Disposition Proceeds Collateral, or any portion thereof, at such private sale or sales, the Administrative Agent shall have the right to rely upon the advice and opinion of any member firm of a national securities exchange as to the best price reasonably obtainable upon such a private sale thereof

(any expense borne by the Administrative Agent in obtaining such advice to be paid by the Grantors as an expense related to the exercise by the Administrative Agent of its rights hereunder), and (B) that such reliance shall be conclusive evidence that the Administrative Agent handled such matter in a commercially reasonable manner. No Revolving Secured Party shall be under any obligation to take any steps to permit such Disposition Proceeds Collateral to be sold at a public sale or to delay a sale to permit the Escrow Subsidiaries to register such Disposition Proceeds Collateral for public sale under the Securities Act of 1933 or applicable state securities law. In case of any sale by the Administrative Agent of the Disposition Proceeds Collateral on credit or for future delivery, the Disposition Proceeds Collateral sold may be retained by the Administrative Agent until the selling price is paid by the purchaser, but the Administrative Agent shall incur no liability in case of failure of the purchaser to take up and pay for the Disposition Proceeds Collateral so sold. In case of any such failure, such Disposition Proceeds Collateral so sold may be again similarly sold. In connection with the sale of the Disposition Proceeds Collateral, the Administrative Agent is authorized, but not obligated, to limit prospective purchasers to the extent deemed necessary or desirable by the Administrative Agent to render such sale exempt from the registration requirements of the Securities Act of 1933, as amended, and any applicable state securities laws, and no sale so made in good faith by the Administrative Agent shall be deemed not to be “commercially reasonable” because so made. In no event, however, shall the Administrative Agent or any Revolving Secured Party have any right to sell, foreclose upon, or compel the sale of, any Escrowed Shares.

(d) **Other Rights After an Event of Default** Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent, at its election, may with respect to all Disposition Proceeds Collateral exercise any and all rights available to a secured party under the Uniform Commercial Code as enacted in the State of North Carolina or other applicable jurisdiction, as amended, in addition to any and all other rights afforded hereunder, under the Revolving Credit Agreement, the Notes, under the other Loan Documents, at law, in equity or otherwise.

(e) **Application of Proceeds.** Any and all Disposition Proceeds Collateral including cash proceeds and the proceeds from the disposition as hereinabove provided of Disposition Proceeds Collateral received by Lenders or any part thereof shall be applied as provided in Section 8.03 of the Revolving Credit Agreement.

4.6 Right to File as Financing Statement. The Administrative Agent shall have the right at any time to execute and file this Agreement as a financing statement, but the failure of the Administrative Agent to do so shall not impair the validity or enforceability of this Agreement or the Security Interest.

4.7 Restricted Disposition Shares; No Control by Administrative Agent or Lenders

(a) Notwithstanding anything herein to the contrary, the Administrative Agent shall not have, or be deemed to have, a security interest in any Restricted Disposition Proceeds or the Escrowed Shares, but the Administrative Agent shall have, and is hereby granted, a security interest in Disposition Proceeds Collateral (the “Subsequent Proceeds”) of Restricted Disposition Proceeds so long as such Subsequent Proceeds are not themselves Restricted Disposition

Proceeds. Any Restricted Disposition Proceeds delivered to the Administrative Agent to be held in escrow by the Administrative Agent and will be deemed to be Escrowed Shares for purposes of this Agreement.

(b) Notwithstanding anything herein to the contrary, this Agreement, the Revolving Credit Agreement and the other Loan Documents, and the transactions contemplated hereby and thereby, do not and will not, constitute, create or have the effect of constituting or creating, directly or indirectly, the actual or practical ownership of any of the Escrow Subsidiaries by the Administrative Agent or any Revolving Secured Party, or control, affirmative or negative, direct or indirect, by the Administrative Agent or any Revolving Secured Party over the management or any other aspect of the day-to-day operation of the Escrow Subsidiaries, which ownership and control remains exclusively and at all times in each of the Escrow Subsidiaries.

4.8 Agreement to Supplement. Each Grantor acknowledges and agrees that this Agreement shall be amended and supplemented from time to time to specifically include a description of all Escrowed Shares subject hereto subsequent to the date hereof, and the Administrative Agent shall be entitled to supplement Schedule I from time to time, without any action or joinder of the Grantors to reflect the addition of all such additional Escrowed Shares. The Administrative Agent shall have a valid first priority security interest in all additional Disposition Proceeds which come into existence after the date hereof, whether or not reflected on a supplement to Schedule I. The Grantor hereby agrees to execute, deliver and cause the filing of all stock powers, financing statements and other documents and to take such further action as deemed necessary in the Administrative Agent's reasonable discretion with respect to each such additional Escrowed Shares and Disposition Proceeds to ensure each Grantor's compliance hereunder with respect thereto.

4.9 Reinstatement. The granting of a security interest in the Disposition Proceeds Collateral and the other provisions hereof shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by any Revolving Secured Party or is repaid by any Revolving Secured Party in whole or in part in good faith settlement of a pending or threatened avoidance claim, whether upon the insolvency, bankruptcy or reorganization of any Grantor or any other Loan Party or otherwise, all as though such payment had not been made. The provisions of this Section 4.9 shall survive repayment of all of the Secured Obligations and the termination or expiration of this Agreement in any manner, including but not limited to termination upon occurrence of the Facility Termination Date.

4.10 Certain Waivers by the Grantors. Each Grantor waives to the extent permitted by applicable law (a) any right to require any Revolving Secured Party or any other obligee of the Secured Obligations to (x) proceed against any Person or entity, including without limitation any Loan Party, (y) proceed against or exhaust the Disposition Proceeds Collateral or other collateral for the Secured Obligations, or (z) pursue any other remedy in its power; (b) any defense arising by reason of any disability or other defense of any other Person, or by reason of the cessation from any cause whatsoever of the liability of any other Person or entity, (c) any right of subrogation, and (d) any right to enforce any remedy which any Revolving Secured Party or any other obligee of the Secured Obligations now has or may hereafter have against any other

Person and any benefit of and any right to participate in any collateral or security whatsoever now or hereafter held by the Administrative Agent for the benefit of the Revolving Secured Parties. Each Grantor authorizes each Revolving Secured Party and each other obligee of the Secured Obligations without notice (except notice required by applicable law) or demand and without affecting its liability hereunder or under the Loan Documents from time to time to: (i) take and hold security, other than the Disposition Proceeds Collateral herein described, for the payment of such Secured Obligations or any part thereof, and exchange, enforce, waive and release the Disposition Proceeds Collateral herein described or any part thereof or any such other security; and (ii) apply such Disposition Proceeds Collateral or other security and direct the order or manner of sale thereof as such Revolving Secured Party or obligee in its discretion may determine.

The Administrative Agent may at any time deliver (without representation, recourse or warranty) the Disposition Proceeds Collateral or any part thereof to a Grantor and the receipt thereof by such Grantor shall be a complete and full acquittance for the Disposition Proceeds Collateral so delivered, and the Administrative Agent shall thereafter be discharged from any liability or responsibility therefor.

4.11 Continued Powers. Until the Facility Termination Date shall have occurred, the power of sale and other rights, powers and remedies granted to the Administrative Agent for the benefit of the Revolving Secured Parties hereunder shall continue to exist and may be exercised by the Administrative Agent at any time and from time to time irrespective of the fact that any of the Secured Obligations or any part thereof may have become barred by any statute of limitations or that any part of the liability of any Grantor may have ceased.

4.12 Other Rights. The rights, powers and remedies given to the Administrative Agent for the benefit of the Revolving Secured Parties by this Agreement shall be in addition to all rights, powers and remedies given to the Administrative Agent or any Revolving Secured Party under any other Loan Document or by virtue of any statute or rule of law. Any forbearance or failure or delay by the Administrative Agent in exercising any right, power or remedy hereunder shall not be deemed to be a waiver of such right, power or remedy, and any single or partial exercise of any right, power or remedy hereunder shall not preclude the further exercise thereof; and every right, power and remedy of the Revolving Secured Parties shall continue in full force and effect until such right, power or remedy is specifically waived in accordance with the terms of the Revolving Credit Agreement.

4.13 Anti-Marshaling Provisions. The right is hereby given by each Grantor to the Administrative Agent, for the benefit of the Revolving Secured Parties, to make releases (whether in whole or in part) of all or any part of the Disposition Proceeds Collateral agreeable to the Administrative Agent without notice to, or the consent, approval or agreement of other parties and interests, including junior lienors, which releases shall not impair in any manner the validity of or priority of the Liens and security interests in the remaining Disposition Proceeds conferred hereunder, nor release any Grantor from personal liability for the Secured Obligations. Notwithstanding the existence of any other security interest in the Disposition Proceeds held by the Administrative Agent, for the benefit of the Revolving Secured Parties, the Administrative Agent shall have the right to determine the order in which any or all of the Disposition Proceeds shall be subjected to the remedies provided in this Agreement. Each Grantor hereby waives any

and all right to require the marshaling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein or in any Loan Document.

4.14 Entire Agreement. This Agreement and each Joinder Agreement, together with the Revolving Credit Agreement and other Loan Documents, constitutes and expresses the entire understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior negotiations, agreements and understandings, inducements, commitments or conditions, express or implied, oral or written, except as herein contained. The express terms hereof and of the Joinder Agreements control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof and thereof. Neither this Agreement nor any Joinder Agreement nor any portion or provision hereof or thereof may be changed, altered, modified, supplemented, discharged, canceled, terminated, or amended orally or in any manner other than as provided in the Revolving Credit Agreement.

4.15 Reliance. Each Grantor hereby consents and agrees that all Persons shall be entitled to accept the provisions hereof and of the Joinder Agreements as conclusive evidence of the right of the Administrative Agent, on behalf of the Revolving Secured Parties, to exercise its rights, privileges, and remedies hereunder and thereunder with respect to the Disposition Proceeds, notwithstanding any other notice or direction to the contrary heretofore or hereafter given by any Grantor or any other Person to any Persons.

4.16 Binding Agreement: Assignment. This Agreement and each Joinder Agreement, and the terms, covenants and conditions hereof and thereof, shall be binding upon and inure to the benefit of the parties hereto, and to their respective successors and assigns, except that no Grantor shall be permitted to assign this Agreement, any Joinder Agreement or any interest herein or therein or in the Disposition Proceeds, or any part thereof or interest therein, or otherwise pledge, encumber or grant any option with respect to the Disposition Proceeds, or any part thereof, or any cash or property held by the Administrative Agent as the Disposition Proceeds under this Agreement. Without limiting the generality of the foregoing sentence of this Section 4.16, any Lender may assign to one or more Persons, or grant to one or more Persons participations in or to, all or any part of its rights and obligations under the Revolving Credit Agreement (to the extent permitted by the Revolving Credit Agreement); and to the extent of any such assignment or participation such other Person shall, to the fullest extent permitted by law, thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise, subject however, to the provisions of the Revolving Credit Agreement, including Article IX thereof (concerning the Administrative Agent) and Section 10.06 thereof (concerning assignments and participations). All references herein to the Administrative Agent and to the Revolving Secured Parties shall include any successor thereof or permitted assignee, and any other obligees from time to time of the Secured Obligations.

4.17 Related Swap Contracts. All obligations of any Grantor under or in respect of Related Swap Contracts and Secured Cash Management Arrangements (which are not prohibited under the terms of the Revolving Credit Agreement) to which any Lender or any Affiliate of any Lender is a party, shall be deemed to be Secured Obligations secured hereby, and each Lender or Affiliate of a Lender party to any such Related Swap Contract or Secured Cash Management Arrangement shall be deemed to be a Revolving Secured Party hereunder with respect to such Secured Obligations; provided, however, that such obligations shall cease to be Secured

Obligations at such time, prior to the Facility Termination Date, as such Person (or Affiliate of such Person) shall cease to be a Lender” under the Revolving Credit Agreement.

No Person who obtains the benefit of any Lien by virtue of the provisions of this Section shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Disposition Proceeds (including the release or impairment of any Disposition Proceeds) other than in its capacity as a Lender and only to the extent expressly provided in the Loan Documents. Notwithstanding any other provisions of this Agreement to the contrary, the Administrative Agent shall only be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, the Secured Obligations arising under Related Swap Contracts or Secured Cash Management Arrangements to the extent the Administrative Agent has received written notice of such Obligations, together with such supportive documentation as it may request from the applicable Lender or Affiliate of a Lender. Each Revolving Secured Party not a party to the Revolving Credit Agreement who obtains the benefit of this Agreement by virtue of the provisions of this Section shall be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to the terms of the Revolving Credit Agreement, and that with respect to the actions and omissions of the Administrative Agent hereunder or otherwise relating hereto that do or may affect such Revolving Secured Party, the Administrative Agent and each of its Related Parties shall be entitled to all the rights, benefits and immunities conferred under Article IX of the Revolving Credit Agreement.

4.18 Severability. The provisions of this Agreement are independent of and separable from each other. If any provision hereof shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision hereof, but this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

4.19 Counterparts. This Agreement may be executed in any number of counterparts each of which when so executed and delivered shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart executed by the Grantor against whom enforcement is sought. Without limiting the foregoing provisions of this Section 4.19, the provisions of Section 10.10 of the Revolving Credit Agreement shall be applicable to this Agreement.

4.20 Termination. Subject to the provisions of Section 4.9, this Agreement and each Joinder Agreement, and all obligations of the Grantors hereunder (excluding those obligations and liabilities that expressly survive such termination) shall terminate without delivery of any instrument or performance of any act by any party on the Facility Termination Date. Upon such termination of this Agreement, the Administrative Agent shall, at the sole expense of the Grantors, promptly deliver to the Grantors the Escrowed Shares, all other certificated Restricted Equity Interests and the Disposition Proceeds Collateral and take such actions at the request of the Grantors as may be necessary to effect the same.

4.21 Notices. Any notice required or permitted hereunder shall be given (a) with respect to any Grantor hereunder, at the address of the Company indicated in Schedule 10.02 of the Revolving Credit Agreement, (b) with respect to the Administrative Agent or a Lender, at the

Administrative Agent's address indicated in Schedule 10.02 of the Revolving Credit Agreement. All such addresses may be modified, and all such notices shall be given and shall be effective, as provided in Section 10.02 of the Revolving Credit Agreement for the giving and effectiveness of notices and modifications of addresses thereunder.

4.22 Joinder. Each Person who shall at any time execute and deliver to the Administrative Agent a Joinder Agreement who is identified therein as a "Grantor" (as such term is defined in this Agreement) shall thereupon irrevocably, absolutely and unconditionally become a party hereto and obligated hereunder to the extent required pursuant to such Joinder Agreement as a Grantor and shall have thereupon pursuant to Section 1 hereof granted a security interest in and collaterally assigned and pledged to the Administrative Agent for the benefit of the Revolving Secured Parties all Disposition Proceeds which it has at its applicable date of execution of its respective Joinder Agreement or thereafter acquires any interest or the power to transfer, and all references herein and in the other Loan Documents to the Grantors or to the parties to this Agreement shall be deemed to include such Person as a Grantor hereunder. Each such Joinder Agreement shall be accompanied by the Supplemental Schedules referred to therein, appropriately completed with information relating to the Grantor executing such Joinder Agreement and its property. Each of the applicable Schedules attached hereto shall be deemed amended and supplemented without further action by such information reflected on the Supplemental Schedules to each such Joinder Agreement.

4.23 Rules of Interpretation. The rules of interpretation contained in Sections 1.02 and 1.05 of the Revolving Credit Agreement shall be applicable to this Agreement and each Joinder Agreement and are hereby incorporated by reference. All representations and warranties contained herein shall survive the delivery of documents and any Credit Extensions referred to herein or secured hereby.

4.24 Governing Law; Waivers.

(a) **THIS AGREEMENT AND EACH JOINDER AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NORTH CAROLINA APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.**

(b) **EACH GRANTOR HEREBY EXPRESSLY AND IRREVOCABLY AGREES AND CONSENTS THAT ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY JOINDER AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN MAY BE INSTITUTED IN ANY STATE OR FEDERAL COURT SITTING IN MECKLENBURG COUNTY, STATE OF NORTH CAROLINA, UNITED STATES OF AMERICA AND, BY THE EXECUTION AND DELIVERY OF THIS AGREEMENT OR A JOINDER AGREEMENT, EXPRESSLY WAIVES ANY OBJECTION THAT IT MAY HAVE NOW OR HEREAFTER TO THE LAYING OF THE VENUE OR TO THE JURISDICTION OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND IRREVOCABLY SUBMITS GENERALLY AND UNCONDITIONALLY TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING.**

(c) EACH GRANTOR AGREES THAT SERVICE OF PROCESS MAY BE MADE BY PERSONAL SERVICE OF A COPY OF THE SUMMONS AND COMPLAINT OR OTHER LEGAL PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING, OR BY REGISTERED OR CERTIFIED MAIL (POSTAGE PREPAID) TO THE ADDRESS OF SUCH GRANTOR PROVIDED IN SECTION 4.21 OR BY ANY OTHER METHOD OF SERVICE PROVIDED FOR UNDER THE APPLICABLE LAWS IN EFFECT IN THE STATE OF NORTH CAROLINA.

(d) NOTHING CONTAINED IN SUBSECTIONS (b) OR (c) HEREOF SHALL PRECLUDE THE ADMINISTRATIVE AGENT FROM BRINGING ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY JOINDER AGREEMENT OR THE OTHER LOAN DOCUMENTS IN THE COURTS OF ANY PLACE WHERE ANY GRANTOR OR ANY OF SUCH GRANTOR'S PROPERTY OR ASSETS MAY BE FOUND OR LOCATED. TO THE EXTENT PERMITTED BY THE APPLICABLE LAWS OF ANY SUCH JURISDICTION, EACH GRANTOR HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT AND EXPRESSLY WAIVES, IN RESPECT OF ANY SUCH SUIT, ACTION OR PROCEEDING, OBJECTION TO THE EXERCISE OF JURISDICTION OVER IT AND ITS PROPERTY BY ANY SUCH OTHER COURT OR COURTS WHICH NOW OR HEREAFTER, BY REASON OF ITS PRESENT OR FUTURE DOMICILE, OR OTHERWISE, MAY BE AVAILABLE UNDER APPLICABLE LAW.

(e) IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS OR REMEDIES UNDER OR RELATED TO THIS AGREEMENT OR ANY JOINDER AGREEMENT OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR THAT MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THE FOREGOING, EACH PARTY HEREBY AGREES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, THAT ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY AND HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT SUCH PERSON MAY HAVE TO TRIAL BY JURY IN ANY SUCH ACTION, SUIT OR PROCEEDING.

(f) EACH GRANTOR HEREBY EXPRESSLY WAIVES ANY OBJECTION IT MAY HAVE THAT ANY COURT TO WHOSE JURISDICTION IT HAS SUBMITTED PURSUANT TO THE TERMS HEREOF IS AN INCONVENIENT FORUM.

4.25 Amendment and Restatement. The parties hereto agree that the Existing Escrow and Security Agreement is hereby amended and restated in this Escrow and Security Agreement, and this Escrow and Security Agreement shall constitute neither a release nor novation of any lien or security interest arising under the Existing Escrow and Security Agreement nor a refinancing of any indebtedness or obligations arising thereunder or under the Existing Credit Agreement or related documents, but rather the liens and security interests in effect under the Existing Escrow and Security Agreement shall continue in effect on the terms hereof.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have duly executed this Agreement on the day and year first written above.

GRANTORS:

SONIC AUTOMOTIVE, INC.

By: /s/ DAVID P. COSPER

Name: David P. Cosper

Title: Vice Chairman and Chief Financial Officer

FAA HOLDING CORP.

FIRSTAMERICA AUTOMOTIVE, INC.

L DEALERSHIP GROUP, INC.

SAI AL HC1, INC.

SAI AL HC2, INC.

SAI FL HC2, INC.

SAI FL HC4, INC.

SAI MD HC1, INC.

SAI OK HC1, INC.

SAI TN HC3, LLC

SONIC AUTOMOTIVE OF NEVADA, INC.

SONIC OF TEXAS, INC.

By: /s/ DAVID P. COSPER

Name: David P. Cosper

Title: Vice President and Treasurer

SAI GEORGIA LLC

By: **SONIC AUTOMOTIVE OF NEVADA, INC.,** as Sole Member

By: /s/ DAVID P. COSPER

Name: David P. Cosper

Title: Vice President and Treasurer

AMENDED AND RESTATED
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ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ ANGELO M. MARTORANA

Name: Angelo M. Martorana

Title: Assistant Vice President

AMENDED AND RESTATED
ESCROW AND SECURITY AGREEMENT
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SCHEDULE I
Escrowed Shares

<u>grantor</u>	<u>escrow subsidiaries</u>	<u>type of shares</u>	<u>no. of shares</u>	<u>cert. no.(s)</u>
FAA Holding Corp.	1. FAA Las Vegas H, Inc. Nevada Corporation C13186-1999	Common Stock	10,000	2
FAA Holding Corp.	2. Kramer Motors Incorporated California Corporation C0392185	Common Stock	250	10
FirstAmerica Automotive, Inc.	3. FAA Beverly Hills, Inc. California Corporation C2069519	Common Stock	10,000	2
FirstAmerica Automotive, Inc.	4. FAA Concord H, Inc. California Corporation C2004304	Common Stock	10,000	2
FirstAmerica Automotive, Inc.	5. FAA Concord T, Inc. California Corporation C0613543	Common Stock	1,000	5
FirstAmerica Automotive, Inc.	6. FAA Poway H, Inc. California Corporation C2006230	Common Stock	10,000	2

<u>grantor</u>	<u>escrow subsidiaries</u>	<u>type of shares</u>	<u>no. of shares</u>	<u>cert. no.(s)</u>
FirstAmerica Automotive, Inc.	7. FAA San Bruno, Inc. California Corporation C2004303	Common Stock	10,000	2
FirstAmerica Automotive, Inc.	8. FAA Serramonte, Inc. California Corporation C2004221	Common Stock	10,000	3
FirstAmerica Automotive, Inc.	9. FAA Serramonte H, Inc. California Corporation C2069465	Common Stock	10,000	2
FirstAmerica Automotive, Inc.	10. FAA Serramonte L, Inc. California Corporation C2004222	Common Stock	10,000	2
FirstAmerica Automotive, Inc.	11. FAA Stevens Creek, Inc. California Corporation C2004216	Common Stock	10,000	2
L Dealership Group, Inc.	12. Franciscan Motors, Inc. California Corporation C1532758	Common Stock	700,000	10
L Dealership Group, Inc.	13. Santa Clara Imported Cars, Inc. California Corporation C0587296	Common Stock	1,082	10

<u>grantor</u>	<u>escrow subsidiaries</u>	<u>type of shares</u>	<u>no. of shares</u>	<u>cert. no.(s)</u>
L Dealership Group, Inc.	14. Sonic — Stevens Creek B, Inc. California Corporation C0723787	Common Stock	300,000	10
L Dealership Group, Inc.	15. Windward, Inc. Hawaii Corporation 41788D1FPD	Common Stock	140,500	10
SAI AL HC1, Inc.	16. SAI Montgomery B, LLC Alabama Limited Liability Company 428-746	LLC Interest	100.00%	N/A
SAI AL HC2, Inc.	17. SAI Irondale Imports, LLC Alabama Limited Liability Company 428-744	Common Stock	100.00%	N/A
SAI AL HC2, Inc.	18. SAI Irondale L, LLC Alabama Limited Liability Company 662-073	LLC Interest	100.00%	N/A
SAI FL HC2, Inc.	19. SAI Clearwater T, LLC Florida Limited Liability Company L08000116713	LLC Interest	100.00%	N/A
SAI FL HC2, Inc.	20. SAI Fort Myers B, LLC Florida Limited Liability Company L08000116712	LLC Interest	100.00%	N/A

<u>grantor</u>	<u>escrow subsidiaries</u>	<u>type of shares</u>	<u>no. of shares</u>	<u>cert. no.(s)</u>
SAI FL HC4, Inc.	21. SAI Fort Myers H, LLC Florida Limited Liability Company L08000116710	LLC Interest	100.00%	N/A
SAI MD HC1, Inc.	22. SAI Rockville L, LLC Maryland Limited Liability Company W12791083	LLC Interest	100.00%	N/A
SAI OK HC1, Inc.	23. SAI Atlanta B, LLC Georgia Limited Liability Company 08083814	LLC Interest	100.00%	N/A
SAI OK HC1, Inc.	24. SAI Oklahoma City – H, LLC Oklahoma Limited Liability Company 3512215666	LLC Interest	100.00%	N/A
SAI OK HC1, Inc.	25. SAI Oklahoma City T, LLC Oklahoma Limited Liability Company 3512215664	LLC Interest	100.00%	N/A
SAI OK HC1, Inc.	26. SAI Tulsa N, LLC Oklahoma Limited Liability Company 3512215684	LLC Interest	100.00%	N/A
SAI OK HC1, Inc.	27. SAI Tulsa T, LLC Oklahoma Limited Liability Company 3512215671	LLC Interest	100.00%	N/A

<u>grantor</u>	<u>escrow subsidiaries</u>	<u>type of shares</u>	<u>no. of shares</u>	<u>cert. no.(s)</u>
SAI TN HC3, LLC SAI TN HC3, LLC	28. SAI Nashville H, LLC Tennessee Limited Liability Company 0336180	LLC Interest	1 99	N/A
Sonic Automotive, Inc.	29. FirstAmerica Automotive, Inc. Delaware Corporation 2761294	Common Stock	100	2
Sonic Automotive, Inc.	30. Marcus David Corporation North Carolina Corporation 0272880	Common Stock	579,000	8
Sonic Automotive, Inc.	31. Ontario L, LLC California Limited Liability Company 200330110050	LLC Interest	100.00%	N/A
Sonic Automotive, Inc.	32. SAI AL HC2, Inc. Alabama Corporation D/C 199-217	Common Stock	100	1
Sonic Automotive, Inc.	33. SAI Ann Arbor Imports, LLC Michigan Limited Liability Company E15303	LLC Interest	100.00%	N/A
Sonic Automotive, Inc.	34. SAI Columbus T, LLC Ohio Limited Liability Company CP13128	LLC Interest	100.00%	N/A

<u>grantor</u>	<u>escrow subsidiaries</u>	<u>type of shares</u>	<u>no. of shares</u>	<u>cert. no.(s)</u>
Sonic Automotive, Inc.	35. SAI FL HC2, Inc. Florida Corporation P98000016038	Common Stock	100	2
Sonic Automotive, Inc.	36. SAI Long Beach B, Inc. California Corporation C2998588	Common Stock	100	1
Sonic Automotive, Inc.	37. SAI MD HC1, Inc. Maryland Corporation D05310776	Common Stock	100	2
Sonic Automotive, Inc.	38. SAI Monrovia B, Inc. California Corporation C2979304	Common Stock	100	1
Sonic Automotive, Inc.	39. Sonic Automotive of Nevada, Inc. Nevada Corporation C18014-1997	Common Stock	1,000	1
Sonic Automotive, Inc.	40. Sonic Automotive 2752 Laurens Rd., Greenville, Inc. South Carolina Corporation	Common Stock	100	1
Sonic Automotive, Inc.	41. Sonic Automotive - 9103 E. Independence, NC, LLC North Carolina Limited Liability Company 0470751	LLC Interest	100.00%	N/A

<u>grantor</u>	<u>escrow subsidiaries</u>	<u>type of shares</u>	<u>no. of shares</u>	<u>cert. no.(s)</u>
Sonic Automotive, Inc.	42. Sonic–Buena Park H, Inc. California Corporation C2356456	Common Stock	100	1
Sonic Automotive, Inc.	43. Sonic–Calabasas A, Inc. California Corporation C2413759	Common Stock	100	1
Sonic Automotive, Inc.	44. Sonic – Denver T, Inc. Colorado Corporation 20021350687	Common Stock	100	1
Sonic Automotive, Inc.	45. Sonic – Harbor City H, Inc. California Corporation C2356454	Common Stock	100	1
Sonic Automotive, Inc.	46. Sonic — Manhattan Fairfax, Inc. Virginia Corporation 0521177-6	Common Stock	100	1
Sonic Automotive, Inc.	47. Sonic — Newsome of Florence, Inc. South Carolina Corporation	Common Stock	100	1
Sonic Automotive, Inc.	48. Sonic — Shottenkirk, Inc. Florida Corporation P99000043291	Common Stock	100	1

<u>grantor</u>	<u>escrow subsidiaries</u>	<u>type of shares</u>	<u>no. of shares</u>	<u>cert. no.(s)</u>
Sonic Automotive, Inc.	49. Sonic Tysons Corner H, Inc. Virginia Corporation 0645231-2	Common Stock	100	1
Sonic Automotive, Inc.	50. Sonic Tysons Corner Infiniti, Inc. Virginia Corporation 0645232-0	Common Stock	100	1
SAI Georgia, LLC Sonic Automotive of Nevada, Inc.	51. Sonic – Stone Mountain T, L.P. Georgia Limited Partnership 0342795	General Partner Interest Limited Partner Interest	1.00% 99.00%	N/A
Sonic Automotive of Nevada, Inc. Sonic Automotive of Nevada, Inc.	52. Sonic Automotive of Chattanooga, LLC Tennessee Limited Liability Company 0336188	LLC Interest (Class A Units) LLC Interest (Class B Units)	1 99	N/A
Sonic Automotive of Nevada, Inc. Sonic Automotive of Nevada, Inc.	53. Sonic Automotive of Nashville, LLC Tennessee Limited Liability Company 0336186	LLC Interest (Class A Units) LLC Interest (Class B Units)	1 99	N/A
Sonic Automotive of Nevada, Inc. Sonic Automotive of Nevada, Inc.	54. Sonic – 2185 Chapman Rd., Chattanooga, LLC Tennessee Limited Liability Company 0366281	LLC Interest (Class A Units) LLC Interest (Class B Units)	1 99	N/A

<u>grantor</u>	<u>escrow subsidiaries</u>	<u>type of shares</u>	<u>no. of shares</u>	<u>cert. no.(s)</u>
Sonic of Texas, Inc. Sonic Automotive of Nevada, Inc.	55. Philpott Motors, Ltd. Texas Limited Partnership 12223010	General Partner Interest Limited Partner Interest	1.00% 99.00%	N/A
Sonic of Texas, Inc. Sonic Automotive of Nevada, Inc.	56. Sonic – Fort Worth T, L.P. Texas Limited Partnership 13920710	General Partner Interest Limited Partner Interest	1.00% 99.00%	N/A
Sonic of Texas, Inc. Sonic Automotive of Nevada, Inc.	57. Sonic — Lute Riley, L.P. Texas Limited Partnership 11869810	General Partner Interest Limited Partner Interest	1.00% 99.00%	N/A
Sonic of Texas, Inc. Sonic Automotive of Nevada, Inc.	58. Sonic Momentum B, L.P. Texas Limited Partnership 800235477	General Partner Interest Limited Partner Interest	1.00% 99.00%	N/A
Sonic Automotive, Inc. Sonic Automotive of Nevada, Inc. SAI Georgia, LLC	59. SAI OK HC1, Inc. Oklahoma Corporation 1900632183	Common Stock Common Stock Common Stock	400	2 3 4

**AMENDED AND RESTATED
SECURITIES PLEDGE AGREEMENT**

THIS AMENDED AND RESTATED SECURITIES PLEDGE AGREEMENT (this "Pledge Agreement") is made and entered into as of January 15, 2010 is made by **SONIC FINANCIAL CORPORATION**, a North Carolina corporation (the "Pledgor") to **BANK OF AMERICA, N.A.**, a national banking association, as Administrative Agent (in such capacity, the "Administrative Agent") for each of the lenders (the "Lenders") now or hereafter party to the Revolving Credit Agreement defined below (collectively with the Administrative Agent, and certain other Persons parties to Related Swap Contracts and Secured Cash Management Arrangements as more particularly described in Section 17 hereof, the "Revolving Secured Parties"). All capitalized terms used but not otherwise defined herein shall have the respective meanings assigned thereto in the Revolving Credit Agreement.

WITNESSETH:

WHEREAS, Sonic Automotive, Inc., a Delaware corporation (the "Company"), certain Subsidiaries of the Company party thereto (each a "New Vehicle Borrower" and together with the Company, the "Borrowers" and each individually a "Borrower"), certain of the Lenders (the "Existing Lenders") and Bank of America as administrative agent (the "Administrative Agent") entered into that certain Credit Agreement dated as of February 17, 2006 (as amended prior to (but excluding) the date hereof, the "Existing Credit Agreement"), pursuant to which certain of the Existing Lenders agreed to make available to the Borrowers (a) a revolving credit facility, including a letter of credit subfacility and a swingline subfacility, (b) a revolving new vehicle floorplan facility, including a new vehicle swingline subfacility and (c) a revolving used vehicle floorplan facility, including a used vehicle swingline subfacility; and

WHEREAS, the Pledgor entered into a Securities Pledge Agreement dated as of February 17, 2006 (as amended prior to (but excluding) the date hereof, the "Existing Pledge Agreement"), pursuant to which the Pledgor has secured obligations arising under the Existing Credit Agreement; and

WHEREAS, the Company has requested that the Existing Credit Agreement be amended and restated in order to, among other things, (a) extend the maturity date of the revolving credit facility provided therein, (b) reduce the maximum aggregate amount of the revolving credit facility provided therein to \$150,000,000, and (c) make certain other amendments to the Existing Credit Agreement on the terms and conditions set forth in that certain Amended and Restated Credit Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Revolving Credit Agreement") among the Company, the Administrative Agent and the Lenders;

WHEREAS, the Administrative Agent and the Lenders have agreed to enter into the Revolving Credit Agreement, subject to, among other things, a condition that the parties amend and restate the Existing Pledge Agreement as provided herein; and

WHEREAS, the Pledgor, as collateral security for the payment and performance of the Obligations and the obligations and liabilities of any Loan Party now existing or hereafter arising

under Related Swap Contracts and Secured Cash Management Arrangements (such Obligations and other obligations and liabilities being referred to as the "Secured Obligations"), is willing to pledge and grant to the Administrative Agent for the benefit of the Revolving Secured Parties a security interest in the Equity Interests of Speedway Motorsports, Inc. (the "Speedway") described on Schedule I attached hereto (collectively, the "Pledged Interests"); and

WHEREAS, the Company is an Affiliate of the Pledgor, and the Pledgor will materially benefit from the Loans and other credit facilities made or to be made available under the Revolving Credit Agreement;

WHEREAS, the Revolving Secured Parties are unwilling to make available or maintain the credit facilities under the Revolving Credit Agreement unless the Pledgor enters into this Pledge Agreement;

NOW, THEREFORE, in order to induce (i) the Lenders to amend and restate the Existing Credit Agreement and (ii) the Revolving Secured Parties to enter into the Loan Documents and to make or maintain the credit facilities provided for therein available to or for the account of the Company and in consideration of the premises and mutual covenants contained herein, the parties hereto agree that the Existing Pledge Agreement is hereby amended and restated as follows:

1. Pledge of Pledged Interests: Other Collateral.

(a) As collateral security for the payment and performance by the Pledgor of its now or hereafter existing Secured Obligations, the Pledgor hereby grants, pledges and collaterally assigns to the Administrative Agent for the benefit of the Revolving Secured Parties a first priority security interest in all of the following items of property in which it now has or may at any time hereafter acquire an interest or the power to transfer rights therein, and wheresoever located:

(i) the Pledged Interests; and

(ii) all money, securities, security entitlements and other investment property, dividends, rights, general intangibles and other property at any time and from time to time (x) declared or distributed in respect of or in exchange for or on conversion of any Pledged Interest, or (y) by its or their terms exchangeable or exercisable for or convertible into any Pledged Interest; and

(iii) all other property of whatever character or description, including money, securities, security entitlements and other investment property, and general intangibles hereafter delivered by or on behalf of the Pledgor to the Administrative Agent in substitution for any of the foregoing or as additional collateral; and

(iv) all securities accounts to which may at any time be credited any or all of the foregoing or any proceeds thereof and all certificates and instruments representing or evidencing any of the foregoing or any proceeds thereof; and

(v) all proceeds of any of the foregoing.

All such Pledged Interests, certificates, instruments, cash, securities, interests, dividends, rights and other property referred to in clauses (i) through (v) of this Section 1 are herein collectively referred to as the “Collateral.”

(c) Subject to Section 10(a), the Pledgor agrees to deliver all certificates, instruments or other documents representing any Collateral to the Administrative Agent at such location as the Administrative Agent shall from time to time designate by written notice pursuant to Section 21 for its custody at all times until termination of this Pledge Agreement, together with such instruments of assignment and transfer as requested by the Administrative Agent.

(d) The Pledgor agrees to execute and deliver, or cause to be executed and delivered by other Persons, at Pledgor’s expense, all share certificates, documents, instruments, agreements, financing statements (and amendments thereto and continuations thereof), assignments, control agreements, or other writings as the Administrative Agent may request from time to time to carry out the terms of this Pledge Agreement or to protect or enforce the Administrative Agent’s Lien and security interest in the Collateral hereunder granted to the Administrative Agent for the benefit of the Revolving Secured Parties and further agrees to do and cause to be done upon the Administrative Agent’s request, at Pledgor’s expense, all things determined by the Administrative Agent to be necessary or advisable to perfect and keep in full force and effect the Lien in the Collateral hereunder granted to the Administrative Agent for the benefit of the Revolving Secured Parties, including the prompt payment of all out-of-pocket fees and expenses incurred in connection with any filings made to perfect or continue the Lien and security interest in the Collateral hereunder granted in favor of the Administrative Agent for the benefit of the Revolving Secured Parties.

(e) All filing fees, advances, charges, costs and expenses, including reasonable fees, charges and disbursements of counsel (“Attorney Costs”), incurred or paid by the Administrative Agent or any Lender in exercising any right, power or remedy conferred by this Pledge Agreement, or in the enforcement thereof, shall become a part of the Secured Obligations secured hereunder.

2. Status of Pledged Interests. The Pledgor hereby represents, warrants and covenants to the Administrative Agent for the benefit of the Revolving Secured Parties, with respect to itself and the Collateral as to which it has or acquires any interest, that:

(a) All of the Pledged Interests are, as of the Closing Date, and shall at all times thereafter be validly issued and outstanding, fully paid and non-assessable and are accurately described on Schedule I.

(b) The Pledgor is, as of the Closing Date, and shall at all times thereafter be the sole registered and record and beneficial owner of the Pledged Interests, free and clear of all Liens, charges, equities, options, hypothecations, encumbrances and restrictions on pledge or transfer, including transfer of voting rights (other than the pledge

hereunder and applicable restrictions pursuant to federal and state and applicable foreign securities laws). Without limiting the foregoing, the Pledged Interests are not and will not be subject to any voting trust, shareholders agreement, right of first refusal, voting proxy, power of attorney or other similar arrangement (other than the rights hereunder in favor of the Administrative Agent).

(c) At no time shall any Pledged Interests (i) be held or maintained in the form of a security entitlement or credited to any securities account and (ii) which constitute a "security" (or as to which the Company has elected to have treated as a "security") under Article 8 of the Uniform Commercial Code of the State of North Carolina or of any other jurisdiction whose laws may govern (the "UCC") be maintained in the form of uncertificated securities. With respect to Pledged Interests that are "securities" under the UCC, or as to which the issuer has elected at any time to have such interests treated as "securities" under the UCC, such Pledged Interests are, and shall at all times be, represented by the share certificates listed on Schedule I hereto, which share certificates, with stock powers duly executed in blank by the Pledgor, have been delivered to the Administrative Agent or are being delivered to the Administrative Agent simultaneously herewith. In addition, with respect to all Pledged Interests, including Pledged Interests that are not "securities" under the UCC and as to which the Company has not elected to have such interests treated as "securities" under the UCC, the Pledgor has delivered to the Administrative Agent (or has previously delivered to the Administrative Agent Uniform Commercial Code financing statements duly authorized by the Pledgor and naming the Administrative Agent for the benefit of the Revolving Secured Parties as "secured party," in form, substance and number sufficient in the reasonable opinion of the Administrative Agent to be filed in all UCC filing offices and in all jurisdictions in which filing is necessary or advisable to perfect in favor of the Administrative Agent for the benefit of the Revolving Secured Parties the Lien on such Pledged Interests, together with all required filing fees.

(d) It has full corporate power, legal right and lawful authority to execute this Pledge Agreement and to pledge, assign and transfer the Pledged Interests in the manner and form hereof.

(e) The pledge, assignment and delivery of its Pledged Interests (along with undated stock powers executed in blank, financing statements and other agreements referred to in Section 2(c) hereof) to the Administrative Agent for the benefit of the Revolving Secured Parties pursuant to this Pledge Agreement creates or continues, as applicable, a valid and perfected first priority security interest in such Pledged Interests in favor of the Administrative Agent for the benefit of the Revolving Secured Parties, securing the payment of the Secured Obligations, assuming, in the case of the Pledged Interests which constitute certificated "securities" under the UCC, continuous and uninterrupted possession by or on behalf of the Administrative Agent. The Pledgor will at its own cost and expense defend the Revolving Secured Parties' right, title and security interest in and to the Collateral against the claims and demands of all persons whomsoever.

(f) None of the Pledged Interests (nor any interest therein or thereto) shall be sold, transferred or assigned without the Administrative Agent's prior written consent, which may be withheld for any reason.

(g) It shall at all times cause the Pledged Interests of the Pledgor that constitute "securities" (or as to which the issuer elects to have treated as "securities") under the UCC to be represented by the certificates now and hereafter delivered to the Administrative Agent in accordance with Sections 1 and 2.

(h) The exact legal name and address, and the type of entity, jurisdiction of formation, jurisdiction of formation identification number (if any), and location of the chief executive office, of the Pledgor are as specified on Schedule II attached hereto. The Pledgor shall not change its name, or its jurisdiction of formation (whether by reincorporation, merger or otherwise) or the location of its chief executive office, except upon giving not less than thirty (30) days' prior written notice to the Administrative Agent and taking or causing to be taken all such action at the Pledgor's expense as may be reasonably requested by the Administrative Agent to perfect or maintain the perfection of the Lien of the Administrative Agent in Collateral.

3. Preservation and Protection of Collateral.

(a) The Administrative Agent shall be under no duty or liability with respect to the collection, protection or preservation of the Collateral, or otherwise, beyond the use of reasonable care in the custody and preservation thereof while in its possession.

(b) The Pledgor agrees to pay when due all taxes, charges, Liens and assessments against the Collateral in which it has an interest, unless being contested in good faith by appropriate proceedings diligently conducted and against which adequate reserves have been established in accordance with Section 6.04 of the Revolving Credit Agreement and evidenced to the satisfaction of the Administrative Agent and provided that all enforcement proceedings in the nature of levy or foreclosure are effectively stayed. Upon the failure of the Pledgor to so pay or contest such taxes, charges, Liens or assessments, or upon the failure of the Pledgor to pay any amount pursuant to Section 1(e), the Administrative Agent at its option may pay or contest any of them (the Administrative Agent having the sole right to determine the legality or validity and the amount necessary to discharge such taxes, charges, Liens or assessments) but shall not have any obligation to make any such payment or contest. All sums so disbursed by the Administrative Agent, including reasonable Attorney Costs, court costs, expenses and other charges related thereto, shall be payable on demand by the applicable Pledgor to the Administrative Agent and shall be additional Secured Obligations secured by the Collateral, and any amounts not so paid on demand (in addition to other rights and remedies resulting from such nonpayment) shall bear interest from the date of demand until paid in full at the applicable Default Rate.

(c) The Pledgor hereby (i) irrevocably authorizes the Administrative Agent to file (with, or to the extent permitted by applicable law, without the signature of the Pledgor appearing thereon) financing statements (including amendments thereto and

continuations and copies thereof) showing the Pledgor as “debtor” at such time or times and in all filing offices as the Administrative Agent may from time to time determine to be necessary or advisable to perfect or protect the rights of the Administrative Agent and the Revolving Secured Parties hereunder, or otherwise to give effect to the transactions herein contemplated, and (ii) irrevocably ratifies and acknowledges all such actions taken by or on behalf of the Administrative Agent prior to the Applicable Date.

4. Default. Upon the occurrence and during the continuance of any Event of Default, the Administrative Agent is given full power and authority, then or at any time thereafter, to sell, assign, deliver or collect the whole or any part of the Collateral, or any substitute therefor or any addition thereto, in one or more sales, with or without any previous demands or demand of performance or, to the extent permitted by law, notice or advertisement, in such order as the Administrative Agent may elect; and any such sale may be made either at public or private sale at the Administrative Agent’s place of business or elsewhere, either for cash or upon credit or for future delivery, at such price or prices as the Administrative Agent may reasonably deem fair; and the Administrative Agent or any other Revolving Secured Party may be the purchaser of any or all Collateral so sold and hold the same thereafter in its own right free from any claim of the Pledgor or right of redemption. The Administrative Agent shall use good faith efforts to promptly provide notice to the Pledgor of all written notices of default by the Company delivered by the Administrative Agent under the Revolving Credit Agreement, provided that the failure to deliver such notice shall not impose any liability on the Administrative Agent nor impair any of the Administrative Agent’s rights or remedies under this Agreement. If, after the occurrence and during the continuance of an Event of Default by the Company, the Administrative Agent has given written notice to the Pledgor of the Administrative Agent’s intent to exercise any remedies under the Loan Documents, the Pledgor shall not, other than in connection with estate planning and administration, sell, assign or otherwise transfer any other Equity Interests owned by Pledgor in Speedway until the earlier of (i) the Facility Termination Date, (ii) the date the Administrative Agent gives notice to the Pledgor that such restriction is no longer in place, and (iii) the date the Event of Default shall cease to be continuing. Demands of performance, advertisements and presence of property and sale and notice of sale are hereby waived to the extent permissible by law. Any sale hereunder may be conducted by an auctioneer or any officer or agent of the Administrative Agent. The Pledgor recognizes that the Administrative Agent may be unable to effect a public sale of the Collateral by reason of certain prohibitions contained in the Securities Act of 1933, as amended (the “Securities Act”), and applicable state law, and may be otherwise delayed or adversely affected in effecting any sale by reason of present or future restrictions thereon imposed by governmental authorities, and that as a consequence of such prohibitions and restrictions the Administrative Agent may be compelled (i) to resort to one or more private sales to a restricted group of purchasers who will be obliged to agree, among other things, to acquire the Collateral for their own account, for investment and not with a view to the distribution or resale thereof, or (ii) to seek regulatory approval of any proposed sale or sales, or (iii) to limit the amount of Collateral sold to any Person or group. The Pledgor agrees and acknowledges that private sales so made may be at prices and upon terms less favorable to the Pledgor than if such Collateral was sold either at public sales or at private sales not subject to other regulatory restrictions, and that the Administrative Agent has no obligation to delay the sale of any of the Collateral for the period of time necessary to permit Speedway to register or otherwise qualify the Collateral, even if Speedway would agree to register or otherwise qualify such Collateral for public sale under the

Securities Act or applicable state law. The Pledgor further agrees, to the extent permitted by applicable law, that the use of private sales made under the foregoing circumstances to dispose of the Collateral shall be deemed to be dispositions in a commercially reasonable manner. The Pledgor hereby acknowledges that a ready market may not exist for the Pledged Interests if they are not traded on a national securities exchange or quoted on an automated quotation system and agrees and acknowledges that in such event the Pledged Interests may be sold for an amount less than a pro rata share of the fair market value of Speedway's assets minus its liabilities. In addition to the foregoing, the Revolving Secured Parties may exercise such other rights and remedies as may be available under the Loan Documents, at law (including without limitation the UCC) or in equity.

5. Proceeds of Sale. The net cash proceeds resulting from the collection, liquidation, sale, or other disposition of the Collateral shall be applied first to the expenses (including all Attorneys' Costs) of retaking, holding, storing, processing and preparing for sale, selling, collecting, liquidating and the like, and then to the satisfaction of all Secured Obligations in accordance with the terms of Section 8.03 of the Revolving Credit Agreement.

6. Presentments, Demands and Notices. The Administrative Agent shall not be under any duty or obligation whatsoever to make or give any presentments, demands for performances, notices of nonperformance, protests, notice of protest or notice of dishonor in connection with any obligations or evidences of indebtedness held thereby as collateral, or in connection with any obligations or evidences of indebtedness which constitute in whole or in part the Secured Obligations secured hereunder.

7. Attorney-in-Fact. The Pledgor hereby appoints the Administrative Agent as the Pledgor's attorney-in-fact for the purposes of carrying out the provisions of this Pledge Agreement and taking any action and executing any instrument which the Administrative Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest; provided, that the Administrative Agent shall have and may exercise rights under this power of attorney only upon the occurrence and during the continuance of an Event of Default. Without limiting the generality of the foregoing, upon the occurrence and during the continuance of a Default or an Event of Default, the Administrative Agent shall have the right and power to receive, endorse and collect all checks and other orders for the payment of money made payable to the Pledgor representing any dividend, interest payment, principal payment or other distribution payable or distributable in respect to the Collateral or any part thereof and to give full discharge for the same.

8. Reinstatement. The granting of a security interest in the Collateral and the other provisions hereof shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Secured Obligations is rescinded or must otherwise be returned by any Revolving Secured Party or is repaid by any Revolving Secured Party in whole or in part in good faith settlement of a pending or threatened avoidance claim, whether upon the insolvency, bankruptcy or reorganization of the Pledgor or any other Loan Party or otherwise, all as though such payment had not been made. The provisions of this Section 8 shall survive repayment of all of the Secured Obligations and the termination or expiration of this Pledge Agreement in any manner, including but not limited to termination upon occurrence of the Facility Termination Date.

9. Waiver by the Pledgor. The Pledgor waives to the extent permitted by applicable law (a) any right to require any Revolving Secured Party or any other obligee of the Secured Obligations to (i) proceed against any Person or entity, including without limitation any Loan Party, (ii) proceed against or exhaust any Collateral or other collateral for the Secured Obligations, or (iii) pursue any other remedy in its power, (b) any defense arising by reason of any disability or other defense of any other Person, or by reason of the cessation from any cause whatsoever of the liability of any other Person or entity, (c) any right of subrogation, (d) any right to enforce any remedy which any Revolving Secured Party or any other obligee of the Secured Obligations now has or may hereafter have against any other Person and any benefit of and any right to participate in any collateral or security whatsoever now or hereafter held by the Administrative Agent for the benefit of the Revolving Secured Parties. The Pledgor authorizes each Revolving Secured Party and each other obligee of the Secured Obligations without notice (except notice required by applicable law) or demand and without affecting its liability hereunder or under the Loan Documents from time to time to: (x) take and hold security, other than the Collateral herein described, for the payment of such Secured Obligations or any part thereof, and exchange, enforce, waive and release the Collateral herein described or any part thereof or any such other security; and (y) apply such Collateral or other security and direct the order or manner of sale thereof as such Revolving Secured Party or obligee in its discretion may determine.

The Administrative Agent may at any time deliver (without representation, recourse or warranty) the Collateral or any part thereof to a Pledgor and the receipt thereof by the Pledgor shall be a complete and full acquittance for the Collateral so delivered, and the Administrative Agent shall thereafter be discharged from any liability or responsibility therefor.

10. Dividends and Voting Rights.

(a) All dividends and other distributions with respect to any of the Pledged Interests shall be subject to the pledge hereunder, provided, however, that cash dividends paid to the Pledgor as record owner of the Pledged Interests may be retained by the Pledgor so long as no Default or Event of Default shall have occurred and be continuing at the time of receipt by the Pledgor, free from any Liens hereunder.

(b) So long as no Default or Event of Default shall have occurred and be continuing, the registration of the Collateral in the name of a Pledgor as record and beneficial owner shall not be changed and the Pledgor shall be entitled to exercise all voting and other rights and powers pertaining to the Collateral for all purposes not inconsistent with the terms of the Loan Documents.

(c) Upon the occurrence and during the continuance of any Default or Event of Default, all rights of the Pledgor to receive and retain cash dividends and other distributions upon the Collateral pursuant to subsection (a) above shall cease and shall thereupon be vested in the Administrative Agent for the benefit of the Revolving Secured Parties, and the Pledgor shall promptly deliver, or shall cause to be promptly delivered, all such cash dividends and other distributions with respect to the Pledged Interests to the Administrative Agent (together, if the Administrative Agent shall request, with the documents described in Sections 1(c) and 2(c) hereof or other negotiable documents or instruments so distributed) to be held by it hereunder or, at the option of the

Administrative Agent, to be applied to the Secured Obligations. Pending delivery to the Administrative Agent of such property, the Pledgor shall keep such property segregated from its other property and shall be deemed to hold the same in trust for the benefit of the Revolving Secured Parties.

(d) Upon the occurrence and during the continuance of any Default or Event of Default, at the option of the Administrative Agent, all rights of the Pledgor to exercise the voting or consensual rights and powers which it is authorized to exercise pursuant to subsection (b) above shall cease and the Administrative Agent may thereupon (but shall not be obligated to), at its request, cause such Collateral to be registered in the name of the Administrative Agent or its nominee or agent for the benefit of the Revolving Secured Parties and/or exercise such voting or consensual rights and powers as appertain to ownership of such Collateral, and to that end the Pledgor hereby appoints the Administrative Agent as its proxy, with full power of substitution, to vote and exercise all other rights as a shareholder with respect to such Pledged Interests hereunder upon the occurrence and during the continuance of any Default or Event of Default, which proxy is coupled with an interest and is irrevocable until the Facility Termination Date, and the Pledgor hereby agrees to provide such further proxies as the Administrative Agent may request; provided, however, that the Administrative Agent in its discretion may from time to time refrain from exercising, and shall not be obligated to exercise, any such voting or consensual rights or such proxy.

11. Continued Powers. Until the Facility Termination Date shall have occurred, the power of sale and other rights, powers and remedies granted to the Administrative Agent for the benefit of the Revolving Secured Parties hereunder shall continue to exist and may be exercised by the Administrative Agent at any time after the occurrence and during the continuance of any Event of Default and from time to time irrespective of the fact that any of the Secured Obligations or any part thereof may have become barred by any statute of limitations or that any part of the liability of the Pledgor may have ceased.

12. Other Rights. The rights, powers and remedies given to the Administrative Agent for the benefit of the Revolving Secured Parties by this Pledge Agreement shall be in addition to all rights, powers and remedies given to the Administrative Agent or any Revolving Secured Party under any Loan Document or by virtue of any statute or rule of law. Any forbearance or failure or delay by the Administrative Agent in exercising any right, power or remedy hereunder shall not be deemed to be a waiver of such right, power or remedy, and any single or partial exercise of any right, power or remedy hereunder shall not preclude the further exercise thereof; and every right, power and remedy of the Revolving Secured Parties shall continue in full force and effect until such right, power or remedy is specifically waived in accordance with the terms of the Revolving Credit Agreement.

13. Anti-Marshaling Provisions. The right is hereby given by the Pledgor to the Administrative Agent, for the benefit of the Revolving Secured Parties, to make releases (whether in whole or in part) of all or any part of the Collateral agreeable to the Administrative Agent without notice to, or the consent, approval or agreement of other parties and interests, including junior lienors, which releases shall not impair in any manner the validity of or priority of the Liens and security interests in the remaining Collateral conferred hereunder, nor release

the Pledgor from personal liability for the Secured Obligations. Notwithstanding the existence of any other security interest in the Collateral held by the Administrative Agent, for the benefit of the Revolving Secured Parties, the Administrative Agent shall have the right to determine the order in which any or all of the Collateral shall be subjected to the remedies provided in this Pledge Agreement. The Pledgor hereby waives any and all right to require the marshaling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein or in any Loan Document.

14. Entire Agreement. This Pledge Agreement constitutes and expresses the entire understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior negotiations, agreements and understandings, inducements, commitments or conditions, express or implied, oral or written, except as herein contained. The express terms hereof control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof and thereof. Neither this Pledge Agreement nor any portion or provision hereof may be changed, altered, modified, supplemented, discharged, canceled, terminated, or amended orally or in any manner other than as provided in the Revolving Credit Agreement.

15. Further Assurances. The Pledgor agrees at its own expense to do such further acts and things, and to execute and deliver, and cause to be executed and delivered as may be necessary or advisable to give effect thereto, such additional conveyances, assignments, financing statements, control agreements, documents, certificates, stock powers, agreements and instruments, as the Administrative Agent may at any time reasonably request in connection with the administration or enforcement of this Pledge Agreement or related to the Collateral or any part thereof or in order better to assure and confirm unto the Administrative Agent its rights, powers and remedies for the benefit of the Revolving Secured Parties hereunder or thereunder. The Pledgor hereby consents and agrees that the Company and all other Persons, shall be entitled to accept the provisions hereof as conclusive evidence of the right of the Administrative Agent, on behalf of the Revolving Secured Parties, to exercise its rights, privileges, and remedies hereunder and thereunder with respect to the Collateral, notwithstanding any other notice or direction to the contrary heretofore or hereafter given by the Pledgor or any other Person to the Company or other Persons.

16. Binding Agreement; Assignment. This Pledge Agreement and the terms, covenants and conditions hereof, shall be binding upon and inure to the benefit of the parties hereto, and to their respective successors and assigns, except that the Pledgor shall not be permitted to assign this Pledge Agreement, or any interest herein or in the Collateral, or any part thereof or interest therein, or otherwise pledge, encumber or grant any option with respect to the Collateral, or any part thereof, or any cash or property held by the Administrative Agent as Collateral under this Pledge Agreement. Without limiting the generality of the foregoing sentence of this Section 16, any Lender may assign to one or more Persons, or grant to one or more Persons participations in or to, all or any part of its rights and obligations under the Revolving Credit Agreement (to the extent permitted by the Revolving Credit Agreement); and to the extent of any such permitted assignment or participation such other Person shall, to the fullest extent permitted by law, thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise, subject however, to the provisions of the Revolving Credit Agreement, including Article IX thereof (concerning the Administrative Agent) and Section 10.06 thereof (concerning assignments and participations). All references herein to the

Administrative Agent and to the Revolving Secured Parties shall include any successor thereof or permitted assignee, and any other obligees from time to time of the Secured Obligations.

17. Related Credit Arrangements. All obligations of the Pledgor under or in respect of Related Swap Contracts and Secured Cash Management Arrangements (which are not prohibited under the terms of the Revolving Credit Agreement) to which any Lender or any Affiliate of any Lender is a party, shall be deemed to be Secured Obligations secured hereby, and each Lender or Affiliate of a Lender party to any such Related Swap Contract or Secured Cash Management Arrangement shall be deemed to be a Revolving Secured Party hereunder with respect to such Secured Obligations; provided, however, that such obligations shall cease to be Secured Obligations at such time, prior to the Facility Termination Date, as such Person (or Affiliate of such Person) shall cease to be a “Lender” under the Revolving Credit Agreement.

No Person who obtains the benefit of any Lien by virtue of the provisions of this Section shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and only to the extent expressly provided in the Loan Documents. Notwithstanding any other provisions of this Pledge Agreement to the contrary, the Administrative Agent shall only be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, the Secured Obligations arising under Related Swap Contracts or Secured Cash Management Arrangements to the extent the Administrative Agent has received written notice of such Obligations, together with such supportive documentation as it may request from the applicable Lender or Affiliate of a Lender. Each Revolving Secured Party not a party to the Revolving Credit Agreement who obtains the benefit of this Pledge Agreement by virtue of the provisions of this Section shall be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to the terms of the Revolving Credit Agreement, and that with respect to the actions and omissions of the Administrative Agent hereunder or otherwise relating hereto that do or may affect such Revolving Secured Party, the Administrative Agent and each of its Related Parties shall be entitled to all the rights, benefits and immunities conferred under Article IX of the Revolving Credit Agreement.

18. Severability. The provisions of this Pledge Agreement are independent of and separable from each other. If any provision hereof shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision hereof, but this Pledge Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

19. Counterparts. This Pledge Agreement may be executed in any number of counterparts each of which when so executed and delivered shall be deemed an original, and it shall not be necessary in making proof of this Pledge Agreement to produce or account for more than one such counterpart executed by the Pledgor against whom enforcement is sought. Without limiting the foregoing provisions of this Section 19, the provisions of Section 10.10 of the Revolving Credit Agreement shall be applicable to this Pledge Agreement.

20. Termination. Subject to the provisions of Section 8, this Pledge Agreement, and all obligations of the Pledgor hereunder (excluding those obligations and liabilities that expressly

survive such termination) shall terminate without delivery of any instrument or performance of any act by any party on the Facility Termination Date. Upon such termination of this Pledge Agreement, the Administrative Agent shall, at the sole expense of the Pledgor, promptly deliver to the Pledgor the certificates evidencing its shares of Pledged Interests (and any other property received as a dividend or distribution or otherwise in respect of such Pledged Interests to the extent then held by the Administrative Agent as additional Collateral hereunder), together with any cash then constituting the Collateral not then sold or otherwise disposed of in accordance with the provisions hereof, and take such further actions at the request of the Pledgor as may be necessary to effect the same.

21. Notices. Any notice required or permitted hereunder shall be given (a) with respect to the Pledgor, at the Company's address indicated in Schedule 10.02 of the Revolving Credit Agreement, (b) with respect to the Administrative Agent or any other Revolving Secured Party, at the Administrative Agent's address indicated in Schedule 10.02 of the Revolving Credit Agreement. All such addresses may be modified, and all such notices shall be given and shall be effective, as provided in Section 10.02 of the Revolving Credit Agreement for the giving and effectiveness of notices and modifications of addresses thereunder.

22. Rules of Interpretation. The rules of interpretation contained in Sections 1.02 and 1.05 of the Revolving Credit Agreement shall be applicable to this Pledge Agreement and are hereby incorporated by reference. All representations and warranties contained herein shall survive the delivery of documents and any Credit Extensions referred to herein or secured hereby.

23. Governing Law; Waivers.

(a) THIS PLEDGE AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NORTH CAROLINA APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

(b) THE PLEDGOR HEREBY EXPRESSLY AND IRREVOCABLY AGREES AND CONSENTS THAT ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS PLEDGE AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN MAY BE INSTITUTED IN ANY STATE OR FEDERAL COURT SITTING IN MECKLENBURG COUNTY, STATE OF NORTH CAROLINA, UNITED STATES OF AMERICA AND, BY THE EXECUTION AND DELIVERY OF THIS PLEDGE AGREEMENT, EXPRESSLY WAIVES ANY OBJECTION THAT IT MAY HAVE NOW OR HEREAFTER TO THE LAYING OF THE VENUE OR TO THE JURISDICTION OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND IRREVOCABLY SUBMITS GENERALLY AND UNCONDITIONALLY TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING.

(c) THE PLEDGOR AGREES THAT SERVICE OF PROCESS MAY BE MADE BY PERSONAL SERVICE OF A COPY OF THE SUMMONS AND

COMPLAINT OR OTHER LEGAL PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING, OR BY REGISTERED OR CERTIFIED MAIL (POSTAGE PREPAID) TO THE ADDRESS OF THE PLEDGOR PROVIDED IN SECTION 21 OR BY ANY OTHER METHOD OF SERVICE PROVIDED FOR UNDER THE APPLICABLE LAWS IN EFFECT IN THE STATE OF NORTH CAROLINA.

(d) NOTHING CONTAINED IN SUBSECTIONS (b) OR (c) HEREOF SHALL PRECLUDE THE ADMINISTRATIVE AGENT FROM BRINGING ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS PLEDGE AGREEMENT OR THE OTHER LOAN DOCUMENTS IN THE COURTS OF ANY PLACE WHERE THE PLEDGOR OR ANY OF SUCH PLEDGOR'S PROPERTY OR ASSETS MAY BE FOUND OR LOCATED. TO THE EXTENT PERMITTED BY THE APPLICABLE LAWS OF ANY SUCH JURISDICTION, THE PLEDGOR HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT AND EXPRESSLY WAIVES, IN RESPECT OF ANY SUCH SUIT, ACTION OR PROCEEDING, OBJECTION TO THE EXERCISE OF JURISDICTION OVER IT AND ITS PROPERTY BY ANY SUCH OTHER COURT OR COURTS WHICH NOW OR HEREAFTER, BY REASON OF ITS PRESENT OR FUTURE DOMICILE, OR OTHERWISE, MAY BE AVAILABLE UNDER APPLICABLE LAW.

(e) IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS OR REMEDIES UNDER OR RELATED TO THIS PLEDGE AGREEMENT OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR THAT MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THE FOREGOING, EACH PARTY HEREBY AGREES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, THAT ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY AND HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT SUCH PERSON MAY HAVE TO TRIAL BY JURY IN ANY SUCH ACTION, SUIT OR PROCEEDING.

(f) THE PLEDGOR HEREBY EXPRESSLY WAIVES ANY OBJECTION IT MAY HAVE THAT ANY COURT TO WHOSE JURISDICTION IT HAS SUBMITTED PURSUANT TO THE TERMS HEREOF IS AN INCONVENIENT FORUM.

24. Amendment and Restatement. The parties hereto agree that the Existing Pledge Agreement is hereby amended and restated in this Pledge Agreement, and this Pledge Agreement shall constitute neither a release nor novation of any lien or security interest arising under the Existing Pledge Agreement nor a refinancing of any indebtedness or obligations arising thereunder or under the Existing Credit Agreement or related documents, but rather the liens and security interests in effect under the Existing Pledge Agreement shall continue in effect on the terms hereof.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have duly executed this Pledge Agreement on the day and year first written above.

PLEDGOR:
SONIC FINANCIAL CORPORATION

By: /s/ O. BRUTON SMITH
Name: O. Bruton Smith
Title: President

AMENDED AND RESTATED
SECURITIES PLEDGE AGREEMENT
(Sonic Financial Corporation)
Signature Page

ADMINISTRATIVE AGENT:
BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ ANGELO M. MARTORANA
Name: Angelo M. Martorana
Title: Assistant Vice President

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SECURITIES PLEDGE AGREEMENT
(Sonic Financial Corporation)
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SCHEDULE I

Name of Pledgor	Name, Jurisdiction of Formation and Type of Entity of the Company	Class or Type of Pledged Interest	Total Amount of Class or Type of Pledged Interests Authorized	Total Amount of Class or Type Outstanding	Total Amount Pledged	Certificate Number (if applicable)	Par Value (if applicable)	Name of Transfer Agent (if any)
Sonic Financial Corporation	Delaware Corporation	Common Stock	200,000,000	42,393,129 ¹	2,500,000	SM15587	\$.01	American Stock Transfer Trust Company LLC
Sonic Financial Corporation	Delaware Corporation	Common Stock	200,000,000	42,393,129 ¹	2,500,000	SM15588	\$.01	American Stock Transfer Trust Company LLC

¹ This amount was the amount of common shares outstanding as of November 4, 2009 as identified on the Company's Form 10-Q filed with the Securities and Exchange Commission on November 5, 2009.

SCHEDULE II

Name and Address of Pledgor	Type of Entity of Pledgor	Jurisdiction of Formation of Pledgor	Jurisdiction of Formation Identification Number	Address of Chief Executive Office
Sonic Financial Corporation	Corporation	North Carolina	741725259	5401 E. Independence Blvd. Charlotte, NC 28218
Sonic Financial Corporation	Corporation	North Carolina	741725259	5401 E. Independence Blvd. Charlotte, NC 28218

AMENDED AND RESTATED SECURITY AGREEMENT

THIS AMENDED AND RESTATED SECURITY AGREEMENT (this "Security Agreement") is made and entered into as of January 15, 2010 by and among **SONIC AUTOMOTIVE, INC.**, a Delaware corporation (the "Company" and a "Grantor"), **EACH OF THE UNDERSIGNED SUBSIDIARIES OF THE COMPANY IDENTIFIED ON THE SIGNATURE PAGES HERETO AS A "REVOLVING GRANTOR" AND EACH OTHER PERSON WHO SHALL BECOME A PARTY HERETO BY EXECUTION OF A REVOLVING JOINDER AGREEMENT WHICH IDENTIFIES SUCH PERSON AS A "REVOLVING GRANTOR"** (each a "Revolving Subsidiary Guarantor" and a "Revolving Subsidiary Grantor"), and collectively with the Company, the "Revolving Grantors" and each a "Revolving Grantor"), **EACH OF THE UNDERSIGNED SUBSIDIARIES OF THE COMPANY IDENTIFIED ON THE SIGNATURE PAGES HERETO AS A "FLOORPLAN GRANTOR" AND EACH OTHER PERSON WHO SHALL BECOME A PARTY HERETO BY EXECUTION OF A FLOORPLAN JOINDER AGREEMENT WHICH IDENTIFIES SUCH PERSON AS A "FLOORPLAN GRANTOR"** (each a "Floorplan Subsidiary Guarantor" and a "Floorplan Subsidiary Grantor" and collectively with the Revolving Grantors, the "Grantors"), **BANK OF AMERICA, N.A.**, a national banking association, as Administrative Agent (in such capacity, the "Revolving Administrative Agent") for each of the lenders (the "Revolving Lenders") now or hereafter party to the Revolving Credit Agreement defined below (collectively with the Revolving Administrative Agent, and certain other Persons parties to Related Swap Contracts and Secured Cash Management Arrangements as more particularly described in Section 21 hereof, the "Revolving Secured Parties"), and the **REVOLVING ADMINISTRATIVE AGENT** in its capacity as the collateral agent for each of the lenders (the "Floorplan Lenders") now or hereafter party to the Floorplan Credit Agreement defined below. (The Floorplan Lenders and the Floorplan Administrative Agent, defined below, are referred to collectively as the "Floorplan Secured Parties." The Floorplan Secured Parties and Revolving Secured Parties are referred to collectively as the "Secured Parties." All capitalized terms used but not otherwise defined herein or pursuant to Section 1 hereof shall have the respective meanings assigned thereto in the Revolving Credit Agreement.

WITNESSETH:

WHEREAS, the Company, certain Subsidiaries of the Company party thereto (each an "Existing New Vehicle Borrower"), the lenders party thereto (the "Existing Lenders") and the Revolving Administrative Agent entered into that certain Credit Agreement dated February 17, 2006, as amended prior to (but excluding) the date hereof, the "Existing Credit Agreement"), pursuant to which certain of the Existing Lenders agreed to make available (a) to the Company a revolving credit facility, including a letter of credit subfacility and a swingline subfacility, (b) to the Existing New Vehicle Borrowers a revolving new vehicle floorplan facility, including a new vehicle swingline subfacility and (c) to the Company a revolving used vehicle floorplan facility, including a used vehicle swingline subfacility; and

WHEREAS, the Company and certain Subsidiaries of the Company (the "Existing Grantors") entered into a Security Agreement dated as of February 17, 2006 (as amended prior to (but excluding) the date hereof, the "Existing Security Agreement"), pursuant to which the Existing Grantors have secured their obligations arising under the Existing Credit Agreement; and

WHEREAS, the Company has requested that the Existing Credit Agreement be amended and restated in order to, among other things, (a) extend the maturity date of the revolving credit facility provided therein, (b) reduce the maximum aggregate amount of the revolving credit facility provided therein to \$150,000,000 and (c) make certain other amendments to the Existing Credit Agreement on the terms and conditions set forth in that certain Amended and Restated Credit Agreement dated as of the date hereof (as amended, supplemented or otherwise modified from time to time, the "Revolving Credit Agreement") among the Company, the Revolving Administrative Agent and the Revolving Lenders; and

WHEREAS, the Revolving Administrative Agent and the Revolving Lenders have agreed to enter into the Revolving Credit Agreement, subject to, among other things, a condition that the parties amend and restate the Existing Security Agreement as provided herein; and

WHEREAS, as collateral security for payment and performance of the Revolving Obligations, the Company and each Revolving Subsidiary Guarantor is willing to grant to the Revolving Administrative Agent for the benefit of the Revolving Secured Parties a security interest in certain of its personal property and assets pursuant to the terms of this Security Agreement; and

WHEREAS, the Company and each Revolving Subsidiary Grantor will materially benefit from the Revolving Loans to be made, and the Letters of Credit to be issued, under the Revolving Credit Agreement; and

WHEREAS, each Revolving Subsidiary Guarantor is a party (as signatory or by joinder) to the Revolving Subsidiary Guaranty pursuant to which such Revolving Subsidiary Guarantor guarantees the Revolving Obligations of the other Revolving Loan Parties; and

WHEREAS, the Revolving Secured Parties are unwilling to enter into the Revolving Loan Documents unless the Company and the Revolving Subsidiary Guarantors enter into this Security Agreement; and

WHEREAS, the Company has requested that the Existing Lenders terminate the existing new vehicle floorplan facility (including the existing new vehicle swing line sublimit thereunder) and the existing used vehicle floorplan facility (including the existing used vehicle swing line sublimit thereunder) that are provided under the Existing Credit Agreement simultaneously with the closing under the Floorplan Credit Agreement; and

WHEREAS, the Company has also requested that the Floorplan Lenders provide a revolving new vehicle floorplan facility and a revolving used vehicle floorplan facility on the terms and conditions set forth in that certain Syndicated New and Used Vehicle Floorplan Credit Agreement (as amended, supplemented or otherwise modified from time to time, the "Floorplan Credit Agreement") dated as of the date hereof among the Company, certain Subsidiaries of the Company (each a "New Vehicle Borrower") and together with the Company, the "Floorplan Borrowers" and each individually a "Floorplan Borrower"), the Floorplan Lenders and Bank of America, N.A., as administrative agent (in such capacity, the "Floorplan Administrative Agent") for the Floorplan Lenders; and

WHEREAS, as collateral security for payment and performance of the Floorplan Obligations, each Floorplan Borrower and each other Floorplan Subsidiary Guarantor is willing to grant to the Revolving Administrative Agent (as collateral agent for the benefit of the Floorplan Secured Parties) a security interest in certain of its personal property and assets pursuant to the terms of this Security Agreement; and

WHEREAS, each Floorplan Borrower and each other Floorplan Subsidiary Grantor will materially benefit from the Floorplan Loans to be made under the Floorplan Credit Agreement; and

WHEREAS, each New Vehicle Borrower and each other Floorplan Subsidiary Guarantor is a party (as signatory or by joinder) to the Floorplan Subsidiary Guaranty pursuant to which such New Vehicle Borrower or such Floorplan Subsidiary Guarantor guarantees the Floorplan Obligations of the other Floorplan Loan Parties; and

WHEREAS, the Floorplan Secured Parties are unwilling to enter into the Floorplan Loan Documents unless each Floorplan Borrower and each other Floorplan Subsidiary Guarantor enters into this Security Agreement;

NOW, THEREFORE, in order to:

- (i) induce the Revolving Lenders to amend and restate the Existing Credit Agreement ;
- (ii) induce the Revolving Secured Parties to make available to the Company, or maintain, the credit facilities provided for in the Revolving Credit Agreement; and
- (iii) induce the Floorplan Secured Parties to make the credit facilities provided for in the Floorplan Credit Agreement available to the New Vehicle Borrowers;

the parties hereto agree as follows:

1. Certain Definitions. Terms used in this Security Agreement, not otherwise expressly defined herein or in the Revolving Credit Agreement, and for which meanings are provided in the Uniform Commercial Code of the State of North Carolina (the "UCC"), shall have such meanings. In addition, for purposes of this Security Agreement, the following terms have the following definitions:

"Collateral" has the meaning specified in Section 2(c).

"Credit Agreements" means collectively the Floorplan Credit Agreement and the Revolving Credit Agreement.

"Default" means a Revolving Default or a Floorplan Default.

"Event of Default" means a Revolving Event of Default or a Floorplan Event of Default.

“Facilities Termination Date” means the later of the Facility Termination Date (as defined in the Revolving Credit Agreement) and the Facility Termination Date (as defined in the Floorplan Credit Agreement).

“Floorplan Administrative Agent” has the meaning specified in the preamble hereto.

“Floorplan Collateral” has the meaning specified in Section 2(c).

“Floorplan Credit Agreement” has the meaning specified in the Recitals hereto.

“Floorplan Default” has the meaning specified for the term “Default” in the Floorplan Credit Agreement.

“Floorplan Event of Default” has the meaning specified for the term “Event of Default” in the Floorplan Credit Agreement.

“Floorplan Joinder Agreement” has the meaning specified for the term “Joinder Agreement” in the Floorplan Credit Agreement.

“Floorplan Lenders” has the meaning set forth in the preamble hereto.

“Floorplan Loan” has the meaning specified for the term “Loan” in the Floorplan Credit Agreement.

“Floorplan Loan Parties” has the meaning specified for the term “Loan Parties” in the Floorplan Credit Agreement.

“Floorplan Obligations” has the meaning specified for the term “Obligations” in the Floorplan Credit Agreement.

“Floorplan Secured Obligations” has the meaning specified in Section 2(b).

“Floorplan Secured Parties” has the meaning specified in the preamble hereto.

“Floorplan Security Instruments” has the meaning specified for the term “Security Instruments” in the Floorplan Credit Agreement.

“Floorplan Subsidiary Grantors” has the meaning specified in the preamble hereto.

“Floorplan Subsidiary Guarantors” has the meaning specified in the preamble hereto.

“Floorplan Subsidiary Guaranty” has the meaning specified for the term “Subsidiary Guaranty” in the Floorplan Credit Agreement.

“Joinder Agreements” means collectively the Revolving Joinder Agreements and the Floorplan Joinder Agreements.

“Lenders” means collectively the Revolving Lenders and the Floorplan Lenders.

“Loan Parties” means collectively the Revolving Loan Parties and the Floorplan Loan Parties.

“Qualifying Control Agreement” shall have the meaning set forth on Schedule 1 hereto.

“Revolving Administrative Agent” has the meaning specified in the preamble hereto.

“Revolving Collateral” has the meaning specified in Section 2(c).

“Revolving Credit Agreement” has the meaning specified in the Recitals hereto.

“Revolving Default” has the meaning specified for the term “Default” in the Revolving Credit Agreement.

“Revolving Event of Default” has the meaning specified for the term “Event of Default” in the Revolving Credit Agreement.

“Revolving Joinder Agreement” has the meaning specified for the term “Joinder Agreement” in the Revolving Credit Agreement.

“Revolving Lenders” has the meaning set forth in the preamble hereto.

“Revolving Loan” has the meaning specified for the term “Loan” in the Revolving Credit Agreement.

“Revolving Loan Documents” has the meaning specified for the term “Loan Documents” in the Revolving Credit Agreement.

“Revolving Loan Parties” has the meaning specified for the term “Loan Parties” in the Revolving Credit Agreement.

“Revolving Obligations” has the meaning specified for the term “Obligations” in the Revolving Credit Agreement.

“Revolving Secured Obligations” has the meaning specified in Section 2(a).

“Revolving Secured Parties” has the meaning specified for the term “Secured Parties” in the Revolving Credit Agreement.

“Revolving Security Instruments” has the meaning specified for the term “Security Instruments” in the Revolving Credit Agreement.

“Revolving Subsidiary Grantors” has the meaning specified in the preamble hereto.

“Revolving Subsidiary Guarantors” has the meaning specified in the preamble hereto.

“Revolving Subsidiary Guaranty” has the meaning specified for the term “Subsidiary Guaranty” in the Revolving Credit Agreement.

“Secured Obligations” means collectively the Floorplan Secured Obligations and the Revolving Secured Obligations.

“Secured Parties” has the meaning specified in the preamble hereto.

“Security Instruments” means the Revolving Security Instruments and the Floorplan Security Instruments.

2. Grant of Security Interest.

(a) The Company hereby grants as collateral security for the payment, performance and satisfaction of all of its Revolving Obligations and the obligations and liabilities of any Revolving Loan Party now existing or hereafter arising under Related Swap Contracts and Secured Cash Management Arrangements, and each Revolving Subsidiary Grantor hereby grants as collateral security for the payment, performance and satisfaction of all of its Guarantor’s Obligations (as defined in the Revolving Subsidiary Guaranty) and the payment and performance of its obligations and liabilities (whether now existing or hereafter arising) hereunder or under any of the other Revolving Loan Documents to which it is now or hereafter becomes a party (such obligations and liabilities of the Company and the Revolving Subsidiary Grantors referred to collectively as the “Revolving Secured Obligations”), to the Revolving Administrative Agent for the benefit of the Revolving Secured Parties a continuing security interest in and to, and collaterally assigns to the Revolving Administrative Agent for the benefit of the Revolving Secured Parties, all of the personal property and trade fixtures of such Grantor or in which such Grantor has or may have or acquire an interest or the power to transfer rights therein, whether now owned or existing or hereafter created, acquired or arising and wheresoever located, including the Collateral (as defined below).

(b) Each New Vehicle Borrower hereby grants as collateral security for the payment, performance and satisfaction of all of its Floorplan Obligations, and each other Floorplan Subsidiary Grantor hereby grants as collateral security for the payment, performance and satisfaction of all of its Guarantor’s Obligations (as defined in the Floorplan Subsidiary Guaranty) and the payment and performance of its obligations and liabilities (whether now existing or hereafter arising) hereunder or under any of the other Floorplan Loan Documents to which it is now or hereafter becomes a party (such obligations and liabilities of the New Vehicle Borrowers and the other Floorplan Subsidiary Grantors referred to collectively as the “Floorplan Secured Obligations”), to the Revolving Administrative Agent for the benefit of the Floorplan Secured Parties a continuing first priority security interest in and to, and collaterally assigns to the Revolving Administrative Agent for the benefit of the Floorplan Secured Parties, all of the personal property and trade fixtures of such Grantor or in which such Grantor has or may have or acquire an interest or the power to transfer rights therein, whether now owned or existing or hereafter created, acquired or arising and wheresoever located, including the Collateral (as defined below).

(c) All of the property and interests in property described in subsections (i) through (xv) below are herein referred to as the 'Collateral':

(i) All accounts, and including accounts receivable, contracts, bills, acceptances, choses in action, and other forms of monetary obligations at any time owing to such Grantor arising out of property sold, leased, licensed, assigned or otherwise disposed of or for services rendered or to be rendered by such Grantor, and all of such Grantor's rights with respect to any property represented thereby, whether or not delivered, property returned by customers and all rights as an unpaid vendor or lienor, including rights of stoppage in transit and of recovering possession by proceedings including replevin and reclamation (collectively referred to hereinafter as "Accounts");

(ii) All new and used vehicle inventory (including all inventory consisting of new or used automobiles or trucks with a gross vehicle weight of less than 16,000 pounds) in which such Grantor now or at any time hereafter may have an interest, whether or not the same is in transit or in the constructive, actual or exclusive occupancy or possession of such Grantor or is held by such Grantor or by others for such Grantor's account (all of the foregoing, collectively referred to hereinafter as "Vehicle Inventory");

(iii) All other inventory, including all goods manufactured or acquired for sale or lease, and any piece goods, raw materials, work in process and finished merchandise, component materials, and all supplies, goods, incidentals, office supplies, packaging materials and any and all items used or consumed in the operation of the business of such Grantor or which may contribute to the finished product or to the sale, promotion and shipment thereof, in which such Grantor now or at any time hereafter may have an interest, whether or not the same is in transit or in the constructive, actual or exclusive occupancy or possession of such Grantor or is held by such Grantor or by others for such Grantor's account, (together with the Vehicle Inventory, collectively referred to hereinafter as "Inventory");

(iv) All goods, including all machinery, equipment, motor vehicles, parts, supplies, apparatus, appliances, tools, patterns, molds, dies, blueprints, fittings, furniture, furnishings, trade fixtures and articles of tangible personal property of every description, and all computer programs embedded in any of the foregoing and all supporting information relating to such computer programs (collectively referred to hereinafter as "Equipment");

(v) Any right of such Grantor in (i) contracts in transit relating to any Vehicle Inventory (including any Vehicle Inventory that has been sold, leased or otherwise disposed of by such Grantor), (ii) any written or oral agreement of any finance company or other Person to provide financing for, or to pay all or any portion of the purchase price of any Vehicle Inventory (including any Vehicle Inventory that has been sold, leased or otherwise disposed of by such Grantor) or

(iii) any amount to be received under such contracts or agreements (collectively referred to hereinafter as ‘Contracts In Transit’);

(vi) All other general intangibles, including all rights now or hereafter accruing to such Grantor under contracts, leases, agreements or other instruments, including all contracts or contract rights to perform or receive services, to purchase or sell goods (including the Vehicle Inventory) or to hold or use land or facilities, and to enforce all rights thereunder, all causes of action, corporate or business records, inventions, patents and patent rights, rights in mask works, designs, trade names and trademarks and all goodwill associated therewith, trade secrets, trade processes, copyrights, licenses, permits, franchises, customer lists, computer programs and software, all internet domain names and registration rights thereto, all internet websites and the content thereof, all payment intangibles, all claims under guaranties, tax refund claims, all rights and claims against carriers and shippers, leases, all claims under insurance policies, all interests in general and limited partnerships, limited liability companies, and other Persons not constituting Investment Property (as defined below), all rights to indemnification and all other intangible personal property and intellectual property of every kind and nature, (together with the Contracts-In-Transit, collectively referred to hereinafter as ‘General Intangibles’);

(vii) All deposit accounts, including demand, time, savings, passbook, or other similar accounts maintained with any bank by or for the benefit of such Grantor (collectively referred to hereinafter as ‘Deposit Accounts’);

(viii) All chattel paper, including tangible chattel paper, electronic chattel paper, or any hybrid thereof (collectively referred to hereinafter as ‘Chattel Paper’);

(ix) All investment property, including all securities, security entitlements, securities accounts, commodity contracts and commodity accounts of or maintained for the benefit of such Grantor, but excluding (A) Pledged Interests subject to any Pledge Agreement, (B) the Equity Interests of Sonic FFC 1, Inc., Sonic FFC 2, Inc. or Sonic FFC 3, Inc., so long as such Person has no operations other than serving as a special purpose entity for the repayment of Indebtedness identified on Schedule 7.03 of the Revolving Credit Agreement as of the Closing Date as ‘Falcon Indebtedness’ with proceeds of rental payments received by such Person in the amount of such payments, and (C) the other property excluded by the last sentence of this Section 2 (collectively referred to hereinafter as ‘Investment Property’);

(x) All instruments, including all promissory notes (collectively referred to hereinafter as ‘Instruments’);

(xi) All documents, including manufacturer statements of origin, certificates of origin, and certificates of title or ownership relating to any Vehicle

Inventory, warehouse receipts, bills of lading and other documents of title (collectively referred to hereinafter as "Documents");

(xii) All rights to payment or performance under letters of credit including rights to proceeds of letters of credit ("Letter-of-Credit Rights"), and all guaranties, endorsements, Liens, other Guarantee obligations or supporting obligations of any Person securing or supporting the payment, performance, value or liquidation of any of the foregoing (collectively, with Letter-of-Credit Rights, referred to hereinafter as "Supporting Obligations");

(xiii) The commercial tort claims identified on Schedule 9(i) hereto, as such Schedule may be supplemented from time to time in accordance with the terms hereof (collectively referred to hereinafter as "Commercial Tort Claims");

(xiv) All books and records relating to any of the forgoing (including customer data, credit files, ledgers, computer programs, printouts, and other computer materials and records (and all media on which such data, files, programs, materials and records are or may be stored)); and

(xv) All proceeds, products and replacements of, accessions to, and substitutions for, any of the foregoing, including without limitation, proceeds of insurance policies insuring any of the foregoing.

All of the Collateral granted as collateral security for the Revolving Secured Obligations is herein collectively referred to as the "Revolving Collateral". All of the Collateral granted as collateral security for the Floorplan Secured Obligations is herein referred to as the "Floorplan Collateral". Notwithstanding the foregoing, the grant of a security interest and collateral assignment under this Section 2 shall not extend to (A) any Franchise Agreement, Framework Agreement or similar manufacturer agreement to the extent that any such Franchise Agreement, Framework Agreement or similar manufacturer agreement is not assignable or capable of being encumbered as a matter of law or by the terms applicable thereto (unless any such restriction on assignment or encumbrance is ineffective under the UCC or other applicable law), without the consent of the applicable party thereto or (B) the "Restricted Equity Interests" as such term is defined in that certain Amended and Restated Escrow and Security Agreement dated as of even date among the Revolving Administrative Agent, the Company and the other Revolving Grantors from time to time party thereto to the extent that applicable law or terms of the applicable Franchise Agreement, Framework Agreement or similar manufacturer agreement would prohibit the pledge or encumbrance thereof (except, in the case of the Revolving Collateral, to the extent that any such restriction on assignment or encumbrance would be ineffective under the UCC or other applicable law), without the consent of the applicable party thereto.

3. Perfection. As of the date of execution of this Security Agreement or a Revolving Joinder Agreement or Floorplan Joinder Agreement by each Grantor, as applicable (with respect to each Grantor, its "Applicable Date"), or prior thereto, such Grantor shall have:

(a) furnished the Revolving Administrative Agent with duly authorized financing statements in form, number and substance suitable for filing, sufficient under

applicable law, and satisfactory to the Revolving Administrative Agent in order that upon the filing of the same the Revolving Administrative Agent, for the benefit of the Secured Parties, shall have a duly perfected security interest in all Collateral in which a security interest can be perfected by the filing of financing statements;

(b) to the extent the Revolving Administrative Agent may request, made commercially reasonable efforts to obtain and deliver to the Revolving Administrative Agent with properly executed Qualifying Control Agreements, issuer acknowledgments of the Revolving Administrative Agent's interest in Letter-of-Credit Rights, and, to the extent expressly required by either Credit Agreement, evidence of the placement of a restrictive legend on tangible chattel paper (and the tangible components of electronic Chattel Paper), and, to the extent expressly required by either Credit Agreement, taken appropriate action acceptable to the Revolving Administrative Agent sufficient to establish the Revolving Administrative Agent's control of electronic Chattel Paper (and the electronic components of hybrid Chattel Paper), as appropriate, with respect to Collateral in which either (i) a security interest can be perfected only by control or such restrictive legending, or (ii) a security interest perfected by control or accompanied by such restrictive legending shall have priority as against a lien creditor, a purchaser of such Collateral from the applicable Grantor, or a security interest perfected by Persons not having control or not accompanied by such restrictive legending, in each case in form and substance acceptable to the Revolving Administrative Agent and sufficient under applicable law so that the Revolving Administrative Agent, for the benefit of the Secured Parties, shall have a security interest in all such Collateral perfected by control; and

(c) to the extent the Revolving Administrative Agent may request, made commercially reasonable efforts to deliver to the Revolving Administrative Agent or, if the Revolving Administrative Agent shall specifically consent in each instance, an agent or bailee of the Revolving Administrative Agent who has acknowledged such status in a properly executed Qualifying Control Agreement possession of all Collateral with respect to which either a security interest can be perfected only by possession or a security interest perfected by possession shall have priority as against Persons not having possession, and including in the case of Instruments, Documents, and Investment Property in the form of certificated securities, duly executed endorsements or stock powers in blank, as the case may be, affixed thereto in form and substance acceptable to the Revolving Administrative Agent and sufficient under applicable law so that the Revolving Administrative Agent, for the benefit of the Secured Parties, shall have a security interest in all such Collateral perfected by possession;

with the effect that the Liens conferred in favor of the Revolving Administrative Agent shall be and remain duly perfected and of first priority, subject only, to the extent applicable, to Liens allowed to exist under Section 7.01 of both Credit Agreements ("Permitted Liens") and allowed to have priority under Section 7.01 of the applicable Credit Agreement or the Master Intercreditor Agreement. All financing statements (including all amendments thereto and continuations thereof), control agreements, certificates, acknowledgments, stock powers and other documents, electronic identification, restrictive legends, and instruments furnished in connection with the creation, enforcement, protection, perfection or priority of the Revolving Administrative Agent's security interest in Collateral, including such items as are described

above in this Section 3, are sometimes referred to herein as "Perfection Documents". The delivery of possession of items of or evidencing Collateral, causing other Persons to execute and deliver Perfection Documents as appropriate, the filing or recordation of Perfection Documents, the establishment of control over items of Collateral, and the taking of such other actions as may be necessary or advisable in the determination of the Revolving Administrative Agent to create, enforce, protect, perfect, or establish or maintain the priority of, the security interest of the Revolving Administrative Agent for the benefit of the Secured Parties in the Collateral is sometimes referred to herein as "Perfection Action".

4. Maintenance of Security Interest; Further Assurances.

(a) Each Grantor will from time to time at its own expense, deliver specific assignments of Collateral or such other Perfection Documents, and take such other or additional Perfection Action, as may be required by the terms of the Loan Documents or as the Revolving Administrative Agent may reasonably request in connection with the administration or enforcement of this Security Agreement or related to the Collateral or any part thereof in order to carry out the terms of this Security Agreement, to perfect, protect, maintain the priority of or enforce the Revolving Administrative Agent's security interest in the Collateral, subject only to Permitted Liens, or otherwise to better assure and confirm unto the Revolving Administrative Agent its rights, powers and remedies for the benefit of the Secured Parties hereunder. Without limiting the foregoing, each Grantor hereby irrevocably authorizes the Revolving Administrative Agent to file (with, or to the extent permitted by applicable law, without the signature of the Grantor appearing thereon) financing statements (including amendments thereto and initial financing statements in lieu of continuation statements) or other Perfection Documents (including copies thereof) showing such Grantor as "debtor" at such time or times and in all filing offices as the Revolving Administrative Agent may from time to time determine to be necessary or advisable to perfect or protect the rights of the Revolving Administrative Agent and the Secured Parties hereunder, or otherwise to give effect to the transactions herein contemplated, any of which Perfection Documents may describe the Collateral as or including all assets of the Grantor. Each Grantor hereby irrevocably ratifies and acknowledges the Revolving Administrative Agent's authority to have effected filings of Perfection Documents made by the Revolving Administrative Agent prior to its Applicable Date.

(b) With respect to any and all Collateral, each Grantor agrees to do and cause to be done all things necessary to perfect, maintain the priority of and keep in full force the security interest granted in favor of the Revolving Administrative Agent for the benefit of the Secured Parties, including, but not limited to, the prompt payment upon demand therefor by the Revolving Administrative Agent of all fees and expenses (including documentary stamp, excise or intangibles taxes) incurred in connection with the preparation, delivery, or filing of any Perfection Document or the taking of any Perfection Action to perfect, protect or enforce a security interest in Collateral in favor of the Revolving Administrative Agent for the benefit of the Secured Parties, subject only to Permitted Liens. All amounts not so paid when due shall constitute additional Secured Obligations and (in addition to other rights and remedies resulting from such

nonpayment) shall bear interest from the date of demand until paid in full at the Default Rate.

(c) Each Grantor agrees to maintain among its books and records appropriate notations or evidence of, and to make or cause to be made appropriate disclosure upon its financial statements of, the security interest granted hereunder to the Revolving Administrative Agent for the benefit of the Secured Parties.

(d) Each Grantor agrees that, in the event any proceeds (other than goods) of Collateral shall be or become commingled with other property not constituting Collateral, then such proceeds may, to the extent permitted by law, be identified by application of the lowest intermediate balance rule to such commingled property.

5. Receipt of Payment.

(a) In the event a Revolving Event of Default shall occur and be continuing and a Revolving Grantor (or any of its Affiliates, subsidiaries, stockholders, directors, officers, employees or agents) shall receive any proceeds of Revolving Collateral, including without limitation monies, checks, notes, drafts or any other items of payment, each Revolving Grantor shall hold all such items of payment in trust for the Revolving Administrative Agent for the benefit of the Revolving Secured Parties, and as the property of the Revolving Administrative Agent for the benefit of the Revolving Secured Parties, separate from the funds and other property of such Grantor, and no later than the first Business Day following the receipt thereof, at the election of the Revolving Administrative Agent, such Grantor shall cause such Revolving Collateral to be forwarded to the Revolving Administrative Agent for its custody, possession and disposition on behalf of the Revolving Secured Parties in accordance with the terms hereof and of the other Revolving Loan Documents.

(b) In the event a Floorplan Event of Default shall occur and be continuing and a Floorplan Grantor (or any of its Affiliates, subsidiaries, stockholders, directors, officers, employees or agents) shall receive any proceeds of Floorplan Collateral, including without limitation monies, checks, notes, drafts or any other items of payment, each Floorplan Grantor shall hold all such items of payment in trust for the Revolving Administrative Agent for the benefit of the Floorplan Secured Parties, and as the property of the Revolving Administrative Agent for the benefit of the Floorplan Secured Parties, separate from the funds and other property of such Grantor, and no later than the first Business Day following the receipt thereof, at the election of the Revolving Administrative Agent, such Grantor shall cause such Floorplan Collateral to be forwarded to the Revolving Administrative Agent for its custody, possession and disposition on behalf of the Floorplan Secured Parties in accordance with the terms hereof and of the other Floorplan Loan Documents.

6. Preservation and Protection of Collateral.

(a) The Revolving Administrative Agent shall be under no duty or liability with respect to the collection, protection or preservation of the Collateral, or otherwise.

Each Grantor shall be responsible for the safekeeping of its Collateral, and in no event shall the Revolving Administrative Agent have any responsibility for (i) any loss or damage thereto or destruction thereof occurring or arising in any manner or fashion from any cause, (ii) any diminution in the value thereof, or (iii) any act or default of any carrier, warehouseman, bailee or forwarding agency thereof or other Person in any way dealing with or handling such Collateral.

(b) Each Grantor shall keep and maintain its tangible personal property Collateral in good operating condition and repair, ordinary wear and tear excepted. No Grantor shall permit any such items having an aggregate value in excess of \$1,000,000 to become a fixture to real property (unless such Grantor has granted the Revolving Administrative Agent for the benefit of the Revolving Secured Parties a Lien on such real property having a priority acceptable to the Revolving Administrative Agent or the Grantor has excluded such fixtures from the Revolving Borrowing Base) or accessions to other personal property.

(c) Each Grantor agrees (i) to pay prior to delinquency all taxes, charges and assessments against the Collateral in which it has any interest, unless being contested in good faith by appropriate proceedings diligently conducted and against which adequate reserves have been established in accordance with GAAP applied on a basis consistent with the application of GAAP in the Audited Financial Statements and evidenced to the satisfaction of the Revolving Administrative Agent and provided that all enforcement proceedings in the nature of levy or foreclosure are effectively stayed, and (ii) to cause to be terminated and released all Liens (other than Permitted Liens) on the Collateral. Upon the failure of any Grantor to so pay or contest such taxes, charges, or assessments, or cause such Liens to be terminated, the Revolving Administrative Agent at its option may pay or contest any of them or amounts relating thereto (the Revolving Administrative Agent having the sole right to determine the legality or validity and the amount necessary to discharge such taxes, charges, Liens or assessments) but shall not have any obligation to make any such payment or contest. All sums so disbursed by the Revolving Administrative Agent, including fees, charges and disbursements of counsel ("Attorney Costs"), court costs, expenses and other charges related thereto, shall be payable on demand by the applicable Grantor to the Revolving Administrative Agent and shall be additional Secured Obligations secured by the Collateral, and any amounts not so paid on demand (in addition to other rights and remedies resulting from such nonpayment) shall bear interest from the date of demand until paid in full at the Default Rate.

7. Status of Grantors and Collateral Generally. Each Grantor represents and warrants to, and covenants with, the Revolving Administrative Agent for the benefit of the Secured Parties, with respect to itself and the Collateral as to which it has or acquires any interest, that:

(a) It is at its Applicable Date (or as to Collateral acquired after its Applicable Date will be upon the acquisition of the same) and, except as permitted by both Credit Agreements and subsection (b) of this Section 7, will continue to be, the owner of the Collateral, free and clear of all Liens, other than the security interest hereunder in favor of the Revolving Administrative Agent for the benefit of the Secured Parties and

Permitted Liens, and that it will at its own cost and expense defend such Collateral and any products and proceeds thereof against all claims and demands of all Persons (other than holders of Permitted Liens) to the extent of their claims permitted under both Credit Agreements at any time claiming the same or any interest therein adverse to the Secured Parties. Upon the failure of any Grantor to so defend, the Revolving Administrative Agent may do so at its option but shall not have any obligation to do so. All sums so disbursed by the Revolving Administrative Agent, including reasonable Attorney Costs, court costs, expenses and other charges related thereto, shall be payable on demand by the applicable Grantor to the Revolving Administrative Agent and shall be additional Secured Obligations secured by the Collateral, and any amounts not so paid on demand (in addition to other rights and remedies resulting from such nonpayment) shall bear interest from the date of demand until paid in full at the Default Rate.

(b) It shall not (i) sell, assign, transfer, lease, license or otherwise dispose of any of, or grant any option with respect to, the Collateral, except for Dispositions permitted under both Credit Agreements, (ii) create or suffer to exist any Lien upon or with respect to any of the Collateral except for the security interests created by this Security Agreement and Permitted Liens, or (iii) take any other action in connection with any of the Collateral that would materially impair the value of the interest or rights of such Grantor in the Collateral taken as a whole or that would materially impair the interest or rights of the Revolving Administrative Agent for the benefit of the Secured Parties.

(c) It has full power, legal right and lawful authority to enter into this Security Agreement (and any Revolving Joinder Agreement or Floorplan Joinder Agreement applicable to it) and to perform its terms, including the grant of the security interests in the Collateral herein provided for.

(d) No authorization, consent, approval or other action by, and no notice to or filing with, any Governmental Authority or any other Person which has not been given or obtained, as the case may be, is required either (i) for the grant by such Grantor of the security interests granted hereby or for the execution, delivery or performance of this Security Agreement (or any Revolving Joinder Agreement or Floorplan Joinder Agreement) by such Grantor, or (ii) for the perfection of or the exercise by the Revolving Administrative Agent, on behalf of the Secured Parties, of its rights and remedies hereunder, except for action required by the Uniform Commercial Code to perfect and exercise remedies with respect to the security interest conferred hereunder.

(e) No effective financing statement or other Perfection Document similar in effect, nor any other Perfection Action, covering all or any part of the Collateral purported to be granted or taken by or on behalf of such Grantor (or by or on behalf of any other Person and which remains effective as against all or any part of the Collateral) has been filed in any recording office, delivered to another Person for filing (whether upon the occurrence of a contingency or otherwise), or otherwise taken, as the case may be, except such as pertain to Permitted Liens and such as may have been filed for the benefit of, delivered to, or taken in favor of, the Revolving Administrative Agent for the

benefit of the Secured Parties in connection with the security interests conferred hereunder.

(f) Schedule 7(f) attached hereto contains true and complete information as to each of the following: (i) the exact legal name of each Grantor as it appears in its Organization Documents as of its Applicable Date and at any time during the five (5) year period ending as of its Applicable Date (the "Covered Period"), (ii) the jurisdiction of formation and form of organization of each Grantor, and the identification number of such Grantor in its jurisdiction of formation (if any), (iii) each address of the chief executive office of each Grantor as of its Applicable Date and at any time during the Covered Period, (iv) all trade names or trade styles used by such Grantor as of its Applicable Date and at any time during the Covered Period, (v) the address of each location of such Grantor at which any tangible personal property Collateral (including Account Records and Account Documents) is located at its Applicable Date or has been located at any time during the Covered Period, (vi) with respect to each location described in clause (v) that is not owned beneficially and of record by such Grantor, the name and address of the owner thereof; and (vii) the name of each Person other than such Grantor and the address of such Person at which any tangible personal property Collateral of such Grantor is held under any warehouse, consignment, bailment or other arrangement as of its Applicable Date. No Grantor shall change its name, change its jurisdiction of formation (whether by reincorporation, merger or otherwise), change the location of its chief executive office, or utilize any additional location where tangible personal property Collateral (including Account Records and Account Documents) may be located, except in each case upon giving not less than thirty (30) days' prior written notice to the Revolving Administrative Agent and taking or causing to be taken at such Grantor's expense all such Perfection Action, including the delivery of such Perfection Documents, as may be reasonably requested by the Revolving Administrative Agent to perfect or protect, or maintain the perfection and priority of, the Lien of the Revolving Administrative Agent for the benefit of the Secured Parties in Collateral contemplated hereunder.

(g) No Grantor shall engage in any consignment transaction in respect of any of the Collateral, whether as consignee or consignor.

(h) No Grantor shall cause, suffer or permit any of the tangible personal property Collateral (i) to be evidenced by any document of title (except for shipping documents as necessary or customary to effect the receipt of such Collateral or the delivery of such Collateral to such Grantor or to customers, in each case in the ordinary course of business, and motor vehicle certificates of title) or (ii) to be in the possession, custody or control of any warehouseman or other bailee (except pursuant to Section 6.13 of both Credit Agreements) unless (x) such location and Person are set forth on Schedule 7(f) or the Revolving Administrative Agent shall have received not less than thirty (30) days' prior written notice of each such transaction, (y) the Revolving Administrative Agent shall have received, upon its request, a duly executed Qualifying Control Agreement from such warehouseman or bailee, and (z) the Grantor shall have caused at its expense to be prepared and executed such additional Perfection Documents and to be taken such other Perfection Action as the Revolving Administrative Agent may deem

necessary or advisable to carry out the transactions contemplated by this Security Agreement.

(i) No tangible personal property Collateral is or shall be located at any location that is leased by such Grantor from any other Person, unless (x) such location and lessor is set forth on Schedule 6.13 of both Credit Agreements (as such Schedule may be revised from time to time in accordance with the applicable Credit Agreement), (y) at the request of the Revolving Administrative Agent, such Grantor uses commercially reasonable efforts (and provides evidence of such efforts) to cause such lessor within 90 days of the Applicable Date to acknowledge the Lien in favor of the Revolving Administrative Agent for the benefit of the Secured Parties conferred hereunder and waives its statutory and consensual liens and rights with respect to such Collateral in form and substance acceptable to the Revolving Administrative Agent and delivered in writing to the Revolving Administrative Agent prior to any Collateral being located at any such location, and (z) the Grantor shall have caused at its expense to be prepared and executed such additional Perfection Documents and to be taken such other Perfection Action as the Revolving Administrative Agent may deem necessary or advisable to carry out the transactions contemplated by this Security Agreement.

8. Inspection. The Revolving Administrative Agent (by any of its officers, employees and agents), on behalf of the Secured Parties, shall have the right upon prior notice to an executive officer of any Grantor, and at any reasonable times during such Grantor's usual business hours, to inspect the Collateral (including inspecting Vehicles and conducting random samples of the Net Book Value of the Used Vehicles), all records related thereto (and to make extracts or copies from such records), and the premises upon which any of the Collateral is located, to discuss such Grantor's affairs and finances with any Person (other than Persons obligated on any Accounts ("Account Debtors") except as expressly otherwise permitted in the Loan Documents) and to verify with any Person other than (except as expressly otherwise permitted in the Loan Documents) Account Debtors the amount, quality, quantity, value and condition of, or any other matter relating to, the Collateral and, if an Event of Default has occurred and is continuing, to discuss such Grantor's affairs and finances with such Grantor's Account Debtors and to verify the amount, quality, value and condition of, or any other matter relating to, the Collateral with such Account Debtors. Upon or after the occurrence and during the continuation of an Event of Default, the Revolving Administrative Agent may at any time and from time to time employ and maintain on such Grantor's premises a custodian selected by the Revolving Administrative Agent who shall have full authority to do all acts necessary to protect the Revolving Administrative Agent's (for the benefit of the Secured Parties) interest. All expenses incurred by the Revolving Administrative Agent, on behalf of the Secured Parties, by reason of the employment of such custodian shall be paid by such Grantor on demand from time to time and shall be added to the Secured Obligations secured by the Collateral, and any amounts not so paid on demand (in addition to other rights and remedies resulting from such nonpayment) shall bear interest from the date of demand until paid in full at the Default Rate.

9. Specific Collateral.

(a) **Accounts.** With respect to its Accounts whether now existing or hereafter created or acquired and wheresoever located, each Grantor represents, warrants and

covenants to the Revolving Administrative Agent for the benefit of the Secured Parties that:

(i) Such Grantor shall keep accurate and complete records of its Accounts ("Account Records") and from time to time, at the Revolving Administrative Agent's request, the Company shall provide the Revolving Administrative Agent with a schedule of Accounts in excess of \$1,000,000 in form and substance acceptable to the Revolving Administrative Agent describing all Accounts created or acquired by all Grantors ("Schedule of Accounts"); provided, however, that the Company's failure to execute and deliver any such Schedule of Accounts shall not affect or limit the Revolving Administrative Agent's security interest or other rights in and to any Accounts for the benefit of the Secured Parties. If requested by the Revolving Administrative Agent, each Grantor shall furnish the Revolving Administrative Agent with copies of proof of delivery and other documents relating to the Accounts so scheduled, including without limitation repayment histories and present status reports (collectively, "Account Documents") and such other matter and information relating to the status of then existing Accounts as the Revolving Administrative Agent shall request.

(ii) All Account Records and Account Documents are and shall at all times be located only at such Grantor's current chief executive office as set forth on Schedule 7(f) attached hereto, such other locations as are specifically identified on Schedule 7(f) attached hereto as an "Account Documents location," or as to which the Grantor has complied with Section 7(f) hereof.

(iii) The Accounts are genuine, are in all respects what they purport to be, are not evidenced by an instrument or document or, if evidenced by an instrument or document, are only evidenced by one original instrument or document.

(iv) The Accounts cover bona fide sales and deliveries of Inventory or sales, leases, licenses or other dispositions of property usually dealt in by such Grantor, or the rendition by such Grantor of services, to an Account Debtor in the ordinary course of business.

(v) The amounts of the face value of any Account shown or reflected on any Schedule of Accounts, invoice statement, or certificate delivered to the Revolving Administrative Agent, are actually owing to the applicable Grantor and are not contingent for any reason; and there are no setoffs, discounts, allowances, claims, counterclaims or disputes of any kind or description in an amount greater than \$1,000,000 in the aggregate for all the Grantors, or greater than \$250,000 per Account, existing or asserted with respect thereto and such Grantor has not made any agreement with any Account Debtor thereunder for any deduction therefrom, except as may be stated in the Schedule of Accounts and reflected in the calculation of the face value of each respective invoice related thereto.

(vi) Except for conditions generally applicable to such Grantor's industry and markets, there are no facts, events, or occurrences known to such Grantor pertaining particularly to any Accounts which are reasonably expected to materially impair in any way the validity, collectibility or enforcement of Accounts that would reasonably be likely, in the aggregate, to be of material economic value, or in the aggregate materially reduce the amount payable thereunder from the amount of the invoice face value shown on any Schedule of Accounts, or on any certificate, contract, invoice or statement delivered to the Revolving Administrative Agent with respect thereto.

(vii) The property or services giving rise thereto are not, and were not at the time of the sale or performance thereof, subject to any Lien, claim, encumbrance or security interest, except those of the Revolving Administrative Agent for the benefit of Secured Parties and Permitted Liens.

(viii) In the event any amounts due and owing in excess of \$1,000,000 in the aggregate, are in dispute between any Account Debtor and a Grantor (which shall include without limitation any dispute in which an offset claim or counterclaim may result), such Grantor shall provide the Revolving Administrative Agent with written notice thereof as soon as practicable, explaining in detail the reason for the dispute, all claims related thereto and the amount in controversy.

(b) **Inventory.** With respect to its Inventory whether now existing or hereafter created or acquired and wheresoever located, each Grantor represents, warrants and covenants to the Revolving Administrative Agent for the benefit of the Secured Parties that:

(i) Such Grantor shall (A) keep accurate and complete records itemizing and describing (1) with respect to its Vehicle Inventory, each new and used vehicle, including the year, make, model, cost, price, location and Vehicle Identification Number, (2) with respect to all Inventory, the kind, type, location and quantity of such Inventory, its cost therefor and the selling price of Inventory held for sale, and the daily withdrawals therefrom and additions thereto, and (B) furnish to the Revolving Administrative Agent from time to time, at the Revolving Administrative Agent's request, a current schedule of Inventory (including Vehicle Inventory) based upon its most recent physical inventory and its daily inventory records. Each Grantor shall conduct a physical inventory no less frequently than annually, and shall furnish to the Revolving Administrative Agent such other documents and reports thereof as the Revolving Administrative Agent shall reasonably request with respect to the Inventory.

(ii) All Inventory (other than Vehicle Inventory) is and shall at all times be located only at such Grantor's locations as set forth on Schedule 7(f) attached hereto, or at such other locations as to which such Grantor has complied with Section 7(f) hereof. No Grantor shall, other than in the ordinary course of

business in connection with its sale, lease, license or other permitted Disposition, remove any Inventory from such locations.

(iii) All Vehicle Inventory is and shall (except as set forth in Section 6.13 of both Credit Agreements) at all times be located only at such Grantor's locations as set forth on Schedule 6.13 of both Credit Agreements (as such Schedule may be revised from time to time in accordance with the terms of the applicable Credit Agreement). No Grantor shall, other than in the ordinary course of business in connection with its sale, lease, license or other permitted Disposition, or as set forth in Section 6.13 of both Credit Agreements, remove any Vehicle Inventory from such locations.

(iv) If any Account Debtor returns any Inventory to a Grantor after shipment thereof, and such return generates a credit in excess of \$1,000,000 in the aggregate on any Accounts of such Account Debtor, such Grantor shall notify the Revolving Administrative Agent in writing of the same as soon as practicable.

(c) **Equipment.** With respect to its Equipment whether now existing or hereafter created or acquired and wheresoever located, each Grantor represents, warrants and covenants to the Revolving Administrative Agent for the benefit of the Secured Parties that:

(i) Such Grantor, as soon as practicable following a request therefor by the Revolving Administrative Agent during the continuance of an Event of Default, shall deliver to the Revolving Administrative Agent any and all evidence of ownership of any of the Equipment (including without limitation certificates of title and applications for title).

(ii) Such Grantor shall maintain accurate, itemized records describing the kind, type, quality, quantity and value of its Equipment and shall furnish the Revolving Administrative Agent upon request during the continuance of an Event of Default with a current schedule containing the foregoing information, but, other than during the continuance of an Event of Default, not more often than once per fiscal quarter.

(iii) All Equipment is and shall at all times be located only at such Grantor's locations as set forth on Schedule 7(f) attached hereto or at such other locations as to which such Grantor has complied with Section 7(f) hereof. No Grantor shall, other than as expressly permitted under the Credit Agreements, sell, lease, transfer, dispose of or, other than for repairs in the ordinary course of such Grantor's business, remove any Equipment from such locations.

(d) **Supporting Obligations.** With respect to its Supporting Obligations whether now existing or hereafter created or acquired and wheresoever located, each Grantor represents, warrants and covenants to the Revolving Administrative Agent for the benefit of the Secured Parties that:

(i) Such Grantor shall (i) furnish to the Revolving Administrative Agent from time to time at the Revolving Administrative Agent's request, a current list identifying in reasonable detail each Supporting Obligation relating to any Collateral from a single obligor in excess of \$1,000,000, and (ii) upon the request of the Revolving Administrative Agent from time to time following the occurrence and during the continuance of any Default or Event of Default, deliver to the Revolving Administrative Agent the originals of all documents evidencing or constituting Supporting Obligations, together with such other documentation (executed as appropriate by the Grantor) and information as may be necessary to enable the Revolving Administrative Agent to realize upon the Supporting Obligations in accordance with their respective terms or transfer the Supporting Obligations as may be permitted under the Loan Documents or by applicable law.

(ii) With respect to each letter of credit giving rise to Letter-of-Credit Rights that has an aggregate stated amount available to be drawn in excess of \$500,000, such Grantor shall, at the request of the Revolving Administrative Agent cause the issuer thereof to execute and deliver to the Revolving Administrative Agent a Qualifying Control Agreement.

(iii) With respect to each transferable letter of credit giving rise to Letter-of-Credit Rights that has an aggregate stated amount available to be drawn in excess of \$500,000, such Grantor shall, at the Revolving Administrative Agent's request upon and during the continuance of any Default or Event of Default, deliver to the Revolving Administrative Agent a duly executed, undated transfer form in blank sufficient in form and substance under the terms of the related letter of credit to effect, upon completion and delivery to the letter of credit issuer together with any required fee, the transfer of such letter of credit to the transferee identified in such form. Each Grantor hereby expressly authorizes the Revolving Administrative Agent following the occurrence and during the continuance of any Event of Default to complete and tender each such transfer form as transferor in its own name or in the name, place and stead of the Grantor in order to effect any such transfer, either to the Revolving Administrative Agent or to another transferee, as the case may be, in connection with any sale or other disposition of Collateral or for any other purpose permitted under the Loan Documents or by applicable law.

(e) **Investment Property.** With respect to its Investment Property whether now existing or hereafter created or acquired and wheresoever located, each Grantor represents, warrants and covenants to the Revolving Administrative Agent for the benefit of the Secured Parties that:

(i) Schedule 9(e) attached hereto contains a true and complete description of (x) the name and address of each securities intermediary with which such Grantor maintains a securities account in which Investment Property is or may at any time be credited or maintained, and (y) all other Investment Property of such Grantor other than interests in Subsidiaries in which such Grantor has granted a Lien to the Revolving Administrative Agent for the benefit

of the Secured Parties pursuant to a Pledge Agreement; provided that, the Equity Interests in Unrestricted Subsidiaries are not required to be discussed on Schedule 9(e).

(ii) Except with the express prior written consent of the Revolving Administrative Agent in each instance, all Investment Property other than interests in Subsidiaries in which such Grantor has granted a Lien to the Revolving Administrative Agent for the benefit of the Revolving Secured Parties pursuant to a Pledge Agreement shall be maintained at all times in the form of (a) certificated securities, which certificates shall have been delivered to the Revolving Administrative Agent together with duly executed undated stock powers endorsed in blank pertaining thereto (provided that, with respect to Unrestricted Subsidiaries, such certificates and stock powers shall not be required to be so delivered unless requested by the Revolving Administrative Agent from time to time in its sole discretion) or (b) security entitlements credited to one or more securities accounts as to each of which the Revolving Administrative Agent has received (1) copies of the account agreement between the applicable securities intermediary and the Grantor and the most recent statement of account pertaining to such securities account (each certified to be true and correct by an officer of the Grantor) and (2) upon the request of the Revolving Administrative Agent, a Qualifying Control Agreement from the applicable securities intermediary which remains in full force and effect and as to which the Revolving Administrative Agent has not received any notice of termination. Without limiting the generality of the foregoing, no Grantor shall cause, suffer or permit any Investment Property to be credited to or maintained in any securities account not listed on Schedule 9(e) attached hereto except in each case upon giving not less than thirty (30) days' prior written notice to the Revolving Administrative Agent and taking or causing to be taken at such Grantor's expense all such Perfection Action, including the delivery of such Perfection Documents, as may be reasonably requested by the Revolving Administrative Agent to perfect or protect, or maintain the perfection and priority of, the Lien of the Revolving Administrative Agent for the benefit of the Secured Parties in Collateral contemplated hereunder.

(iii) All dividends and other distributions with respect to any of the Investment Property shall be subject to the security interest conferred hereunder, provided, however, that cash dividends paid to a Grantor as record owner of the Investment Property may be disbursed to and retained by such Grantor so long as no Default or Event of Default shall have occurred and be continuing, free from any Lien hereunder.

(iv) So long as no Default or Event of Default shall have occurred and be continuing, the registration of Investment Property in the name of a Grantor as record and beneficial owner shall not be changed and such Grantor shall be entitled to exercise all voting and other rights and powers pertaining to Investment Property for all purposes not inconsistent with the terms hereof or of any Qualifying Control Agreement relating thereto.

(v) Upon the occurrence and during the continuance of any Default or Event of Default, at the option of the Revolving Administrative Agent, all rights of the Grantors to exercise the voting or consensual rights and powers which it is authorized to exercise pursuant to clause (iv) immediately above shall cease and the Revolving Administrative Agent may thereupon (but shall not be obligated to), at its request, cause such Collateral to be registered in the name of the Revolving Administrative Agent or its nominee or agent for the benefit of the Secured Parties and/or exercise such voting or consensual rights and powers as appertain to ownership of such Collateral, and to that end each Grantor hereby appoints the Revolving Administrative Agent as its proxy, with full power of substitution, to vote and exercise all other rights as a shareholder with respect to such Investment Property upon the occurrence and during the continuance of any Default or Event of Default, which proxy is coupled with an interest and is irrevocable until the Facilities Termination Date, and each Grantor hereby agrees to provide such further proxies as the Revolving Administrative Agent may request; provided, however, that the Revolving Administrative Agent in its discretion may from time to time refrain from exercising, and shall not be obligated to exercise, any such voting or consensual rights or such proxy.

(vi) Upon the occurrence and during the continuance of any Default or Event of Default, all rights of the Grantors to receive and retain cash dividends and other distributions upon or in respect to Investment Property pursuant to clause (iii) above shall cease and shall thereupon be vested in the Revolving Administrative Agent for the benefit of the Secured Parties, and each Grantor shall, or shall cause, all such cash dividends and other distributions with respect to the Investment Property to be promptly delivered to the Revolving Administrative Agent (together, if the Revolving Administrative Agent shall request, with any documents related thereto) to be held, released or disposed of by it hereunder or, at the option of the Revolving Administrative Agent, to be applied to the Secured Obligations.

(f) **Deposit Accounts.** With respect to its Deposit Accounts whether now existing or hereafter created or acquired and wheresoever located, each Grantor represents, warrants and covenants to the Revolving Administrative Agent for the benefit of the Secured Parties that, in the discretion and upon the request of the Revolving Administrative Agent, all Deposit Accounts in which collected balances or deposits in excess of \$500,000 are or are reasonably expected by the Company at any time to be credited or maintained shall be maintained at all times with depository institutions as to which the Revolving Administrative Agent for the benefit of the Revolving Secured Parties shall have received a Qualifying Control Agreement. Without limiting the generality of the foregoing, no Grantor shall cause, suffer or permit (x) any deposit in excess of \$500,000 to be evidenced by a certificate of deposit unless such certificate of deposit is a negotiable instrument and immediately upon receipt thereof such certificate shall have been delivered to the Revolving Administrative Agent, together with a duly executed undated assignment in blank affixed thereto, or (y) any Deposit Account opened after the Closing Date in which collected balances or deposits in excess of \$500,000 are or are reasonably expected by the Company at any time to be credited or maintained to be

opened or maintained, except in the case of each of clauses (x) and (y), (A) upon giving not less than thirty (30) days' prior written notice to the Revolving Administrative Agent and (B) taking or causing to be taken at such Grantor's expense all such Perfection Action, including the delivery of such Perfection Documents, as may be reasonably requested by the Revolving Administrative Agent for the benefit of the Revolving Secured Parties to perfect or protect, or maintain the perfection and priority of, the Lien of the Revolving Administrative Agent for the benefit of the Revolving Secured Parties in Collateral contemplated hereunder.

(g) **Chattel Paper.** With respect to its Chattel Paper whether now existing or hereafter created or acquired and wheresoever located, each Grantor represents, warrants and covenants to the Revolving Administrative Agent for the benefit of the Secured Parties that to the extent so expressly required by the Credit Agreements:

(i) Such Grantor shall at all times retain sole physical possession of the originals of all Chattel Paper (other than electronic Chattel Paper and the electronic components of hybrid Chattel Paper); provided, however, that (x) upon the request of the Revolving Administrative Agent upon the occurrence and during the continuance of any Default or Event of Default, such Grantor shall immediately deliver physical possession of such Chattel Paper to the Revolving Administrative Agent or its designee, and (y) in the event that there shall be created more than one original counterpart of any physical document that alone or in conjunction with any other physical or electronic document constitutes Chattel Paper, then such counterparts shall be numbered consecutively starting with "1" and such Grantor shall retain the counterpart numbered "1".

(ii) At the request of the Revolving Administrative Agent or upon the occurrence and during the continuance of an Event of Default, such Grantor shall promptly and conspicuously legend all counterparts of all tangible Chattel Paper as follows: "A SECURITY INTEREST IN THIS CHATTEL PAPER HAS BEEN GRANTED TO BANK OF AMERICA, N.A., FOR ITSELF AND AS REVOLVING ADMINISTRATIVE AGENT FOR CERTAIN SECURED PARTIES PURSUANT TO AN AMENDED AND RESTATED SECURITY AGREEMENT DATED AS OF JANUARY 15, 2010, AS AMENDED FROM TIME TO TIME. NO SECURITY INTEREST OR OTHER INTEREST IN FAVOR OF ANY OTHER PERSON MAY BE CREATED BY THE TRANSFER OF PHYSICAL POSSESSION OF THIS CHATTEL PAPER OR OF ANY COUNTERPART HEREOF EXCEPT BY OR WITH THE CONSENT OF THE AFORESAID REVOLVING ADMINISTRATIVE AGENT AS PROVIDED IN SUCH SECURITY AGREEMENT." Upon the occurrence or during the continuance of an Event of Default, such Grantor shall not create or acquire any electronic Chattel Paper (including the electronic components of hybrid Chattel Paper), unless, prior to such acquisition or creation, it shall have taken such Perfection Action as the Revolving Administrative Agent may require to perfect by control the security interest of the Revolving Administrative Agent for the benefit of the Secured Parties in such Collateral.

(iii) Other than in the ordinary course of business and in keeping with reasonable and customary practice, no Grantor shall amend, modify, waive or terminate any provision of, or fail to exercise promptly and diligently each material right or remedy conferred under or in connection with, any Chattel Paper, in any case in such a manner as could reasonably be expected to materially adversely affect the value of affected Chattel Paper as collateral.

(h) **Instruments.** With respect to its Instruments whether now existing or hereafter created or acquired and wheresoever located, each Grantor represents, warrants and covenants to the Revolving Administrative Agent for the benefit of the Secured Parties that:

(i) Such Grantor shall (A) maintain at all times, and, upon request of the Revolving Administrative Agent, furnish to the Revolving Administrative Agent a current list identifying in reasonable detail Instruments of which such Grantor is the payee or holder and having a face amount payable in excess of \$1,000,000 in the aggregate from any single Person, and (B) upon the request of the Revolving Administrative Agent from time to time, deliver to the Revolving Administrative Agent the originals of all such Instruments, together with duly executed undated endorsements in blank affixed thereto and such other documentation and information as may be necessary to enable the Revolving Administrative Agent to realize upon the Instruments in accordance with their respective terms or transfer the Instruments as may be permitted under the Loan Documents or by applicable law.

(ii) Other than in the ordinary course of business and in keeping with reasonable and customary practice, no Grantor shall amend, modify, waive or terminate any provision of, or fail to exercise promptly and diligently each material right or remedy conferred under or in connection with, any Instrument, in any case in such a manner as could reasonably be expected to materially adversely affect the value of affected Instrument as collateral.

(i) **Commercial Tort Claims.** With respect to its Commercial Tort Claims whether now existing or hereafter created or acquired and wheresoever located, each Grantor represents, warrants and covenants to the Revolving Administrative Agent for the benefit of the Secured Parties that:

(i) Schedule 9(i) attached hereto contains a true and complete list of all Commercial Tort Claims in which any Grantor has an interest and which have been identified by a Grantor as of its Applicable Date, and as to which the Grantor believes in good faith there exists the possibility of recovery (including by way of settlement) of monetary relief in excess of \$1,000,000 (“Grantor Claims”). Each Grantor shall furnish to the Revolving Administrative Agent from time to time upon its request a certificate of an officer of such Grantor referring to this Section 9(i) and (x) identifying all Grantor Claims that are not then described on Schedule 9(i) attached hereto and stating that each of such additional Grantor Claims shall be deemed added to such Schedule 9(i) and shall constitute a Commercial Tort

Claim, a Grantor Claim, and additional Collateral hereunder, and (y) summarizing the status or disposition of any Grantor Claims that have been settled, or have been made the subject of any binding mediation, judicial or arbitral proceeding, or any judicial or arbitral order on the merits, or that have been abandoned. With respect to each such additional Grantor Claim, such Grantor Claim shall be and become part of the Collateral hereunder from the date such claim is identified to the Revolving Administrative Agent as provided above without further action, and (ii) the Revolving Administrative Agent is hereby authorized at the expense of the applicable Grantor to execute and file such additional financing statements or amendments to previously filed financing statements, and take such other action as it may deem necessary or advisable, to perfect the Lien on such additional Grantor Claims conferred hereunder, and the Grantor shall, if required by applicable law or otherwise at the request of the Revolving Administrative Agent, execute and deliver such Perfection Documents and take such other Perfection Action as the Revolving Administrative Agent may determine to be necessary or advisable to perfect or protect the Lien of the Revolving Administrative Agent for the benefit of the Secured Parties in such additional Grantor Claims conferred hereunder.

10. Casualty and Liability Insurance Required.

(a) Each Grantor will keep the Collateral continuously insured against such risks as are customarily insured against by businesses of like size and type engaged in the same or similar operations including:

(i) property insurance on the Inventory and the Equipment in an amount not less than the full insurable value thereof, against loss or damage by theft, fire, lightning, hail, wind, flooding and other hazards ordinarily included under uniform broad form standard extended coverage policies, limited only as may be provided in the standard broad form of extended coverage endorsement at the time in use in the states in which the Collateral is located, in each case as are customarily maintained by Persons engaged in the same or similar business, owning similar properties in locations where such Grantor operates and otherwise similarly situated to such Grantor;

(ii) false pretense insurance in amounts as are customary for Persons engaged in the same or similar business, owning similar properties in locations where such Grantor operates and otherwise similarly situated to such Grantor;

(iii) garage liability and comprehensive general liability insurance against claims for bodily injury, death or property damage occurring with or about such Collateral (such coverage to include provisions waiving subrogation against the Secured Parties), with the Revolving Administrative Agent and the Lenders as additional insureds thereunder, in amounts as are customary for Persons engaged in the same or similar business, owning similar properties in locations where such Grantor operates and otherwise similarly situated to such Grantor;

(iv) liability insurance with respect to the operation of its facilities under the workers' compensation laws of the states in which such Collateral is located as are customarily maintained by Persons engaged in the same or similar business, owning similar properties in locations where such Grantor operates and otherwise similarly situated to such Grantor, but in no event less than the amount required by the states where such Collateral is located; and

(v) business interruption insurance in amounts as are customarily maintained by Persons engaged in the same or similar business, owning similar properties in locations where such Grantor operates and otherwise similarly situated to such Grantor.

(b) Each insurance policy obtained in satisfaction of the requirements of Section 10(a):

(i) may be provided by blanket policies now or hereafter maintained by each or any Grantor or by the Company;

(ii) shall be issued by such insurer (or insurers) as shall be financially responsible, of recognized standing and reasonably acceptable to the Revolving Administrative Agent;

(iii) shall be in such form and have such provisions (including without limitation the loss payable clause, the waiver of subrogation clause, the deductible amount, if any, and the standard mortgagee endorsement clause) as are generally considered standard provisions for the type of insurance involved and are reasonably acceptable in all respects to the Revolving Administrative Agent;

(iv) shall prohibit cancellation or substantial modification, termination or lapse in coverage by the insurer without at least thirty (30) days' prior written notice to the Revolving Administrative Agent, except for non-payment of premium, as to which such policies shall provide for at least ten (10) days' prior written notice to the Revolving Administrative Agent;

(v) without limiting the generality of the foregoing, all insurance policies where applicable under Section 10(a)(i) carried on the Collateral shall name the Revolving Administrative Agent, for the benefit of the Secured Parties, as loss payee and the Revolving Administrative Agent and Lenders as parties insured thereunder in respect of any claim for payment.

(c) Prior to expiration of any such policy, such Grantor shall furnish the Revolving Administrative Agent with evidence satisfactory to the Revolving Administrative Agent that the policy or certificate has been renewed or replaced or is no longer required by this Security Agreement.

(d) Each Grantor hereby makes, constitutes and appoints the Revolving Administrative Agent (and all officers, employees or agents designated by the Revolving

Administrative Agent), for the benefit of the Secured Parties, as such Grantor's true and lawful attorney (and agent-in-fact) for the purpose of making, settling and adjusting claims under such policies of insurance, endorsing the name of such Grantor on any check, draft, instrument or other item or payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect to such policies of insurance, which appointment is coupled with an interest and is irrevocable; provided, however, that the powers pursuant to such appointment shall be exercisable only upon the occurrence and during the continuation of an Event of Default.

(e) In the event such Grantor shall fail to maintain, or fail to cause to be maintained, the full insurance coverage required hereunder or shall fail to keep any of its Collateral in good repair and good operating condition, the Revolving Administrative Agent may (but shall be under no obligation to), without waiving or releasing any Secured Obligation or Default or Event of Default by such Grantor hereunder, contract for the required policies of insurance and pay the premiums on the same or make any required repairs, renewals and replacements; and all sums so disbursed by Revolving Administrative Agent, including reasonable Attorneys' Costs, court costs, expenses and other charges related thereto, shall be payable on demand by such Grantor to the Revolving Administrative Agent, shall be additional Secured Obligations secured by the Collateral, and (in addition to other rights and remedies resulting from such nonpayment) shall bear interest from the date of demand until paid in full at the Default Rate.

(f) Each Grantor agrees that to the extent that it shall fail to maintain, or fail to cause to be maintained, the full insurance coverage required by Section 10(a), it shall in the event of any loss or casualty pay promptly to the Revolving Administrative Agent, for the benefit of the Secured Parties, to be held in a separate account for application in accordance with the provisions of Sections 10(h), such amount as would have been received as Net Proceeds (as hereinafter defined) by the Revolving Administrative Agent, for the benefit of the Secured Parties, under the provisions of Section 10(h) had such insurance been carried to the extent required.

(g) The Net Proceeds of the insurance carried pursuant to the provisions of Sections 10(a)(ii) and 10(a)(iii) shall be applied by such Grantor toward satisfaction of the claim or liability with respect to which such insurance proceeds may be paid.

(h) The Net Proceeds of the insurance carried with respect to the Collateral pursuant to the provisions of Section 10(a)(i) hereof shall be paid to such Grantor and held by such Grantor in a separate account and applied, as long as no Event of Default shall have occurred and be continuing, as follows: after any loss under any such insurance and payment of the proceeds of such insurance, each Grantor shall have a period of thirty (30) days after payment of the insurance proceeds with respect to such loss to elect to either (x) repair or replace, or such repair or replacement cannot reasonably be completed in such thirty (30) day period, commence the repair or replacement and diligently prosecute the same to completion, the Collateral so damaged, (y) deliver such Net Proceeds to the Revolving Administrative Agent, for the benefit of the Secured Parties, as additional Collateral or (z) apply such Net Proceeds to the acquisition of tangible assets constituting Collateral used or useful in the conduct of the

business of such Grantor, subject to the provisions of this Security Agreement. If such Grantor elects to repair or replace the Collateral so damaged, such Grantor agrees the Collateral shall be repaired to a condition substantially similar to or of better quality or higher value than its condition prior to damage or replaced with Collateral in a condition substantially similar to or of better quality or higher value than the condition of the Collateral so replaced prior to damage. At all times during which an Event of Default shall have occurred and be continuing, the Revolving Administrative Agent shall be entitled to receive direct and immediate payment of the proceeds of such insurance and such Grantor shall take all action as the Revolving Administrative Agent may reasonably request to accomplish such payment. Notwithstanding the foregoing, in the event such Grantor shall receive any such proceeds, such Grantor shall immediately deliver such proceeds to such Revolving Administrative Agent for the benefit of the Secured Parties as additional Collateral, and pending such delivery shall hold such proceeds in trust for the benefit of the Secured Parties and keep the same segregated from its other funds.

(i) “Net Proceeds” when used with respect to any insurance proceeds shall mean the gross proceeds from such proceeds, award or other amount, less all taxes, fees and expenses (including Attorney Costs) incurred in the realization thereof.

(j) In case of any material damage to, destruction or loss of, or claim or proceeding against, all or any material part of the Collateral pledged hereunder by a Grantor, such Grantor shall give prompt notice thereof to the Revolving Administrative Agent. Each such notice shall describe generally the nature and extent of such damage, destruction, loss, claim or proceeding. Subject to Section 10(d), each Grantor is hereby authorized and empowered to adjust or compromise any loss under any such insurance other than losses relating to claims made directly against any Secured Party as to which the insurance described in Section 10(a)(ii) or (iii) is applicable.

(k) The provisions contained in this Security Agreement pertaining to insurance shall be cumulative with any additional provisions imposing additional insurance requirements with respect to the Collateral or any other property on which a Lien is conferred under any Security Instrument.

11. Rights and Remedies Upon Event of Default Upon the occurrence and during the continuance of a Revolving Event of Default or a Floorplan Event of Default, as the case may be, the Revolving Administrative Agent shall have the following rights and remedies on behalf of the Revolving Secured Parties or the Floorplan Secured Parties, as applicable, in addition to any rights and remedies set forth elsewhere in this Security Agreement or the other Loan Documents, all of which may be exercised with or, if allowed by law, without notice to a Grantor:

(a) All of the rights and remedies of a secured party under the UCC or under other applicable law, all of which rights and remedies shall be cumulative, and none of which shall be exclusive, to the extent permitted by law, in addition to any other rights and remedies contained in this Security Agreement or any other Loan Document;

(b) The right to foreclose the Liens and security interests created under this Security Agreement by any available judicial procedure or without judicial process;

(c) The right to (i) enter upon the premises of a Grantor through self-help and without judicial process, without first obtaining a final judgment or giving such Grantor notice or opportunity for a hearing on the validity of the Revolving Administrative Agent's claim and without any obligation to pay rent to such Grantor, or any other place or places where any Collateral is located and kept, and remove the Collateral therefrom to the premises of the Revolving Administrative Agent or any agent of the Revolving Administrative Agent, for such time as the Revolving Administrative Agent may desire, in order effectively to collect or liquidate the Collateral, (ii) require such Grantor or any bailee or other agent of such Grantor to assemble the Collateral and make it available to the Revolving Administrative Agent at a place to be designated by the Revolving Administrative Agent that is reasonably convenient to both parties, and (iii) notify any or all Persons party to a Qualifying Control Agreement or who otherwise have possession of or control over any Collateral of the occurrence of an Event of Default and other appropriate circumstances, and exercise control over and take possession or custody of any or all Collateral in the possession, custody or control of such other Persons;

(d) The right to (i) exercise all of a Grantor's rights and remedies with respect to the collection of Accounts, Chattel Paper, Instruments, Supporting Obligations and General Intangibles (collectively, "Payment Collateral"), including the right to demand payment thereof and enforce payment, by legal proceedings or otherwise; (ii) settle, adjust, compromise, extend or renew all or any Payment Collateral or any legal proceedings pertaining thereto; (iii) discharge and release all or any Payment Collateral; (iv) take control, in any manner, of any item of payment or proceeds referred to in Section 5 above; (v) prepare, file and sign a Grantor's name on any Proof of Claim in bankruptcy, notice of Lien, assignment or satisfaction of Lien or similar document in any action or proceeding adverse to any obligor under any Payment Collateral or otherwise in connection with any Payment Collateral; (vi) endorse the name of a Grantor upon any chattel paper, document, instrument, invoice, freight bill, bill of lading or similar document or agreement relating to any Collateral; (vii) use the information recorded on or contained on a Grantor's internet website or otherwise in any data processing equipment and computer hardware and software relating to any Collateral to which a Grantor has access; (viii) open such Grantor's mail and collect any and all amounts due to such Grantor from any Account Debtors or other obligor in respect of Payment Collateral; (ix) take over such Grantor's post office boxes or make other arrangements as the Revolving Administrative Agent, on behalf of the applicable Secured Parties, deems necessary to receive such Grantor's mail, including notifying the post office authorities to change the address for delivery of such Grantor's mail to such address as the Revolving Administrative Agent, on behalf of the applicable Secured Parties, may designate; (x) notify any or all Account Debtors or other obligor on any Payment Collateral that such Payment Collateral has been assigned to the Revolving Administrative Agent for the benefit of the Secured Parties and that Revolving Administrative Agent has a security interest therein for the benefit of the Secured Parties (provided that the Revolving Administrative Agent may at any time give such notice to an Account Debtor that is a department, agency or authority of the United States government); each Grantor hereby

agrees that any such notice, in the Revolving Administrative Agent's sole discretion, may (but need not) be sent on such Grantor's stationery, in which event such Grantor shall co-sign such notice with the Revolving Administrative Agent if requested to do so by the Revolving Administrative Agent; and (xi) do all acts and things and execute all documents necessary, in Revolving Administrative Agent's sole discretion, to collect the Payment Collateral; and

(e) The right to sell all or any Collateral in its then existing condition, or after any further manufacturing or processing thereof, at such time or times, at public or private sale or sales, with such notice as may be required by law, in lots or in bulk, for cash or on credit, with or without representations and warranties, all as the Revolving Administrative Agent, in its sole discretion, may deem advisable. The Revolving Administrative Agent shall have the right to conduct such sales on a Grantor's premises or elsewhere and shall have the right to use a Grantor's premises without charge for such sales for such time or times as the Revolving Administrative Agent may see fit. The Revolving Administrative Agent may, if it deems it reasonable, postpone or adjourn any sale of the Collateral from time to time by an announcement at the time and place of such postponed or adjourned sale, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Grantor agrees that the Revolving Administrative Agent has no obligation to preserve rights to the Collateral against prior parties or to marshal any Collateral for the benefit of any Person. The Revolving Administrative Agent for the benefit of the Secured Parties is hereby granted an irrevocable fully paid license or other right (including each Grantor's rights under any license or any franchise agreement), each of which shall remain in full force and effect until the Facilities Termination Date, to use, without charge, each of the labels, patents, copyrights, names, trade secrets, trade names, trademarks and advertising matter, or any property of a similar nature owned or licensed by any Grantor, as it pertains to the Collateral, in completing production of, advertising for sale and selling any Collateral. If any of the Collateral shall require repairs, maintenance, preparation or the like, or is in process or other unfinished state, the Revolving Administrative Agent shall have the right, but shall not be obligated, to perform such repairs, maintenance, preparation, processing or completion of manufacturing for the purpose of putting the same in such saleable form as the Revolving Administrative Agent shall deem appropriate, but the Revolving Administrative Agent shall have the right to sell or dispose of the Collateral without such processing and no Grantor shall have any claim against the Revolving Administrative Agent for the value that may have been added to such Collateral with such processing. In addition, each Grantor agrees that in the event notice is necessary under applicable law, written notice mailed to such Grantor in the manner specified herein ten (10) days prior to the date of public sale of any of the Collateral or prior to the date after which any private sale or other disposition of the Collateral will be made shall constitute commercially reasonable notice to such Grantor. All notice is hereby waived with respect to any of the Collateral which threatens to decline speedily in value or is of a type customarily sold on a recognized market. The Revolving Administrative Agent may purchase all or any part of the Collateral at public or, if permitted by law, private sale, free from any right of redemption which is hereby expressly waived by such Grantor and, in lieu of actual payment of such purchase price, may set off the amount of such price against the Secured Obligations. Each Grantor recognizes that the Revolving

Administrative Agent may be unable to effect a public sale of certain of the Collateral by reason of certain prohibitions contained in the Securities Act of 1933, as amended (the "Securities Act"), and applicable state law, and may be otherwise delayed or adversely affected in effecting any sale by reason of present or future restrictions thereon imposed by governmental authorities ("Affected Collateral"), and that as a consequence of such prohibitions and restrictions the Revolving Administrative Agent may be compelled (i) to resort to one or more private sales to a restricted group of purchasers who will be obliged to agree, among other things, to acquire Affected Collateral for their own account, for investment and not with a view to the distribution or resale thereof, or (ii) to seek regulatory approval of any proposed sale or sales, or (iii) to limit the amount of Affected Collateral sold to any Person or group. Each Grantor agrees and acknowledges that private sales so made may be at prices and upon terms less favorable to such Grantor than if such Affected Collateral was sold either at public sales or at private sales not subject to other regulatory restrictions, and that the Revolving Administrative Agent has no obligation to delay the sale of any Affected Collateral for the period of time necessary to permit the Grantor or any other Person to register or otherwise qualify them under or exempt them from any applicable restriction, even if such Grantor or other Person would agree to register or otherwise qualify or exempt such Affected Collateral so as to permit a public sale under the Securities Act or applicable state law. Each Grantor further agrees, to the extent permitted by applicable law, that the use of private sales made under the foregoing circumstances to dispose of Affected Collateral shall be deemed to be dispositions in a commercially reasonable manner. Each Grantor hereby acknowledges that a ready market may not exist for Affected Collateral that is not traded on a national securities exchange or quoted on an automated quotation system.

The net cash proceeds resulting from the collection, liquidation, sale, or other disposition of the Collateral shall be applied first to the expenses (including all Attorneys' Costs) of retaking, holding, storing, processing and preparing for sale, selling, collecting, liquidating and the like, and then to the satisfaction of all Secured Obligations in accordance with the terms of Section 8.03 of the Revolving Credit Agreement or Section 8.06 of the Floorplan Credit Agreement as applicable, or, if such application is contrary to the application specified in the Master Intercreditor Agreement, then such net cash proceeds shall be applied as required pursuant to the Master Intercreditor Agreement. Each Grantor shall be liable to the Revolving Administrative Agent, for the benefit of the Secured Parties, and shall pay to the Revolving Administrative Agent, for the benefit of the Secured Parties, on demand any deficiency which may remain after such sale, disposition, collection or liquidation of the Collateral.

The Revolving Administrative Agent in its capacity as collateral agent for the Floorplan Secured Parties, shall have no liability or responsibility for the method or manner, or any failure, of application of funds to the Floorplan Secured Obligations by the Floorplan Administrative Agent under the Loan Documents, and the Revolving Administrative Agent shall be fully acquitted as to any net proceeds upon delivery of same to the Floorplan Administrative Agent.

12. Attorney-in-Fact. Each Grantor hereby appoints the Revolving Administrative Agent as the Grantor's attorney-in-fact for the purposes of carrying out the provisions of this Security Agreement and taking any action and executing any instrument which the Revolving Administrative Agent may deem necessary or advisable to accomplish the purposes hereof,

which appointment is irrevocable and coupled with an interest; provided, that the Revolving Administrative Agent shall have and may exercise rights under this power of attorney only upon the occurrence and during the continuance of an Event of Default. Without limiting the generality of the foregoing, upon the occurrence and during the continuance of an Event of Default, the Revolving Administrative Agent shall have the right and power:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(b) to receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection with clause (a) above;

(c) to endorse such Grantor's name on any checks, notes, drafts or any other payment relating to or constituting proceeds of the Collateral which comes into the Revolving Administrative Agent's possession or the Revolving Administrative Agent's control, and deposit the same to the account of the Revolving Administrative Agent, for the benefit of the Secured Parties, on account and for payment of the Secured Obligations.

(d) to file any claims or take any action or institute any proceedings that the Revolving Administrative Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Revolving Administrative Agent, for the benefit of the Secured Parties, with respect to any of the Collateral; and

(e) to execute, in connection with any sale or other disposition of Collateral provided for herein, any endorsement, assignments, or other instruments of conveyance or transfer with respect thereto.

13. Reinstatement. The granting of a security interest in the Collateral and the other provisions hereof shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Secured Obligations is rescinded or must otherwise be returned by any Secured Party or is repaid by any Secured Party in whole or in part in good faith settlement of a pending or threatened avoidance claim, whether upon the insolvency, bankruptcy or reorganization of any Grantor or any other Loan Party or otherwise, all as though such payment had not been made. The provisions of this Section 13 shall survive repayment of all of the Secured Obligations and the termination or expiration of this Security Agreement in any manner, including but not limited to termination upon occurrence of the Facilities Termination Date.

14. Certain Waivers by the Grantors. Each Grantor waives to the extent permitted by applicable law (a) any right to require any Secured Party or any other obligee of the Secured Obligations to (x) proceed against any Person or entity, including without limitation any Loan Party, (y) proceed against or exhaust any Collateral or other collateral for the Secured Obligations, or (z) pursue any other remedy in its power; (b) any defense arising by reason of any disability or other defense of any other Person, or by reason of the cessation from any cause whatsoever of the liability of any other Person or entity, (c) any right of subrogation, and (d) any right to enforce any remedy which any Secured Party or any other obligee of the Secured

Obligations now has or may hereafter have against any other Person and any benefit of and any right to participate in any collateral or security whatsoever now or hereafter held by the Revolving Administrative Agent for the benefit of the Secured Parties. Each Grantor authorizes each Secured Party and each other obligee of the Secured Obligations without notice (except notice required by applicable law) or demand and without affecting its liability hereunder or under the Loan Documents from time to time to: (i) take and hold security, other than the Collateral herein described, for the payment of such Secured Obligations or any part thereof, and exchange, enforce, waive and release the Collateral herein described or any part thereof or any such other security; and (ii) apply such Collateral or other security and direct the order or manner of sale thereof as such Secured Party or obligee in its discretion may determine.

The Revolving Administrative Agent may at any time deliver (without representation, recourse or warranty) the Collateral or any part thereof to a Grantor and the receipt thereof by such Grantor shall be a complete and full acquittance for the Collateral so delivered, and the Revolving Administrative Agent shall thereafter be discharged from any liability or responsibility therefor.

15. Continued Powers. Until the Facilities Termination Date shall have occurred, the power of sale and other rights, powers and remedies granted to the Revolving Administrative Agent for the benefit of the Secured Parties hereunder shall continue to exist and may, after the occurrence and during the continuance of an Event of Default, be exercised by the Revolving Administrative Agent at any time and from time to time irrespective of the fact that any of the Secured Obligations or any part thereof may have become barred by any statute of limitations or that any part of the liability of any Grantor may have ceased.

16. Other Rights. The rights, powers and remedies given to the Revolving Administrative Agent for the benefit of the Secured Parties by this Security Agreement shall be in addition to all rights, powers and remedies given to the Revolving Administrative Agent or any Secured Party under any other Loan Document or by virtue of any statute or rule of law. Any forbearance or failure or delay by the Revolving Administrative Agent in exercising any right, power or remedy hereunder shall not be deemed to be a waiver of such right, power or remedy, and any single or partial exercise of any right, power or remedy hereunder shall not preclude the further exercise thereof; and every right, power and remedy of the Secured Parties shall continue in full force and effect until such right, power or remedy is specifically waived in accordance with the terms of the Credit Agreements.

17. Anti-Marshaling Provisions. The right is hereby given by each Grantor to the Revolving Administrative Agent, for the benefit of the Secured Parties, to make releases (whether in whole or in part) of all or any part of the Collateral agreeable to the Revolving Administrative Agent without notice to, or the consent, approval or agreement of other parties and interests, including junior lienors, which releases shall not impair in any manner the validity of or priority of the Liens and security interests in the remaining Collateral conferred hereunder, nor release any Grantor from personal liability for the Secured Obligations. Notwithstanding the existence of any other security interest in the Collateral held by the Revolving Administrative Agent, for the benefit of the Secured Parties, the Revolving Administrative Agent shall have the right to determine the order in which any or all of the Collateral shall be subjected to the remedies provided in this Security Agreement. Each Grantor hereby waives any and all right to

require the marshaling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein or in any other Loan Document.

18. Entire Agreement. This Security Agreement and each Joinder Agreement, together with each Credit Agreement and other Loan Documents, constitutes and expresses the entire understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior negotiations, agreements and understandings, inducements, commitments or conditions, express or implied, oral or written, except as contained in the Loan Documents. The express terms hereof and of the Joinder Agreements control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof or thereof. Neither this Security Agreement nor any Joinder Agreement nor any portion or provision hereof or thereof may be changed, altered, modified, supplemented, discharged, canceled, terminated, or amended orally or in any manner other than in a writing that is (a) signed by the Grantors and the "Required Lenders" (as defined in the Revolving Credit Agreement), (b) acknowledged by the Revolving Administrative Agent (such acknowledgement not to be unreasonably withheld or delayed) and (c) if such change, alteration, modification, supplement, discharge, cancellation, termination or amendment would be adverse in any way to any Floorplan Lender or the Floorplan Administrative Agent, signed by the "Required Lenders" (as defined in the Floorplan Credit Agreement) and acknowledged by the Floorplan Administrative Agent (such acknowledgement not to be unreasonably withheld or delayed).

19. Third Party Reliance. Each Grantor hereby consents and agrees that all issuers of or obligors in respect of any Collateral, and all securities intermediaries, warehousemen, bailees, public officials and other Persons having any interest in, possession of, control over or right, privilege, duty or discretion in respect of, any Collateral shall be entitled to accept the provisions hereof and of the Joinder Agreements as conclusive evidence of the right of the Revolving Administrative Agent, on behalf of the Secured Parties, to exercise its rights hereunder or thereunder with respect to the Collateral, notwithstanding any other notice or direction to the contrary heretofore or hereafter given by any Grantor or any other Person to any of such Persons.

20. Binding Agreement; Assignment. This Security Agreement and each Joinder Agreement, and the terms, covenants and conditions hereof and thereof, shall be binding upon and inure to the benefit of the parties hereto, and to their respective successors and assigns, except that no Grantor shall be permitted to assign this Security Agreement, any Joinder Agreement or any interest herein or therein or, except as expressly permitted herein or in the applicable Credit Agreement, in the Collateral or any part thereof or interest therein. Without limiting the generality of the foregoing sentence of this Section 20, any Lender may assign to one or more Persons, or grant to one or more Persons participations in or to, all or any part of its rights and obligations under the applicable Credit Agreement (to the extent permitted by such Credit Agreement); and to the extent of any such permitted assignment or participation such other Person shall, to the fullest extent permitted by law, thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise, subject however, to the provisions of the applicable Credit Agreement, including Article IX thereof (concerning the Revolving Administrative Agent) and Section 10.06 thereof (concerning assignments and participations). All references herein to the Revolving Administrative Agent and to the Secured

Parties shall include any successor thereof or permitted assignee, and any other obligees from time to time of the Secured Obligations.

21. Related Swap Contracts and Secured Cash Management Arrangements. All obligations of each Revolving Grantor under or in respect of Related Swap Contracts and Secured Cash Management Arrangements to which any Revolving Lender or its Affiliates is a party shall be deemed to be Revolving Secured Obligations secured hereby, and each Revolving Lender or Affiliate of a Revolving Lender party to any such Related Swap Contract or Secured Cash Management Arrangements shall be deemed to be a Revolving Secured Party hereunder with respect to such Revolving Secured Obligations; provided, however, that such obligations shall cease to be Revolving Secured Obligations at such time, prior to the Facility Termination Date (as defined in the Revolving Credit Agreement), as such Person (or Affiliate of such Person) shall cease to be a “Lender” under the Revolving Credit Agreement.

No Person who obtains the benefit of any Lien by virtue of the provisions of this Section shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Revolving Loan Document or otherwise in respect of the Revolving Collateral (including the release or impairment of any Revolving Collateral) other than in its capacity as a Revolving Lender and only to the extent expressly provided in the Revolving Loan Documents. Notwithstanding any other provision of this Security Agreement to the contrary, the Revolving Administrative Agent shall only be required to verify the payment of, or that other satisfactory arrangements have been with respect to, the Revolving Secured Obligations arising under Related Swap Contracts or Secured Cash Management Arrangements to the extent the Revolving Administrative Agent has received written notice of such Revolving Secured Obligations together with such supportive documentation as it may request from the applicable Revolving Lender or Affiliate of a Revolving Lender. Each Revolving Secured Party not a party to the either Revolving Credit Agreement who obtains the benefit of this Security Agreement by virtue of the provisions of this Section shall be deemed to have acknowledged and accepted the appointment of the Revolving Administrative Agent pursuant to the terms of the Revolving Credit Agreement, and that with respect to the actions and omissions of the Revolving Administrative Agent hereunder or otherwise relating hereto that do or may affect such Revolving Secured Party, the Revolving Administrative Agent and each of its Related Parties shall be entitled to all the rights, benefits and immunities conferred under Article IX of the Revolving Credit Agreement.

22. Severability. The provisions of this Security Agreement are independent of and separable from each other. If any provision hereof shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision hereof, but this Security Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

23. Counterparts. This Security Agreement may be executed in any number of counterparts each of which when so executed and delivered shall be deemed an original, and it shall not be necessary in making proof of this Security Agreement to produce or account for more than one such counterpart executed by the Grantor against whom enforcement is sought. Without limiting the foregoing provisions of this Section 23, the provisions of Section 10.10 of both Credit Agreements shall be applicable to this Security Agreement.

24. Termination. Subject to the provisions of Section 13, this Security Agreement and each Joinder Agreement, and all obligations of the Grantors hereunder (excluding those obligations and liabilities that expressly survive such termination) shall terminate without delivery of any instrument or performance of any act by any party on the Facilities Termination Date. Upon such termination of this Security Agreement, the Revolving Administrative Agent shall, at the request and sole expense of the Grantors, promptly deliver to the Grantors such termination statements and take such further actions as the Grantors may reasonably request to terminate of record, or otherwise to give appropriate notice of the termination of, any Lien conferred hereunder.

25. Notices. Any notice required or permitted hereunder shall be given (a) with respect to any Grantor, at the address then in effect for the giving of notices to the Company under the Revolving Credit Agreement, and (c) with respect to the Revolving Administrative Agent or a Lender, at the Revolving Administrative Agent's address indicated in Schedule 10.02 of the Revolving Credit Agreement. All such addresses may be modified, and all such notices shall be given and shall be effective, as provided in Schedule 10.02 of the Revolving Credit Agreement for the giving and effectiveness of notices and modifications of addresses thereunder.

26. Joinder. Each Person who shall at any time execute and deliver to the Revolving Administrative Agent a Revolving Joinder Agreement and who is identified therein as a "Revolving Subsidiary Grantor" and each Person who shall at any time execute and deliver a Floorplan Joinder Agreement and who is identified therein as a "Floorplan Subsidiary Grantor" shall thereupon irrevocably, absolutely and unconditionally become a party hereto and obligated hereunder as a Grantor and shall have thereupon pursuant to Section 2 hereof granted a security interest in and collaterally assigned to the Revolving Administrative Agent for the benefit of the respective Secured Parties all respective Collateral in which it has at its Applicable Date or thereafter acquires any interest or the power to transfer, and all references herein and in the other Loan Documents to the Grantors or to the parties to this Security Agreement shall be deemed to include such Person as a Grantor hereunder. Each Joinder Agreement shall be accompanied by the Supplemental Schedules referred to therein, appropriately completed with information relating to the Grantor executing such Joinder Agreement and its property. Each of the applicable Schedules attached hereto shall be deemed amended and supplemented without further action by such information reflected on the Supplemental Schedules attached to each Joinder Agreement.

27. Rules of Interpretation. The rules of interpretation contained in Sections 1.02 and 1.05 of the Revolving Credit Agreement shall be applicable to this Security Agreement and each Joinder Agreement and are hereby incorporated by reference. All representations and warranties contained herein shall survive the delivery of documents and any Credit Extensions (as defined in the "Revolving Credit Agreement) or Loans (as defined in the Floorplan Credit Agreement) as referred to herein or secured hereby.

28. Governing Law; Waivers.

(a) THIS SECURITY AGREEMENT AND EACH JOINDER AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NORTH CAROLINA APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY

PERFORMED, IN SUCH STATE; PROVIDED THAT (i) WITH RESPECT TO THOSE INSTANCES IN WHICH THE APPLICABLE CHOICE OF LAWS RULES OF SUCH STATE, INCLUDING SECTION 9-301 OF THE UCC, REQUIRE THAT THE MANNER OF CREATION OF A SECURITY INTEREST IN SPECIFIC COLLATERAL OR THE MANNER OR EFFECT OF PERFECTION OR NONPERFECTION OR THE RULES GOVERNING PRIORITY OF SECURITY INTERESTS ARE TO BE GOVERNED BY THE LAWS OF ANOTHER JURISDICTION, THEN THE LAWS OF SUCH OTHER JURISDICTION SHALL GOVERN SUCH MATTERS, (ii) EACH CONTROL AGREEMENT (INCLUDING EACH QUALIFYING CONTROL AGREEMENT) APPLICABLE TO ANY SECURITIES ACCOUNT OR DEPOSIT ACCOUNT SHALL BE GOVERNED BY THE LAWS OF THE JURISDICTION SPECIFIED IN SUCH CONTROL AGREEMENT, OR OTHERWISE BY THE LAWS OF THE JURISDICTION THAT GOVERN THE SECURITIES ACCOUNT OR DEPOSIT ACCOUNT TO WHICH SUCH CONTROL AGREEMENT RELATES, AND (iii) IN THOSE INSTANCES IN WHICH THE LAWS OF THE JURISDICTION IN WHICH COLLATERAL IS LOCATED GOVERN MATTERS PERTAINING TO THE METHODS AND EFFECT OF REALIZING ON COLLATERAL, SUCH LAWS SHALL BE GIVEN EFFECT WITH RESPECT TO SUCH MATTERS.

(b) EACH GRANTOR HEREBY EXPRESSLY AND IRREVOCABLY AGREES AND CONSENTS THAT ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT OR ANY JOINDER AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN MAY BE INSTITUTED IN ANY STATE OR FEDERAL COURT SITTING IN MECKLENBURG COUNTY, STATE OF NORTH CAROLINA, UNITED STATES OF AMERICA AND, BY THE EXECUTION AND DELIVERY OF THIS SECURITY AGREEMENT OR A JOINDER AGREEMENT, EXPRESSLY WAIVES ANY OBJECTION THAT IT MAY HAVE NOW OR HEREAFTER TO THE LAYING OF THE VENUE OR TO THE JURISDICTION OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND IRREVOCABLY SUBMITS GENERALLY AND UNCONDITIONALLY TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING.

(c) EACH GRANTOR AGREES THAT SERVICE OF PROCESS MAY BE MADE BY PERSONAL SERVICE OF A COPY OF THE SUMMONS AND COMPLAINT OR OTHER LEGAL PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING, OR BY REGISTERED OR CERTIFIED MAIL (POSTAGE PREPAID) TO THE ADDRESS OF SUCH PARTY PROVIDED IN SECTION 25 OR BY ANY OTHER METHOD OF SERVICE PROVIDED FOR UNDER THE APPLICABLE LAWS IN EFFECT IN THE STATE OF NORTH CAROLINA.

(d) NOTHING CONTAINED IN SUBSECTIONS (b) OR (c) HEREOF SHALL PRECLUDE THE REVOLVING ADMINISTRATIVE AGENT FROM BRINGING ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT OR ANY JOINDER

AGREEMENT OR THE OTHER LOAN DOCUMENTS IN THE COURTS OF ANY PLACE WHERE ANY OTHER PARTY OR ANY OF SUCH PARTY'S PROPERTY OR ASSETS MAY BE FOUND OR LOCATED. TO THE EXTENT PERMITTED BY THE APPLICABLE LAWS OF ANY SUCH JURISDICTION, EACH GRANTOR HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT AND EXPRESSLY WAIVES, IN RESPECT OF ANY SUCH SUIT, ACTION OR PROCEEDING, THE JURISDICTION OF ANY OTHER COURT OR COURTS WHICH NOW OR HEREAFTER, BY REASON OF ITS PRESENT OR FUTURE DOMICILE, OR OTHERWISE, MAY BE AVAILABLE UNDER APPLICABLE LAW.

(e) IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS OR REMEDIES UNDER OR RELATED TO THIS SECURITY AGREEMENT OR ANY JOINDER AGREEMENT OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR THAT MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THE FOREGOING, EACH PARTY HEREBY AGREES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY AND HEREBY EXPRESSLY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT SUCH PERSON MAY HAVE TO TRIAL BY JURY IN ANY SUCH ACTION, SUIT OR PROCEEDING.

(f) EACH GRANTOR HEREBY EXPRESSLY WAIVES ANY OBJECTION IT MAY HAVE THAT ANY COURT TO WHOSE JURISDICTION IT HAS SUBMITTED PURSUANT TO THE TERMS HEREOF IS AN INCONVENIENT FORUM.

29. Amendment and Restatement. The parties hereto agree that the Existing Security Agreement is hereby amended and restated in this Security Agreement, and this Security Agreement shall constitute neither a release nor novation of any lien or security interest arising under the Existing Security Agreement nor a refinancing of any indebtedness or obligations arising thereunder or under the Existing Credit Agreement or related documents, but rather the liens and security interests in effect under the Existing Security Agreement shall continue in effect on the terms hereof.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties have duly executed this Security Agreement on the day and year first written above.

COMPANY:
SONIC AUTOMOTIVE, INC.

By: /s/ DAVID P. COSPER
Name: David P. Cospers
Title: Vice Chairman and Chief Financial Officer

REVOLVING GRANTOR:

ARNGAR, INC.
AUTOBAHN, INC.
AVALON FORD, INC.
CORNERSTONE ACCEPTANCE CORPORATION
FAA AUTO FACTORY, INC.
FAA BEVERLY HILLS, INC.
FAA CAPITOL N, INC.
FAA CONCORD H, INC.
FAA CONCORD T, INC.
FAA DUBLIN N, INC.
FAA DUBLIN VWD, INC.
FAA HOLDING CORP.
FAA LAS VEGAS H, INC.
FAA POWAY H, INC.
FAA POWAY T, INC.
FAA SAN BRUNO, INC.
FAA SANTA MONICA V, INC.
FAA SERRAMONTE, INC.
FAA SERRAMONTE H, INC.
FAA SERRAMONTE L, INC.
FAA STEVENS CREEK, INC.
FAA TORRANCE CPJ, INC.
FIRSTAMERICA AUTOMOTIVE, INC.
FORT MILL FORD, INC.
FORT MYERS COLLISION CENTER, LLC
FRANCISCAN MOTORS, INC.
FRONTIER OLDSMOBILE-CADILLAC, INC.

By: /s/ DAVID P. COSPER
Name: David P. Cospers
Title: Vice President and Treasurer

AMENDED AND RESTATED SECURITY AGREEMENT
Signature Page

REVOLVING GRANTORS:

**KRAMER MOTORS INCORPORATED
L DEALERSHIP GROUP, INC.
MARCUS DAVID CORPORATION
MASSEY CADILLAC, INC.
ONTARIO L, LLC
SAI AL HC1, INC.
SAI AL HC2, INC.
SAI ANN ARBOR IMPORTS, LLC
SAI ATLANTA B, LLC
SAI BROKEN ARROW C, LLC
SAI CHARLOTTE M, LLC
SAI COLUMBUS MOTORS, LLC
SAI COLUMBUS VWK, LLC
SAI FL HC2, INC.
SAI FL HC3, INC.
SAI FL HC4, INC.
SAI FL HC6, INC.
SAI FL HC7, INC.
SAI FORT MYERS B, LLC
SAI FORT MYERS H, LLC
SAI FORT MYERS M, LLC
SAI FORT MYERS VW, LLC
SAI IRONDALE IMPORTS, LLC
SAI LONG BEACH B, INC.
SAI MD HC1, INC.
SAI MONROVIA B, INC.
SAI MONTGOMERY B, LLC
SAI MONTGOMERY BCH, LLC
SAI MONTGOMERY CH, LLC
SAI NASHVILLE CSH, LLC
SAI NASHVILLE H, LLC
SAI NASHVILLE M, LLC
SAI NASHVILLE MOTORS, LLC
SAI OK HC1, INC.
SAI OKLAHOMA CITY C, LLC
SAI OKLAHOMA CITY H, LLC
SAI ORLANDO CS, LLC
SAI RIVERSIDE C, LLC
SAI ROCKVILLE IMPORTS, LLC**

By: /s/ DAVID P. COSPER

Name: David P. Cospers

Title: Vice President and Treasurer

REVOLVING GRANTORS:

SAI TN HC1, LLC
SAI TN HC2, LLC
SAI TN HC3, LLC
SAI TULSA N, LLC
SANTA CLARA IMPORTED CARS, INC.
SONIC — 2185 CHAPMAN RD., CHATTANOOGA, LLC
SONIC — CALABASAS V, INC.
SONIC — CARSON F, INC.
SONIC — COAST CADILLAC, INC.
SONIC — DENVER T, INC.
SONIC — DOWNEY CADILLAC, INC.
SONIC — HARBOR CITY H, INC.
SONIC — LAS VEGAS C EAST, LLC
SONIC — LAS VEGAS C WEST, LLC
SONIC — LLOYD NISSAN, INC.
SONIC — LLOYD PONTIAC — CADILLAC, INC.
SONIC — LONE TREE CADILLAC, INC.
SONIC — LS, LLC
SONIC — MANHATTAN FAIRFAX, INC.
SONIC — MASSEY CHEVROLET, INC.
SONIC — NEWSOME CHEVROLET WORLD, INC.
SONIC — NEWSOME OF FLORENCE, INC.
SONIC — SANFORD CADILLAC, INC.
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SONIC AGENCY, INC.
SONIC AUTOMOTIVE — 1720 MASON AVE., DB, INC.
SONIC AUTOMOTIVE — 1720 MASON AVE., DB, LLC
SONIC AUTOMOTIVE — 6008 N. DALE MABRY, FL, INC.
SONIC AUTOMOTIVE — 9103 E. INDEPENDENCE, NC, LLC
SONIC AUTOMOTIVE 2752 LAURENS RD., GREENVILLE, INC.

By: /s/ DAVID P. COSPER

Name: David P. Cospers
Title: Vice President and Treasurer

REVOLVING GRANTORS:

SONIC AUTOMOTIVE 5260 PEACHTREE
INDUSTRIAL BLVD., LLC
SONIC AUTOMOTIVE F&I, LLC
SONIC AUTOMOTIVE OF CHATTANOOGA, LLC
SONIC AUTOMOTIVE OF NASHVILLE, LLC
SONIC AUTOMOTIVE OF NEVADA, INC.
SONIC AUTOMOTIVE SUPPORT, LLC
SONIC AUTOMOTIVE WEST, LLC
SONIC AUTOMOTIVE—3700 WEST BROAD
STREET, COLUMBUS, INC.
SONIC AUTOMOTIVE—4000 WEST BROAD
STREET, COLUMBUS, INC.
SONIC CALABASAS M, INC.
SONIC DEVELOPMENT, LLC
SONIC DIVISIONAL OPERATIONS, LLC
SONIC FREMONT, INC.
SONIC OF TEXAS, INC.
SONIC RESOURCES, INC.
SONIC SANTA MONICA M, INC.
SONIC SANTA MONICA S, INC.
SONIC TYSONS CORNER H, INC.
SONIC TYSONS CORNER INFINITI, INC.
SONIC WALNUT CREEK M, INC.
SONIC WILSHIRE CADILLAC, INC.
SONIC—BUENA PARK H, INC.
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SONIC—CAPITOL CADILLAC, INC.
SONIC—CAPITOL IMPORTS, INC.
SONIC—CARSON LM, INC.
SONIC—PLYMOUTH CADILLAC, INC.
SONIC—SATURN OF SILICON VALLEY, INC.
SONIC—VOLVO LV, LLC
SONIC—WEST COVINA T, INC.
SRE ALABAMA — 2, LLC
SRE ALABAMA—5, LLC
SRE CALIFORNIA — 1, LLC
SRE CALIFORNIA — 2, LLC
SRE CALIFORNIA — 4, LLC
SRE COLORADO – 1, LLC

By: /s/ DAVID P. COSPER

Name: David P. Cospers
Title: Vice President and Treasurer

REVOLVING GRANTORS:

SRE FLORIDA — 1, LLC
SRE FLORIDA — 2, LLC
SRE HOLDING, LLC
SRE NORTH CAROLINA — 2, LLC
SRE OKLAHOMA—1, LLC
SRE OKLAHOMA—2, LLC
SRE OKLAHOMA—5, LLC
SRE SOUTH CAROLINA — 3, LLC
SRE SOUTH CAROLINA — 4, LLC
SRE TENNESSEE—4, LLC
SRE VIRGINIA — 1, LLC
SREALESTATE ARIZONA — 2, LLC
SREALESTATE ARIZONA — 3, LLC
STEVENS CREEK CADILLAC, INC.
TOWN AND COUNTRY FORD, INCORPORATED
VILLAGE IMPORTED CARS, INC.
WINDWARD, INC.

By: /s/ DAVID P. COSPER
Name: David P. Cosper
Title: Vice President and Treasurer

SAI GA HC1, LP
SONIC PEACHTREE INDUSTRIAL BLVD., L.P.
SONIC — STONE MOUNTAIN T, L.P.

By: SAI GEORGIA, LLC, as Sole General Partner

By: SONIC AUTOMOTIVE OF NEVADA,
INC., as Sole Member

By: /s/ DAVID P. COSPER
Name: David P. Cosper
Title: Vice President and Treasurer

SONIC — LS CHEVROLET, L.P.

By: SONIC — LS, LLC, as Sole General Partner

By: /s/ DAVID P. COSPER
Name: David P. Cosper
Title: Vice President and Treasurer

REVOLVING GRANTORS:

**PHILPOTT MOTORS, LTD.
SONIC — CADILLAC D, L.P.
SONIC — CAMP FORD, L.P.
SONIC — CARROLLTON V, L.P.
SONIC — FORT WORTH T, L.P.
SONIC — FRANK PARRA AUTOPLEX, L.P.
SONIC — HOUSTON V, L.P.
SONIC — LUTE RILEY, L.P.
SONIC — MESQUITE HYUNDAI, L.P.
SONIC — RICHARDSON F, L.P.
SONIC — UNIVERSITY PARK A, L.P.
SONIC ADVANTAGE PA, L.P.
SONIC AUTOMOTIVE — 3401 N. MAIN, TX, L.P.
SONIC AUTOMOTIVE — 4701 I-10 EAST, TX, L.P.
SONIC AUTOMOTIVE OF TEXAS, L.P.
SONIC HOUSTON JLR, LP
SONIC HOUSTON LR, L.P.
SONIC MOMENTUM B, L.P.
SONIC MOMENTUM JVP, L.P.
SONIC MOMENTUM VWA, L.P.
SONIC—CLEAR LAKE VOLKSWAGEN, L.P.
SONIC—JERSEY VILLAGE VOLKSWAGEN, L.P.
SRE TEXAS — 1, L.P.
SRE TEXAS — 2, L.P.
SRE TEXAS — 3, L.P.
SRE TEXAS — 4, L.P.
SRE TEXAS — 5, L.P.
SRE TEXAS — 6, L.P.
SRE TEXAS — 7, L.P.
SRE TEXAS — 8, L.P.**

By: SONIC OF TEXAS, INC., as Sole General Partner

By: /s/ DAVID P. COSPER
Name: David P. Cospers
Title: Vice President and Treasurer

SAI CLEARWATER T, LLC

By: SAI FL HC2, INC., as Sole Member

By: /s/ DAVID P. COSPER
Name: David P. Cospers
Title: Vice President and Treasurer

REVOLVING GRANTORS:

SAI COLUMBUS T, LLC

By: SONIC AUTOMOTIVE, INC.,
as Sole Member

By: /s/ DAVID P. COSPER
Name: David P. Cosper
Title: Vice President and Treasurer

SAI GEORGIA LLC

By: SONIC AUTOMOTIVE OF NEVADA, INC.,
as Sole Member

By: /s/ DAVID P. COSPER
Name: David P. Cosper
Title: Vice President and Treasurer

SAI IRONDALE L, LLC

By: SAI AL HC2, INC.,
as Sole Member

By: /s/ DAVID P. COSPER
Name: David P. Cosper
Title: Vice President and Treasurer

SAI OKLAHOMA CITY T, LLC
SAI TULSA T, LLC

By: SAI OK HC1, INC.,
as Sole Member

By: /s/ DAVID P. COSPER
Name: David P. Cosper
Title: Vice President and Treasurer

SAI ROCKVILLE L, LLC

By: SAI MD HC1, INC.,
as Sole Member

By: /s/ DAVID P. COSPER
Name: David P. Cosper
Title: Vice President and Treasurer

FLOORPLAN GRANTORS:

ARNGAR, INC.
AUTOBAHN, INC.
AVALON FORD, INC.
CORNERSTONE ACCEPTANCE CORPORATION
FAA AUTO FACTORY, INC.
FAA BEVERLY HILLS, INC.
FAA CAPITOL N, INC.
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FAA CONCORD T, INC.
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By: /s/ DAVID P. COSPER

Name: David P. Cospers

Title: Vice President and Treasurer

AMENDED AND RESTATED SECURITY AGREEMENT
Signature Page

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SAI AL HC2, INC.
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SAI FL HC7, INC.
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SAI MONTGOMERY B, LLC
SAI MONTGOMERY BCH, LLC
SAI MONTGOMERY CH, LLC
SAI NASHVILLE CSH, LLC
SAI NASHVILLE H, LLC
SAI NASHVILLE M, LLC
SAI NASHVILLE MOTORS, LLC
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SAI ORLANDO CS, LLC
SAI RIVERSIDE C, LLC
SAI ROCKVILLE IMPORTS, LLC**

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Name: David P. Cospers

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SONIC AUTOMOTIVE 2752 LAURENS RD., GREENVILLE, INC.

By: /s/ DAVID P. COSPER

Name: David P. Cospers

Title: Vice President and Treasurer

AMENDED AND RESTATED SECURITY AGREEMENT
Signature Page

FLOORPLAN GRANTORS:

SONIC AUTOMOTIVE 5260 PEACHTREE INDUSTRIAL BLVD., LLC
SONIC AUTOMOTIVE F&I, LLC
SONIC AUTOMOTIVE OF CHATTANOOGA, LLC
SONIC AUTOMOTIVE OF NASHVILLE, LLC
SONIC AUTOMOTIVE OF NEVADA, INC.
SONIC AUTOMOTIVE SUPPORT, LLC
SONIC AUTOMOTIVE WEST, LLC
SONIC AUTOMOTIVE—3700 WEST BROAD STREET, COLUMBUS, INC.
SONIC AUTOMOTIVE—4000 WEST BROAD STREET, COLUMBUS, INC.
SONIC CALABASAS M, INC.
SONIC DEVELOPMENT, LLC
SONIC DIVISIONAL OPERATIONS, LLC
SONIC FREMONT, INC.
SONIC OF TEXAS, INC.
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SONIC—CALABASAS A, INC.
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SONIC—CAPITOL IMPORTS, INC.
SONIC—CARSON LM, INC.
SONIC—PLYMOUTH CADILLAC, INC.
SONIC—SATURN OF SILICON VALLEY, INC.
SONIC—VOLVO LV, LLC
SONIC—WEST COVINA T, INC.
SRE ALABAMA — 2, LLC
SRE ALABAMA—5, LLC
SRE CALIFORNIA — 1, LLC
SRE CALIFORNIA — 2, LLC
SRE CALIFORNIA — 4, LLC
SRE COLORADO — 1, LLC

By: /s/ DAVID P. COSPER

Name: David P. Cosper

Title: Vice President and Treasurer

AMENDED AND RESTATED SECURITY AGREEMENT
Signature Page

FLOORPLAN GRANTORS:

**SRE FLORIDA — 1, LLC
SRE FLORIDA — 2, LLC
SRE HOLDING, LLC
SRE NORTH CAROLINA — 2, LLC
SRE OKLAHOMA-1, LLC
SRE OKLAHOMA-2, LLC
SRE OKLAHOMA-5, LLC
SRE SOUTH CAROLINA — 3, LLC
SRE SOUTH CAROLINA — 4, LLC
SRE TENNESSEE-4, LLC
SRE VIRGINIA — 1, LLC
SREALESTATE ARIZONA — 2, LLC
SREALESTATE ARIZONA — 3, LLC
STEVENS CREEK CADILLAC, INC.
TOWN AND COUNTRY FORD, INCORPORATED
VILLAGE IMPORTED CARS, INC.
WINDWARD, INC.**

By: /s/ DAVID P. COSPER
Name: David P. Cosper
Title: Vice President and Treasurer

**SAI GA HC1, LP
SONIC PEACHTREE INDUSTRIAL BLVD., L.P.
SONIC — STONE MOUNTAIN T, L.P.**

By: SAI GEORGIA, LLC,
as Sole General Partner

By: SONIC AUTOMOTIVE OF NEVADA, INC.,
as Sole Member

By: /s/ DAVID P. COSPER
Name: David P. Cosper
Title: Vice President and Treasurer

SONIC — LS CHEVROLET, L.P.

By: SONIC — LS, LLC,
as Sole General Partner

By: /s/ DAVID P. COSPER
Name: David P. Cosper
Title: Vice President and Treasurer

FLOORPLAN GRANTORS:

PHILPOTT MOTORS, LTD.
SONIC — CADILLAC D, L.P.
SONIC — CAMP FORD, L.P.
SONIC — CARROLLTON V, L.P.
SONIC — FORT WORTH T, L.P.
SONIC — FRANK PARRA AUTOPLEX, L.P.
SONIC — HOUSTON V, L.P.
SONIC — LUTE RILEY, L.P.
SONIC — MESQUITE HYUNDAI, L.P.
SONIC — RICHARDSON F, L.P.
SONIC — UNIVERSITY PARK A, L.P.
SONIC ADVANTAGE PA, L.P.
SONIC AUTOMOTIVE — 3401 N. MAIN, TX, L.P.
SONIC AUTOMOTIVE — 4701 I—10 EAST, TX, L.P.
SONIC AUTOMOTIVE OF TEXAS, L.P.
SONIC HOUSTON JLR, LP
SONIC HOUSTON LR, L.P.
SONIC MOMENTUM B, L.P.
SONIC MOMENTUM JVP, L.P.
SONIC MOMENTUM VWA, L.P.
SONIC—CLEAR LAKE VOLKSWAGEN, L.P.
SONIC—JERSEY VILLAGE VOLKSWAGEN, L.P.
SRE TEXAS — 1, L.P.
SRE TEXAS — 2, L.P.
SRE TEXAS — 3, L.P.
SRE TEXAS — 4, L.P.
SRE TEXAS — 5, L.P.
SRE TEXAS — 6, L.P.
SRE TEXAS — 7, L.P.
SRE TEXAS — 8, L.P.

By: **SONIC OF TEXAS, INC.,**
as Sole General Partner

By: /s/ DAVID P. COSPER
Name: David P. Cospers
Title: Vice President and Treasurer

SAI CLEARWATER T, LLC

By: **SAI FL HC2, INC.,**
as Sole Member

By: /s/ DAVID P. COSPER
Name: David P. Cospers
Title: Vice President and Treasurer

FLOORPLAN GRANTORS:

SAI COLUMBUS T, LLC

By: SONIC AUTOMOTIVE, INC.,
as Sole Member

By: /s/ DAVID P. COSPER
Name: David P. Cosper
Title: Vice President and Treasurer

SAI GEORGIA LLC

By: SONIC AUTOMOTIVE OF NEVADA, INC.,
as Sole Member

By: /s/ DAVID P. COSPER
Name: David P. Cosper
Title: Vice President and Treasurer

SAI IRONDALE L, LLC

By: SAI AL HC2, INC.,
as Sole Member

By: /s/ DAVID P. COSPER
Name: David P. Cosper
Title: Vice President and Treasurer

SAI OKLAHOMA CITY T, LLC
SAI TULSA T, LLC

By: SAI OK HC1, INC.,
as Sole Member

By: /s/ DAVID P. COSPER
Name: David P. Cosper
Title: Vice President and Treasurer

SAI ROCKVILLE L, LLC

By: SAI MD HC1, INC., as Sole Member

By: /s/ DAVID P. COSPER
Name: David P. Cosper
Title: Vice President and Treasurer

REVOLVING ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A.,

as Revolving Administrative Agent

By: /s/ ANGELO M. MARTORANA

Name: Angelo M. Martorana

Title: Assistant Vice President

AMENDED AND RESTATED SECURITY AGREEMENT

Signature Page

Schedule 1

For purposes of this Security Agreement, a “Qualifying Control Agreement” shall mean each of the following, as applicable to the respective items or types of property in which the Grantor now has or may hereafter acquire an interest:

(a) With respect to Investment Property credited to any securities account, an agreement executed by the applicable securities intermediary substantially in a form satisfactory to the Revolving Administrative Agent in its discretion;

(b) With respect to Deposit Accounts or tangible personal property Collateral in the possession, custody or control of any warehouseman or other bailee, an acknowledgment and agreement executed by the depository institution or bailee (each, a “Custodian”), as the case may be, and (as to Deposit Accounts) the applicable Grantor, in form and substance acceptable to the Revolving Administrative Agent and such Custodian;

(c) With respect to Letter-of-Credit Rights, an acknowledgment and agreement of the issuer or other applicable person nominated to accept drafts and or effect payment thereunder (the “Issuer”) of the related letter of credit in form and substance acceptable to the Revolving Administrative Agent and in which the Issuer (i) consents to and acknowledges the Lien in favor of the Revolving Administrative Agent conferred hereunder in proceeds of drawings under the related letter of credit, (ii) agrees that it will not acknowledge any Lien in favor of any other Person on Letter-of-Credit Rights until it receives notice from the Revolving Administrative Agent that all Liens on such Collateral in favor of the Secured Parties have been released or terminated, and (iii) to the extent not inconsistent with the express terms of the related letter of credit, agrees that upon receipt of notice from the Revolving Administrative Agent that an Event of Default has occurred and is continuing, it will make all payments of drawings honored by it under the related letter of credit to the Revolving Administrative Agent, notwithstanding any contrary instruction received from the Grantor; and

(d) With respect to any Investment Property in the form of uncertificated securities, an agreement of the issuer of such Investment Property in form and substance acceptable to the Revolving Administrative Agent and such issuer sufficient to confer control (within the meaning of Section 9-106 of the UCC) over such property and containing such other terms and provisions as the Revolving Administrative Agent may reasonably request.

Schedule 7(f)
GRANTOR INFORMATION

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
1. Sonic Automotive, Inc.	Delaware Corporation 2714319	The chief executive office for all entities is 6415 Idlewild Rd., Suite 109, Charlotte, NC		6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
2. Arngar, Inc.	North Carolina Corporation 0005612		Arnold Palmer Cadillac	10725 Pineville Rd. Pineville, NC	CAR SON MAS, L.P.	All Owners of Collateral Locations (if other than Grantor) are unrelated lessors, except where noted.
3. Autobahn, Inc.	California Corporation C1548941		Autobahn Motors Main Facility	700 Island Pkwy. Belmont, CA	Lucas Trust Properties, LLC	
			Airspace Lease	Beneath Island Pkwy. north of Ralston Ave. Belmont, CA	City of Belmont, CA	
			Remnant Parcel	East of Island Pkwy. and north of Ralston Ave. Belmont, CA	Lucas Trust Properties, LLC	

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Autobahn, Inc. (continued)			Autobahn Motors-Service / Storage	500-510 Harbor Blvd. Belmont, CA	David S. Lake Trust	
			Autobahn Motors Vehicle Storage/Detailing	1315 Elmer St. Belmont, CA	George W. Williams, Co- Trustee, George W. Williams III G.S. Trust	
					George W. Williams and Borel Bank, Co-Trustees, Hortense Williams Trust	
					Lois Hortense Rosebrook Trust	
					Katherine B. Woodlard, Robert P. Berryman and Mark A. Berryman	
4. Avalon Ford, Inc.	Delaware Corporation 0896102			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
5. Cornerstone Acceptance Corporation	Florida Corporation P98000064003			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

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6. FAA Auto Factory, Inc.	California Corporation C2058910			3737 First St. Livermore, CA	Cordiroli Ford Company	
7. FAA Beverly Hills, Inc.	California Corporation C2069519		Beverly Hills BMW — Service & CPO Facility	8833 Wilshire Blvd. Beverly Hills, CA	Dusenberg Investments	
			Beverly Hills BMW — Sales Facility	8825 Wilshire Blvd. Beverly Hills, CA	8825 Wilshire, LLC	
			Beverly Hills BMW — Rental Parking (Bubble Building)	8840 Wilshire Blvd. Beverly Hills, CA	Bubble Real Estate	
			Beverly Hills BMW — Storage (Avis Lot Fee)	8931 Wilshire Blvd. Beverly Hills, CA	Fortress Holdings L.P.	
			8850 Wilshire Blvd. (BMW Beverly Hills — Storage and Service Overflow)	8850 Wilshire Blvd. Beverly Hills, CA	Illoulia Properties	
			8844 Wilshire Blvd. (BMW Beverly Hills Storage & Service Overflow)	8844 Wilshire Blvd. Beverly Hills, CA	Illoulia Properties	
			Storage Lot	8500 Burton Way Los Angeles, CA	Century Investments, Inc.	
			Garage	99 N. La Cienega Blvd. Beverly Hills, CA	99 North La Cienega, L.P.	
			Storage Lot	8900 Wilshire Blvd. Beverly Hills, CA	Global Five Management, Inc.	

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FAA Beverly Hills, Inc. (continued)			Parking — Storage Lot	8909 Wilshire Blvd. Beverly Hills, CA	8909 Wilshire Beverly, LLC	
			Service Facility Relocations Site	9000-9001 Olympic Blvd. Beverly Hills, CA	Landmark Group, LLC	
			Parking Facility	9100 Wilshire Blvd. Beverly Hills, CA	Douglas Emmett Management, LLC	
8. FAA Capitol N, Inc.	California Corporation C2054429			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
9. FAA Concord H, Inc.	California Corporation C2004304		Concord Honda	1300 Concord Ave. Concord, CA	Rosewood Village Associates	
				2241 Commerce Ave. Concord, CA	Stan Gaunt	
10. FAA Concord T, Inc.	California Corporation C0613543		Concord Toyota Concord Scion	1090 Concord Ave. Concord, CA	1090 Concord Associates, LLC	
11. FAA Dublin N, Inc.	California Corporation C2007600			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

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12. FAA Dublin VWD, Inc.	California Corporation C2007571			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
13. FAA Holding Corp.	California Corporation C2174202			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
14. FAA Las Vegas H, Inc.	Nevada Corporation C13186-1999		Honda West	7615 W. Sahara Ave. Las Vegas, NV	CARS CNI-2 L.P.	
15. FAA Poway H, Inc.	California Corporation C2006230		Poway Honda	13747 Poway Rd. Poway, CA	Bay Automotive Properties, LLC	
16. FAA Poway T, Inc.	California Corporation C2006232			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	Chartown is indirectly owned by O. Bruton Smith
17. FAA San Bruno, Inc.	California Corporation C2004303		Melody Toyota Melody Scion (Main Facility)	750 El Camino Real San Bruno, CA	Bill & Sylvia Wilson	
			(Service and Parts Facility)	222 E. San Bruno Ave. San Bruno, CA	L & P Kaplan	

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FAA San Bruno, Inc. (continued)			(Parking Lot — New and Used)	732 El Camino Real San Bruno, CA	Peter J. Mandell and Susan Gootnick	
			(Main Facility)	750 El Camino Real San Bruno, CA	Thomas Chapman Trust	
			(Used Car Facility)	650 El Camino Real San Bruno, CA	Martha E. Bishop, Helen J. Carey, The Mary Colter McDonald Trust	
			(Parking — Used Cars)	650 and 660 El Camino Real San Bruno, CA	Bill Malkason	
			(Used Cars)	650 and 660 El Camino Real San Bruno, CA	Sonic Development, LLC	Subsidiary of Sonic Automotive, Inc
			(Parking Lot)	692 El Camino Real San Bruno, CA	Larry Mobley and Larry Malasoma	
				Linden Ave. and Angus Ave. San Bruno, CA	G. W. Williams, Co.	

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18. FAA Santa Monica V, Inc.	California Corporation C2165877		Volvo of Santa Monica	1719 Santa Monica Blvd. Santa Monica, CA	CARS-DB4, LP	
				1801 Santa Monica Blvd. Santa Monica, CA	Sully Three SM, LLC	
				1455 18th St. Santa Monica, CA	Don Kidson	
				1447 18th St. Santa Monica, CA	Layn Smith	
19. FAA Serramonte, Inc.	California Corporation C2004221		Serramonte Auto Plaza Serramonte Mitsubishi	1500 Collins Ave. Colma, CA	Price Trust	
			Serramonte Auto Plaza (Mitsubishi Service and Parts)	445 Serramonte Blvd. Colma, CA	Price Trust	
			Serramonte Nissan	650 Serramonte Blvd. Colma, CA	Cypress Abbey Company	
			Serramonte PDI Center	900 Collins Ave. Colma, CA	Portola Properties	
20. FAA Serramonte H, Inc.	California Corporation C2069465		Honda of Serramonte	485 Serramonte Blvd. Colma, CA	Price Trust	

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21. FAA Serramonte L, Inc.	California Corporation C2004222		Lexus of Serramonte Lexus of Marin	700 Serramonte Blvd. Colma, CA	Price Trust	
				513 Francisco Blvd. E. San Rafael, CA	CAR FAA II LLC	
22. FAA Stevens Creek, Inc.	California Corporation C2004216		Stevens Creek Nissan	4855 & 4875 Stevens Creek Blvd. Santa Jose, CA	Rosewood Village Associates	
			Stevens Creek Nissan — Offsite Vehicle Storage	1507 South 10th St. San Jose, CA	10th Street Land Management	
			Stevens Creek Nissan — Used Car Lot	4795 Stevens Creek Blvd. San Jose, CA	Donald S. & Mary S. Abinante	
			Stevens Creek Nissan — Detail and Service Center	4885 Stevens Creek Blvd. San Jose, CA	Edmiston & Hock Enterprises, Inc.	
23. FAA Torrance CPJ, Inc.	California Corporation C2165823		South Bay Chrysler Jeep Dodge Main Facility	20900 Hawthorne Blvd. Torrance, CA	Miletich-Jones Land Co.	
				20433 Hawthorne Blvd. Torrance, CA	Del Thome LLC	
			CJ Storage Lot	20465 Hawthorne Blvd. Torrance, CA	Marvin Lazar	

I. Name	II. Jurisdiction of Formation/ Form of Equity/L.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
24. FirstAmerica Automotive, Inc.	Delaware Corporation 2761294			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
25. Fort Mill Ford, Inc.	South Carolina Corporation			801 Gold Hill Rd. Fort Mill, SC	SRE South Carolina-1, LLC	
26. Fort Myers Collision Center, LLC	Florida Limited Liability Company L00000004315			12490 Metro Pkwy. Fort Myers, FL	S&T Collision Center	
27. Franciscan Motors, Inc.	California Corporation C1532758		Acura of Serramonte	465/475 Serramonte Blvd. Colma, CA	Price Trust	
28. Frontier Oldsmobile- Cadillac, Inc.	North Carolina Corporation 0233650			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

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29. Kramer Motors Incorporated	California Corporation C0392185		Honda of Santa Monica	1720 Santa Monica Blvd. Santa Monica, CA	CARS-DB4, LP	
			Honda of Santa Monica	1801 Santa Monica Blvd. and 1347 — 18th St. Santa Monica CA	Sully Three SM, LLC	
			Honda of Santa Monica (other)	1411 - 17th St. Santa Monica, CA	Sully Three SM, LLC	
			Honda of Santa Monica (storage)	1819 Santa Monica Blvd. Santa Monica, CA	Sully Three SM, LLC	
				1718 Santa Monica Blvd. Santa Monica, CA	Michael N. Amir, Trustee	
30. L Dealership Group, Inc.	Texas Corporation 151278900			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
31. Marcus David Corporation	North Carolina Corporation 0272880		Town and Country Toyota Certified Used Cars Lot	9900 South Blvd. Charlotte, NC	Jessco Ltd. Properties	
			CPO and Truck Sales	1300 Cressida Dr. Charlotte, NC	National Retail Properties, LP	
			Town and Country Toyota- Scion Town and Country Toyota	9101 South Blvd. Charlotte, NC	MMR Holdings, LLC	

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32. Massey Cadillac, Inc.	Tennessee Corporation 0230052		Massey Cadillac	24600 Grand River Ave. Detroit, MI	CAR SON MAS, L.P.	
33. Ontario L, LLC	California Limited Liability Company 200330110050		Crown Lexus	1125 Kettering Dr. Ontario, CA	M.F. Salta Co., Inc.	
34. Philpott Motors, Ltd.	Texas Limited Partnership 12223010		Philpott Motors Hyundai	1900 U.S. Hwy. 69 Nederland, TX	Rustin B. Penland	
			(Hangar Lease)	4605 Third St. Airport Beaumont, TX	Jefferson County, Texas	
			Philpott Ford Philpott Toyota	1400 U.S. Hwy. 69 Nederland, TX	Philpott Properties, Ltd.	
			Philpott Ford-Toyota (Fleet/Body Shop)	2727 Nall St. Port Neches, TX	Philpott Properties, Ltd.	
35. SAI AL HC1, Inc.	Alabama Corporation D/C 206-272			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
36. SAI AL HC2, Inc.	Alabama Corporation D/C 199-217		Tom Williams Collision Center	1874 Grants Mill Rd. Irondale, AL	SRE Alabama — 2, LLC	Indirect Subsidiary of Sonic Automotive, Inc.

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37. SAI Ann Arbor Imports, LLC	Michigan Limited Liability Company E15303		Mercedes-Benz of Ann Arbor	570 Auto Mall Dr. Ann Arbor, MI	SRE Michigan-1, LLC c/o CARS	
38. SAI Atlanta B, LLC	Georgia Limited Liability Company 08083814		BMW of Ann Arbor Global Imports [BMW] Global Imports MINI	501 Auto Mall Dr. Ann Arbor, MI	SRE Michigan-2 LLC c/o CARS	
39. SAI Broken Arrow C, LLC	Oklahoma Limited Liability Company 3512215667		Speedway Chevrolet	500 Interstate North Pkwy. SE Atlanta, GA	MMR Holdings, LLC c/o Capital Automotive REIT McLean, VA 22102 Attn: Portfolio Manager	
40. SAI Charlotte M, LLC	North Carolina Limited Liability Company 0433486			2301 N. Aspen Ave. Broken Arrow, OK	Miller Family Real Estate, LLC	A portion of Chartown is indirectly owned by O. Bruton Smith
41. SAI Clearwater T, LLC	Florida Limited Liability Company L08000116713		Clearwater Toyota Clearwater Scion	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	
				21799 U.S. Hwy. 19 N. Clearwater, FL	CARS-DB4, LP	

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42. SAI Columbus Motors, LLC	Ohio Limited Liability Company CP13127		Hatfield Subaru Hatfield Hyundai Hatfield Isuzu	1400 Auto Mall Dr. Columbus, OH	MMR Holdings, LLC	
43. SAI Columbus T, LLC	Ohio Limited Liability Company CP13128		Toyota West Scion West Hatfield Automall	1500 Automall Dr. Columbus, OH	MMR Holdings, LLC	
44. SAI Columbus VWK, LLC	Ohio Limited Liability Company CP13130		Hatfield Kia Hatfield Volkswagen	1495 Auto Mall Dr. Columbus, OH	MMR Holdings, LLC	
45. SAI FL HC2, Inc.	Florida Corporation P98000016038		N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith.
46. SAI FL HC3, Inc.	Florida Corporation P98000064012		N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith.

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47. SAI FL HC4, Inc.	Florida Corporation P98000064009		N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith.
48. SAI FL HC6, Inc.	Florida Corporation P99000004218		N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
49. SAI FL HC7, Inc.	Florida Corporation F86660		N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
50. SAI Fort Myers B, LLC	Florida Limited Liability Company L08000116712		BMW of Fort Myers	15421 S. Tamiami Tr. Fort Myers, FL	SRE Florida — 1, LLC	Indirect subsidiary of Sonic Automotive, Inc.
			MINI of Fort Myers	13880 S. Tamiami Tr. Fort Myers, FL	CARS (SON-064)	
51. SAI Fort Myers H, LLC	Florida Limited Liability Company L08000116710		Honda of Fort Myers	14020 S. Tamiami Tr. Fort Myers, FL	CAR SONFREE, LLC (also tenant for VW of Fort Myers)	

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52. SAI Fort Myers M, LLC	Florida Limited Liability Company L9800002089		Mercedes-Benz of Fort Myers	15461 S. Tamiami Tr. Fort Myers, FL	SRE Florida — 1, LLC	Indirect subsidiary of Sonic Automotive, Inc.
53. SAI Fort Myers VW, LLC	Florida Limited Liability Company L08000116709		Volkswagen of Fort Myers	14060 S. Tamiami Tr. Fort Myers, FL	CAR SONFREE, LLC	
54. SAI GA HC1, LP	Georgia Limited Partnership 0224680		N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
55. SAI Georgia, LLC	Georgia Limited Liability Company 08094603		N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

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56. SAI Irondale Imports, LLC	Alabama Limited Liability Company 428-744		Tom Williams Imports (BMW)	1000 Tom Williams Way Irondale, AL	SRE Alabama — 2, LLC	Indirect Subsidiary of Sonic Automotive, Inc.
			Tom Williams Audi Tom Williams Porsche	3001 Tom Williams Way Irondale, AL	SRE Alabama — 2, LLC	
			Land Rover Birmingham	3000 Tom Williams Way Irondale, AL	SRE Alabama — 2, LLC	
			MINI of Birmingham	2001 Tom Williams Way Irondale, AL	SRE Alabama — 2, LLC	
57. SAI Irondale L, LLC	Alabama Corporation DLL 662-073		Tom Williams Lexus	1001 Tom Williams Way Irondale, AL	SRE Alabama — 2, LLC	
58. SAI Long Beach B, Inc.	California Corporation C2998588		Long Beach BMW	2998 Cherry Ave. Signal Hill, CA 90755	Velma M. Robinett, Trustee of the Alda C. Jones Trust c/o Signal Hill Redevelopment Agency 2175 Cherry Ave. Signal Hill, CA 90806	
			Long Beach MINI	2725 Temple Ave. Signal Hill, CA 90755	FU Lyons Signal Hill, LLC 15125 Garfield Ave. Paramount, CA 90723	
59. SAI MD HCl, Inc.	Maryland Corporation D05310776		N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith.

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60. SAI Monrovia B, Inc.	California Corporation C2979304		BMW of Monrovia	1425-1451 South Mountain Ave. Monrovia, CA	Assael Family Trust c/o Dennis D. and Charyl A. Assael, Trustees 222 Heliotrope Ave. Corona del Mar, CA 92625	SRE California — 4, LLC is an indirect subsidiary of Sonic Automotive, Inc.
			MINI of Monrovia	1875 South Mountain Ave. Monrovia, CA	SRE California — 4, LLC	
61. SAI Montgomery B, LLC	Alabama Limited Liability Company 428- 746		BMW of Montgomery	190 Eastern Blvd. Montgomery, AL	CC&I LLC	
62. SAI Montgomery BCH, LLC	Alabama Limited Liability Company 428- 745		Classic Cadillac Buick Classic Cadillac Classic Hummer	833 Eastern Blvd. Montgomery, AL	James L. Rouse & Reese H. Bricken	
63. SAI Montgomery CH, LLC	Alabama Limited Liability Company 428- 747		Capitol Chevrolet	711 Eastern Blvd. Montgomery, AL	SRE Alabama-1, LLC	
			Capitol Hyundai	2820 Eastern Blvd. Montgomery, AL	CAR BSC L.L.C.	

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64. SAI Nashville CSH, LLC	Tennessee Limited Liability Company 0336183		Crest Cadillac Crest Hummer Crest Saab	2121 Rosa L. Parks Blvd. Nashville, TN	CAR SON MAS TN L.L.C.	
65. SAI Nashville H, LLC	Tennessee Limited Liability Company 0336180		Crest Honda	2215 Rosa L. Parks Blvd. Nashville, TN	CAR SON MAS TN L.L.C.	
66. SAI Nashville M, LLC	Tennessee Limited Liability Company 0336182		Mercedes-Benz of Nashville	630 Bakers Bridge Ave. Franklin, TN	BKB Properties LLC	
67. SAI Nashville Motors, LLC	Tennessee Limited Liability Company 0566970		Audi Nashville Jaguar Nashville Porsche of Nashville	2350 Franklin Pike Nashville, TN 725 Melpark Dr. Nashville, TN	SRE Tennessee — 4, LLC 6415 Idlewild Rd. Suite 109 Charlotte, NC SRE Tennessee — 4, LLC 6415 Idlewild Rd. Suite 109 Charlotte, NC	

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68. SAI OK HCl, Inc.	Oklahoma Corporation 1900632183		N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith.
69. SAI Oklahoma City C, LLC	Oklahoma Limited Liability Company 3512215668		City Chevrolet	5000 W. Reno Oklahoma City, OK	CARS CNI-2 L.P.	
70. SAI Oklahoma City H, LLC	Oklahoma Limited Liability Company 3512215666		Steve Bailey Pre-Owned Super Center Steve Bailey Honda	8700 NW Expressway Oklahoma City, OK	Heitzinger Associates	
71. SAI Oklahoma City T, LLC	Oklahoma Limited Liability Company 3512215664		Dub Richardson Toyota Dub Richardson Scion	8401 NW Expressway Oklahoma City, OK	Heitzinger Associates and Geary Plaza Associates	
			(Body Shop)	9038 NW Expressway Oklahoma City, OK	Heitzinger Associates	

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72. SAI Orlando CS, LLC	Florida Limited Liability Company L08000116711		Massey Cadillac Massey Saab of Orlando	4241 N. John Young Pkwy. Orlando, FL	CAR SON MAS, L.P.	
			Massey Cadillac South	8819 S. Orange Blossom Tr. Orlando, FL	CAR SON MAS, L.P.	
			(side street access; possible vehicle storage)	1851 Landstreet Rd. Orlando, FL	Sonic Development, LLC	Sonic Development, LLC is a direct subsidiary of Sonic Automotive, Inc.
73. SAI Riverside C, LLC	Oklahoma Limited Liability Company 3512215685		Riverside Chevrolet (Main Facility)	707 W. 51st St. Tulsa, OK	Hudiburg Trusts Partnership	
			(Reconditioning Facility)	2002 W. Skelly Dr. Tulsa, OK	Union Limited Liability Company	
74. SAI Rockville Imports, LLC	Maryland Limited Liability Company W12791083		Rockville Audi Rockville Porsche-Audi Porsche of Rockville	1125 Rockville Pike Rockville, MD 20852	SRE-Virginia 1, LLC c/o Sonic Automotive, Inc. 6415 Idlewild Rd., Suite 109 Charlotte, NC	Indirect Subsidiary of Sonic Automotive, Inc.

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75. SAI Rockville L, LLC	Maryland Limited Liability Company W12796074		Lexus of Rockville	15501 & 15515 Frederick Rd. Rockville, MD	Royco, Inc. 8121 Georgia Ave. Suite 500 Silver Spring, MD 20910	
				711 East Gude Dr. Rockville, MD	The Cotler Properties c/o The Jaffe Group 5454 Wisconsin Ave. Suite 1265 Chevy Chase, MD 20815	
				15814-A and B Paramount Dr. Rockville, MD	Beltway Cable Services Inc. 15815 Paramount Dr. Rockville, MD 20855	
76. SAI TN HC1, LLC	Tennessee Corporation 0336184		N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith.
77. SAI TN HC2, LLC	Tennessee Limited Liability Company 0336185		N/A	N/A	N/A	N/A

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78. SAI TN HC3, LLC	Tennessee Corporation 0336181		N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith.
79. SAI Tulsa N, LLC	Oklahoma Limited Liability Company 3512215684		Riverside Nissan	8190 E. Skelly Dr. Tulsa, OK	Hudiburg Properties	
80. SAI Tulsa T, LLC	Oklahoma Limited Liability Company 3512215671		Riverside Toyota Riverside Scion	6868 East B.A. Frontage Rd. Tulsa, OK	CAR SON OK TOY L.L.C.	
81. Santa Clara Imported Cars, Inc.	California Corporation C0587296		Honda of Stevens Creek Stevens Creek Used Cars	4590 Stevens Creek Blvd. San Jose, CA	Lucas Trust Properties, LLC	
			Stevens Creek Honda — Offsite Vehicle Storage	1507 South 10 th St. San Jose, CA	10 th Street Land Management	
82. Sonic — 2185 Chapman Rd., Chattanooga, LLC	Tennessee Limited Liability Company 0366281		Economy Honda Superstore	2135 Chapman Rd. Chattanooga, TN	Standefer Investment Company	

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83. Sonic Advantage PA, L.P.	Texas Limited Partnership 800235623		Porsche of West Houston	11890 Katy Fwy. Houston, TX	SRE Texas — 2, L.P.	SRE Texas — 2, L.P. is an indirect subsidiary of Sonic Automotive, Inc.
			Audi West Houston	11850 and 11890 Katy Fwy., Houston, TX	SRE Texas — 2, L.P.	
			Performance Auto Leasing	19550 Northwest Fwy. Houston, TX	CARS 2 MDMLP	
84. Sonic Agency, Inc.	Michigan Corporation 35010C			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
85. Sonic Automotive — 1720 Mason Ave., DB, Inc.	Florida Corporation P98000064005			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
86. Sonic Automotive — 1720 Mason Ave., DB, LLC	Florida Limited Liability Company L98000001576		Mercedes-Benz of Daytona Beach	1720 Mason Ave. Daytona Beach, FL	MMR Holdings, LLC	

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87. Sonic Automotive 2752 Laurens Rd., Greenville, Inc.	South Carolina Corporation		Century BMW Century MINI (Parking Lot)	2750 Laurens Rd. Greenville, SC 17 Duvall and 2758 Laurens Rd. Greenville, SC	MMR Holdings, LLC Brockman Real Estate, LLC	
88. Sonic Automotive — 3401 N. Main, TX, L.P.	Texas Limited Partnership 11376510		Ron Craft Chevrolet Cadillac Baytown Auto Collision Center	4114 Hwy. 10 E. Baytown, TX	CAR SON BAY, L.P.	
89. Sonic Automotive — 3700 West Broad Street, Columbus, Inc.	Ohio Corporation CP13131			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
90. Sonic Automotive — 4000 West Broad Street, Columbus, Inc.	Ohio Corporation CP13126			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
91. Sonic Automotive — 4701 I-10 East, TX, L.P.	Texas Limited Partnership 11345010		Baytown Ford	4110 Hwy. 10 E. Baytown, TX	CAR SON BAY, L.P.	

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92. Sonic Automotive 5260 Peachtree Industrial Blvd., LLC	Georgia Limited Liability Company K734665		Dyer and Dyer Volvo	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
93. Sonic Automotive — 6008 N. Dale Mabry, FL, Inc.	Florida Corporation P98000084876			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
94. Sonic Automotive — 9103 E. Independence, NC, LLC	North Carolina Limited Liability Company 0470751		Infiniti of Charlotte	9103 E. Independence Blvd. Matthews, NC	MMR Holdings, LLC	
			Infiniti of Charlotte Parking Lot	9032 Scenic Dr. Matthews, NC	CAR SON CHAR L.L.C.	
95. Sonic Automotive F&I, LLC	Nevada Limited Liability Company LLC8620-1999			7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV		
96. Sonic Automotive of Chattanooga, LLC	Tennessee Limited Liability Company 0336188		BMW of Chattanooga	6806 E. Brainerd Rd. Chattanooga, TN	75 Pointe Centre Partners, LLC	

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97. Sonic Automotive of Nashville, LLC	Tennessee Limited Liability Company 0336186		BMW of Nashville MINI of Nashville Sonic Automotive Body Shop	4040 Armory Oaks Dr. Nashville, TN	H.G. Hill Realty Company, Inc.	
98. Sonic Automotive of Nevada, Inc.	Nevada Corporation C18014-1997			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
99. Sonic Automotive of Texas, L.P.	Texas Limited Partnership 11324210		Lone Star Ford	8477 North Fwy. Houston, TX	MMR Viking Investment Associates, LP	
100. Sonic Automotive Support, LLC	Nevada Limited Liability Company LLC19412-2003			7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV		
101. Sonic Automotive West, LLC	Nevada Limited Liability Company LLC9139-1999			7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV		

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102. Sonic-Buena Park H, Inc.	California Corporation C2356456		Buena Park Honda - Employee Parking	7697 Beach Blvd. Buena Park, CA	Abbott Investments	
			Buena Park Honda — Main	6411 Beach Blvd. Buena Park, CA	Slata Lamacchia Land Company	
			Buena Park Honda — Storage	6192 & 6222 Manchester Ave. and Western Ave.	Morgan Adams	
103. Sonic — Cadillac D, L.P.	Texas Limited Partnership 800061917		Massey Cadillac	11675 LBJ Fwy. Dallas, TX	CAR SON MAS GAR, L.P.	
104. Sonic-Calabasas A, Inc.	California Corporation C2413759		Acura 101 West	24650 Calabasas Rd. Calabasas, CA	CARS CNI-2 L.P.	
105. Sonic Calabasas M, Inc.	California Corporation C2975101		Mercedes-Benz of Calabasas	24181 Calabasas Rd. Calabasas, CA 91302	Arthur D'Egidio and Assunta D'Egidio, as Trustees of the D'Egidio Trust dated May 13, 1985 and Maria A. D'Egidio, as Trustee of the D'Egidio Trust dated April 29, 1985 17401 Gresham St. Northridge, CA 91325	
				Parking lot north of and abutting above address containing 20,036 square feet, more or less	City of Calabasas, California 26135 Mureau Rd. Calabasas, CA 91302 Attn: City Manager	

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106. Sonic — Calabasas V, Inc.	California Corporation C2501983			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
107. Sonic — Camp Ford, L.P.	Texas Limited Partnership 12312610			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
108. Sonic-Capitol Cadillac, Inc.	Michigan Corporation 26619C		Capitol Cadillac Capitol Hummer	5901 S. Pennsylvania Ave. Lansing, MI	CAR SON MAS, L.P.	
109. Sonic-Capitol Imports, Inc.	South Carolina Corporation		Capitol Imports Capitol Hyundai	101 Newland Rd. Columbia, SC	CAR SON NEWSOME II L.L.C.	
110. Sonic — Carrollton V, L.P.	Texas Limited Partnership 13894610			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
111. Sonic — Carson F, Inc.	California Corporation C2375909			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

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112. Sonic-Carson LM, Inc.	California Corporation C2375100			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
113. Sonic-Clear Lake Volkswagen, L.P.	Texas Limited Partnership 800207889		Clear Lake Volkswagen	15100 Gulf Fwy. Houston, TX	CARS-DB4, LP	
114. Sonic — Coast Cadillac, Inc.	California Corporation C2124569		Coast Cadillac	3399 E. Willow St. Long Beach, CA	Bixby Land Company	
115. Sonic — Denver T, Inc.	Colorado Corporation 20021350687		Mountain States Toyota and Scion Mountain States Toyota	201 W. 70th Ave. Denver, CO	SRE Colorado — 1, LLC	Indirect subsidiary of Sonic Automotive, Inc.
116. Sonic Development, LLC	North Carolina Limited Liability Company 0483658			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by Bruton O. Smith
117. Sonic Divisional Operations, LLC	Nevada Limited Liability Company LLC26157-2004			7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV	Nevada Speedway, LLC	

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118. Sonic — Downey Cadillac, Inc.	California Corporation C2375896			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
119. Sonic — Fort Worth T, L.P.	Texas Limited Partnership 13920710		Toyota of Fort Worth Scion of Fort Worth	9001 Camp Bowie W. Fort Worth, TX	SON MCKNY II, L.P.	
120. Sonic — Frank Parra Autoplex, L.P.	Texas Limited Partnership 800079059		Frank Parra Chevrolet Frank Parra Chrysler Jeep Frank Parra Chrysler Jeep Dodge	1000 E. Airport Fwy. Irving, TX 700 E. Airport Fwy. Irving, TX	CAR SON PARR L.P. CAR SON PARR L.P.	
121. Sonic Fremont, Inc.	California Corporation C2935225		Jaguar Fremont Land Rover Fremont Volvo Fremont	5601 and 5701 Cushing Pkwy. Fremont, CA	NICPA of Fremont, Ltd. c/o NICPA Interest, Inc., its general partner Attention: Ricardo M. Weitz, President 9896 Bissonnet, 5th Floor Houston, Texas 77036	
122. Sonic — Harbor City H, Inc.	California Corporation C2356454		Carson Honda	1435 E. 223rd St. Carson, CA	ENRI 2, LLC	

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123. Sonic Houston JLR, LP	Texas Limited Partnership 800735509		Jaguar Houston North Land Rover Houston North	18205 Interstate 45 N Houston, TX	NICPA Holdings, Ltd.	
124. Sonic Houston LR, L.P.	Texas Limited Partnership 800236309		Land Rover Houston Central	7019 Old Katy Rd. Houston, TX	Capital Automotive, LP	SRE Texas — 7, L.P. is an indirect subsidiary of
			Jaguar Houston Central	7025 Old Katy Rd. Houston, TX	SRE Texas — 7, L.P.	Sonic Automotive, Inc.
125. Sonic — Houston V, L.P.	Texas Limited Partnership 15286810		Volvo of Houston	11950 Old Katy Rd. Houston, TX	CAR SON NSV II, L.P.	
			(Body Shop)	1321 Sherwood Forest Dr. Houston, TX	CAR SON NSV II, L.P.	
126. Sonic-Jersey Village Volkswagen, L.P.	Texas Limited Partnership 800207902		Momentum Volkswagen of Jersey Village	19550 Northwest Fwy. Houston, TX	CAR 2 MOM, LP	
					Elcon Properties, Ltd.	
127. Sonic — Las Vegas C East, LLC	Nevada Limited Liability Company LLC7435-2000		Cadillac of Las Vegas	2711 E. Sahara Ave. Las Vegas, NV	GIHM, LLC	

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128. Sonic — Las Vegas C West, LLC	Nevada Limited Liability Company LLC7434-2000		Cadillac of Las Vegas — West	5185 W. Sahara Ave. Las Vegas, NV	TAS Holding Limited Partnership	
129. Sonic — Lloyd Nissan, Inc.	Florida Corporation P99000014918			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
130. Sonic — Lloyd Pontiac - Cadillac, Inc.	Florida Corporation P99000014911			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
131. Sonic — Lone Tree Cadillac, Inc.	Colorado Corporation 20021021609		Don Massey Cadillac	8201 Parkway Dr. Lone Tree, CO	County Line, LLC Argonaut Holdings, LLC	
			Don Massey Collision Center	6208 E. County Line Rd. Littleton, CO	Sunrise Real Estate Services Colorado LLC	
132. Sonic — LS Chevrolet, L.P.	Texas Limited Partnership 11958210		Lone Star Chevrolet	18800 North Fwy. Houston, TX	CARS-DB4, L.P.	
			Lone Star Chevrolet Parking Lot	18990 Northwest Fwy. Houston, TX	CAR SON STAR, L.P.	

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133. Sonic — LS, LLC	Delaware Limited Liability Company 3440418			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
134. Sonic — Lute Riley, L.P.	Texas Limited Partnership 11869810		Lute Riley Honda (Body Shop)	1331 N. Central Expy. Richardson, TX 13561 Goldmark Dr. Richardson, TX	MMR Viking Investment Associates, LP CARS (SON-105)	
135. Sonic — Manhattan Fairfax, Inc.	Virginia Corporation 0521177-6		BMW of Fairfax (Parking Facility)	8427 Lee Hwy. Fairfax, VA 8435 Lee Hwy. Fairfax, VA	MMR Holdings, LLC Cockrill Carr, LLC	
136. Sonic — Massey Chevrolet, Inc.	California Corporation C2375359			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
137. Sonic — Mesquite Hyundai, L.P.	Texas Limited Partnership 800087803			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

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138. Sonic Momentum B, L.P.	Texas Limited Partnership 800235477		Momentum BMW Momentum MINI	10002 Southwest Fwy. Houston, TX	CARS CNI-2, LP	
			Momentum BMW (West)	15865 Katy Fwy. Houston, TX	RMC AutoSonic BMWN, L.P.	
			(Momentum Body Shop)	9911 Centre Pkwy. Houston, TX	CARS CNI-2, L.P.	
139. Sonic Momentum JVP, L.P.	Texas Limited Partnership 800235475		Jaguar Southwest Houston Land Rover Southwest Houston Momentum Volvo	10150 Southwest Fwy. Houston, TX	CARS CNI-2, LP	
			Momentum Porsche	10155 Southwest Fwy. Houston, TX	SRE Texas — 3, L.P.	SRE Texas — 3, L.P. is an indirect subsidiary of Sonic Automotive, Inc.

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140. Sonic Momentum VWA, L.P.	Texas Limited Partnership 800207910		Momentum Volkswagen	2405 Richmond Ave. Houston, TX	RMC Auto Sonic VWA, LP	
			Momentum Audi Certified Pre-Owned Sales	2309 Richmond Ave. Houston, TX	RMC Auto Sonic VWA, LP	
			Momentum Audi	2315 Richmond Ave. Houston, TX	CAR 2 MOM, LP	
			Momentum Audi Back Lot (Storage)	3717-3725 Revere St. Houston, TX	La Mesa Properties Limited	
			Momentum Audi — Parking	2401 Portsmouth Houston, TX	La Mesa Properties Limited	
141. Sonic — Newsome Chevrolet World, Inc.	South Carolina Corporation		Capitol Chevrolet	111 Newland Rd. Columbia, SC	CAR SON NEWSOME II L.L.C.	
142. Sonic — Newsome of Florence, Inc.	South Carolina Corporation		Newsome Automotive (Mercedes) Imports of Florence (BMW) Newsome Chevrolet	2199 David McLeod Blvd. Florence, SC	MMR Holdings, LLC	
143. Sonic of Texas, Inc.	Texas Corporation 150782300			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

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144. Sonic Peachtree Industrial Blvd., L.P.	Georgia Limited Partnership K739239			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
145. Sonic-Plymouth Cadillac, Inc.	Michigan Corporation 26618C		Don Massey Cadillac	40475 Ann Arbor Rd. Plymouth, MI	CAR SON MAS, L.P.	
146. Sonic Resources, Inc.	Nevada Corporation C24652-2001			7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV		
147. Sonic — Richardson F, L.P.	Texas Limited Partnership 14037410		North Central Ford	1819 N. Central Expy. Richardson, TX	Baillargeon Family LP	
148. Sonic — Sanford Cadillac, Inc.	Florida Corporation P02000010148		Massey Cadillac of Sanford	3700 S. Hwy. 17-92 Sanford, FL	CAR SON MAS, L.P.	

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149. Sonic Santa Monica M, Inc.	California Corporation C2727452		W.I. Simonson	1626 Wilshire Blvd. Santa Monica, CA	17th & Wilshire Partnership	
				1330 Colorado Ave. Santa Monica, CA	Investment Co. of Santa Monica	
			(Service)	1215 — 17th St. Santa Monica, CA	7R Apartments	
			(Parking)	1415 Euclid & 1308 Santa Monica Blvd. Santa Monica, CA	Frances M. Rehwald, Trustee, Frances M. Rehwald Family Trust	
					Judith A. Richards, Trustee, Judith a. Richards Separate Property Trust	
					William J.S. Rehwald, Trustee, William J.S. Rehwald Separate Property Trust	
					Frances M. Rehwald, Judith a. Richards, William J.S. Rehwald, Trustees, Mary F. Rehwald Separate Property Trust	
150. Sonic Santa Monica S, Inc.	California Corporation C2788444			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
151. Sonic-Saturn of Silicon Valley, Inc.	California Corporation C2547838			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	Chartown d/b/a Independence Office Park
152. Sonic — Shottenkirk, Inc.	Florida Corporation P99000043291		Pensacola Honda	5600 Pensacola Blvd. Pensacola, FL	MMR Holdings, LLC	

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
153. Sonic — Stevens Creek B, Inc.	California Corporation C0723787		Stevens Creek BMW	4343 Stevens Creek Blvd. San Jose, CA	Lucas Trust Properties, LLC	
				4333 Stevens Creek Blvd. San Jose, CA	Lucas Trust Properties, LLC	
			Stevens Creek BMW — Offsite Vehicle Storage	1507 S. 10th St. San Jose, CA	10th Street Land Management	
154. Sonic — Stone Mountain T, L.P.	Georgia Limited Partnership 0342795		Stone Mountain Toyota Stone Mountain Scion	5065 U.S. Hwy. 78 Stone Mountain, GA	Stone Mountain Real Estate Holdings, LLC	
155. Sonic Tysons Corner H, Inc.	Virginia Corporation 0645231-2		Honda of Tysons Corner	1580 Spring Hill Rd. Vienna, VA	CARS-DB1, LLC	
			(Body Shop)	1548 Spring Hill Rd. Vienna, VA	CARS (ROS-006)	
			(Storage Lot)	Two acres adjacent to 1592 Spring Hill Rd.	CARS (ROS-001)	
				One acre lot on Tyco Rd. at corner of Spring Hill Rd.	Robert Rosenthal	
			(Storage Lot)	8521 Leesburg Pike Vienna, VA	Brandywine Realty Trust	

I. Name	II. Jurisdiction of Formation/ Form of Equity/L.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
156. Sonic Tysons Corner Infiniti, Inc.	Virginia Corporation 0645232-0		Infiniti of Tysons Corner	8527 Leesburg Pike Vienna, VA	Capital Automotive, L.P.	
157. Sonic — University Park A, L.P.	Texas Limited Partnership 13748310			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
158. Sonic-Volvo LV, LLC	Nevada Limited Liability Company LLC6829-1999		Volvo of Las Vegas	7705 W. Sahara Ave. Las Vegas, NV	Berberian Properties, LLC	
159. Sonic Walnut Creek M, Inc.	California Corporation C2508517		Mercedes-Benz of Walnut Creek	1301 Parkside Dr. Walnut Creek, CA	Stead Leasing, Inc.	
			(Parking)	1268 Pine St. Walnut Creek, CA	Janet Murray	
			(Jensen Lease)	1360 Pine St. Walnut Creek, CA	Peter C. Jensen, Trustee of the Peter Cole Jensen and Sharon A. Jensen Living Trust dated December 23, 1986	
			(Storage)	1413 Carlback Ave. Walnut Creek, CA	JoAnn Bertino	

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
160. Sonic—West Covina T, Inc.	California Corporation C2356455			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
161. Sonic — Williams Cadillac, Inc.	Alabama Corporation D/C 199-219			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
162. Sonic Wilshire Cadillac, Inc.	California Corporation C2882071			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
163. SRE Alabama — 2, LLC	Alabama Limited Liability Company 670-275		N/A	N/A	N/A	N/A
164. SRE Alabama—5, LLC	Alabama Limited Liability Company DLL 691-622		N/A	N/A	N/A	N/A

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
165. SRE California — 1, LLC	California Limited Liability Company 200202910110		N/A	N/A	N/A	N/A
166. SRE California—2, LLC	California Limited Liability Company 200202910111		N/A	N/A	N/A	N/A
167. SRE California — 4, LLC	California Limited Liability Company 200202810144		N/A	N/A	N/A	N/A
168. SRE Colorado — 1, LLC	Colorado Limited Liability Company 20021330518		N/A	N/A	N/A	N/A
169. SRE Florida — 1, LLC	Florida Limited Liability Company L00000006050		N/A	N/A	N/A	N/A

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
170. SRE Florida — 2, LLC	Florida Limited Liability Company L00000006045		N/A	N/A	N/A	N/A
171. SRE Holding, LLC	North Carolina Corporation 0551475		N/A	N/A	N/A	N/A
172. SRE North Carolina — 2, LLC	North Carolina Limited Liability Company 0682830		N/A	N/A	N/A	N/A
173. SRE Oklahoma—1, LLC	Oklahoma Limited Liability Company 3500697104		N/A	N/A	N/A	N/A
174. SRE Oklahoma —2, LLC	Oklahoma Limited Liability Company 3500697105		N/A	N/A	N/A	N/A
175. SRE Oklahoma—5, LLC	Oklahoma Limited Liability Company 3500697108		N/A	N/A	N/A	N/A

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
176. SRE South Carolina— 3, LLC	South Carolina Limited Liability Company N/A		N/A	N/A	N/A	N/A
177. SRE South Carolina — 4, LLC	South Carolina Limited Liability Company N/A		N/A	N/A	N/A	N/A
178. SRE Tennessee—4, LLC	Tennessee Limited Liability Company 0450279		N/A	N/A	N/A	N/A
179. SRE Texas — 1, L.P.	Texas Limited Partnership 00135233-10		N/A	N/A	N/A	N/A
180. SRE Texas — 2, L.P.	Texas Limited Partnership 00135234-10		N/A	N/A	N/A	N/A
181. SRE Texas — 3, L.P.	Texas Limited Partnership 00135235-10		N/A	N/A	N/A	N/A

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
182. SRE Texas — 4, L.P.	Texas Limited Partnership 800048705		N/A	N/A	N/A	N/A
183. SRE Texas — 5, L.P.	Texas Limited Partnership 800048740		N/A	N/A	N/A	N/A
184. SRE Texas — 6, L.P.	Texas Limited Partnership 800048741		N/A	N/A	N/A	N/A
185. SRE Texas — 7, L.P.	Texas Limited Partnership 800048742		N/A	N/A	N/A	N/A
186. SRE Texas — 8, L.P.	Texas Limited Partnership 800048743		N/A	N/A	N/A	N/A
187. SRE Virginia — 1, LLC	Virginia Limited Liability Company 5050246-0		N/A	N/A	N/A	N/A
188. SRealEstate Arizona — 2, LLC	Arizona Limited Liability Company L-0951252-2		N/A	N/A	N/A	N/A

I. Name	II. Jurisdiction of Formation/ Form of Equity/L.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
189. SRealEstate Arizona — 3, LLC	Arizona Limited Liability Company L-0951282-8		N/A	N/A	N/A	N/A
190. Stevens Creek Cadillac, Inc.	California Corporation C1293380		St. Claire Cadillac	3737 Stevens Creek Blvd. Santa Jose, CA	Lucas Trust Properties, LLC	
			St. Claire Cadillac — Offsite Vehicle Storage	1507 South 10th St., San Jose, CA	10th Street Land Management	
191. Town and Country Ford, Incorporated	North Carolina Corporation 0148959			5401 E. Independence Blvd. Charlotte, NC	MMR Holdings, LLC	
192. Village Imported Cars, Inc.	Maryland Corporation D00308593			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

I. Name	II. Jurisdiction of Formation/ Form of Equity/L.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
193. Windward, Inc.	Hawaii Corporation 41788D1		Honda of Hayward (Service)	24895 Mission Blvd. Hayward, CA	Lucas Trust Properties, LLC	
			Ground Lease (Sales)	24947-24975 Mission Blvd. Hayward, CA	Barbara Harrison	
			(Vehicle Display)	24919 Mission Blvd. Hayward, CA	SRE California — 2, LLC	SRE California — 2, LLC is an indirect subsidiary of Sonic Automotive, Inc.
			(Vehicle Storage)	Fletcher Ln. Hayward, CA	SRE California — 2, LLC	
			Ground Lease (Sales)	24933 Mission Blvd. Hayward, CA	Paul Y. Fong	

Schedule 9(c)

INVESTMENT PROPERTY

1. North Point Imports, L.L.C. (50% noncontrolling joint venture interest with unrelated party)
2. Restricted Equity Interests (as defined in the Escrow and Security Agreement)
3. Investments in Unrestricted Subsidiaries (as defined in the Revolving Credit Agreement)

Schedule 9(i)

COMMERCIAL TORT CLAIMS

NORTH CAROLINA

Sonic Automotive, Inc. v. Mercedes-Benz USA, LLC (Case No. 08-CVS-4259, North Carolina Superior Court)

This lawsuit was filed by Sonic Automotive, Inc., as plaintiff, against Mercedes-Benz USA, LLC, as defendant, in North Carolina Superior Court in 2008 alleging that MBUSA improperly refused to approve Sonic's proposed acquisition of a Mercedes-Benz dealership located in Charlotte, North Carolina. Sonic is seeking monetary damages and equitable relief in this action. Trial is currently scheduled to occur in April 2010.

Published CUSIP Number: _____

**SYNDICATED NEW AND USED VEHICLE
FLOORPLAN CREDIT AGREEMENT**

Dated as of January 15, 2010

among

**SONIC AUTOMOTIVE, INC.,
as the Used Vehicle Borrower,**

**CERTAIN OF ITS SUBSIDIARIES,
as New Vehicle Borrowers,**

**BANK OF AMERICA, N.A.,
as Administrative Agent, New Vehicle Swing Line Lender and
Used Vehicle Swing Line Lender,**

**BANK OF AMERICA, N.A.,
as Revolving Administrative Agent
(in the capacity as collateral agent),**

THE OTHER LENDERS PARTY HERETO

and

BANC OF AMERICA SECURITIES LLC,

as

Sole Lead Arranger and Sole Book Manager

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Form of

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Exhibit A-2	Used Vehicle Floorplan Committed Loan Notice
Exhibit B-1(a)	New Vehicle Floorplan Swing Line Loan Notice (Borrowing)
Exhibit B-1(b)	New Vehicle Floorplan Swing Line Loan Notice (Conversion)
Exhibit B-2	Used Vehicle Floorplan Swing Line Loan Notice
Exhibit C	Note
Exhibit D	Assignment and Assumption
Exhibit E	Company Guaranty
Exhibit F	Subsidiary Guaranty
Exhibit G	Compliance Certificate
Exhibit H	Joinder Agreement
Exhibit I	Used Vehicle Borrowing Base Certificate
Exhibit J	Amended and Restated Security Agreement
Exhibit K	New Vehicle Borrower Notice
Exhibit L	Opinion Matters
Exhibit M	Master Intercreditor Agreement
Exhibit N	Ford Motor Credit Consent

**SYNDICATED NEW AND USED
VEHICLE FLOORPLAN CREDIT AGREEMENT**

This SYNDICATED NEW AND USED VEHICLE FLOORPLAN CREDIT AGREEMENT ("Agreement") is entered into as of January 15, 2010, among SONIC AUTOMOTIVE, INC., a Delaware corporation (the "Company"), certain Subsidiaries of the Company party hereto pursuant to Section 2.19 (each a "New Vehicle Borrower", and together with the Company, the "Borrowers" and each individually a "Borrower"), each lender from time to time party hereto (collectively, the "Lenders" and individually, a "Lender"), and BANK OF AMERICA, N.A., as Administrative Agent, New Vehicle Swing Line Lender and Used Vehicle Swing Line Lender, and BANK OF AMERICA, N.A., as Revolving Administrative Agent (in the capacity of collateral agent for the Secured Parties referenced below).

The Company has requested that the Lenders provide a revolving new vehicle floorplan facility and a revolving used vehicle floorplan facility, and the Lenders are willing to do so on the terms and conditions set forth herein.

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

**ARTICLE I.
DEFINITIONS AND ACCOUNTING TERMS**

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

"Acquisition" means the acquisition of (i) a controlling equity interest or other controlling ownership interest in another Person (including the purchase of an option, warrant or convertible or similar type security to acquire such a controlling interest at the time it becomes exercisable by the holder thereof), whether by purchase of such equity or other ownership interest or upon the exercise of an option or warrant for, or conversion of securities into, such equity or other ownership interest, (ii) assets of another Person which constitute all or substantially all of the assets of such Person or of a line or lines of business conducted by or a vehicle franchise or vehicle brand licensed or owned by such Person, or (iii) assets constituting a vehicle dealership.

"Additional Indebtedness" means Indebtedness of the Company (which may be guaranteed by the Subsidiaries of the Company on an unsecured basis); provided that, (i) such Indebtedness is (A) not secured by any property of the Company or any Subsidiary, (B) does not have a maturity, and does not require any principal payments (whether by scheduled installment, mandatory prepayment or redemption, or the exercise of any put right), earlier than two (2) years following the Maturity Date, and (C) has terms (including terms of maturity and amortization) that are typical for indebtedness of such type issued at such time and otherwise no more restrictive, or less advantageous to the Lenders, than the Loan Documents or are otherwise on terms satisfactory to the Administrative Agent, and (ii) after giving effect to the issuance of such Indebtedness, (A) no Event of Default shall have occurred and be continuing or would occur as a

result therefrom and (B) all other requirements set forth in Section 7.03(k) shall have been met. "Additional Indebtedness" does not include the 2002-4.25% Indenture Indebtedness, the 2003-8.625% Indenture Indebtedness, the 2009-5.0% Indenture Indebtedness or any related Permitted Indenture Refinancing Indebtedness.

"Administrative Agent" means Bank of America in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

"Administrative Agent's Office" means the Administrative Agent's address and, as appropriate, account as set forth on Schedule 10.02, or such other address or account as the Administrative Agent may from time to time notify to the Company and the Lenders.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

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

"Aggregate Commitments" means, collectively, the Aggregate New Vehicle Floorplan Commitments and the Aggregate Used Vehicle Floorplan Commitments.

"Aggregate New Vehicle Floorplan Commitments" means the New Vehicle Floorplan Commitments of all the New Vehicle Floorplan Lenders.

"Aggregate Used Vehicle Floorplan Commitments" means the Used Vehicle Floorplan Commitments of all the Used Vehicle Floorplan Lenders.

"Agreement" means this Syndicated New and Used Vehicle Floorplan Credit Agreement.

"Applicable Facility" means the New Vehicle Floorplan Facility or the Used Vehicle Floorplan Facility, as applicable.

"Applicable New Vehicle Floorplan Percentage" means with respect to any New Vehicle Floorplan Lender at any time, the percentage (carried out to the ninth decimal place) of the Aggregate New Vehicle Floorplan Commitments represented by such Lender's New Vehicle Floorplan Commitment at such time, subject to adjustment as provided in Section 2.21. If the commitment of each New Vehicle Floorplan Lender to make New Vehicle Floorplan Loans have been terminated pursuant to Section 8.04 or if the Aggregate New Vehicle Floorplan Commitments have expired, then the Applicable New Vehicle Floorplan Percentage of each New Vehicle Floorplan Lender shall be determined based on the Applicable New Vehicle Floorplan Percentage of such New Vehicle Floorplan Lender most recently in effect, giving effect to any subsequent assignments. The initial Applicable New Vehicle Floorplan Percentage of each New Vehicle Floorplan Lender is set forth opposite the name of such New Vehicle Floorplan Lender on Schedule 2.01A or in the Assignment and Assumption pursuant to which such New Vehicle Floorplan Lender becomes a party hereto, as applicable.

“Applicable Percentage” means with respect to any Lender at any time, the percentage (carried out to the ninth decimal place) of the Aggregate Commitments represented by such Lender’s Commitment at such time, subject to adjustment as provided in Section 2.21. If the commitment of each Lender under an Applicable Facility to make Loans under such Applicable Facility has been terminated pursuant to Section 8.02 or Section 8.04 or if the Aggregate New Vehicle Floorplan Commitments or the Aggregate Used Vehicle Floorplan Commitments, as applicable, have expired, then for the purposes of determining the Applicable Percentage of any Lender, the Commitment of such Lender under such Applicable Facility shall be calculated in accordance with the second sentence of the definition of “Applicable New Vehicle Floorplan Percentage” or “Applicable Used Vehicle Floorplan Percentage”, as the case may be.

“Applicable Rate” means, from time to time, the following percentages per annum, based upon the Consolidated Total Debt to EBITDA Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(a)(i):

Applicable Rate

<u>Pricing Level</u>	<u>Consolidated Total Debt to EBITDA Ratio</u>	<u>Commitment Fee on New Vehicle Floorplan Facility</u>	<u>Commitment Fee on Used Vehicle Floorplan Facility</u>	<u>Eurodollar Rate Loans + (for New Vehicle Floorplan Facility)</u>	<u>Base Rate Loans + (for New Vehicle Floorplan Facility)</u>	<u>Eurodollar Rate Loans + (for Used Vehicle Floorplan Facility)</u>	<u>Base Rate Loans + (for Used Vehicle Floorplan Facility)</u>
1	Less than 4.00:1.00	0.20%	0.25%	1.50%	0.50%	1.75%	0.75%
2	Less than 4.50:1.00 but greater than or equal to 4.00:1.00	0.25%	0.30%	1.75%	0.75%	2.00%	1.00%
3	Less 5.00:1.00 but greater than or equal to 4.50:1.00	0.25%	0.30%	2.00%	1.00%	2.25%	1.25%
4	Greater than or equal to 5.00:1.00	0.30%	0.35%	2.25%	1.25%	2.50%	1.50%

Any increase or decrease in the Applicable Rate resulting from a change in the Consolidated Total Debt to EBITDA Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.02(a)(i); provided, however, that (i) if a Compliance Certificate is not delivered when due in accordance with such Section, then, upon the request of the Required Lenders, Pricing Level 4 shall apply as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered and shall remain in effect until the date on which such Compliance Certificate is delivered, (ii) the Applicable Rate in effect from the Closing Date through the first Business Day immediately following the date the Compliance Certificate with respect to the fiscal year ended December 31, 2009 is delivered pursuant to Section 6.02(a)(i) shall be Pricing Level 3, and (iii) in no event shall the Applicable Rate in effect from the Closing Date through the first Business Day immediately following the date the Compliance Certificate with respect to the fiscal quarter ending March 31, 2011 is delivered pursuant to Section 6.02(a)(i) be less than Pricing Level 3.

Notwithstanding anything to the contrary contained in this definition, the determination of the Applicable Rate for any period shall be subject to the provisions of Section 2.14(b).

“Applicable Used Vehicle Floorplan Percentage” means with respect to any Used Vehicle Floorplan Lender at any time, the percentage (carried out to the ninth decimal place) of the Aggregate Used Vehicle Floorplan Commitments represented by such Lender’s Used Vehicle Floorplan Commitment at such time, subject to adjustment as provided in Section 2.21. If the commitment of each Used Vehicle Floorplan Lender to make Used Vehicle Floorplan Loans has been terminated pursuant to Section 8.02 or if the Aggregate Used Vehicle Floorplan Commitments have expired, then the Applicable Used Vehicle Floorplan Percentage of each Used Vehicle Floorplan Lender shall be determined based on the Applicable Used Vehicle Floorplan Percentage of such Used Vehicle Floorplan Lender most recently in effect, giving effect to any subsequent assignments. The initial Applicable Used Vehicle Floorplan Percentage of each Used Vehicle Floorplan Lender is set forth opposite the name of such Used Vehicle Floorplan Lender on Schedule 2.01A or in the Assignment and Assumption pursuant to which such Used Vehicle Floorplan Lender becomes a party hereto, as applicable.

“Approved Fund” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Arranger” means Banc of America Securities LLC, in its capacity as sole lead arranger and sole book manager.

“Assignee Group” means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit D or any other form approved by the Administrative Agent.

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

“Audited Financial Statements” means the audited consolidated balance sheet of the Company and its Subsidiaries for the fiscal year ended December 31, 2008, and the related consolidated statements of income or operations, shareholders’ equity and cash flows for such fiscal year of the Company and its Subsidiaries, including the notes thereto.

“Autoborrow Advance” shall have the meaning specified in Section 2.08(b).

“Autoborrow Agreement” shall have the meaning specified in Section 2.08(b).

“Automatic Debit Date” means the fifth day of a calendar month, provided that if such day is not a Business Day, the respective Automatic Debit Date shall be the next succeeding Business Day.

“Availability Period” means:

(a) in the case of the New Vehicle Floorplan Facility, the period from and including the Closing Date to the earliest of (i) the Maturity Date, (ii) the date of termination of the Aggregate New Vehicle Floorplan Commitments pursuant to Section 2.10 and (iii) the date of termination of the commitment of each New Vehicle Floorplan Lender to make New Vehicle Floorplan Loans pursuant to Section 8.04, and

(b) in the case of the Used Vehicle Floorplan Facility, the period from and including the Closing Date to the earliest of (i) the Maturity Date, (ii) the date of termination of the Aggregate Used Vehicle Floorplan Commitments pursuant to Section 2.10 and (iii) the date of termination of the commitment of each Used Vehicle Floorplan Lender to make Used Vehicle Floorplan Loans pursuant to Section 8.02.

“Bank of America” means Bank of America, N.A. and its successors.

“Bank of America Letter” means the letter agreement, dated November 10, 2009, among the Company, the Administrative Agent and BAS.

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

“Base Rate Committed Loan” means a New Vehicle Floorplan Committed Loan or a Used Vehicle Floorplan Committed Loan, as the context may require that is a Base Rate Loan.

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

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

“Borrower Materials” has the meaning specified in Section 6.02.

“Borrowing” means a New Vehicle Floorplan Borrowing or a Used Vehicle Floorplan Borrowing, as the context may require.

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

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

"Buyer Notes" means those promissory notes received by the Company or any Subsidiary as partial or full payment consideration for Dispositions of vehicle dealerships or Subsidiaries by the Company or such Subsidiary to the obligors of such promissory notes.

"Cash Collateralize" means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the New Vehicle Swing Line Lender or the Used Vehicle Swing Line Lender (as applicable) and the Lenders, as collateral for Obligations in respect of New Vehicle Swing Line Loans or Used Vehicle Swing Line Loans, or obligations of Lenders to fund participations in respect of either thereof (as the context may require), cash or deposit account balances or, if the New Vehicle Swing Line Lender or the Used Vehicle Swing Line Lender benefitting from such collateral shall agree in its sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to (a) the Administrative Agent and (b) the New Vehicle Swing Line Lender or the Used Vehicle Swing Line Lender (as applicable). "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority.

"Change of Control" means an event or series of events by which:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) (other than (i) Sonic Financial, O. Bruton Smith or B. Scott Smith; (ii) any spouse or immediate family member of O. Bruton Smith and B. Scott Smith (collectively with O. Bruton Smith and B. Scott Smith, a "Smith Family Member"); or (iii) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners and owners of which are Smith Family Members, (the persons and entities in "i", "ii", and "iii" being referred to, collectively and individually, as the "Smith Group") so long as in the case of clause (ii) and (iii) O. Bruton Smith or B. Scott Smith retains a majority of the voting rights associated with such ownership) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire (such right, an "option right"), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 25% or more of the equity securities of the Company entitled to vote for members of the board of directors or equivalent governing body of the Company on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right);

(b) during any period of 12 consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Company cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body (excluding, in the case of both clause (ii) and clause (iii), any individual whose initial nomination for, or assumption of office as, a member of that board or equivalent governing body occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group other than a solicitation for the election of one or more directors by or on behalf of the board of directors);

(c) any Person or two or more Persons (excluding members of the Smith Group so long as O. Bruton Smith or B. Scott Smith retains a majority of the voting rights associated with such equity securities) acting in concert shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation thereof, will result in its or their acquisition of the power to exercise, directly or indirectly, a controlling influence over the management or policies of the Company, or control over the equity securities of the Company entitled to vote for members of the board of directors or equivalent governing body of the Company on a fully-diluted basis (and taking into account all such securities that such Person or group has the right to acquire pursuant to any option right) representing 25% or more of the combined voting power of such securities; or

(d) the Company fails to own, directly or indirectly, 100% of the Equity Interests of any Subsidiary other than as a result of the sale of all Equity Interests in a Subsidiary pursuant to a Permitted Disposition.

“Closing Date” means the first date all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 10.01.

“Code” means the Internal Revenue Code of 1986.

“Collateral” means, collectively, the assets and rights and interests in property of any Person in which the Revolving Administrative Agent, on behalf of the Secured Parties, is granted a Lien under any Security Instrument as security for all or any portion of the Obligations.

“Commitment” means, as to each Lender, the New Vehicle Floorplan Commitment and Used Vehicle Floorplan Commitment of such Lender.

“Committed Borrowing” means a New Vehicle Committed Borrowing or a Used Vehicle Committed Borrowing, as the context may require.

“Company” has the meaning specified in the introductory paragraph hereto.

“Company Guaranty” means that certain Company Guaranty Agreement executed by the Company in favor of the Administrative Agent and the Lenders, substantially in the form of Exhibit E, as supplemented, amended, or modified from time to time.

“Compliance Certificate” means a certificate substantially in the form of Exhibit G.

“Consolidated Current Assets” means, as of any date of determination, the current assets of the Company and its Subsidiaries on a consolidated basis as of such date (but excluding in any event (i) any long-term assets of discontinued operations held for sale, other than such assets which (x) are the subject of an executed non-cancelable purchase and sale agreement between the applicable Loan Party and a Person which is not an Affiliate of any Loan Party and (y) the applicable Loan Party intends, in good faith, to Dispose of within 60 days of such date of determination and (ii) any Investment described in Section 7.02(i)).

“Consolidated Current Liabilities” means, as of any date of determination, the current liabilities of the Company and its Subsidiaries on a consolidated basis as of such date.

“Consolidated EBITDA” means for any period, on a consolidated basis for the Company and its Subsidiaries, the sum of the amounts for such period, without duplication, of (a) Consolidated Net Income, plus (b) to the extent deducted in computing Consolidated Net Income for such period: (i) Consolidated Interest Expense with respect to non-floorplan Indebtedness (including interest expense not payable in cash), (ii) Consolidated Interest Expense with respect to Used Vehicle floorplan Indebtedness, (iii) charges against income for foreign, Federal, state and local income taxes, (iv) depreciation expense, (v) amortization expense, including, without limitation, amortization of other intangible assets and transaction costs, (vi) non-cash charges, (vii) all extraordinary losses, (viii) legal fees, broker fees and other transaction expenses incurred in connection with any Permitted Acquisition (not to exceed \$1,000,000 in the aggregate for each such Acquisition), and (ix) non-cash lease termination charges, net of any amortization of such charges minus (c) to the extent included in computing Consolidated Net Income for such period, (i) extraordinary gains and (ii) all gains on repurchases of long-term Indebtedness.

“Consolidated EBITDAR” means for any period, on a consolidated basis for the Company and its Subsidiaries, the sum of the amounts for such period, without duplication, of (a) Consolidated Net Income, plus (b) to the extent deducted in computing Consolidated Net Income for such period: (i) Consolidated Interest Expense with respect to non-floorplan Indebtedness (including interest expense not payable in cash), (ii) Consolidated Interest Expense with respect to Used Vehicle floorplan Indebtedness, (iii) charges against income for foreign, Federal, state and local income taxes, (iv) depreciation expense, (v) amortization expense, including, without limitation, amortization of other intangible assets and transaction costs, (vi) non-cash charges, (vii) all extraordinary losses, (viii) legal fees, broker fees and other transaction expenses incurred in connection with any Permitted Acquisition (not to exceed \$1,000,000 in the aggregate for each such Acquisition), (ix) Consolidated Rental Expense, and (x) non-cash lease termination charges, net of any amortization of such charges, minus (c) to the extent included in computing Consolidated Net Income for such period, (i) extraordinary gains and (ii) all gains on repurchases of long-term Indebtedness.

“Consolidated Fixed Charges” means, for any period, the sum of (a) Consolidated Interest Expense with respect to non-floorplan Indebtedness for such period (excluding any interest expense not payable in cash and not payable as a result of any default), plus (b) Consolidated Interest Expense with respect to Used Vehicle floorplan Indebtedness for such period, plus (c) Consolidated Principal Payments for such period, plus (d) Consolidated Rental Expenses for such period, plus (e) Federal, state, local and foreign income taxes paid in cash by the Company and its Subsidiaries on a consolidated basis during such period, plus (f) Specified Payments for such period, minus (g) cash refunds of Federal, state, local and foreign income taxes received by the Company and its Subsidiaries on a consolidated basis during such period. The calculation of “Consolidated Fixed Charges” is further described in Section 1.03(e).

“Consolidated Fixed Charge Coverage Ratio” means, as of any date of determination, the ratio of (a) the difference of (i) Consolidated EBITDAR for the four fiscal quarter period ending on such date minus (ii) an amount equal to \$100,000 (representing assumed maintenance capital expenditures) multiplied by the average daily number of physical dealership locations at which the Subsidiaries operated franchised vehicle dealerships during such period to (b) Consolidated Fixed Charges for such period.

“Consolidated Funded Indebtedness” means, as of any date of determination, for the Company and its Subsidiaries on a consolidated basis, the sum of (a) the outstanding principal amount of all obligations, whether current or long-term, for borrowed money (including Obligations hereunder) and all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments, (b) all purchase money Indebtedness, (c) all direct obligations arising under letters of credit (including standby and commercial), bankers’ acceptances, bank guaranties, surety bonds and similar instruments, (d) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business), (e) Attributable Indebtedness in respect of capital leases and Synthetic Lease Obligations, (f) without duplication, all Guarantees with respect to outstanding Indebtedness of the types specified in clauses (a) through (e) above of Persons other than the Company or any Subsidiary, and (g) all Indebtedness of the types referred to in clauses (a) through (f) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which the Company or a Subsidiary is a general partner or joint venturer, unless such Indebtedness is expressly made non-recourse to the Company or such Subsidiary.

“Consolidated Interest Expense” means, for any period, for the Company and its Subsidiaries on a consolidated basis, the sum of (a) all interest (before factory assistance or subsidy), premium payments, debt discount, fees, charges and related expenses of the Company and its Subsidiaries in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP, and (b) the portion of rent expense of the Company and its Subsidiaries with respect to such period under capital leases that is treated as interest in accordance with GAAP.

“Consolidated Liquidity Ratio” means, as of any date of determination, the ratio of (a) the sum of Consolidated Current Assets (excluding Temporary Excess Cash) plus the Revolving Facility Liquidity Amount plus, for purposes of calculating the Consolidated Liquidity Ratio on

or before January 31, 2010 only, the Temporary Letter of Credit Amount (as defined in the Revolving Credit Agreement), but only to the extent such Temporary Letter of Credit Amount was included in Total Outstandings as of such date) to (b) the sum of (i) Consolidated Current Liabilities (but excluding, without duplication and only to the extent such amounts would otherwise have been included in this clause (b)(i), (A) such Consolidated Current Liabilities consisting of any balloon, bullet or similar final scheduled principal payment that would repay any Indebtedness permitted by Section 7.03 in full, other than any such balloon, bullet or final payment which is due within one (1) fiscal quarter following such date of determination, and (B) any Temporary Indebtedness) plus (ii) without duplication, Indebtedness (whether or not reflected as a Consolidated Current Liability) under all floorplan financing arrangements.

“Consolidated Net Income” means, for any period, for the Company and its Subsidiaries on a consolidated basis, the net income of the Company and its Subsidiaries for such period.

“Consolidated Principal Payments” means, for any period, for the Company and its Subsidiaries on a consolidated basis, all scheduled payments of principal and amortization of the Company and its Subsidiaries in connection with Indebtedness for money borrowed (including Permitted Real Estate Indebtedness) or in connection with the deferred purchase price of assets which payments are made or are required to be made during such period, in each case to the extent treated as principal in accordance with GAAP (other than any balloon, bullet or similar final scheduled principal payment that repays such Indebtedness in full). It is acknowledged that payments permitted under Section 7.15 (including without limitation any repayment of the 2002-4.25% Indenture Indebtedness permitted thereby) shall not be deemed to be scheduled payments of principal for purposes of determining “Consolidated Principal Payments”.

“Consolidated Real Property Interest Expense” means, for any period, for the Company and its Subsidiaries on a consolidated basis, the sum of all interest (before factory assistance or subsidy), premium payments, debt discount, fees, charges and related expenses of the Company and its Subsidiaries in connection with Permitted Real Estate Indebtedness

“Consolidated Rental Expense” means, for any period, on a consolidated basis for the Company and its Subsidiaries, the aggregate amount of fixed and contingent rentals payable in cash by the Company and its Subsidiaries with respect to leases of real and personal property (excluding capital lease obligations) determined in accordance with GAAP for such period.

“Consolidated Total Debt to EBITDA Ratio” means, as of any date of determination, the ratio of (a) Consolidated Total Outstanding Indebtedness (excluding (i) Indebtedness under the New Vehicle Floorplan Facility, (ii) Permitted Silo Indebtedness for New Vehicle inventory and (iii) Temporary Indebtedness) as of such date to (b) Consolidated EBITDA for the period of the four fiscal quarters most recently ended.

“Consolidated Total Outstanding Indebtedness” means, for any period, for the Company and its Subsidiaries on a consolidated basis, the aggregate outstanding principal amount of Consolidated Funded Indebtedness of the Company and its Subsidiaries (including any such Indebtedness that would otherwise be deemed to be equity solely because of the effect of FASB 14-1).

“Consolidated Total Outstanding Senior Secured Indebtedness” means, as of any date of determination, for the Company and its Subsidiaries on a consolidated basis, the aggregate outstanding principal amount of secured Consolidated Funded Indebtedness of the Company and its Subsidiaries, and Guarantees of such Indebtedness (but excluding, without duplication and only to the extent such amounts would otherwise have been included therein, (i) Indebtedness under the New Vehicle Floorplan Facility and (ii) Indebtedness under Permitted Silo Indebtedness for New Vehicle inventory).

“Consolidated Total Senior Secured Debt to EBITDA Ratio” means, as of any date of determination, the ratio of (a) Consolidated Total Outstanding Senior Secured Indebtedness as of such date, to (b) Consolidated EBITDA for the period of the four fiscal quarters most recently ended.

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

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

“Cost of Acquisition” means, with respect to any Acquisition, as at the date of entering into any agreement therefor, the sum of the following (without duplication): (i) the value of the Equity Interests of the Company or any Subsidiary to be transferred in connection with such Acquisition, (ii) the amount of any cash and fair market value of other property (excluding property described in clause (i) and the unpaid principal amount of any debt instrument) given as consideration in connection with such Acquisition, (iii) the amount (determined by using the face amount or the amount payable at maturity, whichever is greater) of any Indebtedness incurred, assumed or acquired by the Company or any Subsidiary in connection with such Acquisition, (iv) all additional purchase price amounts in the form of earnouts and other contingent obligations that should be recorded on the financial statements of the Company and its Subsidiaries in accordance with GAAP in connection with such Acquisition, (v) all amounts paid in respect of covenants not to compete, consulting agreements that should be recorded on the financial statements of the Company and its Subsidiaries in accordance with GAAP, and other affiliated contracts in connection with such Acquisition, and (vi) the aggregate fair market value of all other consideration given by the Company or any Subsidiary in connection with such Acquisition; provided that (x) the Cost of Acquisition shall not include the purchase price of floored vehicles acquired in connection with such Acquisition, (y) in the event a Subsidiary which operates a franchised vehicle dealership purchases real property located at or related to such dealership (and so long as such Subsidiary operated such dealership prior to such purchase), the consideration described above attributable to such real property shall be excluded from the calculation of Cost of Acquisition for purposes of determining the \$25,000,000 threshold set forth in Section 7.12, and (z) amounts under clause (iv) above shall be excluded from the calculation of Cost of Acquisition to the extent that such amounts as of the date of entering into any agreement with respect to such Acquisition are not reasonably expected to exceed \$5,000,000 in the aggregate (each such determination for each applicable year of earnouts and

other contingent obligations with respect to the applicable Acquisition to be based on the reasonably expected operations and financial condition of the Company and its Subsidiaries during the first year after the date of the applicable Acquisition). For purposes of determining the Cost of Acquisition for any transaction, the Equity Interests of the Company shall be valued in accordance with GAAP.

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

“Deemed Floored” means, with respect to each New Vehicle, the date a New Vehicle Floorplan Borrowing is deemed to be made by a New Vehicle Floorplan Lender, including the New Vehicle Swing Line Lender, under the New Vehicle Floorplan Facility.

“Default” means any event or condition that constitutes a New Vehicle Event of Default or a Used Vehicle Event of Default or that, with the giving of any notice, the passage of time, or both, would be a New Vehicle Event of Default or a Used Vehicle Event of Default.

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

“Defaulting Lender” means, subject to Section 2.21(b), any Lender that, as determined by the Administrative Agent, (a) has failed to perform any of its funding obligations hereunder including in respect of its Loans hereunder or participations in respect of New Vehicle Floorplan Swing Line Loans or Used Vehicle Floorplan Swing Line Loans, or has failed to perform any of its funding obligations under the Revolving Credit Agreement including in respect of its Revolving Facility Loans (as defined in the Revolving Credit Agreement) thereunder, in each case within three Business Days of the date required to be funded by it hereunder or thereunder, (b) has notified any Borrower or the Administrative Agent that it does not intend to comply with any such funding obligations or has made a public statement to that effect with respect to its funding obligations hereunder, thereunder or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by the Administrative Agent, to confirm in a manner satisfactory to the Administrative Agent that it will comply with such funding obligations, or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or a custodian appointed for it, or (iii) taken any action in furtherance of, or indicated its consent to, approval of or acquiescence in any such proceeding or appointment; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in such Lender or any direct or indirect parent company thereof by a Governmental Authority.

“Demonstrator” means a New Vehicle that (i) has not been previously titled (other than to a New Vehicle Borrower in accordance with applicable law), (ii) is the then current model year or last model year, (iii) has an odometer reading of less than 7500 miles and (iv) is designated by the applicable New Vehicle Borrower as such.

“Disposition” or “Dispose” means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) of any property by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

“Dollar” and “\$” mean lawful money of the United States.

“Dual Subsidiary” means a Subsidiary which (i) operates more than one franchised vehicle dealership and (ii) has entered into separate floorplan financing arrangements with either (A) more than one Silo Lender or (B) the Floorplan Lenders and at least one Silo Lender. The Dual Subsidiaries as of the Closing Date are set forth on Schedule 1.01B. The Company may designate other Subsidiaries as Dual Subsidiaries from time to time in accordance with Sections 2.19(e) and 7.17.

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Section 10.06(b)(iii), and (v) (subject to such consents, if any, as may be required under Section 10.06(b)(iii)).

“Eligible Used Vehicle Inventory” means Inventory of any Grantor consisting of Used Vehicles that (a) in the case of all such Used Vehicles, are subject to a perfected, first priority Lien in favor of the Revolving Administrative Agent for the benefit of the Secured Parties pursuant to the Security Instruments, free from any other Lien other than those acceptable to the Administrative Agent in its discretion, (b) are properly titled in such Grantor’s name or the certificates of title for such Used Vehicles are endorsed in blank by the prior owners and such Grantor physically holds such certificates of title (or such Grantor has, in accordance with its standard policies and procedures, initiated the process by which the requirements of this clause (b) will be satisfied) and (c) are held for sale and located at such Grantor’s dealership facilities (except as set forth in Section 6.13), and with respect to such leased facilities, the Administrative Agent or Revolving Administrative Agent has received a Landlord Waiver if requested by the Administrative Agent; provided that in no event shall any Used Vehicles of any Dual Subsidiary which receives Permitted Silo Indebtedness from a Silo Lender be considered “Eligible Used Vehicle Inventory” or otherwise included in the Used Vehicle Borrowing Base.

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

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Company, any other Loan Party or any of their respective Subsidiaries directly or indirectly

resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

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

“ERISA” means the Employee Retirement Income Security Act of 1974.

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

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of any Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 during a plan year in which such entity was a “substantial employer” as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA that has resulted or could reasonably be expected to result in liability of the Company under Title IV of ERISA in excess of \$1,000,000; (c) a complete or partial withdrawal by the Company or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization, in either case that has resulted or could reasonably be expected to result in liability of the Company under Title IV of ERISA in excess of (i) in the case of the Automotive Industries Pension Trust Fund (EIN # 94-1133245), Plan No. 001, the Threshold Amount and (ii) in all other cases, \$1,000,000; (d) the filing of a notice of intent to terminate or the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan, Multiemployer Plan or Multiple Employer Plan; (f) any event or condition which is reasonably likely to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan of any Borrower or any ERISA Affiliate; (g) except as set forth on Schedule 1.01C, the determination that any Pension Plan, Multiemployer Plan or Multiple Employer Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 305 of ERISA; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Borrower or any ERISA Affiliate in excess of \$1,000,000.

“Eurodollar Rate” means,

(a) for any Interest Period with respect to a Eurodollar Rate Loan, the rate per annum equal to (i) the British Bankers Association LIBOR Rate (“BBA LIBOR”), as published by Reuters (or such other commercially available source providing quotations of BBA LIBOR as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two London Banking Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, or (ii) if such rate is not available at such time for any reason, the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the Eurodollar Rate Loan being made, continued or converted and with a term equivalent to such Interest Period would be offered by Bank of America’s London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m. (London time) two London Banking Days prior to the commencement of such Interest Period; and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to (i) BBA LIBOR, at approximately 11:00 a.m., London time determined two London Banking Days prior to such date for Dollar deposits being delivered in the London interbank market for a term of one month commencing that day or (ii) if such published rate is not available at such time for any reason, the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the date of determination in same day funds in the approximate amount of the Base Rate Loan being made or maintained with a term equal to one month would be offered by Bank of America’s London Branch to major banks in the London interbank eurodollar market at their request at the date and time of determination. A Loan bearing interest at the Eurodollar Rate may be (a) borrowed on a day other than the first day of the applicable Interest Period and (b) repaid or converted to a different Type of Loan on a day other than the last day of an Interest Period without giving rise to any additional payment for “break funding” losses.

“Eurodollar Rate Committed Loan” means a New Vehicle Committed Loan or a Used Vehicle Committed Loan, as the context may require, that bears interest at a rate based on clause (a) of the definition of “Eurodollar Rate.”

“Eurodollar Rate Loan” means a Eurodollar Rate Committed Loan or a New Vehicle Floorplan Swing Line Loan or a Used Vehicle Floorplan Swing Line Loan that bears interest at a rate based on clause (a) of the definition of “Eurodollar Rate.”

“Event of Default” means either a New Vehicle Event of Default or a Used Vehicle Event of Default.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of any Borrower hereunder, (a) taxes imposed on or measured by its net income (however denominated), and franchise taxes imposed on it, by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable Lending Office is located, (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which such Borrower is located, (c) any backup withholding tax that is required by the Code to be withheld

from amounts payable to a Lender that has failed to comply with clause (A) of Section 3.01(e)(ii), and (d) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Company under Section 10.13), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new Lending Office) or is attributable to such Foreign Lender's failure or inability (other than as a result of a Change in Law) to comply with Section 3.01(e)(ii), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new Lending Office (or assignment), to receive additional amounts from the applicable Borrower with respect to such withholding tax pursuant to Section 3.01(a)(ii) or Section 3.01(c).

"Existing Credit Agreement" means that certain Credit Agreement dated as of February 17, 2006, as amended by (i) that certain Amendment No. 1 to Credit Agreement and Security Agreement dated as of May 25, 2006, (ii) that certain Amendment No. 2 to Credit Agreement and Security Agreement dated as of April 24, 2007, (iii) that certain Amendment No. 3 to Credit Agreement dated as of June 3, 2008, (iv) that certain (A) Limited Short-Term Amendment to Credit Agreement until May 4, 2009 and (B) Amendment No. 4 to Credit Agreement and Consolidated Amendment to Other Loan Documents dated as of March 31, 2009, (v) that certain Amendment No. 5 to Credit Agreement dated as of May 4, 2009, and (vi) that certain Amendment No. 6 to Credit Agreement dated as of September 11, 2009 among the Borrowers, the Administrative Agent and the lenders party thereto and as otherwise supplemented or modified as of the date hereof immediately prior to the effectiveness of the Revolving Credit Agreement.

"Existing Floorplan Paydown Letter" has the meaning set forth in Section 4.01(a)(xvi).

"Facility Termination Date" means the date as of which all of the following shall have occurred: (a) the Company and the other Borrowers shall have permanently terminated the credit facilities under the Loan Documents by final payment in full of all Outstanding Amounts, together with all accrued and unpaid interest and fees thereon; (b) all Commitments shall have terminated or expired; and (c) the Company and each other Loan Party shall have fully, finally and irrevocably paid and satisfied in full all of their respective Obligations and liabilities arising under the Loan Documents, (except for future obligations consisting of continuing indemnities and other contingent Obligations of the Company or any Loan Party that may be owing to the Administrative Agent, the Revolving Administrative Agent, any of their respective Related Parties or any Lender pursuant to the Loan Documents and expressly survive termination of the Credit Agreement or any other Loan Document).

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

"FASB 14-1" means that certain FASB Staff Position APB 14-1, Accounting for Convertible Debt Instruments that May Be Settled In Cash Upon Conversion (Including Partial Cash Settlement).

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal

Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Administrative Agent.

“Fleet Vehicle” means one of a large group of New Vehicles sold to a Person e.g., a rental car agency) which purchases in excess of ten (10) Vehicles per purchase contract for commercial use.

“Floorplan On-line System” has the meaning set forth in Section 2.05.

“Foreign Lender” means with respect to any Borrower, any Lender that is organized under the laws of a jurisdiction other than that in which such Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Foreign Person” means any Person that is organized under the laws of any jurisdiction other than the District of Columbia or any of the states of the United States.

“Framework Agreement” means a framework agreement, in each case between a Loan Party and a manufacturer or distributor of New Vehicles.

The term “franchise” when used with respect to any vehicle manufacturer or distributor shall be deemed to include each dealership that is authorized by a Franchise Agreement to sell New Vehicles manufactured or distributed by such manufacturer or distributor, whether or not such dealership is expressly referred to as a franchise in the respective Franchise Agreement or Framework Agreement.

“Franchise Agreement” means a franchise agreement, in each case between a Loan Party and a manufacturer or distributor of New Vehicles.

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

“Fronting Exposure” means, at any time there is a Defaulting Lender, (a) with respect to the New Vehicle Swing Line Lender, such Defaulting Lender’s Applicable Percentage of New Vehicle Floorplan Swing Line Loans other than New Vehicle Floorplan Swing Line Loans as to which (i) such Defaulting Lender’s participation obligation has been reallocated pursuant to Section 2.21(a)(iv), or (ii) Cash Collateral acceptable to the New Vehicle Swing Line Lender shall have been provided in accordance with Section 2.03, and (b) with respect to the Used Vehicle Swing Line Lender, such Defaulting Lender’s Applicable Percentage of Used Vehicle Floorplan Swing Line Loans other than Used Vehicle Floorplan Swing Line Loans as to which (i) such Defaulting Lender’s participation obligation has been reallocated pursuant to Section 2.21(a)(iv), or (ii) Cash Collateral acceptable to the Used Vehicle Swing Line Lender shall have been provided in accordance with Section 2.08.

“Fund” means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

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

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

“Grantor” has the meaning specified in Section 2A.03.

“Guarantee” means, as to any Person, any (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term “Guarantee” as a verb has a corresponding meaning.

“Guaranties” means, collectively, the Company Guaranty and the Subsidiary Guaranty.

“Guarantors” means, collectively, the Company and the Subsidiary Guarantors.

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

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

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

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

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

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and, in each case, not past due for more than 60 days after the date on which such trade account payable was created);

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

(f) capital leases and Synthetic Lease Obligations;

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

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

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any capital lease or Synthetic Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date.

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Indemnitees” has the meaning specified in Section 10.04(b).

“Indenture Indebtedness” means, collectively or individually, as the context may require, 2002-4.25% Indenture Indebtedness, 2003-8.625% Indenture Indebtedness, 2009-5.0% Indenture Indebtedness and the related Permitted Indenture Refinancing Indebtedness, if any.

“Information” has the meaning specified in Section 10.07.

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

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

“Internal Control Event” means a material weakness in, or fraud that involves management or other employees who have a significant role in, the Company’s internal controls over financial reporting, in each case as described in the Securities Laws.

“Inventory” has the meaning given such term in Section 9-102 of the UCC.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor Guarantees Indebtedness of such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

“IP Rights” has the meaning specified in Section 5.17.

“IRS” means the United States Internal Revenue Service.

“Joinder Agreement” means each Floorplan Joinder Agreement, substantially in the form of Exhibit H, executed and delivered by a Subsidiary or any other Person to the Administrative Agent and the Revolving Administrative Agent, for the benefit of the Secured Parties, pursuant to Section 6.14.

“Landlord Waiver” means, as to any leasehold interest of a Loan Party, a landlord waiver and consent agreement executed by the landlord of such leasehold interest, in each case in form and substance satisfactory to the Administrative Agent.

“Laws” means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable

administrative orders, directed duties, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“Lender” has the meaning specified in the introductory paragraph hereto and, as the context requires, includes the New Vehicle Swing Line Lender and the Used Vehicle Swing Line Lender.

“Lending Office” means, as to any Lender, the office or offices of such Lender described as such in such Lender’s Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Company and the Administrative Agent.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“Loan” means a New Vehicle Floorplan Loan or a Used Vehicle Floorplan Loan, as the context may require.

“Loan Documents” means, collectively, this Agreement, each Note, each Payment Commitment, the Security Agreement, each Joinder Agreement, each other Security Instrument, each Guaranty, the Bank of America Letter, any Autoborrow Agreement and any agreement creating or perfecting rights in Cash Collateral or other credit support pursuant to the provisions of Section 2.20 of this Agreement.

“Loan Parties” means, collectively, the Company, each New Vehicle Borrower, each Guarantor, each party executing the Security Agreement as a “Floorplan Subsidiary Grantor” and each Person (other than the Administrative Agent, the Revolving Administrative Agent, any Lender, any Silo Lender or any landlord executing a Landlord Waiver) executing any other Security Instrument.

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

“Master Intercreditor Agreement” means that certain Master Intercreditor Agreement dated as of the date hereof among the Administrative Agent, the Revolving Administrative Agent and the Silo Lenders and acknowledged by the Company on behalf of itself and its Subsidiaries substantially in the form of Exhibit M, and the exhibits thereto, as such agreement may be supplemented from time to time by execution and delivery of joinder agreements thereto and revised exhibits in accordance with the terms thereof, and as otherwise supplemented, amended or modified from time to time.

“Material Adverse Effect” means (a) a material adverse effect on (i) the business, assets, properties, liabilities (actual or contingent), operations or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole, or (ii) the ability of the Borrowers, the

Guarantors and the other Loan Parties, taken as a whole, to perform their respective obligations under any Loan Document to which any of them is a party (unless such Borrower, Guarantor or other Loan Party has repaid in full all of its respective Obligations and is no longer a Loan Party in accordance with the terms of this Agreement and the other Loan Documents) or (b) an adverse effect on the rights and remedies of the Administrative Agent, the Revolving Administrative Agent (in its capacity as collateral agent for the Secured Parties) or the Lenders under the Loan Documents.

“Maturity Date” means August 15, 2012.

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

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

“Net Book Value” means, for any Vehicle, the net book value of such Vehicle as reflected on the books of the Company in accordance with GAAP, after netting out (without limitation) (i) the cost of payoff of any Lien (including any consumer Lien) on such Vehicle excluding the Lien of the Administrative Agent under the Loan Documents and (ii) reserves maintained in accordance with the Company’s internal accounting policies.

“Net Cash Proceeds” means, with respect to any Disposition by any Loan Party or any of its Subsidiaries, the excess, if any, of:

(i) the sum of cash and cash equivalents received in connection with such transaction (including any cash or cash equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received) over

(ii) the sum of

(A) (1) any Indebtedness that is secured by the applicable asset and that is required to be repaid in connection with such transaction (including any new or used vehicle floorplan loans or any Permitted Real Estate Indebtedness required to be repaid in connection therewith), and (2) any net obligations of such Person under any Swap Contract that relates to such Indebtedness and is also required by the terms of such Swap Contract to be repaid,

(B) the reasonable and customary out-of-pocket expenses incurred by such Loan Party or such Subsidiary in connection with such transaction, and

(C) income taxes reasonably estimated to be actually payable within two years of the date of the relevant transaction as a result of any gain recognized in connection therewith; provided that, if the amount of any estimated taxes pursuant

to subclause (C) exceeds the amount of taxes actually required to be paid in cash in respect of such Disposition, the aggregate amount of such excess shall constitute Net Cash Proceeds.

“New Vehicle” means a Vehicle which has never been owned except by a manufacturer, distributor or dealer and (except in the case of Service Loaner Vehicles) has never been registered, and (notwithstanding clause (c) of the definition of “Vehicle”) includes Rental Vehicles, Demonstrators and Service Loaner Vehicles, in each case whether or not held for sale.

“New Vehicle Borrower” has the meaning specified in the introductory paragraph hereto; provided that, subject to Section 2.19(e), in no event shall a Foreign Person, an Unrestricted Subsidiary or a Silo Subsidiary be a “New Vehicle Borrower”.

“New Vehicle Borrower Notice” has the meaning specified in Section 2.19(b).

“New Vehicle Event of Default” has the meaning specified in Section 8.03.

“New Vehicle Floorplan Borrowing” means a New Vehicle Floorplan Committed Borrowing or a New Vehicle Floorplan Swing Line Borrowing, as the context may require.

“New Vehicle Floorplan Commitment” means, as to each Lender, its obligation to (a) make New Vehicle Floorplan Committed Loans to the New Vehicle Borrowers pursuant to Section 2.01, and (b) purchase participations in New Vehicle Floorplan Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender’s name on Schedule 2.01A or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

“New Vehicle Floorplan Committed Borrowing” means a borrowing consisting of simultaneous New Vehicle Floorplan Committed Loans of the same Type made by each of the New Vehicle Floorplan Lenders pursuant to Section 2.01.

“New Vehicle Floorplan Committed Loan” has the meaning specified in Section 2.01.

“New Vehicle Floorplan Committed Loan Notice” means a notice of (a) a New Vehicle Floorplan Committed Borrowing, or (b) a conversion of New Vehicle Floorplan Committed Loans from one Type to the other, pursuant to Section 2.02, which, if in writing, shall be substantially in the form of Exhibit A-1.

“New Vehicle Floorplan Facility” means the new vehicle floorplan facility described in Sections 2.01 through 2.05 providing for New Vehicle Floorplan Loans to the New Vehicle Borrowers by the New Vehicle Floorplan Lenders.

“New Vehicle Floorplan Lender” means each Lender that has a New Vehicle Floorplan Commitment or, following termination of the New Vehicle Floorplan Commitments, has New Vehicle Floorplan Loans outstanding.

“New Vehicle Floorplan Loan” means an extension of credit by a New Vehicle Floorplan Lender to a New Vehicle Borrower under Article II in the form of a New Vehicle Floorplan Committed Loan or a New Vehicle Floorplan Swing Line Loan.

“New Vehicle Floorplan Overdraft” has the meaning specified in Section 2.04.

“New Vehicle Floorplan Swing Line” means the revolving credit facility made available by the New Vehicle Floorplan Swing Line Lender pursuant to Section 2.03.

“New Vehicle Floorplan Swing Line Borrowing” means a borrowing of a New Vehicle Floorplan Swing Line Loan pursuant to Section 2.03.

“New Vehicle Swing Line Lender” means Bank of America in its capacity as provider of New Vehicle Floorplan Swing Line Loans, or any successor new vehicle swing line lender hereunder.

“New Vehicle Floorplan Swing Line Loan” has the meaning specified in Section 2.03(a).

“New Vehicle Floorplan Swing Line Loan Notice” means a notice of a New Vehicle Floorplan Swing Line Borrowing pursuant to Section 2.03(b), which, if in writing, shall be substantially in the form of Exhibit B-1(a) in the case of a New Vehicle Floorplan Swing Line Borrowing and Exhibit B-1(b) in the case of a conversion of any New Vehicle Floorplan Swing Line Loan from one Type to the other.

“New Vehicle Floorplan Swing Line Sublimit” means an amount equal to the lesser of (a) \$35,000,000 and (b) the Aggregate New Vehicle Floorplan Commitments. The New Vehicle Floorplan Swing Line Sublimit is part of, and not in addition to, the Aggregate New Vehicle Floorplan Commitments.

“Note” means a promissory note made by a Borrower or Borrowers, in favor of a Lender evidencing Loans made by such Lender to such Borrower or Borrowers, as applicable, substantially in the form of Exhibit C.

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

“Organization Documents” means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or

organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

“Other Taxes” means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

“Out of Balance” means, with respect to a New Vehicle Floorplan Loan, the outstanding balance thereof has not been paid in accordance with Section 2.11(a)(iii).

“Outstanding Amount” means (i) with respect to New Vehicle Floorplan Committed Loans and New Vehicle Floorplan Swing Line Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of New Vehicle Floorplan Commitment Loans and New Vehicle Floorplan Swing Line Loans, as the case may be, occurring on such date and (ii) with respect to Used Vehicle Floorplan Committed Loans and Used Vehicle Floorplan Swing Line Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Used Vehicle Floorplan Committed Loans and Used Vehicle Floorplan Swing Line Loans, as the case may be, occurring on such date.

“Participant” has the meaning specified in Section 10.06(d).

“Payment Commitment” means a written agreement entered into between the New Vehicle Swing Line Lender and a vehicle manufacturer or distributor (and if required pursuant to the terms of the Payment Commitment, the applicable Borrower), providing for advances of the proceeds of New Vehicle Floorplan Swing Line Loans directly by the New Vehicle Swing Line Lender to such manufacturer or distributor in payment for the purchase of New Vehicles by the applicable New Vehicle Borrower.

“Payoff Letter Commitment” means a written agreement entered into between the New Vehicle Swing Line Lender and a financial institution (and if required pursuant to the terms of the Payoff Letter Commitment, the applicable Borrower), which agreement is delivered in connection with the payoff of floorplan financing provided by such financial institution and provides for advances of the proceeds of New Vehicle Floorplan Swing Line Loans directly by the New Vehicle Swing Line Lender to such financial institution in order to pay for or refinance the purchase of New Vehicles by the applicable New Vehicle Borrower.

“PBGC” means the Pension Benefit Guaranty Corporation.

“Pension Act” shall mean the Pension Protection Act of 2006.

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

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

“Permitted Acquisition” means any Acquisition permitted by Section 7.12.

“Permitted Disposition” means any Disposition permitted by Section 7.05.

“Permitted Indenture Refinancing Indebtedness” means any refinancings, replacements, refundings, renewals or extensions of the 2002-4.25% Indenture Indebtedness, the 2003-8.625% Indenture Indebtedness, the 2009-5.0% Indenture Indebtedness or any Permitted Indenture Refinancing Indebtedness, provided, that (i) the amount of such Indebtedness is not increased at the time of such refinancing, replacement, refunding, renewal or extension (such refinancing, replacement, refunding, renewal or extension being referred to hereafter as the “Applicable Refinancing”) and (ii) such Indebtedness, after giving effect to the Applicable Refinancing, (A) is not secured by any property of the Company or any Subsidiary, (B) does not have any obligor or guarantor other than the obligors or guarantors of such Indebtedness prior to the Applicable Refinancing, (C) does not have a maturity, and does not require any principal payments (whether by scheduled installment, mandatory prepayment or redemption, or the exercise of any put right), earlier than two (2) years following the Maturity Date, and (D) has terms (including terms of maturity and amortization) that are typical for indebtedness of such type issued at such time and otherwise no more restrictive, or less advantageous to the Lenders, than the Loan Documents or are otherwise on terms satisfactory to the Administrative Agent, and (iii) after giving effect to the issuance of such Indebtedness, (A) no Event of Default shall have occurred and be continuing or would occur as a result thereof and (B) all other requirements set forth in Section 7.03(h), (i) or (j), as applicable, shall have been met.

“Permitted Real Estate Indebtedness” means Indebtedness of the Company or a Subsidiary owing to non-Affiliated Persons secured solely by Liens on Permitted Real Estate Indebtedness Collateral so long as the amount of such Indebtedness (as measured for any specified real property parcel and improvements (if any) financed thereby) is no greater than eighty-five percent (85%) of the value of such parcel and improvements set forth in an appraisal thereof prepared by a member of the Appraisal Institute and an independent appraisal firm satisfactory to the Administrative Agent and commissioned in connection with such financing, a copy of which such appraisal has been provided to the Administrative Agent upon its request.

“Permitted Real Estate Indebtedness Collateral” means, with respect to any particular Permitted Real Estate Indebtedness, the applicable real property used (at the time of the incurrence of such Permitted Real Estate Indebtedness) by a Subsidiary of the Company for the operation of a vehicle dealership or a business ancillary thereto, together with related real property rights, improvements, fixtures (other than trade fixtures), insurance payments, leases and rents related thereto and proceeds thereof.

“Permitted Service Loaner Indebtedness” means Indebtedness incurred from time to time by any of the Company’s current or future Subsidiaries consisting of financing for service loaner vehicles for customers of such Subsidiary that are having their vehicles serviced by such

Subsidiary (collectively, "Service Loaner Vehicles"), which financing is provided by the Floorplan Lenders, Silo Lenders, manufacturers or manufacturer affiliated finance companies ("Service Loaner Lenders") to the Company or such Subsidiary, provided that (i) such indebtedness may be secured by a lien on certain assets of such Subsidiaries, but excluding real property and fixtures (other than trade fixtures), and (ii) (A) such Service Loaner Lender is a party to and bound by the Master Intercreditor Agreement or (B) so long as such financing applies only to Service Loaner Vehicles sold to such Subsidiary by the respective Service Loaner Lender, the Company has used commercially reasonable efforts to obtain an intercreditor agreement executed (in the case of such Indebtedness existing on the Closing Date) within 30 days of the Closing Date or such later date as determined by the Administrative Agent in its sole discretion, or (in all other cases) on or before the incurrence of such Indebtedness, which intercreditor agreement (x) is in form and substance reasonably satisfactory to the Administrative Agent, (y) acknowledges that such Indebtedness is secured solely by a Lien on said Service Loaner Vehicles so financed and the proceeds thereof and (z) does not conflict with or violate the terms of the Master Intercreditor Agreement.

"Permitted Silo Guaranty" means, with respect to any Permitted Silo Indebtedness provided by any Silo Lender, the guaranty of such Indebtedness by (a) the Company or (b) any Subsidiary that operates one or more dealerships at which New Vehicle floorplan financing is provided by such Silo Lender.

"Permitted Silo Indebtedness" means Indebtedness (including Permitted Silo Guaranties but excluding Indebtedness provided pursuant to the Floorplan Credit Agreement) incurred from time to time by any of the Company's current or future Subsidiaries consisting of floorplan financing for New Vehicles or Used Vehicles provided by financial institutions or manufacturer-affiliated finance companies ("Silo Lenders") to such Subsidiaries, provided that (i) with respect to financing of Used Vehicles, the proceeds of such financing are used for purchasing and carrying Used Vehicles, (ii) such indebtedness is secured by, in the case of Silo Lenders providing New Vehicle floorplan financing or New Vehicle and Used Vehicle floorplan financing, a lien on certain assets of such Subsidiaries (including New Vehicles and Used Vehicles financed (including related contracts-in-transit) and the proceeds thereof and certain general intangibles, but excluding real property and fixtures (other than trade fixtures), and (iii) such Silo Lender is a party to and bound by the Master Intercreditor Agreement; provided that, Permitted Silo Indebtedness provided by a Silo Lender may be cross-collateralized with other Permitted Silo Indebtedness provided by such Silo Lender.

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

"Plan" shall mean any employee benefit plan within the meaning of Section 3(3) of ERISA (generally including a Pension Plan, but excluding a Multiemployer Plan and Multiple Employer Plan), maintained by the Company or, in the case of a Pension Plan, by an ERISA Affiliate, for employees of the Company or any ERISA Affiliate.

"Platform" has the meaning specified in Section 6.02.

“Pro Forma Compliance” means, with respect to any event, that the Company and its Subsidiaries are in pro forma compliance with the financial covenants set forth in Section 7.11 and the Used Vehicle Borrowing Base, as applicable, in each case calculated as if the event with respect to which Pro Forma Compliance is being tested had occurred on the first day of each relevant period with respect to which current compliance with such financial covenant and Used Vehicle Borrowing Base would be determined (for example, in the case of a financial covenant based on Consolidated EBITDA, as if such event had occurred on the first day of the four fiscal quarter period ending on the last day of the most recent fiscal quarter in respect of which financial statements have been delivered pursuant to Section 6.01(a) or (b)). Pro forma calculations made pursuant to this definition that require calculations of Consolidated EBITDA and Consolidated EBITDAR on a pro forma basis will be made in accordance with Section 1.04(a) and (b) respectively.

“Pro Forma Used Vehicle Borrowing Base Certificate” means, with respect to any event, a duly completed Used Vehicle Borrowing Base Certificate demonstrating Pro Forma Compliance for such event.

“Pro Forma Compliance Certificate” means, with respect to any event, a duly completed Compliance Certificate demonstrating Pro Forma Compliance for such event.

“Register” has the meaning specified in Section 10.06(c).

“Registered Public Accounting Firm” has the meaning specified in the Securities Laws and shall be independent of the Company as prescribed in the Securities Laws.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person’s Affiliates.

“Removed Franchise” has the meaning specified in Section 2.19(e).

“Rental Vehicle” means a New Vehicle less than two years old owned by a New Vehicle Borrower and purchased directly from a manufacturer as a New Vehicle and that is used as a service loaner vehicle or is periodically subject to a rental contract with customers of the New Vehicle Borrower for loaner or rental periods of up to thirty (30) consecutive days or is used by dealership personnel in connection with parts and service operations.

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

“Request for Borrowing” means (a) with respect to a New Vehicle Floorplan Committed Borrowing, or conversion of a New Vehicle Floorplan Committed Loans, a New Vehicle Floorplan Committed Loan Notice, (b) with respect to a New Vehicle Floorplan Swing Line Loan, or conversion of New Vehicle Floorplan Swing Line Loans, a New Vehicle Floorplan Swing Line Loan Notice, (c) with respect to a Used Vehicle Floorplan Committed Borrowing, or conversion of Used Vehicle Floorplan Committed Loans, a Used Vehicle Floorplan Committed Loan Notice, and (d) with respect to a Used Vehicle Floorplan Swing Line Loan, or conversion

of Used Vehicle Floorplan Swing Line Loans, a Used Vehicle Floorplan Swing Line Loan Notice.

“Required Financial Information” has the meaning specified in the definition of “Restricted Subsidiary”.

“Required Lenders” means, as of any date of determination, at least three (3) Lenders whose Applicable Percentages aggregate at least 66-2/3% of the Aggregate Commitments, provided that (i) if there are three (3) Lenders on such date of determination, “Required Lenders” shall mean at least two (2) Lenders whose Applicable Percentages aggregate at least 66-2/3% of the Aggregate Commitments, (ii) if there is one (1) Lender on such date of determination, “Required Lenders” shall mean such Lender, (iii) if the commitment of each Lender under an Applicable Facility to make Loans have been terminated pursuant to Section 8.02 or 8.04, the Commitments under such Applicable Facility shall be calculated based on the Total New Vehicle Floorplan Outstandings or Total Used Vehicle Floorplan Outstandings (as the case may be) with respect to such Applicable Facility (with the aggregate amount of each Lender’s risk participation and funded participation in New Vehicle Floorplan Swing Line Loans and Used Vehicle Floorplan Swing Line Loans, as applicable, being deemed “held” by such Lender for purposes of this definition), (iv) the Commitment of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders, and (v) in the event that at the time of such determination any New Vehicle Floorplan Overdraft is outstanding, each of (x) the Aggregate Commitments and the Total New Vehicle Floorplan Outstandings, and (y) the Commitment of or Total New Vehicle Floorplan Outstandings held by the New Vehicle Swing Line Lender (as the case may be), shall be deemed for purposes of this determination to be increased in the amount of such outstanding New Vehicle Floorplan Overdraft.

“Required New Vehicle Floorplan Lenders” means, as of any date of determination, at least three (3) New Vehicle Floorplan Lenders whose Applicable New Vehicle Floorplan Percentages aggregate at least 66-2/3% of the Aggregate New Vehicle Floorplan Commitments, provided that (i) if there are three (3) New Vehicle Floorplan Lenders on such date of determination, “Required New Vehicle Floorplan Lenders” shall mean at least two (2) New Vehicle Floorplan Lenders whose Applicable New Vehicle Floorplan Percentages aggregate at least 66-2/3% of the Aggregate New Vehicle Floorplan Commitments, (ii) if there is one (1) New Vehicle Floorplan Lender on such date of determination, “Required New Vehicle Floorplan Lenders” shall mean such Lender, and (iii) if the commitment of each New Vehicle Floorplan Lender to make New Vehicle Floorplan Loans has been terminated pursuant to Section 8.02, the New Vehicle Floorplan Commitments shall be calculated based on the Total New Vehicle Floorplan Outstandings (with the aggregate amount of each Lender’s risk participation and funded participation in New Vehicle Floorplan Swing Line Loans being deemed “held” by such Lender for purposes of this definition); provided further that the New Vehicle Floorplan Commitment of, and the portion of the Total New Vehicle Floorplan Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required New Vehicle Floorplan Lenders.

“Required Revolving Lenders” has the meaning specified for the term “Required Lenders” in the Revolving Credit Agreement.

“Responsible Officer” means the chief executive officer, president, chief financial officer, chief accounting officer, treasurer or assistant treasurer of a Loan Party. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

“Restricted Manufacturer” has the meaning specified in Section 2.01.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock or other Equity Interest of the Company or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to the stockholders, partners or members (or the equivalent Person thereof) of the Company or any Subsidiary.

“Restricted Subsidiary” means each direct or indirect Subsidiary of the Company that (i) has total assets (including Equity Interests in other Persons) of equal to or greater than \$2500 (calculated as of the most recent fiscal period with respect to which the Administrative Agent shall have received financial statements required to be delivered pursuant to Sections 6.01(a) or (b) (or if prior to delivery of any financial statements pursuant to such Sections, then calculated based on the Audited Financial Statements) (the “Required Financial Information”), or (ii) has revenues (on a consolidated basis with its Subsidiaries) equal to or greater than \$2500 for a period of four consecutive fiscal quarters (calculated for the most recent four fiscal quarter period for which the Administrative Agent has received the Required Financial Information); provided, however, that notwithstanding the foregoing, the term “Restricted Subsidiaries” shall also include any Subsidiaries designated as “Restricted Subsidiaries” pursuant to the definition of “Unrestricted Subsidiaries”.

“Revolving Administrative Agent” means, as applicable, Bank of America (in its capacity as the administrative agent under the Revolving Credit Agreement or any successor administrative agent under the Revolving Credit Agreement) serving as the collateral agent on behalf of the Secured Parties under the Loan Documents.

“Revolving Credit Agreement” means that certain Amended and Restated Credit Agreement dated as of the date hereof among the Company, the Revolving Administrative Agent and the Revolving Lenders, as amended, supplemented or otherwise modified from time to time.

“Revolving Credit Facility” means the revolving credit facility described in the Revolving Credit Agreement providing for revolving loans to the Company by the Revolving Lenders.

“Revolving Default” has the meaning specified for the term “Default” in the Revolving Credit Agreement.

“Revolving Event of Default” has the meaning specified for the term “Event of Default” in the Revolving Credit Agreement.

“Revolving Facility Loan” means a loan by a Revolving Lender to the Company under the Revolving Credit Agreement.

“Revolving Lender” means each lender that has a commitment under the Revolving Credit Facility or, following termination of such commitments, has Revolving Facility Loans outstanding.

“Revolving Loan Documents” has the meaning specified for the term “Loan Documents” in the Revolving Credit Agreement.

“Sarbanes-Oxley” means the Sarbanes-Oxley Act of 2002.

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

“Secured Parties” means, collectively, with respect to each of the Security Instruments, the Revolving Administrative Agent (in its capacity as collateral agent under the Loan Documents), the Administrative Agent and the Lenders.

“Securities Laws” means the Securities Act of 1933, the Securities Exchange Act of 1934, Sarbanes-Oxley and the applicable accounting and auditing principles, rules, standards and practices promulgated, approved or incorporated by the SEC or the Public Company Accounting Oversight Board, as each of the foregoing may be amended and in effect on any applicable date hereunder.

“Security Agreement” means that certain Amended and Restated Security Agreement dated as of the Closing Date among the Company, each other Loan Party, certain other Subsidiaries, the Administrative Agent and the Revolving Administrative Agent, substantially in the form of Exhibit J attached hereto, as supplemented from time to time by the execution and delivery of Joinder Agreements pursuant to Section 6.14, and as otherwise supplemented, amended, or modified from time to time.

“Security Instruments” means, collectively or individually as the context may indicate, the Security Agreement, any Joinder Agreement, the Master Intercreditor Agreement, any Landlord Waiver, and all other agreements (including control agreements), instruments and other documents, whether now existing or hereafter in effect, pursuant to which the Company, any other Loan Party, or any other Person shall grant or convey to the Revolving Administrative Agent or the Administrative Agent, for the benefit of the Secured Parties, a Lien in, or any other Person shall acknowledge any such Lien in, property as security for all or any portion of the Obligations and any other obligation under any Loan Document.

“Service Loaner Lenders” has the meaning specified in the definition of “Permitted Service Loaner Indebtedness.”

“Service Loaner Vehicles” has the meaning specified in the definition of “Permitted Service Loaner Indebtedness.”

“Silo Financing Commencement Date” has the meaning specified in Section 2.11(a)(iii)(C).

“Silo Lenders” has the meaning specified in the definition of “Permitted Silo Indebtedness.”

“Silo Subsidiaries” means, those Subsidiaries (other than Dual Subsidiaries) from time to time obligated pursuant to Permitted Silo Indebtedness as permitted pursuant to the terms of this Agreement, which such Subsidiaries as of the Closing Date are set forth on Schedule 1.01A. The Company may designate other Subsidiaries as Silo Subsidiaries from time to time in accordance with Sections 2.19(e) and 7.17.

“Solvent” means, when used with respect to any Person, that at the time of determination:

(a) the fair value of its assets (both at fair valuation and at present fair saleable value on an orderly basis) is in excess of the total amount of its liabilities, including contingent obligations; and

(b) it is then able and expects to be able to pay its debts as they mature; and

(c) it has capital sufficient to carry on its business as conducted and as proposed to be conducted.

“Specified Payments” means (i) Restricted Payments permitted by Section 7.06(e), and (ii) prepayments, redemptions, purchases, defeasance or other satisfaction of Indenture Indebtedness or Additional Indebtedness prior to the scheduled maturity thereof, as permitted by Section 7.15, in each case of clauses (i) and (ii) other than (x) repurchases of long-term Indebtedness solely with net cash proceeds of cash capital contributions made in exchange solely for Class A Common Stock of the Company (which common stock (1) does not include any warrants, options, put rights, preferred dividend or distribution rights, “maturity date” or similar cash pay components, or any other rights not typically associated with common stock and (2) is not convertible into any other security, obligation or instrument) and (y) refinancing of Indenture Indebtedness using the proceeds of Permitted Indenture Refinancing Indebtedness with respect thereto.

“Subsidiary” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Company and shall include, without limitation, the Unrestricted Subsidiaries.

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

“Subsidiary Guaranty” means the Subsidiary Guaranty Agreement made by the Subsidiary Guarantors in favor of the Administrative Agent and the Lenders, substantially in the form of Exhibit F as supplemented from time to time by execution and delivery of Joinder Agreements pursuant to Section 6.14 and as otherwise supplemented, amended, or modified from time to time.

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

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

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

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

“Temporary Excess Cash” means cash proceeds received by the Company from the issuance of Additional Indebtedness permitted by Section 7.03(k) or Permitted Indenture Refinancing Indebtedness permitted by Section 7.03(h), (i) or (j), which cash (as set forth in a notice delivered by the Company to the Administrative Agent within five (5) Business Days of the Company’s receipt of such cash proceeds) is intended by the Company to be applied to the prepayment or purchase (whether by open market purchase or pursuant to a tender offer) of the

Indenture Notes, but has not yet been so applied solely because the Company has not completed such prepayment, repurchase or refinancing, so long as such cash is so applied within 45 days of receipt thereof. To the extent and for so long as the cash proceeds described above are “Temporary Excess Cash”, the Indenture Notes intended to be repaid with the proceeds thereof shall be referred to herein as “Temporary Indebtedness”.

“Temporary Indebtedness” has the meaning specified for such term in the definition of “Temporary Excess Cash”.

“Threshold Amount” means \$10,000,000.

“Total New Vehicle Floorplan Outstandings” means the aggregate Outstanding Amount of all New Vehicle Floorplan Loans.

“Total Outstandings” means the aggregate of the Total New Vehicle Floorplan Outstandings and Total Used Vehicle Floorplan Outstandings.

“Total Used Vehicle Floorplan Outstandings” means the aggregate Outstanding Amount of all Used Vehicle Floorplan Loans.

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

“UCC” means the Uniform Commercial Code then in effect in the state of North Carolina or, if the context so indicates, another applicable jurisdiction.

“United States” and “U.S.” mean the United States of America.

“Unrestricted Subsidiaries” means all Subsidiaries of the Company other than the Restricted Subsidiaries; provided that in no event shall the Unrestricted Subsidiaries as a whole have more than \$100,000 in total assets or more than \$100,000 in total revenues for a period of four consecutive fiscal quarters (in each case) calculated as of the most recent four fiscal quarter period for which the Administrative Agent has received the Required Financial Information; and if either such threshold is exceeded, the Company shall immediately designate one or more such Subsidiaries to be “Restricted Subsidiaries” and deliver to the Administrative Agent all documents specified in Section 6.14 for such Subsidiaries, so that after giving effect to such designation, the remaining Unrestricted Subsidiaries shall satisfy such requirements.

“Used Vehicle” means a Vehicle other than a New Vehicle.

“Used Vehicle Borrowing Base” means, as of any date of calculation, 75% of the Net Book Value of Eligible Used Vehicle Inventory.

“Used Vehicle Borrowing Base Certificate” means a certificate by a Responsible Officer of the Company, substantially in the form of Exhibit I (or another form acceptable to the Administrative Agent) setting forth the calculation of the Used Vehicle Borrowing Base, including a calculation of each component thereof, all in such detail as shall be reasonably satisfactory to the Administrative Agent. All calculations of the Used Vehicle Borrowing Base

in connection with the preparation of any Used Vehicle Borrowing Base Certificate shall originally be made by the Company and certified to the Administrative Agent; provided, that the Administrative Agent shall have the right to review and adjust, in the exercise of its reasonable credit judgment, any such calculation to the extent that such calculation is not in accordance with this Agreement.

“Used Vehicle Event of Default” has the meaning specified in Section 8.01.

“Used Vehicle Floorplan Borrowing” means a Used Vehicle Floorplan Committed Borrowing or a Used Vehicle Floorplan Swing Line Borrowing, as the context may require.

“Used Vehicle Floorplan Commitment” means, as to each Lender, its obligation to (a) make Used Vehicle Floorplan Committed Loans to the Company pursuant to Section 2.06, and (b) purchase participations in Used Vehicle Floorplan Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender’s name on Schedule 2.01A or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

“Used Vehicle Floorplan Committed Borrowing” means a borrowing consisting of simultaneous Used Vehicle Floorplan Committed Loans of the same Type made by each of the Used Vehicle Floorplan Lenders pursuant to Section 2.06.

“Used Vehicle Floorplan Committed Loan” has the meaning specified in Section 2.06.

“Used Vehicle Floorplan Committed Loan Notice” means a notice of (a) a Used Vehicle Floorplan Committed Borrowing, or (b) a conversion of Used Vehicle Floorplan Committed Loans from one Type to the other, pursuant to Section 2.07(a), which, if in writing, shall be substantially in the form of Exhibit A-2.

“Used Vehicle Floorplan Facility” means the used vehicle floorplan facility described in Sections 2.06 through 2.08 providing for Used Vehicle Floorplan Loans to the Company by the Used Vehicle Floorplan Lenders.

“Used Vehicle Floorplan Loan” means an extension of credit by a Used Vehicle Floorplan Lender to the Company under Article II in the form of a Used Vehicle Floorplan Committed Loan or a Used Vehicle Floorplan Swing Line Loan.

“Used Vehicle Floorplan Lender” means each Lender that has a Used Vehicle Floorplan Commitment or, following termination of the Used Vehicle Floorplan Commitments, has Used Vehicle Floorplan Loans outstanding.

“Used Vehicle Floorplan Swing Line” means the revolving credit facility made available by the Used Vehicle Floorplan Swing Line Lender pursuant to Section 2.08.

“Used Vehicle Floorplan Swing Line Borrowing” means a borrowing of a Used Vehicle Floorplan Swing Line Loan pursuant to Section 2.08.

“Used Vehicle Swing Line Lender” means Bank of America in its capacity as provider of Used Vehicle Floorplan Swing Line Loans, or any successor used vehicle swing line lender hereunder.

“Used Vehicle Floorplan Swing Line Loan” has the meaning specified in Section 2.08(a).

“Used Vehicle Floorplan Swing Line Loan Notice” means a notice of a Used Vehicle Floorplan Swing Line Borrowing pursuant to Section 2.08(b), which, if in writing, shall be substantially in the form of Exhibit B-2.

“Used Vehicle Floorplan Swing Line Sublimit” means an amount equal to the lesser of (a) \$25,000,000 and (b) the Aggregate Used Vehicle Floorplan Commitments. The Used Vehicle Floorplan Swing Line Sublimit is part of, and not in addition to, the Aggregate Used Vehicle Floorplan Commitments.

“Vehicle” means an automobile or truck with a gross vehicle weight of less than 16,000 pounds which satisfies the following requirements: (a) the vehicle is owned by a Grantor free of any title defects or any liens or interests of others except (i) the security interest in favor of the Revolving Administrative Agent for the benefit of the Secured Parties, (ii) the security interest in favor of the Revolving Administrative Agent for the benefit of the Secured Parties (as defined in the Revolving Credit Agreement), (iii) the security interests subject to the Master Intercreditor Agreement and (iv) other Liens to which the Administrative Agent consents in writing in its sole discretion; (b) except as set forth in Section 6.13, the vehicle is located at one of the locations identified in Schedule 6.13; (c) the vehicle is held for sale in the ordinary course of a Grantor’s business and is of good and merchantable quality; and (d) the vehicle is not a commercial truck designated as Class 4 or above by the U.S. Department of Transportation, Federal Highway Administration.

“Vehicle Title Documentation” has the meaning specified in Section 6.05.

“Within Line Limitation” means,

(a) with respect to any New Vehicle Borrower, any dealer location and any specific vehicle manufacturer or distributor, as applicable, limitations on the amount of New Vehicle Floorplan Loans that may be advanced to such manufacturer or distributor with respect to New Vehicles purchased or to be purchased by such New Vehicle Borrower for such dealer location, or

(b) with respect to any New Vehicle Borrower, any dealer location and any specific vehicle manufacturer or distributor, as applicable, and Demonstrators, Rental Vehicles and Fleet Vehicles, limitations on the amount of New Vehicle Floorplan Loans that may be advanced to such manufacturer or distributor with respect to Demonstrators, Rental Vehicles and Fleet Vehicles purchased or to be purchased by such New Vehicle Borrower for such dealer location,

which limitations (in each case) are agreed to from time to time by the New Vehicle Swing Line Lender and such distributor or manufacturer from time to time.

“2002 Indenture” means the Subordinated Indenture dated as of May 7, 2002 between the Company, the guarantors set forth therein and U.S. Bank National Association, as Trustee, as supplemented by the First Supplemental Indenture dated as of May 7, 2002 among the Company, the guarantors set forth therein and U.S. Bank National Association, as Trustee and the Second Supplemental Indenture dated as of November 23, 2005 among the Company, the guarantors set forth therein and U.S. Bank National Association, as Trustee.

“2002-4.25% Indenture Indebtedness” means, collectively or individually, as the context may require, Indebtedness of the Company or any of its Subsidiaries outstanding under the 2002 Indenture (as supplemented only by the Second Supplemental Indenture dated as of November 23, 2005 among the Company, the guarantors set forth therein and U.S. Bank National Association, as Trustee) and any 2002-4.25% Indenture Notes.

“2002-4.25% Indenture Notes” means the 4.25% Convertible Senior Subordinated Notes due November 30, 2015 in an aggregate outstanding principal amount of no more than \$17,500,000, issued under the 2002 Indenture (as supplemented only by the Second Supplemental Indenture dated as of November 23, 2005 among the Company, the guarantors set forth therein and U.S. Bank National Association, as Trustee, and without giving effect to any subsequent amendment, modification or supplement).

“2003-8.625% Indenture” means the Indenture dated as of August 12, 2003 between the Company, the guarantors set forth therein and U.S. Bank National Association, as Trustee.

“2003-8.625% Indenture Indebtedness” means, collectively or individually, as the context may require, Indebtedness of the Company or any of its Subsidiaries incurred or outstanding under the 2003-8.625% Indenture and any 2003-8.625% Indenture Notes.

“2003-8.625% Indenture Notes” means (i) the 8.625% Senior Notes due 2013 issued by the Company in (i) an initial aggregate principal amount of \$200,000,000 and (ii) an additional principal amount of \$75,000,000, in each case issued under the 2003-8.625% Indenture.

“2009-5.0% Indenture” means the Indenture dated as of September 23, 2009 between the Company, the guarantors set forth therein and U.S. Bank National Association, as Trustee.

“2009-5.0% Indenture Indebtedness” means, collectively or individually, as the context may require, Indebtedness of the Company or any of its Subsidiaries incurred or outstanding under the 2009-5.0% Indenture and the 2009-5.0% Indenture Notes.

“2009-5.0% Indenture Notes” means (i) the 5.0% Convertible Senior Notes due 2029 issued by the Company pursuant to the First Supplemental Indenture to the 2009-5.0% Indenture in an aggregate principal amount not to exceed \$172,500,000.

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

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the

corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document); provided that, any reference to a defined term in any such agreement, instrument or other document (including the Revolving Credit Agreement) which has been terminated shall have the meaning set forth in such document immediately prior to such termination, (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “hereto,” “herein,” “hereof” and “hereunder,” and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

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

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

1.03 Accounting Terms.

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

would otherwise be deemed to be equity solely because of the effect of FASB 14-1. In connection with the Company's delivery of financial statements hereunder, the Company shall deliver a reconciliation of the calculations of the financial covenants before and after giving effect to the adjustments from FASB 14-1, FASB ASC 825 and FASB ASC 470-20 described in this Agreement.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Company or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Company shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Company shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

(c) Consolidation of Variable Interest Entities. All references herein to consolidated financial statements of the Company and its Subsidiaries or to the determination of any amount for the Company and its Subsidiaries on a consolidated basis or any similar reference shall, in each case, be deemed to include each variable interest entity that the Company is required to consolidate pursuant to FASB ASC 810 as if such variable interest entity were a Subsidiary as defined herein.

(d) Calculation of Consolidated EBITDA. Consolidated EBITDA shall be calculated for any period by including the actual amount for such period, including the Consolidated EBITDA attributable to Acquisitions permitted hereunder and occurring during such period and (to the extent otherwise included in Consolidated Net Income) excluding the Consolidated EBITDA attributable to Permitted Dispositions of assets occurring during such period on a pro forma basis for the period from the first day of the applicable period through the date of the closing of each such permitted Acquisition or Permitted Disposition, utilizing (a) where available or required pursuant to the terms of this Agreement, historical audited and/or reviewed unaudited financial statements obtained from the seller, broken down by fiscal quarter in the Company's reasonable judgment or (b) unaudited financial statements (where no audited or reviewed financial statements are required pursuant to the terms of this Agreement) reviewed internally by the Company, broken down in the Company's reasonable judgment; provided, however, that any such pro forma adjustment of Consolidated EBITDA shall not result in an increase of more than 10% of Consolidated EBITDA prior to such adjustment, unless the Company provides to the Administrative Agent (y) the supporting calculations for such adjustment and (z) such other information as the Administrative Agent may reasonably request to determine the accuracy of such calculations.

(e) Calculation of Consolidated EBITDAR and Consolidated Fixed Charges. Consolidated EBITDAR shall be calculated for any period by including the actual amount for such period, including the Consolidated EBITDAR attributable to Acquisitions permitted hereunder and occurring during such period and (to the extent otherwise included in Consolidated

Net Income) excluding the Consolidated EBITDAR attributable to Permitted Dispositions of assets occurring during such period on a pro forma basis for the period from the first day of the applicable period through the date of the closing of each such permitted Acquisition or Permitted Disposition, utilizing (i) where available or required pursuant to the terms of this Agreement, historical audited and/or reviewed unaudited financial statements obtained from the seller, broken down by fiscal quarter in the Company's reasonable judgment or (ii) unaudited financial statements (where no audited or reviewed financial statements are required pursuant to the terms of this Agreement) reviewed internally by the Company, broken down in the Company's reasonable judgment; provided, however, that (x) any such pro forma adjustment of Consolidated EBITDAR shall reflect the Company's and the Subsidiaries' pro forma rental payments related to the assets acquired in any applicable Acquisition (and shall not reflect any rental expense payments of the applicable seller), (y) any such pro forma adjustment of Consolidated EBITDAR shall not result in an increase of more than 10% of Consolidated EBITDAR prior to such adjustment, unless the Company provides to the Administrative Agent (A) the supporting calculations for such adjustment and (B) such other information as the Administrative Agent may reasonably request to determine the accuracy of such calculations, and (z) for purposes of determining "Consolidated Fixed Charges" for any period, the Consolidated Interest Expense, Consolidated Principal Payments and Consolidated Rental Expenses attributable to such Permitted Dispositions during such period may, at the option of the Company, be excluded therefrom.

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

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

ARTICLE II. THE COMMITMENTS AND CREDIT EXTENSIONS

2.01 New Vehicle Floorplan Committed Loans. Subject to the terms and conditions set forth herein, each New Vehicle Floorplan Lender severally agrees to make loans (each such loan, a "New Vehicle Floorplan Committed Loan") to the New Vehicle Borrowers, jointly or severally, from time to time, on any Business Day during the Availability Period, in an aggregate amount not to exceed at any time outstanding the amount of such Lender's New Vehicle Floorplan Commitment; provided, however, that after giving effect to any New Vehicle Floorplan Committed Borrowing, (i) the Total Outstandings shall not exceed the Aggregate Commitments, (ii) the Total New Vehicle Floorplan Outstandings shall not exceed the Aggregate New Vehicle Floorplan Commitments, (iii) the aggregate Outstanding Amount of the New Vehicle Floorplan Committed Loans of any New Vehicle Floorplan Lender, plus such Lender's Applicable New Vehicle Floorplan Percentage of the Outstanding Amount of all New Vehicle Floorplan Swing Line Loans shall not exceed such Lender's New Vehicle Floorplan Commitment, and (iv) on a per New Vehicle basis, such Loan shall not exceed 100% of the original invoice price (including freight charges) of each New Vehicle financed, provided.

further, that the proceeds of New Vehicle Floorplan Committed Loans shall only be used to pay the purchase price of New Vehicles, including the refinancing of New Vehicle Floorplan Swing Line Loans or other New Vehicle Floorplan Loans utilized for such purpose (but not including New Vehicles manufactured by a manufacturer set forth on Schedule 2.01B (a “Restricted Manufacturer”). Within the limits of each New Vehicle Floorplan Lender’s New Vehicle Floorplan Commitment, and subject to the other terms and conditions hereof, the New Vehicle Borrowers may borrow under this Section 2.01, prepay under Section 2.09, and reborrow under this Section 2.01. New Vehicle Floorplan Committed Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

2.02 Borrowings, Conversions and Continuations of New Vehicle Floorplan Committed Loans.

(a) Each New Vehicle Floorplan Committed Borrowing and each conversion of New Vehicle Floorplan Committed Loans from one Type to the other shall be made upon the Company’s irrevocable notice to the Administrative Agent, which may be given by telephone. Each such notice must be received by the Administrative Agent not later than 11:00 a.m. (i) one Business Day prior to the requested date of any New Vehicle Floorplan Borrowing of Eurodollar Rate Loans or of any conversion of Eurodollar Rate Loans to Base Rate Committed Loans or of any conversion of Base Rate Committed Loans to Eurodollar Rate Loans, and (ii) one Business Day prior to the requested date of any Borrowing of Base Rate Committed Loans. Each telephonic notice by the Company pursuant to this Section 2.02(a) must be confirmed promptly by delivery to the Administrative Agent of a written New Vehicle Floorplan Committed Loan Notice, appropriately completed and signed by a Responsible Officer of the Company. Each New Vehicle Floorplan Committed Loan Notice (whether telephonic or written) shall specify (i) whether the Company is requesting a New Vehicle Floorplan Committed Borrowing, a conversion of New Vehicle Floorplan Committed Loans from one Type to the other, (ii) the requested date of the Borrowing or conversion, as the case may be (which shall be a Business Day), (iii) the principal amount of New Vehicle Floorplan Committed Loans to be borrowed or converted, (iv) the Type of New Vehicle Floorplan Committed Loans to be borrowed or to which existing New Vehicle Floorplan Committed Loans are to be converted, (v) the applicable New Vehicle Borrower, and (vi) (in the case of a Committed Borrowing) the make, model, and vehicle identification number of each New Vehicle to be financed thereby. If the Company fails to provide a timely New Vehicle Floorplan Committed Loan Notice requesting a conversion of Eurodollar Rate Loans to Base Rate Loans, such Loans shall continue as Eurodollar Rate Loans. If the Company fails to specify a Type of New Vehicle Floorplan Committed Loan in a New Vehicle Floorplan Committed Loan Notice then the applicable New Vehicle Floorplan Committed Loans shall, subject to Article III, be made as, or converted to, Eurodollar Rate Loans.

(b) Following receipt of a New Vehicle Floorplan Committed Loan Notice, the Administrative Agent shall promptly notify each New Vehicle Floorplan Lender of the amount of its Applicable New Vehicle Floorplan Percentage of the applicable New Vehicle Floorplan Committed Loans. Each such Lender shall make the amount of its New Vehicle Floorplan Committed Loan available to the Administrative Agent in immediately available funds at the Administrative Agent’s Office not later than 2:00 p.m. on the Business Day specified in the applicable New Vehicle Floorplan Committed Loan Notice. Upon satisfaction of the applicable

conditions set forth in Section 4.02 (and, if such Borrowing is an initial Borrowing, Section 4.01), the Administrative Agent shall make all funds so received available to the Company or other applicable New Vehicle Borrower in like funds as received by the Administrative Agent by crediting the account of such Borrower on the books of Bank of America with the amount of such funds.

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

2.03 New Vehicle Floorplan Swing Line Loan.

(a) The New Vehicle Floorplan Swing Line. Subject to the terms and conditions set forth herein, the New Vehicle Swing Line Lender may, in its sole discretion and in reliance upon the agreements of the other New Vehicle Floorplan Lenders set forth in this Section 2.03, make loans (each such loan, a "New Vehicle Floorplan Swing Line Loan") to the New Vehicle Borrowers, jointly and severally, from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the New Vehicle Floorplan Swing Line Sublimit, notwithstanding the fact that such New Vehicle Floorplan Swing Line Loans, when aggregated with the Applicable New Vehicle Floorplan Percentage of the Outstanding Amount of New Vehicle Floorplan Committed Loans of the Lender acting as New Vehicle Swing Line Lender, may exceed the amount of such Lender's New Vehicle Floorplan Commitment; provided, however, that after giving effect to any New Vehicle Floorplan Swing Line Loan, (i) subject to Section 2.04, the Total Outstandings shall not exceed the Aggregate Commitments, (ii) subject to Section 2.04, the Total New Vehicle Floorplan Outstandings shall not exceed the Aggregate New Vehicle Floorplan Commitments, (iii) subject to Section 2.04, the aggregate Outstanding Amount of the New Vehicle Floorplan Committed Loans of any New Vehicle Floorplan Lender, plus such Lender's Applicable New Vehicle Floorplan Percentage of the Outstanding Amount of all New Vehicle Floorplan Swing Line Loans shall not exceed such Lender's New Vehicle Floorplan Commitment, and (iv) such Loan, together with the aggregate Outstanding Amount of all other New Vehicle Floorplan Swing Line Loans made on or prior to such date shall not exceed any applicable Within Line Limitation unless otherwise consented to by the New Vehicle Swing Line Lender in its sole discretion; and provided, further, that the proceeds of New Vehicle Floorplan Swing Line Loans shall only be used (x) to honor New Vehicle Floorplan drafts presented by the applicable vehicle manufacturer or distributor to the New Vehicle Swing Line Lender pursuant to Payment Commitments, (y) to honor New Vehicle Floorplan drafts presented by the applicable financial institution to the New Vehicle Swing Line Lender pursuant to Payoff Letter Commitments or (z) otherwise to pay the purchase price of New Vehicles (but not including in each case of clauses (x), (y) and (z), New Vehicles manufactured by a Restricted Manufacturer). Within the foregoing limits, and subject to the other terms and conditions hereof, the New Vehicle Borrowers, may borrow under this Section 2.03, prepay under Section 2.09, and reborrow under this Section 2.03. Each New Vehicle Floorplan Swing Line Loan may be a Base Rate Loan or a Eurodollar Rate Loan. Except as otherwise provided with respect to New Vehicle Floorplan

Overdrafts, immediately upon the making of a New Vehicle Floorplan Swing Line Loan, each New Vehicle Floorplan Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the New Vehicle Floorplan Swing Line Lender a risk participation in such New Vehicle Floorplan Swing Line Loan in an amount equal to the product of such Lender's Applicable New Vehicle Floorplan Percentage times the amount of such New Vehicle Floorplan Swing Line Loan.

(b) Payment Commitments and Payoff Letter Commitments.

(i) The New Vehicle Swing Line Lender is authorized to make New Vehicle Floorplan Swing Line Loans for the account of the New Vehicle Borrowers directly to certain individual manufacturers or distributors that provide New Vehicles to the New Vehicle Borrowers, in accordance with the terms and conditions of the respective Payment Commitment agreed to between the New Vehicle Swing Line Lender and each such manufacturer or distributor, and without any further notice as otherwise required in this Section. Each New Vehicle Swing Line Loan made pursuant to a Payment Commitment shall be a Eurodollar Rate Loan at the time of such Borrowing, but may be converted to a Base Rate Loan in accordance with the terms of this Agreement. The New Vehicle Borrowers shall be and remain jointly and severally liable to the New Vehicle Swing Line Lender, or the New Vehicle Floorplan Lenders, as applicable, for all payments made to a manufacturer or distributor pursuant to a Payment Commitment.

(ii) The New Vehicle Swing Line Lender is authorized to make New Vehicle Floorplan Swing Line Loans for the account of the New Vehicle Borrowers directly to certain individual financial institutions that financed New Vehicles for the New Vehicle Borrowers, in accordance with the terms and conditions of the respective Payoff Letter Commitment agreed to between the New Vehicle Swing Line Lender and each such financial institution, and without any further notice as otherwise required in this Section. Each New Vehicle Swing Line Loan made pursuant to a Payoff Letter Commitment shall be a Eurodollar Rate Loan at the time of such Borrowing, but may be converted to a Base Rate Loan in accordance with the terms of this Agreement. The New Vehicle Borrowers shall be and remain jointly and severally liable to the New Vehicle Swing Line Lender, or the New Vehicle Floorplan Lenders, as applicable, for all payments made to a financial institution pursuant to a Payoff Letter Commitment.

(c) Borrowing Procedures. Each New Vehicle Floorplan Swing Line Borrowing and each conversion of New Vehicle Floorplan Swing Line Loans from one Type to the other shall be made pursuant to (i) a Payment Commitment, (ii) a Payoff Letter Commitment, (iii) upon the Company's irrevocable notice to the New Vehicle Floorplan Swing Line Lender by delivery of a written New Vehicle Swing Line Loan Notice, appropriately completed and signed (in the case of a Borrowing) by an authorized representative of the applicable New Vehicle Borrower and (in the case of a conversion) by a Responsible Officer, or (iv) in the case of a dealer trade, pursuant to the Floorplan On-line System in accordance with practices agreed to from time to time between the New Vehicle Swing Line Lender and the applicable New Vehicle Borrower. Each such notice from the Company must be received by the New Vehicle Floorplan Swing Line Lender not later than 1:00 p.m. on the Business Day of the requested borrowing date or date of conversion of Eurodollar Rate Loans to Base Rate Loans or of any conversion of Base Rate

Loans to Eurodollar Rate Loans, and in each case shall specify (i) the amount to be borrowed, (ii) the requested borrowing date, which shall be a Business Day, (iii) the Type of New Vehicle Floorplan Swing Line Loan to be borrowed or to which existing New Vehicle Floorplan Swing Line Loans are to be converted, (iv) the applicable New Vehicle Borrower and (v) the applicable New Vehicle(s) (including the make, model and vehicle identification number of such New Vehicle(s)). The New Vehicle Floorplan Swing Line Lender will, not later than 6:00 p.m. on the borrowing date specified in such New Vehicle Floorplan Swing Line Loan Notice, make the amount of its New Vehicle Floorplan Swing Line Loan available directly to the manufacturer or distributor pursuant to a Payment Commitment, to the financial institution pursuant to a Payoff Letter Commitment or to the applicable New Vehicle Borrower at the New Vehicle Floorplan Swing Line Lender's office by crediting the account of such Borrower on the books of the New Vehicle Floorplan Swing Line Lender. If the Company fails to provide a timely New Vehicle Floorplan Swing Line Loan Notice requesting a conversion of Eurodollar Rate Loans to Base Rate Loans, such Loans shall continue as Eurodollar Rate Loans. If the Company fails to specify a Type of New Vehicle Floorplan Swing Line Loan in a New Vehicle Floorplan Swing Line Loan Notice or if a Payment Commitment or Payoff Letter Commitment fails to specify a Type of New Vehicle Swing Line Loan, then the applicable New Vehicle Floorplan Swing Line Loan shall, subject to Article III, be made as a Eurodollar Rate Loan.

(d) Authorization. Each New Vehicle Borrower authorizes the New Vehicle Swing Line Lender (and each New Vehicle Floorplan Lender consents to such authorization) to enter into, modify or terminate Payment Commitments and Payoff Letter Commitments (in each case, in the New Vehicle Swing Line Lender's discretion) and to advise each manufacturer or distributor or financial institution, as the case may be, that provides New Vehicles to such New Vehicle Borrower of any change or termination which may occur with respect to the New Vehicle Floorplan Swing Line. The New Vehicle Swing Line Lender will promptly notify the Company of any such modification or termination.

(e) Refinancing of New Vehicle Floorplan Swing Line Loans.

(i) The New Vehicle Swing Line Lender at any time in its sole discretion may request, on behalf of the New Vehicle Borrowers (which hereby irrevocably authorizes the New Vehicle Swing Line Lender to so request on its behalf), that each New Vehicle Floorplan Lender make a Eurodollar Rate Committed Loan in an amount equal to such Lender's Applicable New Vehicle Floorplan Percentage of the amount of New Vehicle Floorplan Swing Line Loans then outstanding (including, subject to Section 2.04(b)(iv), any New Vehicle Floorplan Overdrafts); provided that the New Vehicle Swing Line Lender intends to request each New Vehicle Floorplan Lender to make such Eurodollar Rate Committed Loans no less frequently than once in any given calendar month. Such request shall be made in writing (which written request shall be deemed to be a New Vehicle Floorplan Committed Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Eurodollar Rate Loans, but subject to the unutilized portion of the Aggregate New Vehicle Floorplan Commitments and the conditions set forth in Section 4.02. The New Vehicle Floorplan Swing Line Lender shall furnish the Company with a copy of the applicable New Vehicle Floorplan Committed Loan Notice promptly after delivering such notice to the Administrative Agent. Each New Vehicle

Floorplan Lender shall make an amount equal to its Applicable New Vehicle Floorplan Percentage of the amount specified in such New Vehicle Floorplan Committed Loan Notice available (including for this purpose Cash Collateral and other credit support made available with respect to the applicable New Vehicle Floorplan Swing Line Loan) to the Administrative Agent in immediately available funds for the account of the New Vehicle Swing Line Lender at the Administrative Agent's Office not later than 2:00 p.m. on the day specified in such New Vehicle Floorplan Committed Loan Notice, whereupon, subject to Section 2.09(b)(iv), each New Vehicle Floorplan Lender that so makes funds available shall be deemed to have made a Eurodollar Rate Committed Loan to the Company in such amount. The Administrative Agent shall remit the funds so received to the New Vehicle Swing Line Lender.

(ii) If for any reason any New Vehicle Floorplan Swing Line Loan (other than a New Vehicle Floorplan Overdraft) cannot be refinanced by such a New Vehicle Floorplan Committed Borrowing in accordance with Section 2.03(c)(i), the request for Eurodollar Rate New Vehicle Floorplan Committed Loans submitted by the New Vehicle Swing Line Lender as set forth herein shall be deemed to be a request by the New Vehicle Swing Line Lender that each of the New Vehicle Floorplan Lenders fund its risk participation in the relevant New Vehicle Floorplan Swing Line Loan and each Lender's payment to the Administrative Agent for the account of the New Vehicle Swing Line Lender pursuant to Section 2.03(c)(i) shall be deemed payment in respect of such participation.

(iii) If any New Vehicle Floorplan Lender fails to make available to the Administrative Agent for the account of the New Vehicle Swing Line Lender any amount required to be paid by such New Vehicle Floorplan Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(i), the New Vehicle Swing Line Lender shall be entitled to recover from such New Vehicle Floorplan Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the New Vehicle Swing Line Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the New Vehicle Swing Line Lender in accordance with banking industry rules on interbank compensation. A certificate of the New Vehicle Swing Line Lender submitted to any New Vehicle Floorplan Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each New Vehicle Floorplan Lender's obligation to make New Vehicle Floorplan Committed Loans or to purchase and fund risk participations in New Vehicle Floorplan Swing Line Loans pursuant to this Section 2.03(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such New Vehicle Floorplan Lender may have against the New Vehicle Swing Line Lender, the Company or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each New Vehicle Floorplan Lender's obligation to make New Vehicle Floorplan Committed Loans pursuant to this Section 2.03(c) is subject to the

conditions set forth in Section 4.02. No such funding of risk participations shall relieve or otherwise impair the obligation of the New Vehicle Borrowers (jointly and severally) to repay New Vehicle Floorplan Swing Line Loans, together with interest as provided herein.

(f) Repayment of Participations.

(i) At any time after any New Vehicle Floorplan Lender has purchased and funded a risk participation in a New Vehicle Floorplan Swing Line Loan, if the New Vehicle Swing Line Lender receives any payment on account of such New Vehicle Floorplan Swing Line Loan, the New Vehicle Swing Line Lender will distribute to such Lender its Applicable New Vehicle Floorplan Percentage of such payment (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's risk participation was funded) in the same funds as those received by the New Vehicle Swing Line Lender.

(ii) If any payment received by the New Vehicle Swing Line Lender in respect of principal or interest on any New Vehicle Floorplan Swing Line Loan (other than a New Vehicle Floorplan Overdraft) is required to be returned by the New Vehicle Swing Line Lender under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the New Vehicle Swing Line Lender in its discretion), each New Vehicle Floorplan Lender shall pay to the New Vehicle Swing Line Lender its Applicable New Vehicle Floorplan Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the New Vehicle Swing Line Lender. The obligations of the New Vehicle Floorplan Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(g) Interest for Account of New Vehicle Floorplan Swing Line Lender. The New Vehicle Swing Line Lender shall be responsible for invoicing the New Vehicle Borrowers for interest on the New Vehicle Floorplan Swing Line Loans. Until each New Vehicle Floorplan Lender funds its Eurodollar Rate Committed Loan or risk participation pursuant to this Section 2.03 to refinance such Lender's Applicable New Vehicle Floorplan Percentage of any New Vehicle Floorplan Swing Line Loan, interest in respect of such Applicable New Vehicle Floorplan Percentage shall be solely for the account of the New Vehicle Swing Line Lender.

(h) Payments Directly to New Vehicle Floorplan Swing Line Lender. Each New Vehicle Borrower shall make all payments of principal and interest in respect of the New Vehicle Floorplan Swing Line Loans directly to the New Vehicle Swing Line Lender.

2.04 New Vehicle Floorplan Overdrafts. Notwithstanding the foregoing provisions of Sections 2.01, 2.02 and 2.03,

(a) if the New Vehicle Swing Line Lender has (acting in its discretion), according to the terms hereof, taken action to suspend or terminate Payment Commitments and/or Payoff

Letter Commitments and such Payment Commitments and/or Payoff Letter Commitments, as the case may be, have in fact been suspended or terminated in accordance with their respective terms, then the New Vehicle Swing Line Lender shall not fund any draft with respect to such Payment Commitments and/or Payoff Letter Commitments;

(b) if on any day the conditions precedent set forth in Section 4.03 have been satisfied and a draft with respect to a Payment Commitment or a Payoff Letter Commitment is presented for payment, the payment of which would cause (i) (A) the Outstanding Amount of all New Vehicle Floorplan Committed Loans, plus (B) the Outstanding Amount of all New Vehicle Floorplan Swing Line Loans, plus (C) the aggregate principal amount of all Requests for Borrowings of New Vehicle Floorplan Loans outstanding as of such day to exceed the Aggregate New Vehicle Floorplan Commitments as of such day or (ii) the Outstanding Amount of New Vehicle Floorplan Swing Line Loans to exceed the New Vehicle Floorplan Swing Line Sublimit, then, in such event:

(i) the Company or any New Vehicle Borrower may either immediately reduce any pending Requests for Borrowing (if any) of a New Vehicle Floorplan Committed Loan or make a payment of principal on New Vehicle Floorplan Committed Loans and/or New Vehicle Floorplan Swing Line Loans in an amount which would prevent the aggregate amounts described in (A), (B) and (C) above from exceeding the Aggregate New Vehicle Floorplan Commitments; or

(ii) the Company may request an increase in the Aggregate New Vehicle Floorplan Commitments pursuant to Section 2.18, and such Payment Commitment or Payoff Letter Commitment shall be funded to the extent of such increase in accordance with said Section; or

(iii) regardless of whether the conditions of Section 4.02 have otherwise been met, the New Vehicle Swing Line Lender may in its sole and absolute discretion, but shall not be obligated to, fund the payment due under such Payment Commitment or Payoff Letter Commitment in whole or in part (the amount of any such funding made by the New Vehicle Swing Line Lender, the "New Vehicle Floorplan Overdraft"). Nothing in this Agreement shall be construed as a commitment by or as requiring the New Vehicle Swing Line Lender to fund any such New Vehicle Floorplan Overdraft. The New Vehicle Floorplan Lenders shall not be obligated to purchase any portion of or any participation in any such New Vehicle Floorplan Overdraft; or

(iv) if such New Vehicle Swing Line Loan would not cause the aggregate amounts described in (A), (B) and (C) above to exceed the Aggregate New Vehicle Floorplan Commitments, the New Vehicle Swing Line Lender may in its sole and absolute discretion, but shall not be obligated to, fund the payment due under such Payment Commitment or Payoff Letter Commitment in whole or in part, notwithstanding that such Loan would cause the Outstanding Amount of New Vehicle Floorplan Swing Line Loans to exceed the New Vehicle Floorplan Swing Line Sublimit (and the amount of any such funding made by the New Vehicle Swing Line Lender shall not be deemed to be a New Vehicle Floorplan Overdraft); provided that, within five (5) Business Days after funding such payment, the New Vehicle Swing Line Lender shall make a demand

upon the Company that the Borrowers immediately repay such New Vehicle Floorplan Swing Line Loans to the extent that the Outstanding Amount of New Vehicle Floorplan Swing Line Loans exceeds the New Vehicle Floorplan Swing Line Sublimit.

2.05 Electronic Processing. Unless otherwise agreed to by the Administrative Agent and the New Vehicle Swing Line Lender in their respective sole discretion, the New Vehicle Borrowers must request New Vehicle Floorplan Loans electronically by access to the Administrative Agent's web based floorplan on-line system ("Floorplan On-line System") in accordance with and subject to the terms and conditions established between the Administrative Agent, the New Vehicle Swing Line Lender and the Company from time to time. Unless otherwise agreed to by the Administrative Agent and the New Vehicle Swing Line Lender in their respective sole discretion, in connection with the New Vehicle Floorplan Facility, (i) interest due pursuant to Section 2.12 shall be automatically debited on the Automatic Debit Date of each month from the applicable New Vehicle Borrower's account with Bank of America pursuant to on-line procedures established and agreed to from time to time between such New Vehicle Borrower, the Administrative Agent and the New Vehicle Swing Line Lender ("On-Line Procedures"), (ii) curtailments and other payments due pursuant to Section 2.11(a) must be made in immediately available funds on the due date thereof pursuant to On-Line Procedures, (iii) fees due pursuant to Section 2.13 must be made in immediately available funds on the due date thereof pursuant to On-Line Procedures and (iv) any other amounts otherwise due in respect of each New Vehicle must be made in immediately available funds on the due date thereof pursuant to On-Line Procedures, including without limitation, automatic debits to cure Out of Balance conditions pursuant to Section 8.04; provided that, such payments due as a result of a Dealership Sale, a Removed Franchise, or a termination of New Vehicle Floorplan Commitments in accordance with Section 2.10, may be made via wire transfer of immediately available funds. The New Vehicle Borrowers have requested access to the Floorplan On-line System to retrieve monthly bills, to permit the New Vehicle Borrowers to access certain account information relating to the New Vehicle Floorplan Loans and to facilitate the making of any payments on the New Vehicle Floorplan Loans by authorizing the Administrative Agent and the New Vehicle Swing Line Lender to debit any one or more of the New Vehicle Borrowers' deposit accounts with the Administrative Agent or the New Vehicle Swing Line Lender. In consideration for the Administrative Agent's and the New Vehicle Swing Line Lender's granting to the New Vehicle Borrowers access to the Floorplan On-line System to view loan account information and make payments, the New Vehicle Borrowers acknowledge responsibility for the security of such New Vehicle Borrowers' passwords and other information necessary for access to Floorplan On-line System, and the Company and each New Vehicle Borrower fully, finally, and forever releases and discharges the Administrative Agent, the New Vehicle Swing Line Lender and their employees, agents, and representatives from any and all causes of action, claims, debts, demands, and liabilities, of whatever kind or nature, in law or equity that the Company or any New Vehicle Borrower may now or hereafter have, in any way relating to the Company or any New Vehicle's Borrower's access to, or use of, the Floorplan On-line System, other than those arising out of the gross negligence, bad faith or willful misconduct of the Administrative Agent or the New Vehicle Swing Line Lender.

2.06 Used Vehicle Floorplan Committed Loans. Subject to the terms and conditions set forth herein, each Used Vehicle Floorplan Lender severally agrees to make loans (each such loan, a "Used Vehicle Floorplan Committed Loan") to the Company from time to time, on any

Business Day during the Availability Period, in an aggregate amount not to exceed at any time outstanding the amount of such Used Vehicle Floorplan Lender's Used Vehicle Floorplan Commitment; provided, however, that after giving effect to any Used Vehicle Floorplan Committed Borrowing, (i) the Total Outstandings shall not exceed the Aggregate Commitments, (ii) the Total Used Vehicle Floorplan Outstandings shall not exceed the lesser of the Aggregate Used Vehicle Floorplan Commitments and the Used Vehicle Borrowing Base, and (iii) the aggregate Outstanding Amount of the Used Vehicle Floorplan Committed Loans of any Used Vehicle Floorplan Lender, plus such Lender's Applicable Used Vehicle Floorplan Percentage of the Outstanding Amount of all Used Vehicle Floorplan Swing Line Loans shall not exceed such Lender's Used Vehicle Floorplan Commitment. Within the limits of each Used Vehicle Floorplan Lender's Used Vehicle Floorplan Commitment, and subject to the other terms and conditions hereof, the Company may borrow under this Section 2.06, prepay under Section 2.09, and reborrow under this Section 2.06. Used Vehicle Floorplan Committed Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

2.07 Borrowings, Conversions and Continuations of Used Vehicle Floorplan Committed Loans.

(a) Each Used Vehicle Floorplan Committed Borrowing and each conversion of Used Vehicle Floorplan Committed Loans from one Type to the other, shall be made upon the Company's irrevocable notice to the Administrative Agent, which may be given by telephone. Each such notice must be received by the Administrative Agent not later than 11:00 a.m. (i) one Business Day prior to the requested date of any Used Vehicle Floorplan Borrowing of Eurodollar Rate Loans or of any conversion of Eurodollar Rate Loans to Base Rate Committed Loans or of any conversion of Base Rate Committed Loans to Eurodollar Rate Loans, and (ii) one Business Day prior to the requested date of any Borrowing of Base Rate Committed Loans. Each telephonic notice by the Company pursuant to this Section 2.07(a) must be confirmed promptly by delivery to the Administrative Agent of a written Used Vehicle Floorplan Committed Loan Notice, appropriately completed and signed by a Responsible Officer of the Company. Each Borrowing of or conversion to Eurodollar Rate Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$100,000 in excess thereof. Each Used Vehicle Floorplan Committed Loan Notice (whether telephonic or written) shall specify (i) whether the Company is requesting a Used Vehicle Floorplan Committed Borrowing, a conversion of Used Vehicle Floorplan Committed Loans from one Type to the other, (ii) the requested date of the Borrowing or conversion, as the case may be (which shall be a Business Day), (iii) the principal amount of Used Vehicle Floorplan Committed Loans to be borrowed or converted, and (iv) the Type of Used Vehicle Floorplan Committed Loans to be borrowed or to which existing Used Vehicle Floorplan Committed Loans are to be converted. If the Company fails to provide a timely Used Vehicle Floorplan Committed Loan Notice requesting a conversion of Eurodollar Rate Loans to Base Rate Loans, such Loans shall, subject to Article III, continue as Eurodollar Rate Loans. If the Company fails to specify a Type of Used Vehicle Floorplan Committed Loan in a Used Vehicle Floorplan Committed Loan Notice, then the applicable Used Vehicle Floorplan Committed Loans shall, subject to Article III, be made as, or converted to, Eurodollar Rate Loans.

(b) Following receipt of a Used Vehicle Floorplan Committed Loan Notice, the Administrative Agent shall promptly notify each Used Vehicle Floorplan Lender of the amount

of its Applicable Used Vehicle Floorplan Percentage of the applicable Used Vehicle Floorplan Committed Loans. Each Lender shall make the amount of its Used Vehicle Floorplan Committed Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 2:00 p.m. on the Business Day specified in the applicable Used Vehicle Floorplan Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is an initial Borrowing, Section 4.01), the Administrative Agent shall make all funds so received available to the Company in like funds as received by the Administrative Agent by crediting the account of the Company on the books of Bank of America with the amount of such funds.

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

2.08 Used Vehicle Floorplan Swing Line Loans

(a) The Used Vehicle Floorplan Swing Line. Subject to the terms and conditions set forth herein and in the Autoborrow Agreement, if any, the Used Vehicle Swing Line Lender may, in its sole discretion and in reliance upon the agreements of the other Used Vehicle Floorplan Lenders set forth in this Section 2.08, make loans (each such loan, a "Used Vehicle Floorplan Swing Line Loan") to the Company from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the Used Vehicle Floorplan Swing Line Sublimit, notwithstanding the fact that such Used Vehicle Floorplan Swing Line Loans, when aggregated with the Applicable Used Vehicle Floorplan Percentage of the Outstanding Amount of Used Vehicle Floorplan Committed Loans of the Used Vehicle Floorplan Lender acting as Used Vehicle Swing Line Lender, may exceed the amount of such Used Vehicle Floorplan Lender's Used Vehicle Floorplan Commitment; provided, however, that after giving effect to any Used Vehicle Floorplan Swing Line Loan (i) the Total Outstandings shall not exceed the Aggregate Commitments, (ii) the Total Used Vehicle Floorplan Outstandings shall not exceed the lesser of the Aggregate Used Vehicle Floorplan Commitments and the Used Vehicle Borrowing Base, and (iii) the aggregate Outstanding Amount of the Used Vehicle Floorplan Committed Loans of any Used Vehicle Floorplan Lender, plus such Lender's Applicable Used Vehicle Floorplan Percentage of the Outstanding Amount of all Used Vehicle Floorplan Swing Line Loans shall not exceed such Lender's Used Vehicle Floorplan Commitment, and provided, further, that the Company shall not use the proceeds of any Used Vehicle Floorplan Swing Line Loan to refinance any outstanding Used Vehicle Floorplan Swing Line Loan. Within the foregoing limits, and subject to the other terms and conditions hereof, the Company, may borrow under this Section 2.08, prepay under Section 2.09, and reborrow under this Section 2.08. Each Used Vehicle Floorplan Swing Line Loan may be a Base Rate Loan or a Eurodollar Rate Loan. Immediately upon the making of a Used Vehicle Floorplan Swing Line Loan, each Used Vehicle Floorplan Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Used Vehicle Swing Line Lender a risk participation in such Used Vehicle Floorplan Swing Line Loan in an amount equal to the

product of such Lender's Applicable Used Vehicle Floorplan Percentage times the amount of such Used Vehicle Floorplan Swing Line Loan.

(b) Borrowing Procedures. At any time an Autoborrow Agreement is not in effect, each Used Vehicle Floorplan Swing Line Borrowing and each conversion of Used Vehicle Floorplan Swing Line Loans from one type to the other shall be made upon the Company's irrevocable notice to the Used Vehicle Swing Line Lender and the Administrative Agent, which may be given by telephone. Each such notice must be received by the Used Vehicle Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the requested borrowing date or date of conversion of Eurodollar Rate Loans to Base Rate Loans or of any conversion of Base Rate Loans to Eurodollar Rate Loans, and in each case shall specify (i) the amount to be borrowed, (ii) the requested borrowing date, which shall be a Business Day and (iii) the Type of Used Vehicle Floorplan Swing Line Loan to be borrowed or to which existing Used Vehicle Floorplan Swing Line Loans are to be converted. Each such telephonic notice must be confirmed promptly by delivery to the Used Vehicle Swing Line Lender and the Administrative Agent of a written Used Vehicle Floorplan Swing Line Loan Notice, appropriately completed and signed by a Responsible Officer of the Company. Promptly after receipt by the Used Vehicle Swing Line Lender of any telephonic Used Vehicle Floorplan Swing Line Loan Notice, the Used Vehicle Swing Line Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Used Vehicle Floorplan Swing Line Loan Notice and, if not, the Used Vehicle Swing Line Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless the Used Vehicle Swing Line Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Used Vehicle Floorplan Lender) prior to 2:00 p.m. on the date of the proposed Used Vehicle Floorplan Swing Line Borrowing (A) directing the Used Vehicle Swing Line Lender not to make such Used Vehicle Floorplan Swing Line Loan as a result of the limitations set forth in the proviso to the first sentence of Section 2.08(a), or (B) that one or more of the applicable conditions specified in Article IV is not then satisfied, then, subject to the terms and conditions hereof, the Used Vehicle Swing Line Lender will, not later than 3:00 p.m. on the borrowing date specified in such Used Vehicle Floorplan Swing Line Loan Notice, make the amount of its Used Vehicle Floorplan Swing Line Loan available to the Company at its office by crediting the account of the Company on the books of the Used Vehicle Swing Line Lender in immediately available funds. If the Company fails to provide a timely Used Vehicle Floorplan Swing Line Loan Notice requesting a conversion of Eurodollar Rate Loans to Base Rate Loans, such Loans shall, subject to Article III, continue as Eurodollar Rate Loans. If the Company fails to specify a Type of Used Vehicle Floorplan Swing Line Loan in a Used Vehicle Floorplan Swing Line Loan Notice, then the applicable Used Vehicle Floorplan Swing Line Loan shall, subject to Article III, be made as a Eurodollar Rate Loan.

In order to facilitate the borrowing of Used Vehicle Floorplan Swing Line Loans, the Used Vehicle Swing Line Lender may, in its sole discretion, agree with the Company to (and the Used Vehicle Swing Line Lender and the Company are hereby authorized to) enter into an Autoborrow Agreement in form and substance satisfactory to the Administrative Agent and the Used Vehicle Swing Line Lender (the "Autoborrow Agreement") providing for the automatic advance by the Used Vehicle Swing Line Lender of Used Vehicle Floorplan Swing Line Loans under the conditions set forth in such agreement, which shall be in addition to the conditions set forth herein (each such advance, an "Autoborrow Advance"); provided that, (i) in no event shall

the Company be entitled to Autoborrow Advances pursuant to an Autoborrow Agreement at any time an autoborrow arrangement is in effect under the Revolving Credit Facility (any such arrangement, a "Revolving Autoborrow Arrangement") and (ii) subject to the Administrative Agent's consent, the Company may, upon 30 days advance notice to the Administrative Agent and the Swing Line Lender, alternate between the autoborrow arrangement described herein and a Revolving Autoborrow Arrangement no more frequently than once in any calendar year. At any time such an Autoborrow Agreement is in effect, the requirements for Used Vehicle Floorplan Swing Line Borrowings set forth in the immediately preceding paragraph shall not apply, and all Used Vehicle Floorplan Swing Line Borrowings shall be made in accordance with the Autoborrow Agreement, until the right to such Used Vehicle Floorplan Swing Line Borrowings is suspended or terminated hereunder or in accordance with the terms of the Autoborrow Agreement. For purposes of determining the Outstanding Amount under the Used Vehicle Floorplan Commitment at any time during which an Autoborrow Agreement is in effect, the Outstanding Amount of all Used Vehicle Floorplan Swing Line Loans shall be deemed to be the amount of the Used Vehicle Floorplan Swing Line Sublimit. For purposes of any Used Vehicle Floorplan Swing Line Borrowing pursuant to the Autoborrow Agreement, all references to Bank of America shall be deemed to be a reference to Bank of America, in its capacity as Used Vehicle Swing Line Lender hereunder.

(c) Refinancing of Used Vehicle Floorplan Swing Line Loans.

(i) The Used Vehicle Swing Line Lender at any time in its sole discretion may request, on behalf of the Company (which hereby irrevocably authorizes the Used Vehicle Swing Line Lender to so request on its behalf), that each Used Vehicle Floorplan Lender make a Eurodollar Rate Committed Loan in an amount equal to such Used Vehicle Floorplan Lender's Applicable Used Vehicle Floorplan Percentage of the amount of Used Vehicle Floorplan Swing Line Loans then outstanding; provided that the Used Vehicle Swing Line Lender intends to request each Used Vehicle Floorplan Lender to make such Eurodollar Rate Committed Loans no less frequently than once in any given calendar month. Such request shall be made in writing (which written request shall be deemed to be a Used Vehicle Floorplan Committed Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.07, without regard to the minimum and multiples specified therein for the principal amount of Eurodollar Rate Loans, but subject to the unutilized portion of the Aggregate Used Vehicle Floorplan Commitments and the conditions set forth in Section 4.02. The Used Vehicle Swing Line Lender shall furnish the Company with a copy of the applicable Used Vehicle Floorplan Committed Loan Notice promptly after delivering such notice to the Administrative Agent. Each Used Vehicle Floorplan Lender shall make an amount equal to its Applicable Used Vehicle Floorplan Percentage of the amount specified in such Used Vehicle Floorplan Committed Loan Notice available (including for this purpose Cash Collateral and other credit support made available with respect to the applicable Used Vehicle Floorplan Swing Line Loan) to the Administrative Agent in immediately available funds for the account of the Used Vehicle Swing Line Lender at the Administrative Agent's Office not later than 2:00 p.m. on the day specified in such Used Vehicle Floorplan Committed Loan Notice, whereupon, subject to Section 2.08(c)(ii), each Used Vehicle Floorplan Lender that so makes funds available shall be deemed to have made a Eurodollar Rate Committed Loan

to the Company in such amount. The Administrative Agent shall remit the funds so received to the Used Vehicle Swing Line Lender.

(ii) If for any reason any Used Vehicle Floorplan Swing Line Loan cannot be refinanced by such a Used Vehicle Floorplan Committed Borrowing in accordance with Section 2.08(c)(i), the request for Eurodollar Rate Used Vehicle Floorplan Committed Loans submitted by the Used Vehicle Swing Line Lender as set forth herein shall be deemed to be a request by the Used Vehicle Swing Line Lender that each of the Used Vehicle Floorplan Lenders fund its risk participation in the relevant Used Vehicle Floorplan Swing Line Loan and each Lender's payment to the Administrative Agent for the account of the Used Vehicle Swing Line Lender pursuant to Section 2.08(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Used Vehicle Floorplan Lender fails to make available to the Administrative Agent for the account of the Used Vehicle Swing Line Lender any amount required to be paid by such Used Vehicle Floorplan Lender pursuant to the foregoing provisions of this Section 2.08(c) by the time specified in Section 2.08(c)(i), the Used Vehicle Swing Line Lender shall be entitled to recover from such Used Vehicle Floorplan Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Used Vehicle Swing Line Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Used Vehicle Swing Line Lender in accordance with banking industry rules on interbank compensation. A certificate of the Used Vehicle Swing Line Lender submitted to any Used Vehicle Floorplan Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Used Vehicle Floorplan Lender's obligation to make Used Vehicle Floorplan Committed Loans or to purchase and fund risk participations in Used Vehicle Floorplan Swing Line Loans pursuant to this Section 2.08(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Used Vehicle Floorplan Lender may have against the Used Vehicle Swing Line Lender, the Company or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Used Vehicle Floorplan Lender's obligation to make Used Vehicle Floorplan Committed Loans pursuant to this Section 2.08(c) is subject to the conditions set forth in Section 4.02. No such funding of risk participations shall relieve or otherwise impair the obligation of the Company to repay Used Vehicle Floorplan Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any Used Vehicle Floorplan Lender has purchased and funded a risk participation in a Used Vehicle Floorplan Swing Line Loan, if the Used Vehicle Swing Line Lender receives any payment on account of such Used Vehicle Floorplan Swing Line Loan, the Used Vehicle Swing Line Lender will distribute to such

Used Vehicle Floorplan Lender its Applicable Used Vehicle Floorplan Percentage of such payment (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Used Vehicle Floorplan Lender's risk participation was funded) in the same funds as those received by the Used Vehicle Swing Line Lender.

(ii) If any payment received by the Used Vehicle Swing Line Lender in respect of principal or interest on any Used Vehicle Floorplan Swing Line Loan is required to be returned by the Used Vehicle Swing Line Lender under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the Used Vehicle Swing Line Lender in its discretion), each Used Vehicle Floorplan Lender shall pay to the Used Vehicle Swing Line Lender its Applicable Used Vehicle Floorplan Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the Used Vehicle Swing Line Lender. The obligations of the Used Vehicle Floorplan Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Interest for Account of Used Vehicle Swing Line Lender. The Used Vehicle Swing Line Lender shall be responsible for invoicing the Company for interest on the Used Vehicle Floorplan Swing Line Loans. Until each Used Vehicle Floorplan Lender funds its Eurodollar Rate Committed Loan or risk participation pursuant to this Section 2.08 to refinance such Used Vehicle Floorplan Lender's Applicable Used Vehicle Floorplan Percentage of any Used Vehicle Floorplan Swing Line Loan, interest in respect of such Applicable Used Vehicle Floorplan Percentage shall be solely for the account of the Used Vehicle Swing Line Lender.

(f) Payments Directly to Used Vehicle Swing Line Lender. The Company shall make all payments of principal and interest in respect of the Used Vehicle Floorplan Swing Line Loans directly to the Used Vehicle Swing Line Lender.

2.09 Prepayments.

(a) In addition to the required payments of principal of New Vehicle Floorplan Loans and Used Vehicle Floorplan Loans set forth in Section 2.11, the Company may, upon notice to the Administrative Agent, at any time or from time to time voluntarily prepay New Vehicle Floorplan Committed Loans or Used Vehicle Floorplan Committed Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Administrative Agent not later than 11:00 a.m. on the date of prepayment of such Loans; (ii) any prepayment of Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment, whether such prepayment is applicable to the New Vehicle Floorplan Committed Loans or Used Vehicle Floorplan Committed Loans and the Type(s) of Loans to be prepaid. The Administrative Agent will promptly notify each applicable Lender of its receipt of each such notice, and of the amount of such Lender's Applicable New Vehicle Floorplan Percentage or Applicable Used Vehicle Floorplan Percentage, as applicable, of such prepayment. If such notice is given by the Company, the Company shall make such prepayment and the payment amount specified in such

notice shall be due and payable on the date specified therein. Subject to Section 2.21, each such prepayment of New Vehicle Floorplan Committed Loans of the New Vehicle Floorplan Lenders shall be applied in accordance with their respective Applicable New Vehicle Floorplan Percentages. Subject to Section 2.21, each such prepayment of Used Vehicle Floorplan Committed Loans of the Used Vehicle Floorplan Lenders shall be applied in accordance with their respective Applicable Used Vehicle Floorplan Percentages.

(b) The Company may, upon notice to the New Vehicle Swing Line Lender, at any time or from time to time, voluntarily prepay New Vehicle Floorplan Swing Line Loans in whole or in part without premium or penalty; provided that such notice must be received by the New Vehicle Swing Line Lender not later than 2:00 p.m. on the date of the prepayment (or 6:00 p.m. if such prepayment is accomplished through the Floorplan On-line System). Each such notice shall specify the date and amount of such prepayment and the New Vehicle(s) (including the make, model and vehicle identification number of such New Vehicle(s)) attributable to such prepayment. If such notice is given by the Company, the Company shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(c) At any time during which an Autoborrow Agreement is not in effect, the Company may, upon notice to the Used Vehicle Swing Line Lender (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Used Vehicle Floorplan Swing Line Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Used Vehicle Swing Line Lender not later than 1:00 p.m. on the date of the prepayment and (ii) any such prepayment shall be in a minimum principal amount of \$100,000. Each such notice shall specify the date and amount of such prepayment. If such notice is given by the Company, the Company shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(d) If for any reason the Total New Vehicle Floorplan Outstandings at any time exceed the Aggregate New Vehicle Floorplan Commitments then in effect, the Borrowers (jointly and severally) shall immediately prepay New Vehicle Floorplan Loans in an aggregate amount at least equal to such excess.

(e) If for any reason the Total Used Vehicle Floorplan Outstandings at any time exceed the lesser of the Aggregate Used Vehicle Floorplan Commitments then in effect and the Used Vehicle Borrowing Base then in effect (including the Used Vehicle Borrowing Base in effect after giving pro forma effect to any Disposition or Removed Franchise required to be reported pursuant to Sections 6.02(c) and Sections 6.03(g)), the Company shall immediately prepay Used Vehicle Floorplan Loans in an aggregate amount at least equal to such excess.

(f) If for any reason the Outstanding Amount of any New Vehicle Floorplan Swing Line Loans exceeds either any applicable Within Line Limitation (unless otherwise agreed to by the New Vehicle Swing Line Lender) or the New Vehicle Floorplan Swing Line Sublimit, the Borrowers (jointly and severally) shall immediately prepay such New Vehicle Floorplan Swing Line Loans in an aggregate amount at least equal to such excess.

(g) If for any reason the aggregate Outstanding Amount of Used Vehicle Floorplan Swing Line Loans exceeds the Used Vehicle Floorplan Swing Line Sublimit, the Company shall immediately prepay Used Vehicle Floorplan Swing Line Loans in an aggregate amount at least equal to such excess.

(h) Prepayments made in respect of any New Vehicle Floorplan Loan must specify the applicable New Vehicle Borrower and New Vehicle(s) (including the make, model and vehicle identification number of such New Vehicle(s)) attributable to such prepayment.

2.10 Termination or Reduction of Commitments. The Company may, upon notice to the Administrative Agent, terminate the Aggregate New Vehicle Floorplan Commitments or the Aggregate Used Vehicle Floorplan Commitments, or from time to time permanently reduce the Aggregate New Vehicle Floorplan Commitments or the Aggregate Used Vehicle Floorplan Commitments; provided that (i) any such notice shall be received by the Administrative Agent not later than 11:00 a.m. 30 days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of \$10,000,000 or any whole multiple of \$1,000,000 in excess thereof, (iii) if, after giving effect to any reduction of the Aggregate New Vehicle Floorplan Commitments, the New Vehicle Floorplan Swing Line Sublimit exceeds the amount of the Aggregate New Vehicle Floorplan Commitments, such Sublimit shall be automatically reduced by the amount of such excess, (iv) if, after giving effect to any reduction of the Aggregate Used Vehicle Floorplan Commitments, the Used Vehicle Floorplan Swing Line Sublimit exceeds the amount of the Aggregate Used Vehicle Floorplan Commitments, such Sublimit shall be automatically reduced by the amount of such excess, and (v) following any such reduction, no more than 15% of the Aggregate Commitments may be allocated to the Aggregate Used Vehicle Floorplan Commitments. In connection with any reduction of the Aggregate New Vehicle Floorplan Commitments, the New Vehicle Floorplan Swing Line Lender in its discretion may suspend and/or terminate all or a portion of the then outstanding Payment Commitments or Payoff Letter Commitments which shall be promptly selected by the Company, in an amount that corresponds to the size of said reduction. The Administrative Agent will promptly notify the applicable Lenders of any such notice of termination or reduction of the Aggregate New Vehicle Floorplan Commitments or Aggregate Used Vehicle Floorplan Commitments. Any reduction of the Aggregate New Vehicle Floorplan Commitments or Aggregate Used Vehicle Floorplan Commitments shall be applied to the Commitment of each Lender in accordance with (x) its respective Applicable New Vehicle Floorplan Percentage and (y) its respective Applicable Used Vehicle Floorplan Percentage, as the case may be. All fees and interest accrued under the New Vehicle Floorplan Facility as of the effective date of any termination of the Aggregate New Vehicle Floorplan Commitments shall be paid on the effective date of such termination; provided that, interest due and payable to the New Vehicle Swing Line Lender (in such capacity) shall be due and payable pursuant to terms acceptable to the New Vehicle Swing Line Lender in its sole discretion. All fees and interest accrued under the Used Vehicle Floorplan Facility as of the effective date of any termination of the Aggregate Used Vehicle Floorplan Commitments shall be paid on the effective date of such termination; provided that, interest due and payable to the Used Vehicle Swing Line Lender (in such capacity), shall be due and payable pursuant to terms acceptable to the Used Vehicle Swing Line Lender in its sole discretion.

2.11 Repayment of Loans.

(a) Repayment of New Vehicle Floorplan Loans.

(i) The New Vehicle Borrowers (jointly and severally) shall repay the New Vehicle Floorplan Committed Loans on the Maturity Date.

(ii) The New Vehicle Borrowers (jointly and severally) shall repay each New Vehicle Floorplan Swing Line Loan (x) no less frequently than twice in any calendar month, (y) at any time on demand by the New Vehicle Swing Line Lender and (z) on the Maturity Date.

(iii) (A) The New Vehicle Borrowers (jointly and severally) shall pay in full an amount equal to the New Vehicle Floorplan Loan with respect to any New Vehicle that has been sold by any New Vehicle Borrower upon the earliest to occur of: (A) (1) with respect to New Vehicles other than those described in clause (2) or (3) below, five (5) Business Days after the sale thereof, (2) with respect to Fleet Vehicles, within thirty (30) days of the date of sale and, (3) with respect to New Vehicles financed by a consumer lease agreement, within ten (10) days of the date such New Vehicle was sold (or possession of the New Vehicle transferred to the buyer, if earlier), and (B) in all cases, no later than two (2) Business Days following receipt of proceeds from the sale thereof. With respect to each New Vehicle that has not been sold, the New Vehicle Borrowers (jointly and severally) shall pay in full an amount equal to (i) in the case of any such New Vehicle held as Inventory, beginning 12 months after the date such New Vehicle is Deemed Floored, monthly payments of 10% of the original amount of the New Vehicle Floorplan Loan relating to such New Vehicle, with the final payment for all amounts then outstanding under such New Vehicle Floorplan Loan due 15 months after the date such New Vehicle is Deemed Floored, and (ii) in the case of each Demonstrator, Rental Vehicle, Service Loaner Vehicle and other mileage Vehicle, beginning the date such New Vehicle is Deemed Floored, monthly payments of 2% of the original amount of the New Vehicle Floorplan Loan relating to such New Vehicle, with the final payment for all amounts then outstanding under such New Vehicle Floorplan Loan due 24 months after the date such New Vehicle is Deemed Floored. Upon the funding thereof, any New Vehicle Floorplan Overdraft shall be due and payable in full by the New Vehicle Borrowers on the next following Business Day.

(B) If any Loan Party sells all or substantially all of the assets of a dealership or franchise to a Person other than a New Vehicle Borrower (each such sale being referred to as a "Dealership Sale"), then the New Vehicle Borrowers (jointly and severally) shall pay in full an amount equal to the outstanding New Vehicle Floorplan Loan, if any, with respect to each New Vehicle that had been owned by (or identified as an asset on the books or records of) such dealership or franchise immediately prior to such Dealership Sale, which payment shall be made no later than five (5) Business Days following the receipt of proceeds from such

Dealership Sale (whether or not such New Vehicle was sold in connection with such Dealership Sale).

(C) If the Company terminates the designation of a Subsidiary as a "New Vehicle Borrower" with respect to any Removed Franchise in accordance with Section 2.19(e), then the New Vehicle Borrowers (jointly and severally) shall (1) repay each New Vehicle Floorplan Committed Loan and each New Vehicle Floorplan Swingline Loan with respect to any New Vehicle that is subsequently financed by Permitted Silo Indebtedness at such Removed Franchise immediately upon the applicable date (each such date, a "Silo Financing Commencement Date") such Subsidiary begins to finance New Vehicles through Permitted Silo Indebtedness as permitted by Section 2.19(e), and (2) repay (within five (5) Business Days after the applicable Silo Financing Commencement Date) any New Vehicle Floorplan Committed Loan or New Vehicle Floorplan Swingline Loan with respect to any other Vehicle that is owned by any respective Removed Franchise on or after the applicable Silo Financing Commencement Date.

(iv) Payments required to be made by any New Vehicle Borrower as set forth in Section 2.11(a)(i) and (ii) shall be applied in the following order: (1) first, to the outstanding principal balance and then to accrued interest on any New Vehicle Floorplan Overdraft, (2) second, to the outstanding principal balance of New Vehicle Floorplan Swing Line Loans, and (3) finally, to the remaining outstanding principal balance of the New Vehicle Floor Plan Committed Loans. Payments required to be made by any New Vehicle Borrower as set forth in Section 2.11(a)(iii) shall be applied first to the outstanding principal balance and then to accrued interest on the New Vehicle Floorplan Loan with respect to such New Vehicle, and then in the order set forth in the sentence above.

(v) In the event of any disputed or duplicate New Vehicle Floorplan Loan (each a "Disputed Existing Loan") being refinanced or paid down by any New Vehicle Floorplan Committed Loan or New Vehicle Floorplan Swing Line Loan in reliance on information provided by the Company, any Subsidiary or any existing lender pursuant to any audit completed under Section 4.01(a)(xix), the Borrowers will (jointly and severally) upon demand, repay any New Vehicle Floorplan Committed Loan or New Vehicle Floorplan Swing Line Loan related to such Disputed Existing Loan, including accrued interest with respect to such New Vehicle Floorplan Committed Loan or New Vehicle Floorplan Swing Line Loan, regardless of whether such Disputed Existing Loan has been resolved with the prior lender.

(vi) Without limiting any other rights or obligations hereunder, interest, curtailment and other payments then due pursuant to this Section 2.11(a) or Section 2.13(b) shall be automatically debited on the Automatic Debit Date of each month from a deposit account maintained by the applicable New Vehicle Borrower with Bank of America pursuant to the Floorplan On-line System (provided that if there are not sufficient funds in such account to pay such amounts, then the New Vehicle Borrowers, jointly and severally, shall pay such amounts in cash when due).

(vii) Payments made in respect of any New Vehicle Floorplan Loan must specify the applicable New Vehicle Borrower and New Vehicle(s) (including the make, model and vehicle identification number of such New Vehicle(s)) attributable to such payment.

(b) Repayment of Used Vehicle Floorplan Loans.

(i) The Company shall repay each Used Vehicle Floorplan Committed Loan on the Maturity Date.

(ii) At any time an Autoborrow Agreement is in effect, Used Vehicle Floorplan Swing Line Loans shall be repaid in accordance with the terms of such Autoborrow Agreement. At any time an Autoborrow Agreement is not in effect, the Company shall repay each Used Vehicle Floorplan Swing Line Loan (x) no less frequently than twice in any calendar month, (y) at any time on demand by the Used Vehicle Swing Line Lender and (z) on the Maturity Date.

2.12 Interest.

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

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

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

(iii) Upon the request of the Required Lenders, while any Event of Default exists, each Borrower, jointly and severally, shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

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

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder

shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.13 Fees.

(a) Commitment Fees. The Borrowers (jointly and severally) shall pay to the Administrative Agent for the account of each New Vehicle Floorplan Lender in accordance with its Applicable New Vehicle Floorplan Percentage, a commitment fee equal to the Applicable Rate times the actual daily amount by which the Aggregate New Vehicle Floorplan Commitments exceed the Outstanding Amount of New Vehicle Floorplan Committed Loans. The Company shall pay to the Administrative Agent for the account of each Used Vehicle Floorplan Lender in accordance with its Applicable Used Vehicle Floorplan Percentage, a commitment fee equal to the Applicable Rate times the actual daily amount by which the Aggregate Used Vehicle Floorplan Commitments exceed the Outstanding Amount of Used Vehicle Floorplan Committed Loans. The commitment fees shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the Automatic Debit Date after the end of each March, June, September and December, commencing with the first such date to occur after the Closing Date, and on the Maturity Date. The commitment fees shall be calculated quarterly in arrears, and if there is any change in the respective Applicable Rate during any quarter, the actual daily amount shall be computed and multiplied by such Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. New Vehicle Floorplan Swing Line Loans and Used Vehicle Floorplan Swing Line Loans shall not be included in calculating the Outstanding Amount of New Vehicle Floorplan Committed Loans or Used Vehicle Floorplan Committed Loans used in determining the commitment fees set forth above.

(b) Other Fees. (i) The Company shall pay to the Arranger and the Administrative Agent for their own respective accounts fees in the amounts and at the times specified in the Bank of America Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

(ii) The Company shall pay to the Lenders such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.14 Computation of Interest and Fees.

(a) All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to the Eurodollar Rate) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.16(a),

bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(b) If, as a result of any restatement of or other adjustment to the financial statements of the Company or for any other reason, the Company or the Lenders determine that (i)(A) the Consolidated Total Debt to EBITDA Ratio as calculated by the Company as of any applicable date was inaccurate and (B) a proper calculation of the Consolidated Total Debt to EBITDA Ratio would have resulted in higher pricing for such period, the Company and the New Vehicle Borrowers shall immediately and retroactively be obligated to pay to the Administrative Agent for the account of the applicable Lenders promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Company under the Bankruptcy Code of the United States, automatically and without further action by the Administrative Agent or any Lender), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period; and (ii)(A) the Consolidated Total Debt to EBITDA Ratio as calculated by the Company as of any applicable date was inaccurate and (B) a proper calculation of the Consolidated Total Debt to EBITDA Ratio would have resulted in lower pricing for such period, the Applicable Rate shall be adjusted as of the date of receipt by the Administrative Agent of a Compliance Certificate reflecting such proper calculation. This paragraph shall not limit the rights of the Administrative Agent or any Lender, as the case may be, under Article VIII. The Company's and the New Vehicle Borrower's obligations under this paragraph shall survive the termination of the Aggregate Commitments and the repayment of all other Obligations hereunder.

2.15 Evidence of Debt.

(a) The Borrowings made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Borrowings made by the Lenders to the Borrowers and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrowers hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrowers shall execute and deliver to such Lender (through the Administrative Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in subsection (a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in New Vehicle Floorplan Swing Line Loans and Used Vehicle Floorplan Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the

accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.16 Payments Generally; Administrative Agent's Clawback.

(a) General. All payments to be made by any Borrower shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by any Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable New Vehicle Floorplan Percentage or Applicable Used Vehicle Floorplan Percentage, as applicable (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by any Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Administrative Agent Unless the Administrative Agent shall have received notice from a Lender prior to 12:00 noon on the date of any Committed Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Committed Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 or Section 2.07 and may (but shall be under no obligation to), in reliance upon such assumption, make available to the Company or applicable New Vehicle Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Committed Borrowing available to the Administrative Agent, then the applicable Lender, the Company and the other Borrowers jointly and severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Company or applicable New Vehicle Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (B) in the case of a payment to be made by the Company or any other Borrower, the interest rate applicable to Base Rate Loans. If the Company or any other Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Company or applicable New Vehicle Borrower the amount of such interest paid by the Company or such Borrower for such period. If such Lender pays its share of the applicable Committed Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Committed Borrowing. Any payment by the Company or any other Borrower shall be without prejudice to any claim the Company or any other Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Company (on its own behalf or on behalf of another Borrower) prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that such Borrower will not make such payment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and may (but shall be under no obligation to), in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if such Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or any Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender to any Borrower as provided in the foregoing provisions of this Article II, and such funds are not made available to such Borrower by the Administrative Agent because the conditions to the applicable Borrowing set forth in Article IV are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of New Vehicle Floorplan Lenders Several. The obligations of the New Vehicle Floorplan Lenders hereunder to make New Vehicle Floorplan Committed Loans, to fund participations in New Vehicle Floorplan Swing Line Loans and to make payments pursuant to Section 10.04(c) are several and not joint. The failure of any New Vehicle Floorplan Lender to make any New Vehicle Floorplan Committed Loan, to fund any such participation or to make any payment under Section 10.04(c) on any date required hereunder shall not relieve any other New Vehicle Floorplan Lender of its corresponding obligation to do so on such date, and no New Vehicle Floorplan Lender shall be responsible for the failure of any other New Vehicle Floorplan Lender to so make its New Vehicle Floorplan Committed Loan, to purchase its participation or to make its payment under Section 10.04(c).

(e) Obligations of Used Vehicle Floorplan Lenders Several. The obligations of the Used Vehicle Floorplan Lenders hereunder to make Used Vehicle Floorplan Committed Loans, to fund participations in Used Vehicle Floorplan Swing Line Loans and to make payments pursuant to Section 10.04(c) are several and not joint. The failure of any Used Vehicle Floorplan Lender to make any Used Vehicle Floorplan Committed Loan, to fund any such participation or to make any payment under Section 10.04(c) on any date required hereunder shall not relieve any other Used Vehicle Floorplan Lender of its corresponding obligation to do so on such date, and no Used Vehicle Floorplan Lender shall be responsible for the failure of any other Used Vehicle Floorplan Lender to so make its Used Vehicle Floorplan Committed Loan, to purchase its participation or to make its payment under Section 10.04(c).

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

2.17 Sharing of Payments by Lenders. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the New Vehicle Floorplan Committed Loans or Used Vehicle Floorplan Committed Loans made by it, or the participations in New Vehicle Floorplan Swing Line Loans or Used Vehicle Floorplan Swing Line Loans held by it resulting in such Lender's receiving payment of a proportion of the aggregate amount of such New Vehicle Floorplan Committed Loans or Used Vehicle Floorplan Committed Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase from the other applicable Lenders (in the respective New Vehicle Floorplan Facility or Used Vehicle Floorplan Facility (for cash at face value) participations in the applicable New Vehicle Floorplan Committed Loans or Used Vehicle Floorplan Committed Loans and subparticipations in New Vehicle Floorplan Swing Line Loans or Used Vehicle Floorplan Swing Line Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective New Vehicle Floorplan Committed Loans and Used Vehicle Floorplan Committed Loans and other amounts owing them, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by or on behalf of any Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender, (y) the application of Cash Collateral in respect of obligations relating to New Vehicle Floorplan Swing Line Loans or Used Vehicle Floorplan Swing Line Loans provided for in Section 2.20, or (z) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its New Vehicle Floorplan Swing Line Loans or Used Vehicle Floorplan Swing Line Loans or subparticipations in New Vehicle Floorplan Swing Line Loans or Used Vehicle Floorplan Swing Line Loans, as the case may be, to any assignee or participant, other than an assignment, participation or subparticipation to the Company or any Subsidiary thereof (as to which the provisions of this Section shall apply).

Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

2.18 Increase in Commitments.

(a) Request for Increase. Provided there exists no Default nor any Revolving Default, upon notice to the Administrative Agent (which shall promptly notify the Lenders), the Company may from time to time, request an increase in the Aggregate Commitments by an amount for all such requests, not exceeding \$125,000,000 in the aggregate, provided that the Company may make a maximum of five (5) such requests. Such increase shall be allocated between the Aggregate New Vehicle Floorplan Commitments and the Aggregate Used Vehicle Floorplan Commitments as requested by the Company and specified in its notice, provided that, following any such increase, no more than 15% of the Aggregate Commitments may be allocated to the Aggregate Used Vehicle Floorplan Commitments. At the time of sending any such notice, the Company (in consultation with the Administrative Agent) shall specify (x) the time period within which each Lender is requested to respond (which shall in no event be less than ten Business Days from the date of delivery of such notice to the Lenders) and (y) whether the requested increase is for the New Vehicle Floorplan Commitments or the Used Vehicle Floorplan Commitments.

(b) Lender Elections to Increase. Each Lender shall notify the Administrative Agent within such time period whether or not it agrees to increase its respective Commitment, and, if so, whether by an amount equal to, greater than, or less than its Applicable Percentage of such requested increase. Any Lender not responding within such time period shall be deemed to have declined to increase its Commitment.

(c) Notification by Administrative Agent; Additional Lenders. The Administrative Agent shall notify the Company and each Lender of the Lenders' responses to each request made hereunder. To achieve the full amount of a requested increase and subject to the approval of the Administrative Agent (which approvals shall not be unreasonably withheld), the Company may also invite additional Eligible Assignees to become Lenders pursuant to a joinder agreement in form and substance satisfactory to the Administrative Agent and its counsel.

(d) Effective Date and Allocations. If the Aggregate Commitments are increased in accordance with this Section, the Administrative Agent and the Company shall determine the effective date (the "Increase Effective Date") and the final allocation of such increase. The Administrative Agent shall promptly notify the Company and the Lenders of the final allocation of such increase and the Increase Effective Date.

(e) Conditions to Effectiveness of Increase. As a condition precedent to such increase, the Company shall deliver to the Administrative Agent a certificate of each Loan Party dated as of the Increase Effective Date (in sufficient copies for each Lender) signed by a Responsible Officer of such Loan Party (i) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such increase, and (ii) in the case of the Company, certifying that, before and after giving effect to such increase, (A) the representations and warranties contained in Article V and the other Loan Documents are true and correct on and as of the Increase Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that for purposes of this Section 2.18, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements

furnished pursuant to clauses (a) and (b), respectively, of Section 6.01, (B) no Default exists and (C) no Revolving Default exists. The Borrowers shall prepay any New Vehicle Floorplan Committed Loans or Used Vehicle Floorplan Committed Loans, as applicable, outstanding on the Increase Effective Date to the extent necessary to keep the outstanding New Vehicle Floorplan Committed Loans or Used Vehicle Floorplan Committed Loans, as applicable, ratable with any revised Applicable Percentages arising from any nonratable increase in the New Vehicle Floorplan Commitments or Used Vehicle Floorplan Commitments, as the case may be, under this Section.

(f) Conflicting Provisions. This Section shall supersede any provisions in Sections 2.17 or 10.01 to the contrary.

2.19 New Vehicle Borrowers.

(a) Effective as of the date hereof, each Subsidiary that has executed this Agreement shall be a “New Vehicle Borrower” hereunder and may receive New Vehicle Floorplan Loans for its account on the terms and conditions set forth in this Agreement.

(b) If any Subsidiary engages in the sale or leasing of New Vehicles and the Company wishes to designate such Subsidiary as a New Vehicle Borrower, the Company shall deliver to the Administrative Agent, pursuant to Section 6.14 or otherwise, a Joinder Agreement executed by such Subsidiary identifying such Subsidiary as a New Vehicle Borrower; provided that a New Vehicle Borrower shall not be required to execute a Joinder Agreement if such New Vehicle Borrower has executed and delivered this Agreement on the Closing Date. The parties hereto acknowledge and agree that prior to any such Subsidiary becoming entitled to utilize the credit facilities provided for in Sections 2.01 through 2.03 the Administrative Agent, the New Vehicle Swing Line Lender, and the other Lenders shall have received the documents required by Section 6.14. If the Administrative Agent and the New Vehicle Swing Line Lender agree that such Subsidiary shall be entitled to receive New Vehicle Floorplan Loans hereunder, then promptly following receipt of all such documents required by Section 6.14, the Administrative Agent shall send a notice in substantially the form of Exhibit K (a “New Vehicle Borrower Notice”) to the Company and the Lenders specifying the effective date upon which such Subsidiary shall constitute a New Vehicle Borrower for purposes hereof, whereupon each of the New Vehicle Floorplan Lenders agrees to permit such New Vehicle Borrower to receive New Vehicle Floorplan Loans hereunder, on the terms and conditions set forth herein, and each of the parties agrees that such New Vehicle Borrower otherwise shall be a Borrower for all purposes of this Agreement.

(c) Notwithstanding any other provision of this Agreement, each New Vehicle Borrower shall be jointly and severally liable as a primary obligor, and not merely as surety, for any and all Obligations under the New Vehicle Floorplan Facility now or hereafter owed to the Administrative Agent, the New Vehicle Swing Line Lender and the New Vehicle Floorplan Lenders, whether voluntary or involuntary and however arising, whether direct or acquired by any Lender by assignment or succession, whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined (such Obligations, the “New Vehicle Borrowers’ Liabilities”).

(d) Each New Vehicle Borrower expressly waives any and all defenses now or hereafter arising or asserted by reason of (i) any lack of legality, validity or enforceability of this Agreement, of any of the Notes, of any other Loan Document, or of any other agreement or instrument creating, providing security for, or otherwise relating to any of the Obligations or any guaranty of any of the New Vehicle Borrowers' Liabilities (the Loan Documents and all such other agreements and instruments being collectively referred to as the "Related Agreements"); (ii) any action taken under any of the Related Agreements, any exercise of any right or power therein conferred, any failure or omission to enforce any right conferred thereby, or any waiver of any covenant or condition therein provided; (iii) any acceleration of the maturity of any of the New Vehicle Borrowers' Liabilities or of any other obligations or liabilities of any Person under any of the Related Agreements; (iv) any release, exchange, non-perfection, lapse in perfection, disposal, deterioration in value, or impairment of any security for any of the New Vehicle Borrowers' Liabilities, or for any other obligations or liabilities of any Person under any of the Related Agreements; (v) any dissolution of any Borrower, any Loan Party or any other party to a Related Agreement, or the combination or consolidation of any Borrower, any Loan Party or any other party to a Related Agreement into or with another entity or any transfer or disposition of any assets of any Borrower, any Loan Party or any other party to a Related Agreement; (vi) any extension (including without limitation extensions of time for payment), renewal, amendment, restructuring or restatement of, any acceptance of late or partial payments under, or any change in the amount of any borrowings or any credit facilities available under, this Agreement, any of the Notes or any other Loan Document or any other Related Agreement, in whole or in part; (vii) the existence, addition, modification, termination, reduction or impairment of value, or release of any other guaranty (or security therefor) of the New Vehicle Borrowers' Liabilities; (viii) any waiver of, forbearance or indulgence under, or other consent to any change in or departure from any term or provision contained in this Agreement, any other Loan Document or any other Related Agreement, including without limitation any term pertaining to the payment or performance of any of the New Vehicle Borrowers' Liabilities, or any of the obligations or liabilities of any party to any other Related Agreement; and (ix) any other circumstance whatsoever (with or without notice to or knowledge of such New Vehicle Borrower) which may or might in any manner or to any extent vary the risks of such New Vehicle Borrower, or might otherwise constitute a legal or equitable defense available to, or discharge of, a surety or a guarantor, including without limitation any right to require or claim that resort be had to any Borrower or any other Loan Party or to any collateral in respect of the New Vehicle Borrowers' Liabilities. It is the express purpose and intent of the parties hereto that the joint and several liability of each New Vehicle Borrower for the New Vehicle Borrowers' Liabilities shall be absolute and unconditional under any and all circumstances and shall not be discharged except by payment as herein provided. Notwithstanding the foregoing, the liability of each New Vehicle Borrower with respect to its New Vehicle Borrowers' Liabilities shall be limited to an aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance under Section 548 of the Bankruptcy Code of the United States or any comparable provisions of any applicable state law.

(e) The Company shall be permitted to terminate the designation of a Subsidiary as a "New Vehicle Borrower" with respect to any particular franchise (any such franchise, a "Removed Franchise") and redesignate such Subsidiary as a "Dual Subsidiary" or a "Silo Subsidiary", as applicable, in order to finance New Vehicles through Permitted Silo Indebtedness so long as (i) the Company has (x) delivered notice of such request to the Administrative Agent,

(y) in the case of a Dual Subsidiary, executed and delivered acknowledgements (in form and substance reasonably acceptable to the Administrative Agent) of such Subsidiary's continuing Obligations under the Loan Documents (including pursuant to the Subsidiary Guaranty) as requested by the Administrative Agent and (z) prepaid all outstanding New Vehicle Floorplan Loans with respect to such redesignation as required by Section 2.11(a)(iii)(C) and otherwise complied with Section 7.17 or 7.18, as applicable, (ii) such Subsidiary otherwise qualifies as a "Silo Subsidiary" or a "Dual Subsidiary", as applicable, entitled to incur Permitted Silo Indebtedness pursuant to the terms of the Agreement at the time of such redesignation, and (iii) no Default or Event of Default then exists or will result therefrom. Following any such redesignation, (i) such Subsidiary shall no longer be entitled to utilize the credit facilities provided for in Sections 2.01 through 2.03 with respect to any Removed Franchise and (ii) the Company shall no longer be permitted to include any of the assets of such Subsidiary in the Used Vehicle Borrowing Base.

(f) Each Subsidiary that is or becomes a "New Vehicle Borrower" pursuant to this Section 2.19 hereby irrevocably appoints the Company as its agent for all purposes relevant to this Agreement and each of the other Loan Documents, including (i) the giving and receipt of notices, (ii) the execution and delivery of all documents, instruments and certificates contemplated herein and all modifications hereto, and (iii) the receipt of the proceeds of any New Vehicle Floorplan Loans made by the Lenders to any such New Vehicle Borrower hereunder. Any acknowledgment, consent, direction, certification or other action which might otherwise be valid or effective only if given or taken by all Borrowers, or by any Borrower acting singly, shall be valid and effective if given or taken only by the Company, whether or not any such other Borrower joins therein. Any notice, demand, consent, acknowledgement, direction, certification or other communication delivered to the Company in accordance with the terms of this Agreement shall be deemed to have been delivered to the Company and each New Vehicle Borrower.

2.20 Cash Collateral and Other Credit Support.

(a) Grant of Security Interest. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts at Bank of America. The Borrowers, and to the extent provided by any Lender, such Lender, hereby grants to the Administrative Agent, for the benefit of the Administrative Agent and the Lenders (including the New Vehicle Swing Line Lender and the Used Vehicle Floorplan Lender), a security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing. If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent as herein provided, or that the total amount of such Cash Collateral is less than that required to eliminate the applicable Fronting Exposure, the Borrowers (jointly and severally) or the relevant Defaulting Lender will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate the applicable Fronting Exposure.

(b) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral under any of this Section 2.20 or Sections 2.03 or 2.08 in respect of New Vehicle Floorplan Swing Line Loans or Used Vehicle Floorplan Swing Line Loans shall be

held and applied to the satisfaction of the specific New Vehicle Floorplan Swing Line Loans, Used Vehicle Floorplan Swing Line Loans or obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, interest accrued on such obligation) for which the Cash Collateral or other credit support was so provided, prior to any other application of such property as may be provided for herein.

(c) Release. Cash Collateral provided pursuant to any of the Sections referred to in Section 2.20(b) shall be released (except (i) as may be agreed to among the parties posting, and the New Vehicle Floorplan Swing Line Lender or the Used Vehicle Floorplan Swing Line Lender benefitting from, such Cash Collateral and (ii) Cash Collateral provided by or on behalf of a Loan Party shall not be released during the continuance of a Default or Event of Default) promptly following the payment or satisfaction of the obligations giving rise to delivery of such Cash Collateral, or, as to Cash Collateral provided pursuant to Sections 2.03 or 2.08, such earlier date as (A) the status of the applicable Lender as a Defaulting Lender shall be terminated or (B) the Administrative Agent shall determine in good faith that there remain outstanding no actual or potential Defaulting Lender funding obligations as to which the benefitted New Vehicle Swing Line Lender or Used Vehicle Swing Line Lender desires to maintain Cash Collateral.

2.21 Defaulting Lenders. Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 10.01.

(ii) Reallocation of Payments. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise, and including any amounts made available to the Administrative Agent by such Defaulting Lender pursuant to Section 10.08), shall be applied by the Administrative Agent as follows: *first*, as to any payment made in respect of principal of Loans, ratably to the principal amount of New Vehicle Floorplan Committed Loans and Used Vehicle Floorplan Committed Loans, as applicable, of other Lenders as if such Defaulting Lender had no Loans outstanding, until such time as the Outstanding Amount of New Vehicle Floorplan Committed Loans and Used Vehicle Floorplan Committed Loans of each Lender, as applicable, shall equal its pro rata share thereof based on its Applicable Percentage (without giving effect to Section 2.21(a)(iv)); *second*, to any amounts (including interest thereon) owed hereunder by such Defaulting Lender to the Administrative Agent; *third*, to any amounts (including interest thereon) owed hereunder by such Defaulting Lender to the New Vehicle Swing Line Lender or the Used Vehicle Swing Line Lender (to the extent the Administrative Agent has received notice thereof), ratably to the Persons entitled thereto; *fourth*, to the posting of Cash Collateral (or funding of participations, as applicable) in respect of its Applicable Percentage (without giving effect to Section 2.21(a)(iv)) of New Vehicle Floorplan Swing Line Loans or Used Vehicle Floorplan Swing Line Loans, (x) ratably to the New Vehicle Swing Line Lender and the Used Vehicle Swing Line Lender in accordance with their respective applicable

Fronting Exposures and (y) thereafter, to reduce ratably any reallocation of Applicable Percentages of other Lenders previously effected under Section 2.21(a)(iv); and *fifth*, to the Defaulting Lender or otherwise as required by applicable Law. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this subsection 2.21(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees. Such Defaulting Lender (i) shall not be entitled to receive any commitment fee pursuant to Section 2.13(a) for any period during which such Lender is a Defaulting Lender (and the Borrowers shall not be required to pay any such fee that otherwise would have been required to have been paid to such Defaulting Lender).

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. During any period in which there is a Defaulting Lender as to which the New Vehicle Swing Line Lender or the Used Vehicle Swing Line Lender (as applicable) has not received Cash Collateral pursuant to Section 2.03 or 2.08, then upon the request of the New Vehicle Swing Line Lender or the Used Vehicle Swing Line Lender (as applicable) to the Administrative Agent, for purposes of computing the amount of the obligation of each non-Defaulting Lender to acquire, refinance or fund participations in New Vehicle Floorplan Swing Line Loans or Used Vehicle Floorplan Swing Line Loans pursuant to Sections 2.03 and 2.08, the "Applicable Percentage" of each non-Defaulting Lender shall be computed without giving effect to the Commitment of such Defaulting Lender; provided, that, (i) each such reallocation shall be given effect only if, at the initial date thereof, no Default or Event of Default shall have occurred and be continuing; (ii) in all cases, the obligation of each non-Defaulting Lender to acquire, refinance or fund participations in New Vehicle Floorplan Swing Line Loans shall not exceed the positive difference, if any, between (1) the New Vehicle Floorplan Commitment of such non-Defaulting Lender and (2) the aggregate Outstanding Amount of the New Vehicle Floorplan Committed Loans of such Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all other New Vehicle Floorplan Swing Line Loans (prior to giving effect to such reallocation), (iii) in all cases, the obligation of each non-Defaulting Lender to acquire, refinance or fund participations in Used Vehicle Floorplan Swing Line Loans shall not exceed the positive difference, if any, between (1) the Used Vehicle Floorplan Commitment of such non-Defaulting Lender and (2) the aggregate Outstanding Amount of the Used Vehicle Floorplan Committed Loans of such Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all other Used Vehicle Floorplan Swing Line Loans (prior to giving effect to such reallocation).

(b) Defaulting Lender Cure. If the Company, the Administrative Agent, the New Vehicle Swing Line Lender and the Used Vehicle Swing Line Lender agree in writing in their reasonable discretion that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), such Lender will, to the extent applicable, purchase such portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the New Vehicle Floorplan

Committed Loans, Used Vehicle Floorplan Committed Loans and funded and unfunded participations in New Vehicle Swing Line Loans and Used Vehicle Swing Line Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages (without giving effect to Section 2.21(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender (and the Applicable Percentages of each Lender will automatically be adjusted on a prospective basis to reflect the foregoing); provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of any Borrower while such Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from such Lender's having been a Defaulting Lender.

ARTICLE IIA SECURITY

2A.01 Security. As security for the full and timely payment and performance of all Obligations, each Borrower shall, and shall cause all other Loan Parties to, on or before the Closing Date, do or cause to be done all things reasonably necessary in the opinion of the Administrative Agent and its counsel to grant to the Revolving Administrative Agent for the benefit of the Secured Parties a duly perfected security interest in all Collateral subject to no prior Lien or other encumbrance except as expressly permitted hereunder or under the other Loan Documents and with the priority identified in the Security Instruments. Without limiting the foregoing, each Borrower shall deliver, and shall cause each other applicable Loan Party to deliver, to the Administrative Agent, in form and substance reasonably acceptable to the Administrative Agent, (a) the Security Agreement and the Master Intercreditor Agreement and (b) UCC financing statements in form, substance and number as requested by the Administrative Agent, reflecting the Lien in favor of the Revolving Administrative Agent for the benefit of the Secured Parties on the Collateral. In addition, and without limiting the foregoing, each Borrower shall take and cause each other Loan Party to take such further action, and deliver or cause to be delivered such further documents and instruments, as required by the Security Instruments or otherwise as the Administrative Agent may reasonably request to create, perfect and maintain the effectiveness and priority of the Liens contemplated by this Article IIA and each of the Security Instruments.

2A.02 Further Assurances. At the request of the Administrative Agent from time to time, each Borrower will or will cause all other Loan Parties, as the case may be, to execute, by their respective Responsible Officers, alone or with the Administrative Agent, or the Revolving Administrative Agent, any certificate, instrument, financing statement, control agreement, statement or document, or to procure any certificate, instrument, statement or document or to take such other action (and pay all related costs) which the Administrative Agent reasonably deems necessary from time to time to create, continue or preserve the Liens in Collateral (and the perfection and priority thereof) of the Revolving Administrative Agent for the benefit of the Secured Parties contemplated hereby and by the other Loan Documents and specifically including all Collateral acquired by any Borrower or any other Loan Party after the Closing Date and all Collateral moved to or from time to time located at locations owned by third parties, including all leased locations, bailees, warehousemen and third party processors. Each of the

Administrative Agent and the Revolving Administrative Agent is hereby irrevocably authorized to execute and file or cause to be filed, with or if permitted by applicable law without the signature of any Borrower or any Loan Party appearing thereon, all UCC financing statements reflecting any Borrower or any other Loan Party as “debtor” and the Revolving Administrative Agent as “secured party”, and continuations thereof and amendments thereto, as the Administrative Agent or the Revolving Administrative Agent reasonably deems necessary or advisable to give effect to the transactions contemplated hereby and by the other Loan Documents.

2A.03 Information Regarding Collateral. Each Borrower represents, warrants and covenants that Schedule 2A.03(a) contains a true and complete list of (i) the exact legal name, jurisdiction of formation and location of the chief executive office of each Borrower and each other Person providing Collateral pursuant to a Security Instrument on the Closing Date (such Persons, together with any other Persons that provide Collateral at any time pursuant to a Security Instrument, being referred to collectively as the “Grantors”), (ii) each trade name, trademark or other trade style used by such Grantor on the Closing Date, (iii) each location in which goods constituting Collateral having an aggregate value in excess of \$100,000 are located as of the Closing Date, whether owned, leased or third-party locations, and (iv) with respect to each leased or third party location, the name of each owner of such location and a summary description of the relationship between the applicable Grantor and such Person. Each Borrower further covenants that it shall not change, and shall not permit any other Grantor to change, its name, type of entity, jurisdiction of formation (whether by reincorporation, merger or otherwise), or the location of its chief executive office, or use or permit any other Grantor to use, any additional trade name, trademark or other trade style, except upon giving not less than 15 days’ prior written notice to the Administrative Agent and taking or causing to be taken all such action at such Borrower’s or such other Grantor’s expense as may be reasonably requested by the Administrative Agent to perfect or maintain the perfection of the Lien of the Revolving Administrative Agent for the benefit of the Secured Parties in Collateral.

**ARTICLE III.
TAXES, YIELD PROTECTION AND ILLEGALITY**

3.01 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes. (i) Any and all payments by or on account of any obligation of the Company or any other Borrower hereunder or under any other Loan Document shall to the extent permitted by applicable Laws be made free and clear of and without reduction or withholding for any Taxes. If applicable Laws require the Company, any other Borrower or the Administrative Agent to withhold or deduct any Tax, such Tax shall be withheld or deducted in accordance with such Laws as determined by the Company or such Borrower or the Administrative Agent, as the case may be, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If the Company, any other Borrower or the Administrative Agent shall be required by the Code to withhold or deduct any Taxes, including both United States

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

(b) Payment of Other Taxes by the Borrowers. Without limiting the provisions of subsection (a) above, the Company and each other Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Laws.

(c) Tax Indemnifications. (i) Without limiting the provisions of subsection (a) or (b) above, the Company and each other Borrower (jointly and severally) shall, and does hereby, indemnify the Administrative Agent and each Lender, and shall make payment in respect thereof within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) withheld or deducted by the Company, any other Borrower or the Administrative Agent or paid by the Administrative Agent or such Lender, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The Company and each other Borrower shall also, and does hereby, indemnify the Administrative Agent, and shall make payment in respect thereof within 10 days after demand therefor, for any amount which a Lender for any reason fails to pay indefeasibly to the Administrative Agent as required by clause (ii) of this subsection. A certificate as to the amount of any such payment or liability delivered to the Company or any other Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(ii) Without limiting the provisions of subsection (a) or (b) above, each Lender shall, and does hereby, indemnify the Company, each other Borrower and the Administrative Agent, and shall make payment in respect thereof within 10 days after demand therefor, against any and all Taxes and any and all related losses, claims, liabilities, penalties, interest and expenses (including the fees, charges and disbursements of any counsel for the Company, any other Borrower or the Administrative Agent) incurred by or asserted against the Company, such Borrower or the Administrative Agent by any Governmental Authority as a result of the failure by such Lender to deliver, or as a result of the inaccuracy, inadequacy or deficiency of, any documentation required to be delivered by such Lender to the Company, any Lender or the Administrative Agent pursuant to subsection (e). Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document against any amount due to the Administrative

Agent under this clause (ii). The agreements in this clause (ii) shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all other Obligations.

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

(e) Status of Lenders; Tax Documentation. (i) Each Lender shall deliver to the Company and to the Administrative Agent, at the time or times prescribed by applicable Laws or when reasonably requested by the Company or the Administrative Agent, such properly completed and executed documentation prescribed by applicable Laws or by the taxing authorities of any jurisdiction and such other reasonably requested information as will permit the Company or the Administrative Agent, as the case may be, to determine (A) whether or not payments made hereunder or under any other Loan Document are subject to Taxes, (B) if applicable, the required rate of withholding or deduction, and (C) such Lender's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of all payments to be made to such Lender by the Company or any other Borrower pursuant to this Agreement or otherwise to establish such Lender's status for withholding tax purposes in the applicable jurisdiction.

(ii) Without limiting the generality of the foregoing, if the Company or any other Borrower is resident for tax purposes in the United States,

(A) any Lender that is a "United States person" within the meaning of Section 7701(a)(30) of the Code shall deliver to the Company and the Administrative Agent executed originals of Internal Revenue Service Form W-9 or such other documentation or information prescribed by applicable Laws or reasonably requested by the Company or the Administrative Agent as will enable the Company or the Administrative Agent, as the case may be, to determine whether or not such Lender is subject to backup withholding or information reporting requirements; and

(B) each Foreign Lender that is entitled under the Code, any Law or any applicable treaty to an exemption from or reduction of withholding Tax with respect to payments hereunder or under any other Loan Document shall deliver to the Company and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon

the request of the Company or the Administrative Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(I) executed originals of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States is a party,

(II) executed originals of Internal Revenue Service Form W-8ECI,

(III) executed originals of Internal Revenue Service Form W-8IMY and all required supporting documentation,

(IV) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not (A) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Company or the applicable Borrower within the meaning of section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code and (y) executed originals of Internal Revenue Service Form W-8BEN, or

(V) executed originals of any other form prescribed by applicable Laws as a basis for claiming exemption from or a reduction in United States Federal withholding tax together with such supplementary documentation as may be prescribed by applicable Laws to permit the Company or the Administrative Agent to determine the withholding or deduction required to be made.

(iii) Each Lender shall promptly (A) notify the Company and the Administrative Agent of any change in circumstances which would modify or render invalid any claimed exemption or reduction, and (B) take such steps as shall not be materially disadvantageous to it, in the reasonable judgment of such Lender, and as may be reasonably necessary (including the re-designation of its Lending Office) to avoid any requirement of applicable Laws of any jurisdiction that the Company or the Administrative Agent make any withholding or deduction for taxes from amounts payable to such Lender.

(f) Treatment of Certain Refunds Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender, or have any obligation to pay to any Lender, any refund of Taxes withheld or deducted from funds paid for the account of such Lender. If the Administrative Agent or any Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Company or any other Borrower or with respect to which the Company or any Borrower has paid additional amounts pursuant to this Section, it shall pay to the Company or such Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Company or such Borrower under

this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses incurred by the Administrative Agent or such Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Company and each other Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Company or such Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This subsection shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Company, any other Borrower or any other Person.

3.02 Illegality. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to the Eurodollar Rate, or to determine or charge interest rates based upon the Eurodollar Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Company through the Administrative Agent, (i) any obligation of such Lender to make or continue Eurodollar Rate Loans or to convert Base Rate Committed Loans to Eurodollar Rate Loans shall be suspended, and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Eurodollar Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Company that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Company and each other Borrower (jointly and severally) shall, upon demand from such Lender (with a copy to the Administrative Agent), immediately prepay or, if applicable, convert all such Eurodollar Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate) immediately and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurodollar Rate, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurodollar Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurodollar Rate. Upon any such prepayment or conversion, the Company and each other Borrower (jointly and severally) shall also pay accrued interest on the amount so prepaid or converted.

3.03 Inability to Determine Rates. If the Required Lenders determine that for any reason in connection with any request for a Eurodollar Rate Loan or a conversion thereto that (a) adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or in connection with an existing or proposed Base Rate Loan, or (b) the Eurodollar Rate with respect to a proposed Eurodollar Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding

such Loan, the Administrative Agent will promptly so notify the Company and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended, and (y) in the event of a determination described in the preceding sentence with respect to the Eurodollar Rate component of the Base Rate, the utilization of the Eurodollar Rate component in determining the Base Rate shall be suspended, in each case until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Company may revoke any pending request for a Borrowing of or conversion to Eurodollar Rate Loans or, failing that, will be deemed to have converted such request into (i) in the case of a New Vehicle Floorplan Committed Loan, a request for a New Vehicle Floorplan Committed Borrowing of Base Rate Loans, (ii) in the case of a New Vehicle Floorplan Swing Line Loan, a request for a New Vehicle Floorplan Swing Line Borrowing of Base Rate Loans, (iii) in the case of Used Vehicle Floorplan Committed Loan, a request for a Used Vehicle Floorplan Committed Borrowing of Base Rate Loans, and (iv) in the case of a Used Vehicle Floorplan Swing Line Loan, a request for a Used Vehicle Floorplan Swing Line Borrowing of Base Rate Loans, in each case in the amount specified therein.

3.04 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by Section 3.04(e));

(ii) subject any Lender to any tax of any kind whatsoever with respect to this Agreement, any Eurodollar Rate Loan made or participated in by it, or change the basis of taxation of payments to such Lender in respect thereof (except, in each case, for Indemnified Taxes or Other Taxes covered by Section 3.01 and the imposition of, or any change in the rate of, any Excluded Tax payable by such Lender); or

(iii) impose on any Lender or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Rate Loans made or participated in by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining or participating in any Loan the interest of which is determined by reference to the Eurodollar Rate (or of maintaining its obligation to make or participated in any such Loan), or to increase the cost to such Lender or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, the Company and each other Borrower (jointly and severally) will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any Lending Office of such Lender or such Lender's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such

Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Loans held by, such Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Company and each other Borrower (jointly and severally) will pay to such Lender, as the case may be, such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Company shall be conclusive absent manifest error. The Company and each other Borrower (jointly and severally) shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's right to demand such compensation, provided that neither the Company nor any other Borrower shall be required to compensate a Lender pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies the Company of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Reserves on Eurodollar Rate Loans. The Company and each other Borrower, jointly and severally, shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each Eurodollar Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, provided the Company shall have received at least 10 days' prior notice (with a copy to the Administrative Agent) of such additional interest from such Lender. If a Lender fails to give notice 10 days prior to the relevant Interest Payment Date, such additional interest shall be due and payable 10 days from receipt of such notice.

3.05 Mitigation Obligations; Replacement of Lenders

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.04, or the Company or any other Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then such Lender shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or

affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Company and each other Borrower (jointly and severally) hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) **Replacement of Lenders.** If any Lender requests compensation under Section 3.04, or if the Company or any other Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, the Company may replace such Lender in accordance with Section 10.13.

3.06 Survival. All of the Company's and each other Borrower's obligations under this Article III shall survive termination of the Aggregate Commitments and repayment of all other Obligations hereunder and resignation of the Administrative Agent.

ARTICLE IV. CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

4.01 Conditions of Initial Borrowing. The obligation of each Lender to make its initial Borrowing hereunder is subject to satisfaction or waiver of the following conditions precedent:

(a) The Administrative Agent's receipt of the following, each of which shall be originals or telecopies (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance satisfactory to the Administrative Agent and each of the Lenders:

(i) executed counterparts of (A) this Agreement, (B) the Security Agreement, (C) the Company Guaranty and (D) the Subsidiary Guaranty, in each case, sufficient in number for distribution to the Administrative Agent, each Lender and the Company;

(ii) a Note executed by the Borrowers in favor of each Lender requesting a Note;

(iii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party;

(iv) such documents and certifications as the Administrative Agent may reasonably require to evidence that each Loan Party is duly organized or formed, and that each Loan Party is validly existing, in good standing and qualified to engage in business

in the respective jurisdictions specified in Schedule 4.01, which includes each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect;

(v) a favorable opinion of Parker Poe Adams & Bernstein LLP, counsel to the Loan Parties, addressed to the Administrative Agent, the Revolving Administrative Agent and each Lender, as to the matters set forth in Exhibit L (which shall include matters of Delaware, North Carolina, South Carolina and Federal Law) and such other matters concerning the Loan Parties and the Loan Documents as the Required Lenders may reasonably request;

(vi) a favorable opinion of local counsel to the Loan Parties in Florida, Texas, California, Alabama, and Tennessee, addressed to the Administrative Agent and each Lender in form and substance satisfactory to the Administrative Agent;

(vii) a certificate of a Responsible Officer of each Loan Party either (A) attaching copies of all consents, licenses and approvals required in connection with the execution, delivery and performance by such Loan Party and the validity against such Loan Party of the Loan Documents to which it is a party, and such consents, licenses and approvals shall be in full force and effect, or (B) stating that no such consents, licenses or approvals are so required;

(viii) a certificate signed by a Responsible Officer of the Company certifying (A) that the conditions specified in Sections 4.02(a) and (b) have been satisfied, and (B) that there has been no event or circumstance since the date of the Audited Financial Statements that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect;

(ix) a certificate signed by the chief executive officer, chief financial officer, treasurer or chief accounting officer of each Loan Party certifying that each Loan Party is Solvent, after giving effect to this Agreement and the other Loan Documents and the Indebtedness pursuant hereto and thereto;

(x) a duly completed Compliance Certificate as of the last day of the fiscal quarter of the Company ended on September 30, 2009, signed by a Responsible Officer of the Company; provided that, Indebtedness outstanding as of September 30, 2009 under the 6.00% Senior Secured Convertible Notes issued by the Company pursuant to the Indenture dated as of May 7, 2009 between the Company, the guarantors set forth therein and U.S. Bank National Association, as Trustee, may be excluded from all calculations thereunder;

(xi) a duly completed Used Vehicle Borrowing Base Certificate dated as of the Closing Date certifying as to the Used Vehicle Borrowing Base as of December 31, 2009, signed by a Responsible Officer of the Company;

(xii) a copy of (A) each standard form of Franchise Agreement for each vehicle manufacturer or distributor and (B) each executed Framework Agreement;

- (xiii) duly executed consents and waivers required pursuant to any Franchise Agreement or Framework Agreement;
- (xiv) executed counterparts of the Master Intercreditor Agreement, including all Silo Lender exhibits thereto;
- (xv) evidence that all insurance required to be maintained pursuant to the Loan Documents has been obtained and is in effect, including endorsements naming the Revolving Administrative Agent (on behalf of the Secured Parties) as an additional insured and loss payee, as the case may be, on all such insurance policies maintained with respect to properties of the Company or any Loan Party constituting part of the Collateral;
- (xvi) evidence that the Company and the New Vehicle Borrowers (as defined in the Existing Credit Agreement) have terminated the commitments under the New Vehicle Floorplan Facility and the Used Vehicle Floorplan Facility (each as defined in the Existing Credit Agreement) and all loans thereunder have been repaid in the amounts set forth in the floorplan paydown letter dated on or about the date hereof between the Administrative Agent and the Company (the "Existing Floorplan Paydown Letter");
- (xvii) consolidating balance sheets (including a separate line item for Eligible Used Vehicle Inventory) for the Company and each Subsidiary as at the end of September 30, 2009, and the related consolidating statements of income or operations, all in reasonable detail prepared by management of the Company or such Subsidiary, in each case with subtotals for (a) each Subsidiary, (b) all New Vehicle Borrowers (excluding the results of any Dual Subsidiaries) and (c) all Silo Subsidiaries grouped by each Silo Lender, and in each case prior to intercompany eliminations;
- (xviii) forecasts (including assumptions) prepared by the management of the Company of consolidated balance sheets, income statements and cash flow statements of the Company and its Subsidiaries in form and substance reasonably satisfactory to the Administrative Agent for each of the first three years following the Closing Date;
- (xix) if required by the Administrative Agent or the Revolving Administrative Agent, in their respective sole discretion, satisfactory results of audits of the Collateral, provided that, whether or not any such audit is performed, the Administrative Agent and the New Vehicle Swing Line Lender shall be entitled to rely on information provided by any existing lender of the Company or its Subsidiaries as to any Vehicles and existing new vehicle facilities being refinanced or paid down on the Closing Date;
- (xx) UCC financing statements or amendments to previously filed UCC financing statements for filing in all places required by applicable law to perfect the Liens of the Revolving Administrative Agent for the benefit of the Secured Parties under the Security Instruments as a valid and perfected Lien (with the priority described therein) as to items of Collateral in which a security interest may be perfected by the filing of financing statements, and such other documents and/or evidence of other actions as may be necessary under applicable law to perfect the Liens of the Revolving Administrative

Agent for the benefit of the Secured Parties under the Security Instruments as a valid and perfected Lien in and to such other Collateral as the Administrative Agent may require;

(xxi) UCC search results with respect to the Borrowers showing only Liens acceptable to the Administrative Agent (or pursuant to which arrangements satisfactory to the Administrative Agent shall have been made to remove any unacceptable Liens promptly after the Closing Date);

(xxii) such duly executed Landlord Waivers for locations of the Borrowers not already in effect pursuant to the Existing Credit Agreement, as may be requested by the Administrative Agent in its sole discretion;

(xxiii) a certificate signed by a Responsible Officer of the Company certifying as to the status of the Unrestricted Subsidiaries;

(xxiv) evidence that all floorplan financing arrangements among Chrysler Financial Services Americas LLC and any Subsidiary have been repaid and terminated and all Liens securing obligations thereunder have been released; and

(xxv) such other assurances, certificates, documents, consents or opinions as the Administrative Agent, the New Vehicle Swing Line Lender, the Used Vehicle Swing Line Lender or the Required Lenders reasonably may require.

(b) Any fees required to be paid on or before the Closing Date shall have been paid.

(c) Unless waived by the Administrative Agent, the Company shall have paid all fees, charges and disbursements of counsel to the Administrative Agent to the extent invoiced prior to or on the Closing Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Company and the Administrative Agent).

(d) The Revolving Credit Facility shall have been consummated substantially simultaneously with the consummation of this Agreement.

Without limiting the generality of the provisions of Section 9.03, for purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required hereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

4.02 Conditions to all Borrowings. The obligation of each Lender to honor any Request for Borrowing (other than pursuant to (x) a New Vehicle Committed Loan Notice or a Used Vehicle Committed Loan Notice, in each case requesting only a conversion of New Vehicle Floorplan Committed Loans or Used Vehicle Floorplan Committed Loans, as applicable, to the other Type, (y) a Payment Commitment, or (z) a Payoff Letter Commitment) is subject to the following conditions precedent:

(a) The representations and warranties of the Company and each other Loan Party contained in Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct on and as of the date of such Borrowing, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date, and except that for purposes of this Section 4.02, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01.

(b) (i) in the case of Used Vehicle Floorplan Borrowings, no Used Vehicle Default, Used Vehicle Event of Default or Revolving Event of Default shall exist, or would result from such proposed Borrowing or from the application of the proceeds thereof, (ii) in the case of New Vehicle Floorplan Borrowings, (A) no New Vehicle Event of Default shall exist, or would result from such proposed Borrowing or the application of the proceeds thereof, with respect to the New Vehicle Borrower that is requesting the Borrowing, (B) no New Vehicle Event of Default under Section 8.03(e) or (f) shall exist, (C) no New Vehicle Event of Default under Section 8.03(h) or (i) shall exist with respect to the Company and (D) no New Vehicle Event of Default under any other subsection of Section 8.03 has continued for thirty (30) days or more.

(c) The Administrative Agent and, if applicable, the New Vehicle Swing Line Lender or the Used Vehicle Swing Line Lender shall have received a Request for Borrowing in accordance with the requirements hereof; provided that, with respect to Used Vehicle Floorplan Swing Line Borrowings, for purposes of this Section 4.02(c) and the last sentence of Section 4.02, while an Autoborrow Agreement is in effect, the Company shall be deemed to have given a Used Vehicle Floorplan Swing Line Loan Notice (and reaffirmed the representations and warranties described herein and satisfied all other conditions to funding hereunder) as of each day on which an Autoborrow Advance is made.

(d) In the case of any Used Vehicle Floorplan Borrowing, the Total Used Vehicle Floorplan Outstandings after giving effect to such Borrowing shall not exceed the Used Vehicle Borrowing Base on such date.

(e) If the applicable Borrower is a New Vehicle Borrower, then the conditions of Section 2.19 to the designation of such Borrower as a New Vehicle Borrower shall have been met to the satisfaction of the Administrative Agent.

Each Request for Borrowing (other than a New Vehicle Committed Loan Notice or a Used Vehicle Committed Loan Notice, in each case requesting only a conversion of New Vehicle Floorplan Committed Loans or Used Vehicle Floorplan Committed Loans, as applicable, to the other Type) submitted by the Company shall be deemed to be a representation and warranty that the conditions specified in Sections 4.02(a), and (b) have been satisfied on and as of the date of the applicable Borrowing.

4.03 Conditions to all New Vehicle Floorplan Borrowings pursuant to a Payment Commitment or a Payoff Letter Commitment. The obligation of the New Vehicle Floorplan Swing Line Lender to honor any request for a New Vehicle Floorplan Borrowing pursuant to a

Payment Commitment or a Payoff Letter Commitment is subject to the following conditions precedent:

(a) To the extent required pursuant to the terms of such Payment Commitment or Payoff Letter Commitment, as the case may be, the New Vehicle Floorplan Swing Line Lender shall have received a manufacturer/distributor invoice, cash draft, electronic record, depository transfer check, sight draft, or such other documentation as may be specified in such Payment Commitment or Payoff Letter Commitment, identifying the Vehicles delivered or to be delivered to the applicable New Vehicle Borrower; and

(b) any other conditions precedent set forth in such Payment Commitment or Payoff Letter Commitment.

**ARTICLE V.
REPRESENTATIONS AND WARRANTIES**

Each of the Company and each New Vehicle Borrower represents and warrants to the Administrative Agent and the Lenders that:

5.01 Existence, Qualification and Power; Compliance with Laws. Each Loan Party and each Subsidiary thereof (a) is duly organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all franchises and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, (c) is duly qualified and is licensed and in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, and (d) is in compliance with all Laws; except in each case referred to in clause (b)(i), (c) or (d), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.02 Authorization; No Contravention. The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is party, have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law. Each Loan Party and each Subsidiary thereof is in compliance with all Contractual Obligations referred to in clauses (b) and (c), except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.03 Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental

Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document (other than (i) any such filing necessary or advisable to perfect in favor of the Revolving Administrative Agent, for the benefit of the Secured Parties, the Liens on the Collateral and (ii) any such approval, consent, exemption, authorization, other action, notice or filing that has been obtained, taken, given or made and is in full force and effect), except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.04 Binding Effect. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms.

5.05 Financial Statements; No Material Adverse Effect; No Internal Control Event

(a) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present the financial condition of the Company and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Company and its Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(b) The unaudited consolidated and consolidating balance sheets of the Company and its Subsidiaries dated September 30, 2009, and the related consolidated statements of income or operations, shareholders' equity and cash flows, and consolidating statements of income or operations, in each case for the fiscal quarter ended on that date, and in each case prior to intercompany eliminations (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present the consolidated financial condition of the Company and its Subsidiaries as of the date thereof and their consolidated results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments. Schedule 5.05 sets forth all material indebtedness and other liabilities, direct or contingent, of the Company and its consolidated Subsidiaries not included in such financial statements, including liabilities for taxes, material commitments and Indebtedness.

(c) Since the date of the Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

(d) To the Company's best knowledge, no Internal Control Event exists or has occurred since the date of the Audited Financial Statements that has resulted in or could reasonably be expected to result in a misstatement in any material respect, in any financial information delivered or to be delivered to the Administrative Agent or the Lenders, of (x)

covenant compliance calculations provided hereunder or (y) the assets, liabilities, financial condition or results of operations of the Company and its Subsidiaries on a consolidated basis.

5.06 Litigation. There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Company after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against the Company or any of its Subsidiaries or against any of their properties or revenues that (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby, or (b) if determined adversely, could reasonably be expected to have a Material Adverse Effect. Schedule 5.06 (as supplemented by any written notices provided by the Company after the Closing Date pursuant to Section 6.02(a)) sets forth all actions, suits, proceedings, claims or disputes pending, or to the knowledge of the Company after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority seeking damages or other remedies in excess of \$5,000,000 or which if determined adversely, could reasonably be expected to have a Material Adverse Effect.

5.07 No Default. Neither the Company nor any Subsidiary is in default under or with respect to any Contractual Obligation that could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

5.08 Ownership of Property; Liens. Each of the Company and each Subsidiary has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The property of the Company and its Subsidiaries is subject to no Liens, other than Liens permitted by Section 7.01.

5.09 Environmental Compliance. The Company and its Subsidiaries conduct in the ordinary course of business a review of the effect of existing Environmental Laws and any material claims alleging potential liability or responsibility for violation of any Environmental Law on their respective businesses, operations and properties, and as a result thereof the Company has reasonably concluded that such Environmental Laws and claims could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.10 Insurance. The properties of the Company and its Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of the Company, in such amounts, with such deductibles and covering such risks as (i) are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Company or the applicable Subsidiary operates and (ii) satisfy the requirements of the Security Instruments.

5.11 Taxes. The Company and its Subsidiaries have filed all Federal, state and other material tax returns and reports required to be filed, and have paid all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them

or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against the Company or any Subsidiary that would, if made, have a Material Adverse Effect. Neither any Loan Party nor any Subsidiary thereof is party to any tax sharing agreement.

5.12 ERISA Compliance.

(a) Each Plan, and to the knowledge of the Company, each Multiemployer Plan and Multiple Employer Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other Federal or state Laws. Each Pension Plan which is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service to the effect that the form of such Pension Plan is qualified under Section 401(a) of the Code with respect to all plan document qualification requirements for which the applicable remedial amendment period has closed and that the trust related thereto has been determined to be exempt from federal income tax under Section 501(a) of the Code or an application for such a letter is currently being processed by the Internal Revenue Service. To the best knowledge of the Company, nothing has occurred that would prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the best knowledge of the Company, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan or to the knowledge of the Company, any Multiemployer Plan or Multiple Employer Plan that could reasonably be expected to have a Material Adverse Effect. Neither the Company nor any ERISA Affiliate has engaged in any prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan, Multiemployer Plan or Multiple Employer Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) (i) No ERISA Event has occurred with respect to any Pension Plan, or to the knowledge of the Company, any Multiemployer Plan or Multiple Employer Plan, and neither the Company nor any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event; (ii) the Company and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; (iii) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is 60% or higher and neither the Company nor any ERISA Affiliate knows of any facts or circumstances which would cause the funding target attainment percentage for any such plan to drop below 60% as of the most recent valuation date; (iv) neither the Company nor any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due which are unpaid; and (v) neither the Company nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA.

5.13 Subsidiaries; Equity Interests. As of the Closing Date, the Company has no Subsidiaries other than those specifically disclosed in Part (a) of Schedule 5.13, and all of the outstanding Equity Interests in such Subsidiaries have been validly issued, are fully paid and

nonassessable and are owned by the Company or its Subsidiaries in the amounts specified on Part (a) of Schedule 5.13 free and clear of all Liens. The Company has no equity investments in any other corporation or entity other than those specifically disclosed in Part(b) of Schedule 5.13. All of the outstanding Equity Interests in the Company have been validly issued and are fully paid and nonassessable.

5.14 Margin Regulations; Investment Company Act

(a) Neither the Company nor any New Vehicle Borrower is engaged or will engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock.

(b) None of the Company, any Person Controlling the Company, or any Subsidiary is or is required to be registered as an “investment company” under the Investment Company Act of 1940.

5.15 Disclosure. The Company has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information furnished (whether in writing or orally) by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case, as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Company represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

5.16 Compliance with Laws. Each of the Company and each Subsidiary is in compliance in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

5.17 Intellectual Property; Licenses, Etc. The Company and its Subsidiaries own, or possess the right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses and other intellectual property rights (collectively, “IP Rights”) that are reasonably necessary for the operation of their respective businesses, without conflict with the rights of any other Person, except where the failure to do so, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. To the best knowledge of the Company, no slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by the

Company or any Subsidiary infringes upon any rights held by any other Person. No claim or litigation regarding any of the foregoing is pending or, to the best knowledge of the Company, threatened, which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.18 Books and Records. Each of the Company and each Subsidiary maintains proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied have been made of all financial transactions and matters involving the assets and business of the Company or such Subsidiary, as the case may be.

5.19 Franchise Agreements and Framework Agreements. The Company has provided to the Administrative Agent true, correct and complete copies of (a) a standard form of Franchise Agreement for each vehicle manufacturer or distributor and (b) each Framework Agreement, in each case in effect as of the Closing Date. Except as set forth on Schedule 5.19 or with respect to any Franchise Agreement entered into after the Closing Date and delivered to the Administrative Agent and each Lender pursuant to Section 6.03(f), there is no material deviation in any Franchise Agreement from the standard form of Franchise Agreements for the applicable vehicle manufacturer or distributor delivered as of the Closing Date. Each Franchise Agreement and Framework Agreement is, other than as disclosed in writing to the Administrative Agent and the Lenders, in full force and effect and is enforceable by the applicable Loan Party in accordance with its terms. To the knowledge of the Company, (a) no party to any Franchise Agreement or Framework Agreement is in material breach of, or has failed to perform in any material respect or is in material default under, such Franchise Agreement or Framework Agreement and (b) no party to any Franchise Agreement or Framework Agreement has given or received any notice of any proposed or threatened termination of such Franchise Agreement or Framework Agreement (except any such notice that has been disclosed to the Administrative Agent and each Lender, as the case may be, pursuant to Section 6.03(f)).

5.20 Collateral.

(a) The provisions of each of the Security Instruments are effective to create in favor of the Administrative Agent for the benefit of the Secured Parties, a legal, valid and enforceable, perfected security interest (with the priority described therein) in all right, title and interest of each applicable Loan Party in the Collateral described therein, except as otherwise permitted hereunder.

(b) No Contractual Obligation to which any Loan Party is a party or by which the property of any Loan Party is bound prohibits the filing or recordation of any of the Loan Documents or any other action which is necessary or appropriate in connection with the perfection of the Liens on Collateral evidenced and created by any of the Loan Documents.

5.21 Solvency. Both before and after giving effect to the Loans hereunder, each Loan Party is Solvent. On the Closing Date, both before and after giving effect to the Loans hereunder, each Loan Party is Solvent.

5.22 Labor Matters. As of the date hereof, to the Company's and its Subsidiaries' knowledge, there are no material labor disputes to which the Company or any of its Subsidiaries

may become a party, including, without limitation, any strikes, lockouts or other disputes relating to such Persons' plants and other facilities.

5.23 Acquisitions. As of the Closing Date and as of the date of each Permitted Acquisition, all material conditions precedent to, all consents from applicable Governmental Authorities, and all other material consents necessary to permit, such Permitted Acquisition will have been obtained, satisfied, or waived (except that (i) no conditions imposed by the Loan Documents are so waivable other than with the consent of the Required Lenders and (ii) no other conditions shall be waived if such waiver would materially adversely affect the benefits to be obtained by the Company or the Secured Parties from such Acquisition), as the case may be.

5.24 Real Estate Indebtedness. The amount of any Indebtedness of the Company and its Subsidiaries secured by Liens on the real property and improvements financed thereby is no greater than eighty-five percent (85%) of the value of such real property and improvements as set forth in an appraisal of such real property and improvements prepared by an independent Member of the Appraisal Institute certified appraiser in connection with such Indebtedness (which appraisal shall be delivered to Administrative Agent upon its request).

5.25 Permitted Service Loaner Indebtedness. All Indebtedness for the financing of Service Loaner Vehicles provided by Service Loaner Lenders which are not parties to the Master Intercreditor Agreement is secured solely by a Lien on said Service Loaner Vehicles so financed by the respective Service Loaner Lenders and the proceeds of such Vehicles.

ARTICLE VI. AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder or any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, the Company shall, and shall (except in the case of the covenants set forth in Sections 6.01, 6.02, and 6.03) cause each Subsidiary to:

6.01 Financial Statements. Deliver to the Administrative Agent and each Lender, in form and detail satisfactory to the Administrative Agent and the Required Lenders:

(a) as soon as available, but in any event within ninety (90) days after the end of each fiscal year of the Company (or if earlier, fifteen (15) days after the date required to be filed with the SEC (without giving effect to any extension permitted by the SEC)), a consolidated and consolidating balance sheet (including a separate line item for Eligible Used Vehicle Inventory) of the Company and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, shareholders' equity and cash flows and consolidating statements of income or operations, in each case for such fiscal year and with subtotals for (x) each Subsidiary, (y) all New Vehicle Borrowers (excluding the results of any Dual Subsidiaries), and (z) Silo Subsidiaries and Dual Subsidiaries grouped by each Silo Lender, and in each case prior to intercompany eliminations and setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, such consolidated statements to be audited and accompanied by (i) a report and opinion of a Registered Public Accounting Firm of nationally recognized standing reasonably acceptable to

the Required Lenders as to whether such financial statements are free of material misstatement, which report and opinion shall be prepared in accordance with audit standards of the Public Company Accounting Oversight Board and applicable Securities Laws and shall not be subject to any “going concern” or like qualification or exception or any qualification or exception as to the scope of such audit or with respect to the absence of material misstatement; and (ii) (A) management’s assessment of the effectiveness of the Company’s internal controls over financial reporting as of the end of such fiscal year of the Company as required in accordance with Item 308 of SEC Regulation S-K expressing a conclusion which contains no statement that there is a material weakness in such internal controls, except for such material weaknesses as to which the Required Lenders do not object, and (B) an attestation report of such Registered Public Accounting Firm on management’s assessment of, and the opinion of the Registered Public Accounting Firm independently assessing the effectiveness of, the Company’s internal controls over financial reporting in accordance with Item 308 of SEC Regulation S-K, PCAOB Auditing Standard No. 2 and Section 404 of Sarbanes-Oxley and expressing a conclusion which contains no statement that there is a material weakness in such internal controls, except for such material weakness as to which the Required Lenders do not object, and such consolidating statements to be certified by a Responsible Officer of the Company to the effect that such statements are fairly stated in all material respects when considered in relation to the consolidated financial statements of the Company and its Subsidiaries;

(b) as soon as available, but in any event within thirty (30) days after the end of each of the calendar months (including December) of each fiscal year of the Company (or if earlier, five days after the date required to be filed with the SEC (without giving effect to any extension permitted by the SEC)):

(i) a consolidated balance sheet (including a separate line item for Eligible Used Vehicle Inventory) of the Company and its Subsidiaries as at the end of such calendar month, and the related month and year-to-date consolidated statements of income or operations, shareholders’ equity and cash flows, in each case for such calendar month and for the portion of the Company’s fiscal year then ended and with subtotals for (x) each Subsidiary, (y) all New Vehicle Borrowers (excluding the results of any Dual Subsidiaries), and (z) Silo Subsidiaries and Dual Subsidiaries grouped by each Silo Lender, and in each case prior to intercompany eliminations and setting forth in each case in comparative month and year-to-date form the figures for the corresponding calendar month of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, such consolidated statements referred to in this [Section 6.01\(b\)\(i\)](#) to be certified by a Responsible Officer of the Company as fairly presenting the financial condition, results of operations, shareholders’ equity and cash flows of the Company and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes; and

(ii) a consolidating balance sheet (including a separate line item for Eligible Used Vehicle Inventory) of the Company and its Subsidiaries as at the end of such calendar month, and the related year-to-date consolidating statements of income or operations, in each case for such calendar month and for the portion of the Company’s fiscal year then ended and with subtotals for (x) each Subsidiary, (y) all New Vehicle Borrowers (excluding the results of any Dual Subsidiaries), and (z) Silo Subsidiaries and

Dual Subsidiaries grouped by each Silo Lender, and in each case prior to intercompany eliminations and setting forth in each case in comparative year-to-date form the figures for the corresponding portion of the previous fiscal year, all in reasonable detail, and such consolidating statements referred to in this Section 6.01(b)(ii) to be certified by a Responsible Officer of the Company to the effect that such statements are fairly stated in all material respects when considered in relation to the consolidated financial statements of the Company and its Subsidiaries.

As to any information contained in materials furnished pursuant to Section 6.02(h), the Company shall not be separately required to furnish such information under clause (a) or (b) above, but the foregoing shall not be in derogation of the obligation of the Company to furnish the information and materials described in clauses (a) and (b) above at the times specified therein.

6.02 Certificates; Other Information. Deliver to the Administrative Agent and each Lender, in form and detail satisfactory to the Administrative Agent and the Required Lenders:

(a) Concurrently with:

(i) the delivery of the financial statements referred to in Section 6.01(a) and Section 6.01(b) (with respect to the last month of each fiscal quarter), (A) a duly completed Compliance Certificate signed by a Responsible Officer of the Company, including the calculation of the financial covenants set forth in Section 7.11(a), (b) and (c) and the Consolidated Total Debt to EBITDA Ratio and (B) a schedule (which such schedule may be included in the Compliance Certificate delivered with respect to such period) describing all actions, suits, proceedings, claims or disputes pending, or to the knowledge of the Company after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority seeking damages or other remedies in excess of \$5,000,000;

(ii) the delivery of the financial statements referred to in Section 6.01(b) (with respect to each month other than the last month of a fiscal quarter), a duly completed Compliance Certificate signed by a Responsible Officer of the Company, but only including the calculation of the financial covenant set forth in Section 7.11(a);

(iii) the delivery of the financial statements referred to in Section 6.01(a), financial projections for the 12 months succeeding the date of such financial statements, such projections to be prepared by management of the Company, in form satisfactory to the Administrative Agent; and

(iv) any event described herein requiring Pro Forma Compliance, a duly completed Pro Forma Compliance Certificate (including the calculation of the financial covenants set forth in Section 7.11(a), (b) and (c) and the Consolidated Total Debt to EBITDA Ratio) or Pro Forma Used Vehicle Borrowing Base Certificate, as applicable, signed by a Responsible Officer of the Company;

(b) within twenty (20) days after the end of each calendar month, a duly completed Used Vehicle Borrowing Base Certificate signed by a Responsible Officer of the Company as at

the end of such calendar month; provided that, if any Event of Default shall have occurred and be continuing, the Company shall deliver such Used Vehicle Borrowing Base Certificates, each signed by a Responsible Officer of the Company, at any other time requested by the Administrative Agent;

(c) in the event of any Disposition resulting in Net Cash Proceeds in an amount greater than \$25,000,000 (excluding the value of New Vehicles sold in such Disposition) and concurrently with the delivery of a notice of Disposition required pursuant to Section 6.03(g), or any Removed Franchise, a duly completed Used Vehicle Borrowing Base Certificate giving pro forma effect to such Disposition or Removed Franchise, based on the prior month's Used Vehicle Borrowing Base Certificate, and subtracting sold assets or removed assets, as applicable, but reflecting prepayments of Used Vehicle Floorplan Loans required pursuant to Section 2.09(c) in connection with such Disposition or Removed Franchise and delivery of such certificates;

(d) in the event of any Acquisition, the certificates and information required by Section 7.12;

(e) within a reasonable period of time after any request by the Administrative Agent, Vehicle Title Documentation and manufacturer/dealer statements;

(f) promptly after any request by the Administrative Agent or any Lender, copies of any detailed audit reports, management letters or recommendations submitted to the board of directors (or the audit committee of the board of directors) of the Company by independent accountants in connection with the accounts or books of the Company or any Subsidiary, or any audit of any of them;

(g) promptly after the same are available, copies of each annual report, proxy or financial statement or other report or communication sent to the stockholders of the Company, and copies of all annual, regular, periodic and special reports and registration statements which the Company may file or be required to file with the SEC under Section 13 or 15(d) of the Securities Exchange Act of 1934, and not otherwise required to be delivered to the Administrative Agent pursuant hereto;

(h) promptly, and in any event within five Business Days after receipt thereof by any Loan Party or any Subsidiary thereof, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation by such agency regarding financial or other operational results of any Loan Party or any Subsidiary thereof;

(i) promptly after any request by the Administrative Agent, copies of any non-cancelable purchase and sale agreement referenced in the definition of "Consolidated Current Assets"; and

(j) promptly, such additional information regarding the business, financial or corporate affairs of the Company or any Subsidiary, or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may from time to time reasonably request.

Documents required to be delivered pursuant to Section 6.01(a) or (b) or Section 6.02(g) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Company posts such documents, or provides a link thereto on the Company's website on the Internet at the website address listed on Schedule 10.02; or (ii) on which such documents are posted on the Company's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (i) the Company shall deliver paper copies of such documents to the Administrative Agent or any Lender that requests the Company to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (ii) the Company shall notify the Administrative Agent and each Lender (by telecopier or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Notwithstanding anything contained herein, in every instance the Company shall be required to provide paper copies of the Compliance Certificates required by Section 6.02(a) to the Administrative Agent. Except for such Compliance Certificates, the Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Company with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Company hereby acknowledges that (a) the Administrative Agent and/or the Arranger will make available to the Lenders materials and/or information provided by or on behalf of the Company hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on IntraLinks or another similar electronic system (the "Platform") and (b) certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Company or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Company hereby agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC", the Company shall be deemed to have authorized the Administrative Agent, the Arranger, and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Company or its securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 10.07); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information"; and (z) the Administrative Agent and the Arranger shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information".

6.03 Notices. Promptly notify the Administrative Agent and each Lender:

(a) of the occurrence of any Default;

(b) of any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect, including (i) breach or non-performance of, or any default under, a Contractual Obligation of the Company or any Subsidiary; (ii) any notice or correspondence from or on behalf of the applicable franchisor, distributor or manufacturer, the Company or any Subsidiary alleging that any such event has occurred with respect to any Franchise Agreement or Framework Agreement, (iii) any dispute, litigation, investigation, proceeding or suspension between the Company or any Subsidiary and any Governmental Authority which such dispute, litigation, investigation, proceeding or suspension arising under this clause (iii) has resulted or could reasonably be expected to result in a Material Adverse Effect; or (iv) the commencement of, or any material development in, any litigation or proceeding affecting the Company or any Subsidiary, including pursuant to any applicable Environmental Laws, where the result of such event arising under this clause (iv) has resulted or could reasonably be expected to result in a Material Adverse Effect;

(c) of the occurrence of any ERISA Event with respect to a Pension Plan, and subject to notification to the Company, with respect to a Multiemployer Plan or Multiple Employer Plan;

(d) of any material change in accounting policies or financial reporting practices by the Company or any Subsidiary;

(e) of the Registered Public Accounting Firm's determination (in connection with its preparation of any report under Section 6.01(a)(ii)) or the Company's determination at any time of the occurrence or existence of any Internal Control Event;

(f) of (i) any Franchise Agreement entered into after the Closing Date (and a copy of such Franchise Agreement) which deviates in any material respect from the Franchise Agreements for the applicable vehicle manufacturer or distributor delivered as of the Closing Date, (ii) any Framework Agreement (and a copy of such Framework Agreement) entered into after the Closing Date (including the subject matter and term of such Framework Agreement), (iii) the termination or expiration of any Franchise Agreement or Framework Agreement, including the expiration of a Franchise Agreement which has expired as described in Section 8.01(f) and has not been renewed within 30 days; (iv) any amendment or other modification (and a copy of such amendment or modification) of any Framework Agreement, and (v) any material adverse change in the relationship between the Company or any Subsidiary and any vehicle manufacturer or distributor, including the written threat of loss of a new vehicle franchise or the written threat of termination of a Franchise Agreement or Framework Agreement;

(g) of the occurrence of any Disposition of property or assets resulting in Net Cash Proceeds greater than \$25,000,000 (such amount to exclude the value of New Vehicles sold in such Disposition), such notice pursuant to this clause (g) to be given on the date of such Disposition and to include (i) a statement of the date of the Disposition and the property or assets Disposed of, and (ii) an itemized calculation of the Net Cash Proceeds from such Disposition

(including showing as a separate line item each category of payments, expenses or taxes that are deducted as part of such calculation; and

(h) of the occurrence of any Silo Financing Commencement Date occurring during any month with respect to any Removed Franchise of a Subsidiary not later than the last Business Day of such month, stating (i) such Silo Financing Commencement Date, (ii) each applicable Removed Franchise, and (iii) the mandatory prepayments of New Vehicle Floorplan Committed Loans and New Vehicle Floorplan Swing Line Loans required in connection therewith by Section 2.11(a)(iii)(C).

Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer of the Company setting forth details of the occurrence referred to therein and stating what action the Company has taken and proposes to take with respect thereto. Each notice pursuant to Section 6.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

6.04 Payment of Obligations. Pay and discharge as the same shall become due and payable (a) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, including Vehicles, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Company or such Subsidiary; (b) all lawful claims which, if unpaid, would by law become a Lien upon its property; and (c) all Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness.

6.05 Preservation of Existence, Etc.; Maintenance of Vehicle Title Documentation. Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 7.04 or 7.05; (b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; (c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect; and (d) if applicable, preserve and maintain, in accordance with its standard policies and procedures, all manufacturer statements of origin, certificates of origin, certificates of title or ownership and other customary vehicle title documentation (collectively, the "Vehicle Title Documentation") necessary or desirable in the normal conduct of its business and maintain records evidencing which Vehicles are being used as Demonstrators and Rental Vehicles (each as defined in the Floorplan Credit Agreement).

6.06 Maintenance of Properties; Repairs. (a) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; (b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) use the standard of care typical in the industry in the operation and maintenance of its facilities.

6.07 Maintenance of Insurance. (a) Maintain with financially sound and reputable insurance companies not Affiliates of the Company or any Subsidiary, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business and otherwise as required by the Security Instruments; (b) maintain general public liability insurance at all times with financially sound and reputable insurance companies not Affiliates of the Company or any Subsidiary, against liability on account of damage to persons and property; and (c) maintain insurance under all applicable workers' compensation laws and against loss by reason of business interruption with such policies of insurance to have such limits, deductibles, exclusions, co-insurance and other provisions providing no less coverage than that maintained on the Closing Date, such insurance policies to be in form reasonably satisfactory to the Administrative Agent. Each of the policies described in this Section 6.07 shall provide that the insurer shall give the Administrative Agent and the Revolving Administrative Agent not less than thirty (30) days' prior written notice before any material amendment to any such policy by endorsement or any lapse, termination or cancellation thereof, each such policy of liability insurance shall list the Revolving Administrative Agent as an additional insured, and each such policy of casualty insurance shall list the Revolving Administrative Agent as loss payee pursuant to a loss payee clause in form and substance satisfactory to the Administrative Agent and the Revolving Administrative Agent.

6.08 Compliance with Laws and Contractual Obligations. Comply in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees and all Contractual Obligations applicable to it or to its business or property, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

6.09 Books and Records. Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Company or such Subsidiary, as the case may be, including, if applicable, books and records specifying the year, make, model, cost, price, location and vehicle identification number of each Vehicle owned by the Company or such Subsidiary.

6.10 Inspection Rights. Permit representatives and independent contractors of the Administrative Agent and each Lender to visit and inspect any of its properties (including inspecting Vehicles and conducting random samples of the Net Book Value of the Used Vehicles), to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Company (except for access required in connection with a floorplan audit pursuant to Section 6.12, which will be permitted at any time during regular business hours (or at other times consistent with standard industry practice) and without advance notice); provided, however, that when an Event of Default exists the Administrative Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of the Company at any time during normal business hours and without advance notice.

6.11 Use of Proceeds. Use the proceeds of the Borrowings:

(a) in the case of the New Vehicle Floorplan Facility (i) to finance the acquisition by the New Vehicle Borrowers of New Vehicle Inventory (including dealer trade, Demonstrators, Rental Vehicles and Fleet Vehicles) pursuant to New Vehicle Floorplan Committed Loan Notices, New Vehicle Floorplan Swing Line Loan Notices, Payment Commitments or Payoff Letter Commitments; provided that, no New Vehicle Floorplan Committed Loan or New Vehicle Floorplan Swing Line Loan shall be made to any New Vehicle Borrower to finance New Vehicles manufactured by a Restricted Manufacturer, and (ii) to refinance indebtedness outstanding under existing new vehicle floorplan facilities of the New Vehicle Borrowers, provided pursuant to the Existing Credit Agreement, in each case not in contravention of any Law or any Loan Document; and

(b) in the case of the Used Vehicle Floorplan Facility (i) to finance the acquisition of Used Vehicle inventory, (ii) to refinance indebtedness outstanding under the used vehicle floorplan facility of the Company provided pursuant to the Existing Credit Agreement, and (iii) other working capital, capital expenditures and other lawful corporate purposes, in each case not in contravention of any Law or of any Loan Document;

provided that no proceeds of any Borrowing shall be paid to any Unrestricted Subsidiary.

6.12 Floorplan Audits.

(a) Entry on Premises. Each New Vehicle Borrower shall permit a duly authorized representative of the New Vehicle Swing Line Lender to enter upon such New Vehicle Borrower's premises during regular business hours (or at other times consistent with standard industry practice) to perform audits of Vehicles constituting Collateral in a manner reasonably satisfactory to the New Vehicle Swing Line Lender on a quarterly basis or at other intervals as requested by the New Vehicle Swing Line Lender from time to time, but no less frequently than three times in any twelve (12) month period. Each New Vehicle Borrower shall assist the New Vehicle Swing Line Lender, and its representatives, in whatever way reasonably necessary to make the inspections and audits provided for herein.

(b) Delivery of Audits. Within thirty (30) days after the end of each calendar month of the Company, the New Vehicle Swing Line Lender shall deliver to the Administrative Agent a summary of the audits of each of the New Vehicle Borrowers performed by the New Vehicle Swing Line Lender during the calendar month just ended, setting forth therein a spread sheet reflecting, for each New Vehicle Borrower, a summary of the results of each floorplan audit during the calendar month. The Administrative Agent shall promptly deliver a copy of such report to each Lender.

6.13 Location of Vehicles. Keep the Vehicles only at the locations set forth on Schedule 6.13, as such schedule may be revised from time to time as set forth in the Compliance Certificate delivered pursuant to Section 6.02(a), except that Vehicles may, in the ordinary course of business, (i) be temporarily in transit to or between such locations or (ii) be temporarily removed from such locations (a) for repair, (b) when being test driven by potential customers or (c) in the case of Heavy Trucks, for conversion of any such Heavy Truck at a conversion facility,

provided that, (1) if requested by the New Vehicle Swing Line Lender in its sole discretion during a floorplan audit, the Company or the applicable New Vehicle Borrower shall provide the New Vehicle Swing Line Lender with the name, location and contact information of the conversion facility or other information reasonably requested by the New Vehicle Swing Line Lender with respect to such Heavy Truck, and (2) if the applicable customer has purchased the applicable Heavy Truck, the conversion facility may transport such Heavy Truck directly to such customer.

6.14 Additional Subsidiaries. (i) If the Company requests that New Vehicle Floorplan Loans be made available to a newly acquired or created Subsidiary (other than a Silo Subsidiary) which engages in the business of selling or leasing New Vehicles, or (ii) if any newly created or acquired Subsidiary has Eligible Used Vehicle Inventory included in the Used Vehicle Borrowing Base at any time, then as soon as practicable, but in any event within thirty (30) days after the acquisition or creation of any such Subsidiary (or, if later, by the date such Subsidiary first satisfies the condition in clause (i) or (ii) above) cause to be delivered to the Administrative Agent each of the following:

(i) a Joinder Agreement duly executed by such Subsidiary with all schedules and information thereto appropriately completed with respect to becoming a “New Vehicle Borrower” or “Subsidiary Guarantor” (including appropriate indications if such Subsidiary is a Dual Subsidiary);

(ii) UCC financing statements naming such Subsidiary as “Debtor” and naming the Revolving Administrative Agent for the benefit of the Secured Parties as “Secured Party,” in form, substance and number sufficient in the reasonable opinion of the Administrative Agent and its counsel to be filed in all UCC filing offices in which filing is necessary or advisable to perfect in favor of the Revolving Administrative Agent for the benefit of the Secured Parties the Liens on the Collateral conferred under such Joinder Agreement and other Security Instruments to the extent such Lien may be perfected by UCC filings;

(iii) unless the Required Lenders expressly waive such requirement in accordance with Section 10.01, in the case of any single Acquisition or any related series of Acquisitions with an aggregate Cost of Acquisition of \$25,000,000 or more, an opinion or opinions of counsel to such Subsidiary dated as of the date of delivery of such Joinder Agreements (and other Loan Documents) provided for in this Section 6.14 and addressed to the Administrative Agent, in form and substance acceptable to the Administrative Agent;

(iv) the documents described in Sections 4.01(a)(iii), (iv), (vii), (xii), (xiii), (xxi), (xxii) and (xxiii) with respect to such Restricted Subsidiary; and

(v) evidence satisfactory to the Administrative Agent that all taxes, filing fees, recording fees and other related transaction costs have been paid.

In addition, such Subsidiary shall also comply with Section 7.16 (in the case of a Silo Subsidiary), Section 7.17 (in the case of a Dual Subsidiary), and Section 7.20.

6.15 Further Assurances. Execute, acknowledge, deliver, and record or file such further instruments, including, without limitation, further security agreements, financing statements, and continuation statements, and do such further acts as may be reasonably necessary, desirable, or proper to carry out more effectively the purposes of this Agreement, including, without limitation, (i) causing any additions, substitutions, replacements, or equipment related to the Vehicles financed hereunder to be covered by and subject to the Liens created in the Loan Documents to which any New Vehicle Borrower is a party; and (ii) with respect to any Vehicles which are, or are required to be, subject to Liens under the Loan Documents, execute, acknowledge, endorse, deliver, procure, and record or file any document or instrument, including, without limitation, any financing statement or any Vehicle Title Documentation, deemed advisable by the Administrative Agent or the New Vehicle Swing Line Lender to protect the Liens granted in this Agreement or the Loan Documents against the rights or interests of third Persons, and the Company will pay all reasonable costs connected with any of the foregoing.

6.16 Landlord Waivers. With respect to any real property leased by the Company or any Loan Party, where requested by the Administrative Agent, the Company and each Loan Party shall use commercially reasonable efforts (and shall deliver to the Administrative Agent satisfactory evidence of such efforts) to deliver a Landlord Waiver (to the extent not previously delivered to the Administrative Agent or the Revolving Administrative Agent) duly executed by the applicable landlord in form and substance reasonably satisfactory to the Administrative Agent.

6.17 Notices regarding Indebtedness.

(a) At the time the Company or any Loan Party enters into any Permitted Indenture Refinancing Indebtedness, the Company shall deliver to the Administrative Agent a certificate, in form and substance acceptable to the Administrative Agent, attaching copies of all material documentation relating to such Permitted Indenture Refinancing Indebtedness, stating the amount of such Permitted Indenture Refinancing Indebtedness and certifying that (i) such Permitted Indenture Refinancing Indebtedness complies with the requirements of Sections 7.15 and 7.09 and the definition of “Permitted Indenture Refinancing Indebtedness” and (ii) no Event of Default shall have occurred and be continuing or would occur as a result thereof.

(b) At the time the Company or any Loan Party enters into any Additional Indebtedness, the Company shall deliver to the Administrative Agent a certificate, in form and substance acceptable to the Administrative Agent, attaching copies of all material documentation relating to such Additional Indebtedness, stating the amount of such Additional Indebtedness and certifying that (i) such Additional Indebtedness complies with the requirements of Sections 7.15 and 7.09 and the definition of “Additional Indebtedness” and (ii) no Event of Default shall have occurred and be continuing or would occur as a result thereof.

6.18 Joinder of Additional Silo Lenders. To the extent not otherwise required to be delivered pursuant to Sections 7.16 or 7.17 and as soon as practicable but in any event within five (5) days following the initial incurrence of Permitted Silo Indebtedness by any New Vehicle Borrower or any other Subsidiary from a Silo Lender with respect to a particular franchise, cause to be delivered to the Administrative Agent a joinder agreement to the Master Intercreditor

Agreement executed by the applicable Silo Lender, along with any applicable revised exhibits thereto.

6.19 Deposit Accounts. Maintain with the Revolving Administrative Agent at all times the depository arrangements in existence with the Revolving Administrative Agent on the Closing Date (including the maintenance of all business, operating and administrative deposit accounts) unless otherwise approved by the Revolving Administrative Agent.

6.20 Post-Closing Intercreditor Agreements. Within 30 days of the Closing Date, or such later date as determined by the Administrative Agent in its sole discretion, deliver intercreditor agreements executed by each Service Loaner Lender which, as of the Closing Date, provides Permitted Service Loaner Indebtedness but does not provide Permitted Silo Indebtedness and is not a party to the Master Intercreditor Agreement (which such intercreditor agreements shall meet the requirements set forth in the definition of "Permitted Service Loaner Indebtedness").

ARTICLE VII. NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, the Company shall not, nor shall it permit any Subsidiary to, directly or indirectly:

7.01 Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) Liens pursuant to any Loan Document;

(b) Liens existing on the date hereof and listed on Schedule 7.01 and any refunding, refinancing, renewals or extensions thereof, provided that (i) the property covered thereby is not changed, (ii) the amount secured or benefited thereby is not increased, (iii) the direct or any contingent obligor with respect thereto is not changed, and (iv) any refunding, refinancing, renewal or extension of the obligations secured or benefited thereby is permitted by Section 7.03(b);

(c) Liens for taxes not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(d) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than thirty (30) days or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person;

(e) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA;

(f) deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(g) easements, rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person;

(h) Liens securing judgments for the payment of money not constituting a Used Vehicle Event of Default under Section 8.01(h) or a New Vehicle Event of Default under Section 8.03(j);

(i) Liens securing Indebtedness permitted under Section 7.03(e); provided that (i) such Liens do not at any time encumber any property other than the property financed by such Indebtedness and (ii) the Indebtedness secured thereby does not exceed the cost or fair market value, whichever is lower, of the property being acquired on the date of acquisition;

(j) Liens securing Permitted Silo Indebtedness so long as the respective Silo Lender (and each other party to the Master Intercreditor Agreement) has executed and delivered the Master Intercreditor Agreement to the Administrative Agent and such Liens are subject to the Master Intercreditor Agreement; provided that, Permitted Silo Indebtedness provided by a Silo Lender may be cross-collateralized with other Permitted Silo Indebtedness provided by such Silo Lender;

(k) Liens on Permitted Real Estate Indebtedness Collateral securing either Permitted Real Estate Indebtedness permitted by Section 7.03(l) or permitted Guarantees thereof;

(l) Liens securing Permitted Service Loaner Indebtedness so long as (i) each Service Loaner Lender holding such Indebtedness (and each other party to the Master Intercreditor Agreement or other intercreditor agreement) has executed and delivered to the Administrative Agent the Master Intercreditor Agreement or (ii) the Company has used commercially reasonable efforts to obtain an intercreditor agreement meeting the requirements set forth in the definition of "Permitted Service Loaner Indebtedness"; provided that, Permitted Service Loaner Indebtedness provided by a Service Loaner Lender may be cross-collateralized with other Permitted Service Loaner Indebtedness provided by such Service Loaner Lender;

(m) Liens securing the Revolving Credit Facility so long as the Revolving Administrative Agent (and each other party to the Master Intercreditor Agreement) has executed and delivered the Master Intercreditor Agreement to the Administrative Agent and such Liens are subject to the Master Intercreditor Agreement; and

(n) Liens not otherwise permitted under this Section 7.01; provided that (i) at the time of the creation or incurrence of such Lien, no Default shall exist or would result from such Lien,

(ii) no such Lien attaches to any Collateral, and (iii) the aggregate Indebtedness secured by (and the value of the assets subject to) all Liens created or incurred in reliance on this clause (n) shall not exceed \$10,000,000 at any time.

7.02 Investments. Make any Investments, except:

- (a) Investments held by the Company or such Subsidiary in the form of cash equivalents or short-term marketable securities;
- (b) advances to officers, directors and employees of the Company and Subsidiaries in an aggregate amount not to exceed \$5,000,000 at any time outstanding, for travel, entertainment, relocation and analogous ordinary business purposes;
- (c) Investments of the Company in any Subsidiary Guarantor and Investments of any Subsidiary Guarantor in the Company or in another Subsidiary Guarantor;
- (d) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;
- (e) Guarantees permitted by Section 7.03;
- (f) Acquisitions permitted by Section 7.12;
- (g) capital contributions (in order to meet capital requirements imposed by applicable Law) or insurance premium payments by any Loan Party to SRM Assurance, Ltd., which capital contributions and premium payments do not exceed \$6,000,000 in the aggregate in any fiscal year of the Company;
- (h) Buyer Notes obtained by the Company or a Subsidiary in connection with a Disposition permitted by Section 7.05(g), provided, however, that the aggregate amount of all such Investments at any one time shall not exceed \$5,000,000;
- (i) Investments made in connection with the Company's supplemental executive retirement plan, as the same may be amended, so long as such Investments do not exceed (A) \$5,000,000 in any given calendar year or (B) \$10,000,000 in the aggregate; and
- (j) other Investments not exceeding \$5,000,000 in the aggregate in any fiscal year of the Company.

7.03 Indebtedness. Create, incur, assume or suffer to exist any Indebtedness, except:

- (a) Indebtedness under the Loan Documents;
- (b) Indebtedness outstanding on the date hereof and listed on Schedule 7.03 and any refinancings, refundings, renewals or extensions thereof; provided that (i) the amount of such Indebtedness is not increased at the time of such refinancing, refunding, renewal or extension

except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing and by an amount equal to any existing commitments unutilized thereunder and (ii) the terms relating to principal amount, amortization, maturity, collateral (if any) and subordination (if any), and other material terms taken as a whole, of any such refinancing, refunding, renewing or extending Indebtedness, and of any agreement entered into and of any instrument issued in connection therewith, are no less favorable in any material respect to the Loan Parties or the Lenders than the terms of any agreement or instrument governing the Indebtedness being refinanced, refunded, renewed or extended and the interest rate applicable to any such refinancing, refunding, renewing or extending Indebtedness does not exceed the then applicable market interest rate;

(c) Guarantees of the Company or any Subsidiary Guarantor in respect of Indebtedness otherwise permitted hereunder of the Company or any Subsidiary Guarantor;

(d) obligations (contingent or otherwise) of the Company or any Subsidiary existing or arising under any Swap Contract, provided that (i) such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person, and not for purposes of speculation or taking a "market view;" and (ii) such Swap Contract does not contain any provision exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party;

(e) Indebtedness in respect of capital leases, Synthetic Lease Obligations and purchase money obligations for fixed or capital assets within the limitations set forth in Section 7.01(i); provided, however, that the aggregate amount of all such Indebtedness at any one time outstanding shall not exceed \$5,000,000;

(f) Indebtedness in an aggregate principal amount not to exceed \$10,000,000 at any time outstanding;

(g) Permitted Silo Indebtedness so long as each Silo Lender holding such Indebtedness (and each other party to the Master Intercreditor Agreement) has executed and delivered the Master Intercreditor Agreement to the Administrative Agent;

(h) 2002-4.25% Indenture Indebtedness and any Permitted Indenture Refinancing Indebtedness that has refinanced or replaced any 2002-4.25% Indenture Indebtedness; provided that (i) the aggregate amount of all such 2002-4.25% Indenture Indebtedness and such Permitted Indenture Refinancing Indebtedness at any one time outstanding shall not exceed the aggregate principal amount of such Indebtedness existing as of the Closing Date, less the aggregate principal amount of all 2002-4.25% Indenture Indebtedness that is prepaid as permitted hereunder, plus, to the extent permitted hereunder, the amount of payment-in-kind interest accrued on such 2002-4.25% Indenture Indebtedness, and (ii) both immediately prior to the issuance of such Permitted Indenture Refinancing Indebtedness and after giving effect to such Permitted Indenture Refinancing Indebtedness (A) no Default or Event of Default shall exist, and (B) the Company and its Subsidiaries shall be in Pro Forma Compliance, as evidenced by a Pro Forma Compliance Certificate;

(i) 2003-8.625% Indenture Indebtedness and any Permitted Indenture Refinancing Indebtedness that has refinanced or replaced any 2003-8.625% Indenture Indebtedness; provided that (i) the aggregate amount of all such 2003-8.625% Indenture Indebtedness and such Permitted Indenture Refinancing Indebtedness at any one time outstanding shall not exceed the aggregate principal amount of such Indebtedness existing as of the Closing Date, less the aggregate principal amount of all 2003-8.625% Indenture Indebtedness that is prepaid as permitted hereunder, plus, to the extent permitted hereunder, the amount of payment-in-kind interest accrued on such 2003-8.625% Indenture Indebtedness, and (ii) both immediately prior to the issuance of such Permitted Indenture Refinancing Indebtedness and after giving effect to such Permitted Indenture Refinancing Indebtedness (A) no Default or Event of Default shall exist, and (B) the Company and its Subsidiaries shall be in Pro Forma Compliance, as evidenced by a Pro Forma Compliance Certificate;

(j) 2009-5.0% Indenture Indebtedness and any Permitted Indenture Refinancing Indebtedness that has refinanced or replaced any 2009-5.0% Indenture Indebtedness; provided that (i) the aggregate amount of all such 2009-5.0% Indenture Indebtedness and such Permitted Indenture Refinancing Indebtedness at any one time outstanding shall not exceed the aggregate principal amount of such Indebtedness existing as of the Closing Date, less the aggregate principal amount of all 2003-8.625% Indenture Indebtedness that is prepaid as permitted hereunder, plus, to the extent permitted hereunder, the amount of payment-in-kind interest accrued on such 2009-5.0% Indenture Indebtedness, and (ii) both immediately prior to the issuance of such Permitted Indenture Refinancing Indebtedness and after giving effect to such Permitted Indenture Refinancing Indebtedness (A) no Default or Event of Default shall exist, and (B) the Company and its Subsidiaries shall be in Pro Forma Compliance, as evidenced by a Pro Forma Compliance Certificate;

(k) Additional Indebtedness in addition to the Indebtedness described in Sections 7.03(h), (i) and (j), if both immediately prior to the issuance of such Additional Indebtedness and after giving effect to such Additional Indebtedness (i) no Default or Event of Default shall exist, and (ii) the Company and its Subsidiaries shall be in Pro Forma Compliance, as evidenced by a Pro Forma Compliance Certificate; provided, however, that the aggregate amount of all such Additional Indebtedness at any one time outstanding shall not exceed \$50,000,000;

(l) Permitted Real Estate Indebtedness;

(m) Permitted Service Loaner Indebtedness so long as (i) each Service Loaner Lender holding such Indebtedness (and each other party to the Master Intercreditor Agreement or other intercreditor agreement) has executed and delivered to the Administrative Agent the Master Intercreditor Agreement or (ii) the Company has used commercially reasonable efforts to obtain an intercreditor agreement meeting the requirements set forth in the definition of "Permitted Service Loaner Indebtedness"; provided further that the Indebtedness described in this clause (m) is in an aggregate principal amount not to exceed \$2,500,000 at any time outstanding;

(n) Indebtedness under the Revolving Credit Agreement so long as the Revolving Administrative Agent (and each other party to the Master Intercreditor Agreement) has executed and delivered the Master Intercreditor Agreement to the Administrative Agent; and

(o) Indebtedness under any Secured Cash Management Arrangement.

7.04 Fundamental Changes. Merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that, so long as no Default exists or would result therefrom:

(a) any Subsidiary may merge with (i) the Company, provided that the Company shall be the continuing or surviving Person, or (ii) any one or more other Subsidiaries, provided that when any Subsidiary Guarantor is merging with another Subsidiary, the Subsidiary Guarantor shall be the continuing or surviving Person;

(b) subject to Section 6.14, any Subsidiary may merge into or consolidate with another Person in order to consummate an Acquisition permitted by Section 7.1 provided that (i) if the Company is a party to any such merger or consolidation, the Company is the survivor thereof, and (ii) except as described in clause (i) above, if a Subsidiary Guarantor is a party to any such merger or consolidation, a Subsidiary Guarantor is the survivor thereof;

(c) any Subsidiary may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to the Company or to another Subsidiary provided that if the transferor in such a transaction is a Subsidiary Guarantor, then the transferee must either be the Company or a Subsidiary Guarantor;

(d) any Subsidiary may Dispose of all or substantially all of its assets to or in favor of any Person in one transaction or in a series of transactions, provided that such Disposition or Dispositions satisfy the requirements of Section 7.05(g) and in the case of a Disposition of a dealership Subsidiary, Section 7.19; and

(e) any Subsidiary which has Disposed of all or substantially all of its assets in accordance with the terms of this Agreement (i) may be dissolved or have its entity status terminated and (ii) at the request of the Company, be released by the Administrative Agent and the Revolving Administrative Agent from its obligations under the Subsidiary Guaranty and the other Loan Documents, provided that, if at any time thereafter the Company requests that such Subsidiary be designated as a New Vehicle Borrower, the Company shall cause to be delivered to the Administrative Agent all documents required to be delivered by Section 6.14 with respect to such Subsidiary in the timeframes set forth therein.

7.05 Dispositions. Make any Disposition or enter into any agreement to make any Disposition, except:

(a) Dispositions of obsolete or worn out property, whether now owned or hereafter acquired, in the ordinary course of business;

(b) Dispositions of inventory including Eligible Used Vehicle Inventory, in the ordinary course of business;

(c) Dispositions of equipment or real property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the

proceeds of such Disposition are reasonably promptly applied to the purchase price of such replacement property;

(d) Dispositions of property by any Subsidiary to the Company or to a wholly-owned Subsidiary; provided that if the transferor of such property is a Subsidiary Guarantor, the transferee thereof must either be the Company or a Subsidiary Guarantor;

(e) Dispositions permitted by Section 7.04;

(f) Dispositions by the Company and its Subsidiaries of property pursuant to sale-leaseback transactions, provided that the book value of all property so Disposed of shall not exceed \$50,000,000 in any fiscal year;

(g) Dispositions by the Company and its Subsidiaries not otherwise permitted under this Section 7.05; provided that at the time of such Disposition, (i) no Default shall exist or would result from such Disposition and (ii) in the case of a Disposition of a dealership Subsidiary, the requirements of Section 7.19 have been satisfied; provided, however, that any Disposition pursuant to clauses (a) through (g) shall be for fair market value.

7.06 Restricted Payments. Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that, so long as no Default shall have occurred and be continuing at the time of any action described below or would result therefrom:

(a) each Subsidiary may make Restricted Payments to the Company and any Subsidiaries of the Company that are Subsidiary Guarantors;

(b) the Company may declare and make dividend payments or other distributions payable solely in the common stock or other common Equity Interests of such Person;

(c) any Loan Party may make “net share settlements” of vested restricted stock for tax withholding;

(d) the Company may make any Restricted Payment permitted by Section 7.15 (including conversions of or similar payments made with respect to the Indenture Indebtedness, any Additional Indebtedness permitted by Section 7.03(k), or any convertible notes that refinance the Indenture Indebtedness or Additional Indebtedness permitted by Section 7.15); and

(e) the Company may declare and make cash dividend or distribution payments, or purchase, redeem, retire, acquire, cancel or terminate capital stock, in an aggregate amount for all such Restricted Payments not to exceed \$10,000,000 in any fiscal year; provided that, on the date of such Restricted Payment, the Company and its Subsidiaries are in Pro Forma Compliance, as evidenced by a Pro Forma Compliance Certificate.

7.07 Change in Nature of Business. Engage in any material line of business substantially different from those lines of business conducted by the Company and its Subsidiaries on the date hereof or any business substantially related or incidental thereto.

7.08 Transactions with Affiliates. Enter into any transaction of any kind with any Affiliate of the Company, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the Company or such Subsidiary as would be obtainable by the Company or such Subsidiary at the time in a comparable arm's length transaction with a Person other than an Affiliate, provided that the foregoing restriction shall not apply to transactions between or among the Company and any Guarantor or between and among any Guarantors.

7.09 Burdensome Agreements. Enter into any Contractual Obligation (other than this Agreement or any other Loan Document) that (a) limits the ability (i) of any Subsidiary to make Restricted Payments to the Company or any Loan Party or to otherwise transfer property to the Company or any Loan Party, (ii) of any Subsidiary to Guarantee the Indebtedness of the Company, or (iii) of the Company or any Subsidiary to create, incur, assume or suffer to exist Liens on property of such Person; provided, however, that (x) clauses (i), (ii) and (iii) above shall not prohibit any such restriction on Restricted Payments, Guarantees or liens incurred or provided in favor of any Floorplan Secured Party under the Floorplan Loan Documents, and (y) clause (iii) above shall not prohibit any negative pledge incurred or provided in favor of any holder of Indebtedness permitted under Section 7.03(e), (g), (l) or (m) solely to the extent any such negative pledge relates to the property financed by or securing such Indebtedness, (y) any negative pledge incurred or provided in favor of any holder of Indebtedness permitted under Section 7.03(i) solely to the extent any such negative pledge does not prohibit any current or future Lien of the Revolving Administrative Agent or the Administrative Agent (in each case for the benefit of the Secured Parties), on any property of any Loan Party, or (z) manufacturer limitations on dividends set forth in Franchise Agreements or Framework Agreements which limitations relate to minimum capitalization requirements for dealerships; or (b) requires the grant of a Lien to secure an obligation of such Person if a Lien is granted to secure another obligation of such Person.

7.10 Use of Proceeds. Use the proceeds of any Borrowing, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

7.11 Financial Covenants.

(a) Consolidated Liquidity Ratio. Permit the Consolidated Liquidity Ratio as of the end of any calendar month ending during any period set forth below to be less than the ratio set forth below opposite such period:

Period	Ratio
Closing Date through and including March 30, 2011	1.00 to 1.00
March 31, 2011 through and including March 30, 2012	1.05 to 1.00
March 31, 2012 and thereafter	1.10 to 1.00

(b) Consolidated Fixed Charge Coverage Ratio. Permit the Consolidated Fixed Charge Coverage Ratio at any time to be less than the ratios and for the periods set forth below:

Period	Ratio
Closing Date through and including March 30, 2011	1.10 to 1.00
March 31, 2011 through and including March 30, 2012	1.15 to 1.00
March 31, 2012 and thereafter	1.20 to 1.00

(c) Consolidated Total Senior Secured Debt to EBITDA Ratio Permit the Consolidated Total Senior Secured Debt to EBITDA Ratio at any time to be greater than 2.25 to 1.00.

7.12 Acquisitions. Enter into any agreement, contract, binding commitment or other arrangement providing for any Acquisition, or take any action to solicit the tender of securities or proxies in respect thereof in order to effect any Acquisition, unless (i) the Person to be (or whose assets are to be) acquired does not oppose such Acquisition and the material line or lines of business of the Person to be acquired are substantially the same as one or more line or lines of business conducted by the Company and its Subsidiaries, or substantially related or incidental thereto, (ii) no Default or Revolving Default shall have occurred and be continuing either immediately prior to or immediately after giving effect to such Acquisition and, (iii) if the aggregate Cost of Acquisition of all Acquisitions (including such Acquisition) occurring in any fiscal year is in excess of \$25,000,000, (w) the Required Lenders shall have consented to such Acquisition, (x) no Default would exist immediately after giving effect to such Acquisitions, (y) the Company shall have furnished to the Administrative Agent pro forma historical financial statements as of the end of the most recently completed fiscal year of the Company and most recent interim fiscal quarter, if applicable, giving effect to such Acquisition and all other Acquisitions consummated since such fiscal year end, and (z) the Company and its Subsidiaries shall be in Pro Forma Compliance after giving effect to such Acquisition, as evidenced by a Pro Forma Compliance Certificate and a Pro Forma Revolving Borrowing Base Certificate, in each case delivered simultaneously with such pro forma historical financial statements, (iv) the Person acquired shall be a wholly-owned Subsidiary, or be merged into the Company or a wholly-owned Subsidiary, immediately upon consummation of the Acquisition (or if assets are being acquired, the acquiror shall be the Company or a wholly-owned Subsidiary), and (v) after the consummation of such Acquisition, the Company or any applicable Subsidiary shall have complied with the provisions of Section 6.14.

7.13 Used Vehicle Borrowing Base.

(a) Permit at any time the sum of the Total Used Vehicle Floorplan Outstandings to exceed the Used Vehicle Borrowing Base, unless the Company shall have immediately complied with Section 2.09(e) with respect to such excess; or

(b) substantially change the method of valuation of the Collateral with respect to the Used Vehicle Borrowing Base from that used by the Company and its Subsidiaries on the Closing Date.

7.14 Amendments of Certain Indebtedness. Amend, modify or change in any manner any term or condition of any of the Indenture Indebtedness or any Additional Indebtedness permitted by Section 7.03(k) or refinance or replace any such Indebtedness so that the terms and conditions thereof are less favorable to the Administrative Agent and the Lenders than the terms and conditions of the relevant Indebtedness as of the later of the Closing Date or the date of incurrence thereof.

7.15 Prepayments, etc. of Certain Indebtedness. (i) Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner any of the Indenture Indebtedness or any Additional Indebtedness (such prepayments, redemptions, purchases, defeases or satisfactions referred to as “Indenture Prepayments”), except that, the Company may make such Indenture Prepayments if, both immediately prior to such Indenture Prepayments and after giving effect to such Indenture Prepayments (A) no Default or Event of Default shall exist, and (B) the Company and its Subsidiaries shall be in Pro Forma Compliance, as evidenced by a Pro Forma Compliance Certificate, or (ii) make any payment in violation of any subordination terms of any of the Indenture Indebtedness or any Additional Indebtedness.

7.16 Silo Subsidiaries. Permit any Subsidiary to become a Silo Subsidiary unless (i) any Silo Lender providing Permitted Silo Indebtedness to such Subsidiary has delivered to the Administrative Agent a joinder agreement to the Master Intercreditor Agreement (or if applicable, a revised exhibit to the Master Intercreditor Agreement for such Silo Lender), (ii) such Subsidiary shall not be designated a New Vehicle Borrower or entitled to the proceeds of any New Vehicle Floorplan Loans, (iii) no New Vehicle Inventory of such Subsidiary shall be financed by any New Vehicle Floorplan Loans, and (iv) prior to the time of designation of such Subsidiary as a Silo Subsidiary, all outstanding New Vehicle Floorplan Loans with respect to such Subsidiary shall have been repaid.

7.17 Dual Subsidiaries. Permit any Subsidiary to become a Dual Subsidiary unless (i) any Silo Lender providing Permitted Silo Indebtedness to such Subsidiary has delivered to the Administrative Agent a joinder agreement to the Master Intercreditor Agreement (or if applicable, a revised exhibit to the Master Intercreditor Agreement for such Silo Lender), (ii) in the event the New Vehicles of any such Dual Subsidiary are financed by both the New Vehicle Floorplan Facility and Permitted Silo Indebtedness (each, an “Applicable Vehicle Floorplan”), each separate brand of New Vehicles of any such Dual Subsidiary must be financed by the same Applicable Vehicle Floorplan, (iii) no Used Vehicles of any such Dual Subsidiary shall be financed by the Used Vehicle Floorplan Facility, and (iv) no Silo Lender may finance Used Vehicles at the applicable dealership unless it finances New Vehicles at such dealership, and (v) prior to the time of designation of such Subsidiary as a Dual Subsidiary, all outstanding New

Vehicle Floorplan Loans with respect to such Subsidiary for New Vehicles of any dealerships which will be financed by such Permitted Silo Indebtedness shall have been repaid.

7.18 [Intentionally Omitted.]

7.19 Disposition of Subsidiary or Franchise. Sell to any Person other than the Company or any of its Subsidiaries, dissolve, or transfer back to the franchisor, any franchise (or Subsidiary that owns one or more franchises), unless any applicable Silo Lender with respect to any Permitted Silo Indebtedness of such franchise (or Subsidiary) has (a) taken any steps necessary so that any remaining assets of the Company and its remaining Subsidiaries no longer secure floorplan Indebtedness of such transferred franchise or Subsidiary and (b) delivered to the Administrative Agent a revised Master Intercreditor Agreement exhibit for such lender, deleting such franchise (or in the case of a sale of a Subsidiary, any franchise owned by such Subsidiary) from such exhibit or other evidence satisfactory to the Administrative Agent in its reasonable discretion that such Silo Lender will deliver such revised exhibit upon payment of amounts remaining under such transferred franchise or Subsidiary's floorplan Indebtedness.

7.20 Additional Credit Support Documentation. Permit any Subsidiary to Guarantee or grant any Lien in favor of any Silo Lender in respect of Permitted Silo Indebtedness except for such Guarantees by and Liens granted by Silo Subsidiaries and Dual Subsidiaries which receive Permitted Silo Indebtedness from such Silo Lender. Without limiting the foregoing and without limiting the generality of the Subsidiary Guaranty or Section 6.14, in the event any Silo Lender receives a Guarantee or Lien in violation of the previous sentence, the Company shall cause the applicable Subsidiaries to provide substantially similar Guarantees to the Administrative Agent and the Lenders or grant substantially similar Liens in favor of the Revolving Administrative Agent (for the benefit of the Secured Parties) to the same extent.

7.21 Perfection of Deposit Accounts. Permit any Person (other than the Revolving Administrative Agent (on behalf of the Revolving Secured Parties) to obtain any deposit account control agreement (or otherwise perfect any Lien in) any deposit account of the Company or any of its Subsidiaries.

**ARTICLE VIII.
EVENTS OF DEFAULT AND REMEDIES**

8.01 Used Vehicle Events of Default. Any of the following shall constitute a Used Vehicle Event of Default (each a "Used Vehicle Event of Default"):

(a) Non-Payment. The Company or any other Loan Party fails to pay (i) when and as required to be paid herein, any amount of principal of any Used Vehicle Floorplan Loan, or (ii) within five (5) days after the same becomes due, any interest on any Used Vehicle Floorplan Loan, or any fee due hereunder with respect to the Used Vehicle Floorplan Facility, or (iii) within five (5) days after the same becomes due, any other amount payable hereunder or under any other Loan Document with respect to the Used Vehicle Floorplan Facility; or

(b) Specific Covenants. The Company or any other Borrower fails to perform or observe any term, covenant or agreement contained in any of Section 6.01, 6.02(a), (b), (c) or (d), 6.03, 6.05, 6.10, 6.11 or 6.12 or Article VII; or

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty (30) days after the giving of written notice to such Loan Party specifying the alleged default; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Company or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect (i) when made or deemed made or (ii) at the time a draft with respect to a Payment Commitment or a Payoff Letter Commitment is presented for payment; or

(e) Cross-Default. (i) The Company or any Subsidiary (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness or Guarantee (other than Indebtedness hereunder and Indebtedness under Swap Contracts but including Permitted Silo Indebtedness) having a principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement), either individually or in the aggregate for all Indebtedness for which a payment default then exists, of more than the Threshold Amount, or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness or Guarantee or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs (each, an "Other Event"), the effect of which default or Other Event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness in excess of the Threshold Amount (either individually or in the aggregate for all Indebtedness for which a covenant default then exists) to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; provided that, the mere fact that any Indebtedness is a "demand obligation" and payment thereof may be demanded at any time (whether or not any Person has defaulted thereunder) shall not, by itself, constitute an "Other Event," but the demand for payment thereof shall constitute an "Other Event"; or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which the Company or any Subsidiary is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which the Company or any Subsidiary is an Affected Party (as so defined) and, in either event, the Swap Termination Value owed by the Company or such Subsidiary as a result thereof is greater than the Threshold Amount; or

(f) Insolvency Proceedings, Etc. The Company, any Loan Party or any of their respective Subsidiaries institutes or consents to the institution of any proceeding under any

Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismitted or unstayed for sixty (60) calendar days, or an order for relief is entered in any such proceeding; or

(g) Inability to Pay Debts: Attachment. (i) The Company or any Subsidiary becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within thirty (30) days after its issue or levy; or

(h) Judgments. There is entered against the Company or any Subsidiary (i) a final judgment or order for the payment of money in an aggregate amount exceeding the Threshold Amount, or in the case of the class action lawsuit regarding the APCO etch product, Case No. 02-12274 currently pending in the 13th Judicial Circuit, Hillsborough County, Florida, \$20,000,000 (in each case, to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of ten (10) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan, Multiemployer Plan or Multiple Employer Plan which has resulted or could reasonably be expected to result in liability of the Company under Title IV of ERISA to the Pension Plan, Multiemployer Plan, Multiple Employer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, or (ii) the Company or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount; or

(j) Invalidity of Loan Documents. (i) Any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or (ii) any Security Instrument shall for any reason (other than pursuant to the terms thereof) cease to create a valid security interest in the Collateral purported to be covered thereby or such security interest shall for any reason cease to be a perfected security interest with the priority provided therefor in such Security Instrument and as contemplated in the Master Intercreditor Agreement subject only to those Liens permitted by Section 7.01; or

(k) Change of Control. There occurs any Change of Control; or

(l) Franchise Agreements and Framework Agreements. (i) Any Franchise Agreement or Framework Agreement is terminated or suspended or expires and a replacement for such Franchise Agreement or Framework Agreement is not entered into within 30 days of such termination, suspension or expiration, (ii) there occurs a default by any Person in the performance or observance of any term of any Franchise Agreement or Framework Agreement which is not cured within any applicable cure period therein, or (iii) there occurs any change in any Franchise Agreement or Framework Agreement, except in each case referred to in clauses (i), (ii) and (iii) to the extent such termination, suspension, expiration, default or change (either individually or in the aggregate) could not reasonably be expected to have a Material Adverse Effect; provided that, in the event a Franchise Agreement expires in accordance with its terms, if and for so long as the respective dealership Subsidiary and manufacturer or distributor are negotiating in good faith to renew such Franchise Agreement, and the respective manufacturer or distributor has not taken (and is not reasonably expected to take) any action to terminate such Franchise Agreement, such expiration shall not by itself be considered an Event of Default under this Section 8.01(l);

(m) Out of Balance. An audit performed by the Administrative Agent or New Vehicle Swing Line Lender pursuant to the provisions of Section 6.10 reveals that any Vehicle of any Borrower securing the Obligations has, for a period of thirty (30) consecutive days, been Out of Balance, and such Out of Balance condition continues until the earlier of (i) three (3) days following knowledge thereof by an officer of the Company and (ii) three (3) days following notice to the Company thereof; or

(n) New Vehicle Event of Default. A New Vehicle Event of Default shall occur and be continuing.

(o) Revolving Event of Default. A Revolving Event of Default shall occur and be continuing.

8.02 Remedies Upon Used Vehicle Event of Default

(a) If any Used Vehicle Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(i) declare the commitment of each Used Vehicle Floorplan Lender to make Used Vehicle Floorplan Loans to be terminated, whereupon such commitments and obligation shall be terminated;

(ii) declare the unpaid principal amount of all outstanding Used Vehicle Floorplan Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document with respect to the Used Vehicle Floorplan Facility to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Company;

(iii) exercise on behalf of itself and the Used Vehicle Floorplan Lenders all rights and remedies available to it and the Used Vehicle Floorplan Lenders under the Loan Documents;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Company under the Bankruptcy Code of the United States, the obligation of each Used Vehicle Floorplan Lender to make Used Vehicle Floorplan Loans shall automatically terminate and the unpaid principal amount of all outstanding Used Vehicle Floorplan Loans and all interest and other amounts as aforesaid shall automatically become due and payable without further act of the Administrative Agent or any Used Vehicle Floorplan Lender.

(b) Notwithstanding the above, with respect to a Used Vehicle Event of Default described in Section 8.01(n), if such is caused solely by the occurrence of a single Event of Default occurring under Section 8.03(a), (g), (h), or (l) and affects only one New Vehicle Borrower and no other Event of Default has occurred and is continuing, the Administrative Agent shall not be entitled to accelerate the Used Vehicle Floorplan Facility for a period of thirty (30) days from the date of such Used Vehicle Event of Default.

(c) In addition to the foregoing, if any Used Vehicle Event of Default, New Vehicle Event of Default or Revolving Event of Default occurs and is continuing, the Revolving Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders or the Required Revolving Lenders, take any or all of the following actions:

(i) foreclose upon, take possession of, or otherwise exercise any remedies available to it under any Security Instrument with respect to, any of the Collateral, or

(ii) take any action to perfect or preserve the rights of the Revolving Administrative Agent with respect to any Collateral, including filing any appropriate claim or document with respect to any Collateral in any proceeding under any Debtor Relief Law.

8.03 New Vehicle Events of Default. Any of the following shall constitute a New Vehicle Event of Default in respect of any one or more Borrowers (each, a "New Vehicle Event of Default"):

(a) Non-Payment. (i) Any Borrower or any other Loan Party fails to pay (A) when and as required to be paid herein, any amount of principal of any New Vehicle Floorplan Loan or any New Vehicle Floorplan Overdraft (except for any payment required by Section 2.11(a)(iii) which constitutes an Out of Balance condition (as to which reference is made to clause (ii) below)), or (B) within five (5) days after the same becomes due, any interest on any New Vehicle Floorplan Loan, or any fee due hereunder with respect to the New Vehicle Floorplan Facility, or (C) within five days after the same becomes due, any other amount payable hereunder or under any other Loan Document with respect to the New Vehicle Floorplan Facility, or (ii) the Company shall fail to cure any Out of Balance condition, which condition shall remain unremedied for a period of three days following notice thereof by the Administrative Agent or New Vehicle Swing Line Lender to the Company; or

(b) Specific Covenants. The Company fails to perform or observe any term, covenant or agreement contained in Section 7.11.

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty (30) days after the giving of written notice to such Loan Party specifying the alleged default; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Company or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect (i) when made or deemed made or (ii) at the time a draft with respect to a Payment Commitment or a Payoff Letter Commitment is presented for payment; or

(e) Revolving Event of Default. (i) A Revolving Event of Default which has not been cured or waived within thirty (30) days of the occurrence of such Revolving Event of Default, (ii) repayment of amounts outstanding under the Revolving Credit Facility shall be accelerated, or (iii) the Company shall fail to pay any principal, interest or fees due under the Revolving Credit Facility within thirty (30) days of the due date; or

(f) Used Vehicle Event of Default. (i) A Used Vehicle Event of Default which has not been cured or waived within thirty (30) days of the occurrence of such Used Vehicle Event of Default, (ii) repayment of amounts outstanding under the Used Vehicle Floorplan Facility shall be accelerated, or (iii) the Company shall fail to pay any principal, interest or fees due under the Used Vehicle Floorplan Facility within thirty (30) days of the due date; or

(g) Cross-Default. (i) The Company or any New Vehicle Borrower (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness or Guarantee (other than Indebtedness hereunder and Indebtedness under Swap Contracts but including Permitted Silo Indebtedness) having a principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement), either individually or in the aggregate for all Indebtedness for which a payment default then exists, of more than the Threshold Amount, or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness or Guarantee or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs (each, an "Other Event"), the effect of which default or Other Event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness in excess of the Threshold Amount (either individually or in the aggregate for all Indebtedness for which a covenant default then exists) to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; provided that, the mere fact that any Indebtedness is a "demand obligation" and payment thereof may be demanded at any time (whether or not any Person has defaulted

thereunder) shall not, by itself, constitute an "Other Event," but the demand for payment thereof shall constitute an "Other Event"; or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which the Company or such New Vehicle Borrower is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which the Company or such New Vehicle Borrower is an Affected Party (as so defined) and, in either event, the Swap Termination Value owed by the Company or such New Vehicle Borrower as a result thereof is greater than the Threshold Amount; or

(h) Insolvency Proceedings, Etc. The Company or any New Vehicle Borrower institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismitted or unstayed for sixty (60) calendar days, or an order for relief is entered in any such proceeding; or

(i) Inability to Pay Debts; Attachment. (i) The Company or any New Vehicle Borrower becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within thirty (30) days after its issue or levy; or

(j) Judgments. There is entered against the Company or any New Vehicle Borrower (i) a final judgment or order for the payment of money in an aggregate amount exceeding the Threshold Amount, or in the case of the class action lawsuit regarding the APCO etch product Case No. 02-12274 currently pending in the 13th Judicial Circuit, Hillsborough County, Florida, \$20,000,000 (in each case, to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of ten (10) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(k) Franchise Agreements and Framework Agreement. With respect to the Company or any New Vehicle Borrower, (i) any Franchise Agreement or Framework Agreement of the Company or such New Vehicle Borrower is terminated or suspended or expires and a replacement for such Franchise Agreement or Framework Agreement is not entered into within thirty (30) days of such termination, suspension or expiration; or (ii) there occurs a default by any Person in the performance or observance of any term of any Franchise Agreement or Framework Agreement which is not cured within any applicable cure period therein, except in each case referred to in clauses (i) and (ii) to the extent such termination, suspension, expiration, or default

(either individually or in the aggregate) could not reasonably be expected to have a Material Adverse Effect; provided that, in the event a Franchise Agreement expires in accordance with its terms, if and for so long as the respective dealership Subsidiary and manufacturer or distributor are negotiating in good faith to renew such Franchise Agreement, and the respective manufacturer or distributor has not taken (and is not reasonably expected to take) any action to terminate such Franchise Agreement, such expiration shall not by itself be considered an Event of Default under this [Section 8.03\(l\)](#); or

(l) Invalidity of Loan Documents and Collateral. (i) Any Loan Document with respect to the Company or any New Vehicle Borrower, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or (ii) any Security Instrument shall for any reason (other than pursuant to the terms thereof) cease to create a valid security interest in the Collateral purported to be covered thereby or such security interest shall for any reason cease to be a perfected and first priority security interest subject only to those Liens permitted by [Section 7.01](#).

8.04 Remedies Upon New Vehicle Event of Default

(a) Upon the occurrence and during the continuance of a New Vehicle Event of Default under [Section 8.03\(a\), \(b\), \(c\), \(d\), \(g\), \(h\), \(i\), \(j\), \(k\) or \(l\)](#) with respect to the Company or any New Vehicle Borrower, the Administrative Agent may, and at the direction of the Required Lenders, shall: (i) (A) make no further New Vehicle Floorplan Loans to such New Vehicle Borrower or (in the case of any New Vehicle Event of Default under [Section 8.03\(h\)](#) or [\(i\)](#) with respect to the Company) any New Vehicle Borrower during the continuance of such New Vehicle Event of Default and shall at the direction of the Required Lenders cause the Borrowers to terminate all “sweep”, “connectivity”, “automatic funding”, “zero balanced” account features and related transfer services in respect of automatic deposit accounts, and (B) the Administrative Agent and the New Vehicle Swing Line Lender, upon three (3) days prior notice to the Company before the first debit, may initiate automatic debits from all such accounts of the Company or such New Vehicle Borrower in order to pay sums due under any New Vehicle Floorplan Loans of the Company or such New Vehicle Borrower. Notwithstanding the foregoing, the Lenders shall continue to make New Vehicle Floorplan Loans available to the Company and all New Vehicle Borrowers with respect to which no New Vehicle Event of Default has occurred unless otherwise provided in [Section 8.04\(c\)](#) below.

(b) Upon the occurrence and during the continuance of a New Vehicle Event of Default under [Section 8.03\(e\)](#) above, the Applicable Margin for all New Vehicle Floorplan Loans made to all New Vehicle Borrowers during the thirty (30) day period referred to therein shall increase by two percent (2%).

(c) Immediately upon the occurrence of a New Vehicle Event of Default under [Section 8.03\(e\)](#) or [\(f\)](#), or thirty (30) days after the occurrence of any New Vehicle Event of Default under [Section 8.03\(a\), \(b\), \(c\), \(d\), \(g\), \(h\), \(i\), \(j\), \(k\) or \(l\)](#) that is continuing and immediately upon the occurrence of a second, concurrent New Vehicle Event of Default under [Section 8.03\(a\), \(b\), \(c\), \(d\), \(g\), \(h\), \(i\), \(j\), \(k\) or \(l\)](#) (unless otherwise permitted by the New Vehicle Swing Line Lender pursuant to [Section 2.04](#)) no further New Vehicle Floorplan Loans

shall be made to any New Vehicle Borrower and the Administrative Agent may, and at the request of the Required Lenders shall, by written or facsimile notice to the Company, take any of the following actions at the same or different times: (w) declare the commitment of each Lender to make New Vehicle Floorplan Loans to be terminated, whereupon such commitments and obligation shall be terminated and any such termination shall automatically terminate the New Vehicle Floorplan Swing Line, (x) declare the unpaid principal amount of all outstanding New Vehicle Floorplan Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Company, (y) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents and (ii) the New Vehicle Swing Line Lender in its sole discretion may suspend and terminate all Payment Commitments and Payoff Letter Commitments, (iii) to the extent the New Vehicle Swing Line Lender determines that such suspension and termination is permitted by the terms of such Payment Commitments and Payoff Letter Commitments) the New Vehicle Swing Line Lender shall, at the request of the Required Lenders, suspend and terminate any or all of the Payment Commitments and Payoff Letter Commitments, and (iv) the Administrative Agent shall have all remedies available to it at law or in equity or as contained in any of the Loan Documents;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Company under the Bankruptcy Code of the United States, the obligation of each New Vehicle Lender to make New Vehicle Floorplan Loans shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, in each case without further act of the Administrative Agent or any Lender; and

provided further, that upon the occurrence of an actual or deemed entry of an order for relief with respect to any New Vehicle Borrower under the Bankruptcy Code of the United States, the obligation of each New Vehicle Floorplan Lender to make New Vehicle Floorplan Loans to such New Vehicle Borrower shall automatically terminate, the unpaid principal amount of all outstanding New Vehicle Floorplan Loans made to such New Vehicle Borrower and all interest and with respect thereto shall automatically become due and payable, in each case without further act of the Administrative Agent or any New Vehicle Floorplan Lender.

(d) In addition to the foregoing, if any Used Vehicle Event of Default, New Vehicle Event of Default or Revolving Event of Default occurs and is continuing, the Revolving Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders or the Required Revolving Lenders, take any or all of the following actions:

- (i) foreclose upon, take possession of, or otherwise exercise any remedies available to it under any Security Instrument with respect to, any of the Collateral, or
- (ii) take any action to perfect or preserve the rights of the Revolving Administrative Agent with respect to any Collateral, including filing any appropriate claim or document with respect to any Collateral in any proceeding under any Debtor Relief Law.

8.05 Overdrawing of New Vehicle Floorplan Loans. If at any time the aggregate outstanding principal amount of all (i) New Vehicle Floorplan Loans (including New Vehicle Floorplan Swing Line Loans and any outstanding New Vehicle Floorplan Overdraft), plus (ii) Requests for Borrowings of New Vehicle Floorplan Loans (including requests pursuant to Payment Commitments), exceeds (a) 110% of the Aggregate New Vehicle Floorplan Commitments and such condition exists for five (5) consecutive days or (b) the Aggregate New Vehicle Floorplan Commitments by any amount for fifteen (15) days out of any 30-day period, then, in such event, the New Vehicle Swing Line Lender acting in its sole discretion may, and upon election of the Required New Vehicle Floorplan Lenders shall, (y) take any and all actions reasonably necessary to suspend and/or terminate Payment Commitments and Payoff Letter Commitments and (z) elect by written notice to the Company to terminate the Aggregate New Vehicle Floorplan Commitments and to deem such occurrence as constituting a New Vehicle Event of Default. Nothing contained in this Section 8.05 shall be deemed to reduce the obligation of the Company and the Borrowers to make the payments required pursuant to Section 2.11.

8.06 Application of Funds. After the exercise of remedies provided for in this Article VIII (or after the Loans have automatically become immediately due and payable as set forth in the proviso to Section 8.02 or Section 8.04), any amounts received on account of the Obligations shall, subject to the provisions of Sections 2.20 and 2.21 (and unless the Administrative Agent determines in good faith that any such amount should be delivered to another Person pursuant to the Master Intercreditor Agreement), be applied by the Administrative Agent in the following order:

First, to payment of (i) that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such and (ii) that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Revolving Administrative Agent) payable to the Revolving Administrative Agent in its capacity as collateral agent under the Loan Documents for the benefit of the Secured Parties;

Second, to payment of that portion of the Obligations constituting outstanding New Vehicle Floorplan Overdrafts plus any accrued and unpaid interest thereon ratably among the New Vehicle Floorplan Lenders in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting outstanding principal of the New Vehicle Floorplan Swing Line Loans due to the New Vehicle Swing Line Lender plus any accrued and unpaid interest therein;

Fourth, to payment of that portion of the Obligations constituting outstanding principal of the New Vehicle Floorplan Committed Loans plus any accrued and unpaid interest therein ratably among the New Vehicle Floorplan Lenders in proportion to the respective amounts described in this clause Fourth payable to them;

Fifth, to payment of that portion of the Obligations constituting outstanding principal of the Used Vehicle Facility Swing Line Loans due to the Used Vehicle Swing Line Lender plus any accrued and unpaid interest therein;

Sixth, to payment of that portion of the Obligations constituting outstanding principal of the Used Vehicle Facility Committed Loans plus any accrued and unpaid interest therein ratably among the Used Vehicle Floorplan Lenders in proportion to the respective amounts described in this clause Seventh payable to them;

Seventh, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders (including fees, charges and disbursements of counsel to the respective Lenders (including fees and time charges for attorneys who may be employees of any Lender) and amounts payable under Article III), ratably among them in proportion to the respective amounts described in this clause Seventh payable to them;

Eighth, to the payment of all other Obligations of the Loan Parties owing under or in respect of the Loan Documents that are due and payable to the Administrative Agent and the other Secured Parties, or any of them, on such date, ratably based on the respective aggregate amounts of all such Obligations owing to the Administrative Agent and the other Secured Parties on such date; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Company or as otherwise required by Law.

ARTICLE IX. ADMINISTRATIVE AGENT

9.01 Appointment and Authority. Each of the Lenders hereby irrevocably appoints (a) Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and (b) Bank of America (in its capacity as the Revolving Administrative Agent) to act on its behalf as the collateral agent hereunder and under the other Loan Documents, and authorizes the Administrative Agent and the Revolving Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent and the Revolving Administrative Agent, respectively, by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Revolving Administrative Agent and the Lenders, and neither the Company nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions.

9.02 Rights as a Lender. The Person serving as the Administrative Agent or the collateral agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent or the collateral agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent and the Person serving as the collateral agent hereunder in their respective

individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Company, any other Borrower or any Subsidiary or other Affiliate of the Company or any other Borrower as if such Person were not the Administrative Agent or the collateral agent hereunder and without any duty to account therefor to the Lenders.

9.03 Exculpatory Provisions. Neither the Administrative Agent nor the Revolving Administrative Agent shall have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, neither the Administrative Agent nor the Revolving Administrative Agent:

(a) shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent or the Revolving Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that neither the Administrative Agent nor the Revolving Administrative Agent shall be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent or the Revolving Administrative Agent to liability or that is contrary to any Loan Document or applicable law; and

(c) shall, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Company or any of the other Borrowers or any of their respective Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or the collateral agent or any of their respective Affiliates in any capacity.

Neither the Administrative Agent nor the Revolving Administrative Agent shall be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders or (under the circumstances described in Section 8.02(c) or 8.02(d)) either the Required Lenders or the Required Revolving Lenders) (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.01, 8.02 and 8.04) or (ii) in the absence of its own gross negligence or willful misconduct. Neither the Administrative Agent nor the Revolving Administrative Agent shall be deemed to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent by the Company or a Lender. Notice to the Administrative Agent shall not by itself constitute notice to the Revolving Administrative Agent, and notice to the Revolving Administrative Agent shall not by itself constitute notice to the Administrative Agent.

Neither the Administrative Agent nor the Revolving Administrative Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in

connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent or the Revolving Administrative Agent, as applicable.

9.04 Reliance by Administrative Agent and Revolving Administrative Agent. The Administrative Agent and the Revolving Administrative Agent shall each be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Each of the Administrative Agent and the Revolving Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. Each of the Administrative Agent and the Revolving Administrative Agent may consult with legal counsel (who may be counsel for the Company), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.05 Delegation of Duties. Each of the Administrative Agent and the Revolving Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent or the Revolving Administrative Agent, as applicable. Each of the Administrative Agent and the Revolving Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent or the Revolving Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent or Revolving Administrative Agent, as applicable.

9.06 Resignation of Administrative Agent. Each of the Administrative Agent and the Revolving Administrative Agent may at any time give notice of its resignation to the Lenders and the Company. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Company, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent or collateral agent, as applicable, gives notice of its resignation, then the retiring Administrative Agent or collateral agent, as applicable, may on behalf of the Lenders, appoint a successor Administrative Agent or collateral agent, as applicable, meeting the qualifications set forth

above; provided that if the Administrative Agent or the Revolving Administrative Agent, as applicable, shall notify the Company and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Administrative Agent or collateral agent, as applicable, shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent or the Revolving Administrative Agent on behalf of the Lenders under any of the Loan Documents, the retiring Administrative Agent or collateral agent, as applicable, shall continue to hold such collateral security until such time as a successor Administrative Agent or collateral agent, as applicable, is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Administrative Agent or collateral agent, as applicable, shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent or collateral agent, as applicable, as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent or collateral agent, as applicable, hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent or collateral agent, as applicable, and the retiring Administrative Agent or collateral agent, as applicable, shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The foregoing notwithstanding, upon the discharge of the retiring Administrative Agent's duties hereunder, neither the retiring Administrative Agent nor the successor Administrative Agent or any New Vehicle Swing Line Lender shall be required to honor any request by a vehicle manufacturer or distributor or financial institution for advance of a New Vehicle Swing Line Loan, unless and until (A) such successor Administrative Agent and such manufacturer or distributor or financial institution (and if required pursuant to the terms of such Payment Commitment or Payoff Letter Commitment, the applicable New Vehicle Borrower) have entered into a new Payment Commitment or Payoff Letter Commitment, and (B) any existing Payment Commitment between such manufacturer or distributor or Payoff Commitment Letter between such financial institution and the retiring Administrative Agent has been terminated. The fees payable by the Company to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Company and such successor. After the retiring Administrative Agent's or collateral agent's, as applicable, resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring Administrative Agent or collateral agent, as applicable, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent or collateral agent, as applicable, was acting as Administrative Agent or collateral agent, as applicable.

Any resignation by Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation as New Vehicle Swing Line Lender and Used Vehicle Swing Line Lender. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring New Vehicle Swing Line Lender and Used Vehicle Swing Line Lender and (b) the retiring New Vehicle Swing Line Lender and Used Vehicle Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents.

9.07 Non-Reliance on Administrative Agent and Other Lenders. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, the Revolving Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, the Revolving Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

9.08 No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the Bookrunner, the Arranger or any Syndication Agents or Documentation Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, the collateral agent or a Lender hereunder.

9.09 Administrative Agent 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 any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Company) shall be entitled and empowered, by intervention in such proceeding or otherwise.

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Administrative Agent and the Revolving Administrative Agent (in its capacity as collateral agent hereunder) (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and the Revolving Administrative Agent (in its capacity as collateral agent) and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent and the Revolving Administrative Agent (in its capacity as collateral agent) under Sections 2.13 and 10.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the Revolving Administrative Agent (in its capacity as collateral agent) to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders or the Revolving Administrative Agent, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.13 and 10.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

9.10 Collateral and Guaranty Matters. The Lenders irrevocably authorize the Administrative Agent and the Revolving Administrative Agent (on behalf of the Secured Parties), at their option and in their discretion,

(a) to release any Lien on any property granted to or held by the Administrative Agent or the Revolving Administrative Agent under any Loan Document (i) upon termination of the Aggregate Commitments and payment in full of all Obligations (other than contingent indemnification obligations) (ii) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Loan Document, or (iii) subject to Section 10.01, if approved, authorized or ratified in writing by the Required Lenders;

(b) (i) to subordinate any Lien on any property granted to or held by the Administrative Agent or the Revolving Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 7.01(i) or to the interests of any lessor or purchaser of accounts receivable in assets that are owned by such Person and not by any Loan Party, (ii) to enter into intercreditor arrangements with holders of Permitted Service Loaner Indebtedness as described in the definition thereof, (iii) to enter into intercreditor arrangements with holders of Permitted Real Estate Indebtedness for the purpose of releasing or subordinating any Lien of the Administrative Agent on property that constitutes Permitted Real Estate Indebtedness Collateral, and (iii) to enter into the Master Intercreditor Agreement (and execute, deliver and modify the exhibits described therein from time to time);

(c) to release or subordinate any Lien on any property granted to or held by the Revolving Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 7.01(n), including without limitation, in connection with the termination of designation of a Subsidiary as a "New Vehicle Borrower" with respect to a Removed Franchise, as applicable, pursuant to Section 2.19(e);

(d) to release any Subsidiary Guarantor from its obligations under the Subsidiary Guaranty (and to release any Lien on any property of such Subsidiary Guarantor) if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder; and

(e) to execute and deliver that certain letter agreement with the Ford Motor Company, substantially in the form attached hereto as Exhibit N.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's or the Revolving Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Subsidiary Guarantor from its obligations under the Subsidiary Guaranty pursuant to this Section 9.10

9.11 Collateral. The Administrative Agent and the Lenders further acknowledge that the Revolving Administrative Agent has duties and obligations under the Revolving Credit Agreement and other Revolving Loan Documents, and that the Revolving Administrative Agent is serving as collateral agent hereunder solely as a convenience to the Administrative Agent, the Lenders and the Revolving Lenders in the handling and disposition of collateral. Accordingly, the Administrative Agent and the Lender hereby consent to the performance by the Revolving Administrative Agent, in its discretion, of its duties, obligations and other actions under the Revolving Credit Agreement and other Revolving Loan Documents.

**ARTICLE X.
MISCELLANEOUS**

10.01 Amendments, Etc. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Company or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders and the Company or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent (such acknowledgement not to be unreasonably withheld or delayed), and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) waive any condition set forth in Section 4.01(a) without the written consent of each Lender;

(b) extend or increase the New Vehicle Floorplan Commitment or the Used Vehicle Floorplan Commitment of any Lender (or reinstate any New Vehicle Floorplan Commitment pursuant to Section 8.04 or Used Vehicle Floorplan Commitment terminated pursuant to Section 8.02) without the written consent of such Lender;

(c) postpone any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees or other amounts due to the New Vehicle Floorplan Lenders (or any of them) or any scheduled or mandatory reduction of the Aggregate New Vehicle Floorplan Commitments hereunder or under any other Loan Document without the written consent of each New Vehicle Floorplan Lender directly affected thereby; provided, however, that only the consent of the Required New Vehicle Floorplan Lenders shall be required to postpone any date fixed for any mandatory prepayment of principal of any New Vehicle Floorplan Loan required pursuant to Section 2.11(a)(iii) (A) or interest accrued on any such principal amount;

(d) postpone any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees or other amounts due to the Used Vehicle Floorplan Lenders (or any of them) or any scheduled or mandatory reduction of the Aggregate Used Vehicle Floorplan Commitments hereunder or under any other Loan Document without the written consent of each Used Vehicle Floorplan Lender directly affected thereby;

(e) reduce the principal of, or the rate of interest specified herein on, any Loan, or (subject to clause (v) of the second proviso to this Section 10.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender

directly affected thereby; provided, however, that only the consent of the Required Lenders shall be necessary (i) to amend the definition of "Default Rate" or to waive any obligation of any Borrower to pay interest at the Default Rate or (ii) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or to reduce any fee payable hereunder;

(f) change Section 2.13 or Section 8.06 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender;

(g) change any provision of this Section or the definition of "Required Lenders", "Required New Vehicle Floorplan Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender;

(h) release the Company from the Company Guaranty or release all or substantially all of the value of the Subsidiary Guaranty without the written consent of each Lender;

(i) release all or substantially all of the Collateral in any transaction or series of related transactions, except as specifically required by the Loan Documents, without the written consent of each Lender; or

(j) change any provisions of any Loan Document in a manner that by its terms adversely affects the rights in respect of payments due to Lenders, or the assignment rights of such Lenders, holding Loans of any Applicable Facility differently than those holding Loans of any other Applicable Facility, without the written consent of Lenders holding at least 66-2/3% in interest of the outstanding Loans and unused Commitments of each affected Applicable Facility (in addition to any consent required under any other clause of this Section);

and, provided further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the New Vehicle Swing Line Lender in addition to the Lenders required above, affect the rights or duties of the New Vehicle Swing Line Lender under this Agreement; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Used Vehicle Swing Line Lender in addition to the Lenders required above, affect the rights or duties of the Used Vehicle Swing Line Lender under this Agreement; (iii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; (iv) no amendment, waiver or consent shall, unless in writing and signed by the Revolving Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Revolving Administrative Agent (in its capacity as collateral agent) under any Loan Document; (v) the Bank of America Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto, (vi) no amendment, waiver or consent shall modify Section 8.02(c) or 8.04(d) or any voting requirement under this clause (vi) or clause (vii) below, in a manner adverse to any Revolving Lender or the Revolving Administrative Agent, unless in writing and signed by such Revolving Lender or Revolving Administrative Agent and, (vii) notwithstanding the foregoing, if the Security Agreement expressly states the signatures required for any amendment, consent or waiver thereto, then the terms of the Security

Agreement shall govern the effectiveness of any such amendment, consent or waiver (subject to Section 10.01 of the Revolving Credit Agreement). Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of all Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender.

Notwithstanding any provision herein to the contrary, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent, the Company and the other Loan Parties (i) to add one or more additional revolving credit or term loan facilities to this Agreement, in each case subject to the limitations in Section 2.17, and to permit the extensions of credit and all related obligations and liabilities arising in connection therewith from time to time outstanding to share ratably (or in a subordinated position to the existing facilities hereunder) in the benefits of this Agreement and the other Loan Documents with the obligations and liabilities from time to time outstanding in respect of the existing facilities hereunder, and (ii) in connection with the foregoing, to permit, as deemed appropriate by the Administrative Agent and approved by the Required Lenders, the Lenders providing such additional credit facilities to be included in any required vote or action required to be approved by the Required Lenders or by any other number or percentage of the Lenders hereunder.

10.02 Notices; Effectiveness; Electronic Communication.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Company, a Borrower, any other Loan Party, the Administrative Agent, the Revolving Administrative Agent, the New Vehicle Swing Line Lender, or the Used Vehicle Swing Line Lender to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule 10.02; and

(ii) if to any other Lender, to the address, telecopier number, electronic mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to any Borrower).

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, the Revolving Administrative Agent or the Company may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Company, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Company's or the Administrative Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to the Company, any Loan Party, any Lender or any other Person for

indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc. Each of the Company (for itself and on behalf of the other Borrowers), the Administrative Agent, the Revolving Administrative Agent, the New Vehicle Swing Line Lender and the Used Vehicle Swing Line Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the Company, the Administrative Agent, the New Vehicle Swing Line Lender and the Used Vehicle Swing Line Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender.

(e) Reliance by Administrative Agent, Revolving Administrative Agent and Lenders. The Administrative Agent, the Revolving Administrative Agent and the Lenders shall be entitled to rely and act upon any notices (including telephonic New Vehicle Floorplan Committed Loan Notices, New Vehicle Floorplan Swing Line Loan Notices, Used Vehicle Floorplan Committed Loan Notices and Used Vehicle Swing Line Loan Notices) purportedly given by or on behalf of any Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Company and each Borrower shall indemnify the Administrative Agent, the Revolving Administrative Agent, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Company or any Borrower. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

10.03 No Waiver; Cumulative Remedies No failure by any Lender, the Administrative Agent or the Revolving Administrative Agent (on behalf of the Secured Parties) to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.04 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Company and each Borrower (jointly and severally) shall pay (i) all reasonable out-of-pocket expenses incurred by each of the Administrative Agent and the Revolving Administrative Agent and each of their respective Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent and the Revolving Administrative Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this

Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all out-of-pocket expenses incurred by the Administrative Agent, the Revolving Administrative Agent or any Lender (including the fees, charges and disbursements of any counsel for the Administrative Agent, the Revolving Administrative Agent or any Lender), and shall pay all fees and time charges for attorneys who may be employees of the Administrative Agent, the Revolving Administrative Agent or any Lender, in connection with the enforcement or protection of its rights, including any audit fees incurred when conducting any audit of any Loan Party or any Collateral during the continuance of any Event of Default (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) Indemnification by the Company and the Borrowers. The Company and each Borrower (jointly and severally) shall indemnify the Administrative Agent (and any sub-agent thereof), the Revolving Administrative Agent (and any sub-agent thereof), each Lender and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Company or any Borrower or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby and their respective Related Parties only, the administration of this Agreement and the other Loan Documents, (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Company, any Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Company, any Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Company or any other Loan Party, and regardless of whether any Indemnitee is a party thereto, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of the Indemnitee; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the Company or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Company or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

(c) Reimbursement by Lenders. To the extent that the Company or any Borrower for any reason fails to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent or the Revolving Administrative Agent (or any of their sub-agents), or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent or the Revolving Administrative Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent or the Revolving Administrative Agent (or any such sub-agent) in its capacity as such or against any Related Party of any of the foregoing acting for the Administrative Agent or the Revolving Administrative Agent (or any such sub-agent) in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.16(d) and (e).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, neither the Company nor any Borrower shall assert, and each of the Company and each Borrower hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

(f) Survival. The agreements in this Section shall survive the resignation of the Administrative Agent, the resignation of the Revolving Administrative (as collateral agent), the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

10.05 Payments Set Aside. To the extent that any payment by or on behalf of the Company or any Borrower is made to the Administrative Agent, the Revolving Administrative Agent (as collateral agent), the New Vehicle Swing Line Lender, the Used Vehicle Swing Line Lender or any other Lender, or the Administrative Agent, the Revolving Administrative Agent (as collateral agent), the New Vehicle Swing Line Lender, the Used Vehicle Swing Line Lender or any other Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, the Revolving Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment

had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent or the Revolving Administrative Agent, as applicable, upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent or the Revolving Administrative Agent, as applicable, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

10.06 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Company nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Revolving Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement, or its New Vehicle Floorplan Commitment and the New Vehicle Floorplan Loans (including for purposes of this subsection (b), participations in New Vehicle Floorplan Swing Line Loans) at the time owing to it, or its Used Vehicle Floorplan Commitment and the Used Vehicle Floorplan Loans (including for purposes of this subsection (b), participations in Used Vehicle Floorplan Swing Line Loans) at the time owing to it (such Lender's portion of Loans, Commitments and risk participations with respect to an Applicable Facility being referred to in this Section 10.06 as its "Applicable Share"); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment under each Applicable Facility and the Loans at the time owing to it under each Applicable Facility or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Applicable Share (which for this purpose includes Loans outstanding thereunder) with respect to each Applicable Facility, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$2,500,000 unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Company otherwise consents (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met;

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Applicable Facility;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Company (such consent not to be unreasonably withheld) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Company shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender;

(C) the consent of the New Vehicle Swing Line Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment in respect of the New Vehicle Floorplan Facility; and

(D) the consent of the Used Vehicle Swing Line Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment in respect of the Used Vehicle Floorplan Facility.

(iv) Assignment and Assumption. The parties to each permitted assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of \$3,500, provided however, that the Administrative Agent may, in its sole discretion, elect to waive such

processing and recordation fees in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons No such assignment shall be made (A) to any Loan Party or any of the Subsidiaries of any Loan Party, or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) to a natural person.

(vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Company and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in New Vehicle Floorplan Swing Line Loans and Used Vehicle Floorplan Swing Line Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05, and 10.04 with respect to facts and circumstances occurring prior to the effective date of such assignment. Upon request, each Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrowers (and such agency being solely for tax purposes), shall maintain at the

Administrative Agent's Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Company, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. In addition, the Administrative Agent shall maintain on the Register information regarding the designation, and revocation of designation, of any Lender as a Defaulting Lender. The Register shall be available for inspection by each of the Borrowers at any reasonable time and from time to time upon reasonable prior notice. In addition, at any time that a request for a consent for a material or substantive change to the Loan Documents is pending, any Lender may request and receive from the Administrative Agent a copy of the Register.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Company, any Borrower, the New Vehicle Swing Line Lender, the Used Vehicle Swing Line Lender or the Administrative Agent, sell participations to any Person (other than a natural person, a Defaulting Lender or the Company or any of the Company's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in New Vehicle Floorplan Swing Line Loans and/or Used Vehicle Floorplan Swing Line Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Company, the Borrowers, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 10.01 that affects such Participant. Subject to subsection (e) of this Section, each of the Company and each Borrower agree that each Participant shall be entitled to the benefits of Sections 3.01 and 3.04 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.17 as though it were a Lender.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 3.01 or 3.04 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Company's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.01 unless the Company is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrowers, to comply with Section 3.01(e) as though it were a Lender.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under any of its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) Electronic Execution of Assignments. The words “execution,” “signed,” “signature,” and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(h) Resignation as New Vehicle Swing Line Lender or Used Vehicle Swing Line Lender after Assignment Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Commitment and Loans pursuant to subsection (b) above, Bank of America may, (i) upon 30 days’ notice to the Company, resign as New Vehicle Swing Line Lender and/or (ii) upon 30 days notice to the Company, resign as Used Vehicle Swing Line Lender. In the event of any such resignation as New Vehicle Swing Line Lender or Used Vehicle Swing Line Lender, the Company shall be entitled to appoint from among the Lenders a successor New Vehicle Swing Line Lender or Used Vehicle Swing Line Lender hereunder; provided, however, that no failure by the Company to appoint any such successor shall affect the resignation of Bank of America as New Vehicle Swing Line Lender or Used Vehicle Swing Line Lender, as the case may be. If Bank of America resigns as New Vehicle Swing Line Lender, it shall retain all the rights of the New Vehicle Swing Line Lender provided for hereunder with respect to New Vehicle Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the New Vehicle Floorplan Lenders to make Eurodollar Rate Committed Loans or fund risk participations in outstanding New Vehicle Swing Line Loans pursuant to Section 2.03(c). If Bank of America resigns as Used Vehicle Swing Line Lender, it shall retain all the rights of the Used Vehicle Swing Line Lender provided for hereunder with respect to Used Vehicle Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Used Vehicle Floorplan Lenders to make Eurodollar Rate Committed Loans or fund risk participations in outstanding Used Vehicle Swing Line Loans pursuant to Section 2.08(c). Upon the appointment of a successor New Vehicle Swing Line Lender and/or Used Vehicle Swing Line Lender, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring New Vehicle Swing Line Lender or Used Vehicle Swing Line Lender, as the case may be.

10.07 Treatment of Certain Information; Confidentiality. Each of the Administrative Agent, the Revolving Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates’ respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom

such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to a Borrower and its obligations, (g) with the consent of the Company or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, the Revolving Administrative Agent, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Company.

For purposes of this Section, "Information" means all information received from the Company or any Subsidiary relating to the Company or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, the Revolving Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Company or any Subsidiary, provided that, in the case of information received from the Company or any Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent, the Revolving Administrative Agent and the Lenders acknowledges that (a) the Information may include material non-public information concerning the Company or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including Federal and state securities Laws.

10.08 Right of Setoff If an Event of Default shall have occurred and be continuing, each Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of the Company or any Borrower against any and all of the obligations of the Company or any Borrower, as applicable, now or hereafter existing under this Agreement or any other Loan Document to such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Company or such Borrower may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness; provided, that in the event that any

Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.21 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or their respective Affiliates may have. Each Lender agrees to notify the Company and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.09 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Company. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

10.10 Counterparts; Integration; Effectiveness. This Agreement and the other Loan Documents may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement and the other Loan Documents shall become effective when they shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement or any other Loan Document by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement or such other Loan Documents.

10.11 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent, the Revolving Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent, the

Revolving Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent, the Revolving Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Borrowing, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied.

10.12 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 10.12, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, the New Vehicle Swing Line Lender or the Used Vehicle Swing Line Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

10.13 Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Company or any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender is a Defaulting Lender, then the Company may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.06), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Company shall have paid to the Administrative Agent the assignment fee specified in Section 10.06(b);

(b) such Lender shall have received payment of an amount equal to not less than 100% of the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Company (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter; and

(d) such assignment does not conflict with applicable Laws.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Company to require such assignment and delegation cease to apply.

10.14 Governing Law; Jurisdiction; Etc.

(a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NORTH CAROLINA.

(b) SUBMISSION TO JURISDICTION. THE COMPANY AND EACH BORROWER IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NORTH CAROLINA SITTING IN MECKLENBURG COUNTY AND OF THE UNITED STATES FOR THE WESTERN DISTRICT, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NORTH CAROLINA STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, THE REVOLVING ADMINISTRATIVE AGENT OR ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE COMPANY OR ANY BORROWER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. THE COMPANY AND EACH BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

10.15 Waiver of Jury Trial EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT

IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

10.16 USA PATRIOT Act Notice Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Company and the Borrowers that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Company and the Borrowers, which information includes the name and address of the Company and the Borrowers and other information that will allow such Lender, the Administrative Agent, or the Revolving Administrative Agent, as applicable, to identify the Company and each Borrower in accordance with the Act.

10.17 Designated Senior Indebtedness. Each party acknowledges and agrees that the Indebtedness under the Loan Documents is "Designated Senior Indebtedness" (or any similar term) under, and as defined in, the Indenture Indebtedness or any Additional Indebtedness.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be made, executed and delivered by their duly authorized officers as of the day and year first above written.

COMPANY:

SONIC AUTOMOTIVE, INC.,
as a Borrower and as a Guarantor

By: /s/ DAVID P. COSPER

Name: David P. Cospers

Title: Vice Chairman and Chief Financial Officer

NEW VEHICLE BORROWERS:

FAA CONCORD H, INC.
FAA LAS VEGAS H, INC.
FAA POWAY H, INC.
FAA SANTA MONICA V, INC.
FAA SERRAMONTE H, INC.
FAA SERRAMONTE, INC.
FAA STEVENS CREEK, INC.
FRANCISCAN MOTORS, INC.
KRAMER MOTORS INCORPORATED
SAI COLUMBUS MOTORS, LLC
SAI COLUMBUS VWK, LLC
SAI FORT MYERS H, LLC
SAI FORT MYERS VW, LLC
SAI IRONDALE IMPORTS, LLC
SAI MONTGOMERY CH, LLC
SAI NASHVILLE H, LLC
SAI NASHVILLE MOTORS, LLC
SAI OKLAHOMA CITY H, LLC
SAI TULSA N, LLC
SANTA CLARA IMPORTED CARS, INC.
SONIC – 2185 CHAPMAN RD., CHATTANOOGA, LLC
SONIC – HARBOR CITY H, INC.
SONIC – SHOTTENKIRK, INC.
SONIC AUTOMOTIVE — 9103 E. INDEPENDENCE,
NC, LLC

By: /s/ DAVID P. COSPER

Name: David P. Cospers

Title: Vice President and Treasurer

**SONIC AUTOMOTIVE 5260 PEACHTREE
INDUSTRIAL BLVD., LLC
SONIC FREMONT, INC.
SONIC TYSONS CORNER H, INC.
SONIC TYSONS CORNER INFINITI, INC.
SONIC-BUENA PARK H, INC.
SONIC-CALABASAS A, INC.
SONIC-CAPITOL IMPORTS, INC.
SONIC-VOLVO LV, LLC
WINDWARD, INC.**

By: /s/ DAVID P. COSPER

Name: David P. Cospers
Title: Vice President and Treasurer

**PHILPOTT MOTORS, LTD.
SONIC – HOUSTON V, L.P.
SONIC – LUTE RILEY, L.P.
SONIC ADVANTAGE PA, L.P.
SONIC HOUSTON JLR, LP
SONIC HOUSTON LR, L.P.
SONIC MOMENTUM JVP, L.P.
SONIC MOMENTUM VWA, L.P.
SONIC–CLEAR LAKE VOLKSWAGEN, L.P.
SONIC–JERSEY VILLAGE VOLKSWAGEN, L.P.**

By: SONIC OF TEXAS, INC.,
as Sole General Partner

By: /s/ DAVID P. COSPER

Name: David P. Cospers
Title: Vice President and Treasurer

BANK OF AMERICA, N.A.,
as Administrative Agent and as Revolving Administrative Agent (in its
capacity as collateral agent for the Secured Parties under the Loan
Documents)

By: /s/ ANGELO M. MARTORANA

Name: Angelo M. Martorana

Title: Assistant Vice President

SYNDICATED NEW AND USED VEHICLE FLOORPLAN CREDIT AGREEMENT
Signature Page

LENDERS:

BANK OF AMERICA, N.A.,

as a Lender, New Vehicle Swing Line Lender and Used Vehicle Swing
Line Lender

By: /s/ M. PATRICIA KAY

Name: M. Patricia Kay

Title: Senior Vice President

SYNDICATED NEW AND USED VEHICLE FLOORPLAN CREDIT AGREEMENT
Signature Page

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: /s/ JEFFREY G. CALDER
Name: Jeffrey G. Calder
Title: Vice President

SYNDICATED NEW AND USED VEHICLE FLOORPLAN CREDIT AGREEMENT
Signature Page

WACHOVIA BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ MICHAEL R. BURKITT
Name: Michael R. Burkitt
Title: Senior Vice President

SYNDICATED NEW AND USED VEHICLE FLOORPLAN CREDIT AGREEMENT
Signature Page

COMERICA BANK,
as a Lender

By: /s/ DAVID M. GARBARZ
Name: David M. Garbarz
Title: Senior Vice President

SYNDICATED NEW AND USED VEHICLE FLOORPLAN CREDIT AGREEMENT
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SILO SUBSIDIARIES

1. Arngar, Inc.
2. Autobahn, Inc.
3. FAA Beverly Hills, Inc.
4. FAA Concord T, Inc.
5. FAA San Bruno, Inc.
6. FAA Serramonte L, Inc.
7. FAA Torrance CPJ, Inc.
8. Fort Mill Ford, Inc.
9. Marcus David Corporation
10. Massey Cadillac, Inc.
11. Ontario L, LLC
12. SAI Atlanta B, LLC
13. SAI Broken Arrow C, LLC
14. SAI Clearwater T, LLC
15. SAI Columbus T, LLC
16. SAI Fort Myers B, LLC
17. SAI Fort Myers M, LLC
18. SAI Irondale L, LLC
19. SAI Long Beach B, Inc.
20. SAI Monrovia B, Inc.
21. SAI Montgomery B, LLC
22. SAI Montgomery BCH, LLC
23. SAI Nashville CSH, LLC
24. SAI Nashville M, LLC
25. SAI Oklahoma City C, LLC
26. SAI Oklahoma City T, LLC
27. SAI Orlando CS, LLC
28. SAI Riverside C, LLC
29. SAI Rockville Imports, LLC
30. SAI Rockville L, LLC
31. SAI Tulsa T, LLC
32. Sonic Automotive – 1720 Mason Ave., DB, LLC
33. Sonic Automotive 2752 Laurens Rd., Greenville, Inc.
34. Sonic Automotive – 3401 N. Main, TX, L.P.
35. Sonic Automotive – 4701 I-10 East, TX, L.P.
36. Sonic Automotive of Chattanooga, LLC
37. Sonic Automotive of Nashville, LLC
38. Sonic Automotive of Texas, L.P.
39. Sonic – Cadillac D, L.P.
40. Sonic – Calabasas M, Inc.
41. Sonic–Capitol Cadillac, Inc.
42. Sonic – Coast Cadillac, Inc.

SYNDICATED NEW AND USED VEHICLE FLOORPLAN CREDIT AGREEMENT
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43. Sonic – Denver T, Inc.
44. Sonic – Fort Worth T, L.P.
45. Sonic – Frank Parra Autoplex, L.P.
46. Sonic – Las Vegas C East, LLC
47. Sonic – Las Vegas C West, LLC
48. Sonic – Lone Tree Cadillac, Inc.
49. Sonic – LS Chevrolet, L.P.
50. Sonic – Manhattan Fairfax, Inc.
51. Sonic Momentum B, L.P.
52. Sonic – Newsome Chevrolet World, Inc.
53. Sonic–Plymouth Cadillac, Inc.
54. Sonic – Richardson F, L.P.
55. Sonic – Sanford Cadillac, Inc.
56. Sonic Santa Monica M, Inc.
57. Sonic – Stevens Creek B, Inc.
58. Sonic – Stone Mountain T, L.P.
59. Sonic Walnut Creek M, Inc.
60. Stevens Creek Cadillac, Inc.
61. Town and Country Ford, Incorporated

SYNDICATED NEW AND USED VEHICLE FLOORPLAN CREDIT AGREEMENT
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DUAL SUBSIDIARIES

1. Philpott Motors, Ltd.
2. SAI Ann Arbor Imports, LLC
3. SAI Montgomery CH, LLC
4. Sonic – Newsome of Florence, Inc.
5. SAI Irondale Imports, LLC

CERTAIN ERISA INFORMATION

Seven dealership subsidiaries of Sonic Automotive, Inc. located in Northern California are contributing employers to the Automotive Industries Pension Trust Fund (EIN # 94-1133245), Plan No. 001 (the "Plan"), a "Multiemployer Plan" (as defined in the Agreement) the participants and beneficiaries of which are primarily union member employees or retirees of the International Association of Machinists and Aerospace Workers District Lodge 190 in Northern California (the "IAM Local 190"), with numerous participating contributing employers primarily located in the State of California.

The federal Pension Protection Act of 2006 (the "Act") requires multiemployer defined benefit pension plans to engage an actuary to annually evaluate the particular pension plan's funding status, and to determine the extent to which the particular plan is projected to meet its obligations. A determination by the actuary that the particular plan is in "critical status" pursuant to the Act triggers requirements for the particular plan to adopt a rehabilitation plan designed to improve the plan's financial condition over time and improve the plan's ability to meet pension obligations in the future. The Board of Trustees of the Automotive Industries Pension Trust Fund has formally notified participants, beneficiaries, contributing employers and the IAM Local 190 that the Plan's actuary certified the Plan to be in critical status pursuant to the Act. The Board has also adopted a Rehabilitation Plan to address such status pursuant to the requirements of the Act, including suspension or elimination of certain benefits to beneficiaries under the Plan and requirements to increase contributing employer contributions beginning in the 2013 calendar year.

**COMMITMENTS AND
APPLICABLE PERCENTAGES
New Vehicle Floorplan Commitments**

Lender	Commitment	Applicable Percentage
Bank of America, N.A.	\$ 126,000,000.00	39.252336449%
JPMorgan Chase Bank, N.A.	\$ 97,000,000.00	30.218068536%
Wachovia Bank, National Association	\$ 61,000,000.00	19.003115265%
Comerica Bank	\$ 37,000,000.00	11.526479751%
Total	<u>\$ 321,000,000.00</u>	<u>100.000000000%</u>

Used Vehicle Floorplan Commitments

Lender	Commitment	Applicable Percentage
Bank of America, N.A.	\$ 9,000,000.00	18.000000000%
JPMorgan Chase Bank, N.A.	\$ 20,000,000.00	40.000000000%
Wachovia Bank, National Association	\$ 14,000,000.00	28.000000000%
Comerica Bank	\$ 7,000,000.00	14.000000000%
Total	<u>\$ 50,000,000.00</u>	<u>100.000000000%</u>

RESTRICTED MANUFACTURERS

Chrysler LLC
General Motors Corporation
Ford Motor Corporation
Any Affiliates of any of the foregoing

INFORMATION REGARDING COLLATERAL

I. Name	II. Jurisdiction of Formation/ Form of Equity/L.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
Sonic Automotive, Inc.	Delaware Corporation 2714319	The chief executive office for all entities is 6415 Idlewild Rd., Suite 109, Charlotte, NC		6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Arngar, Inc.	North Carolina Corporation 0005612		Arnold Palmer Cadillac	10725 Pineville Rd. Pineville, NC	CAR SON MAS, L.P.	All Owners of Collateral Locations (if other than Grantor) are unrelated lessors, except where noted.
Autobahn, Inc.	California Corporation C1548941		Autobahn Motors Main Facility	700 Island Pkwy. Belmont, CA	Lucas Trust Properties, LLC	
			Airspace Lease	Beneath Island Pkwy. north of Ralston Ave. Belmont, CA	City of Belmont, CA	
			Remnant Parcel	East of Island Pkwy. and north of Ralston Ave. Belmont, CA	Lucas Trust Properties, LLC	

I. Name	II. Jurisdiction of Formation/ Form of Equity/L.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
Autobahn, Inc. (continued)			Autobahn Motors-Service / Storage	500-510 Harbor Blvd. Belmont, CA	David S. Lake Trust	
			Autobahn Motors Vehicle Storage/Detailing	1315 Elmer St. Belmont, CA	George W. Williams, Co-Trustee, George W. Williams III G.S. Trust	
					George W. Williams and Borel Bank, Co- Trustees, Hortense Williams Trust	
					Lois Hortense Rosebrook Trust	
					Katherine B. Woodlard, Robert P. Berryman and Mark A. Berryman	
Avalon Ford, Inc.	Delaware Corporation 0896102			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Cornerstone Acceptance Corporation	Florida Corporation P98000064003			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
FAA Auto Factory, Inc.	California Corporation C2058910			3737 First St. Livermore, CA	Cordiroli Ford Company	
FAA Beverly Hills, Inc.	California Corporation C2069519		Beverly Hills BMW — Service & CPO Facility	8833 Wilshire Blvd. Beverly Hills, CA	Dusenberg Investments	
			Beverly Hills BMW — Sales Facility	8825 Wilshire Blvd. Beverly Hills, CA	8825 Wilshire, LLC	
			Beverly Hills BMW — Rental Parking (Bubble Building)	8840 Wilshire Blvd. Beverly Hills, CA	Bubble Real Estate	
			Beverly Hills BMW — Storage (Avis Lot Fee)	8931 Wilshire Blvd. Beverly Hills, CA	Fortress Holdings L.P.	
			8850 Wilshire Blvd. (BMW Beverly Hills — Storage and Service Overflow)	8850 Wilshire Blvd. Beverly Hills, CA	Illouliau Properties	
			8844 Wilshire Blvd. (BMW Beverly Hills Storage & Service Overflow)	8844 Wilshire Blvd. Beverly Hills, CA	Illouliau Properties	
			Storage Lot	8500 Burton Way Los Angeles, CA	Century Investments, Inc.	
			Garage	99 N. La Cienega Blvd. Beverly Hills, CA	99 North La Cienega, L.P.	
			Storage Lot	8900 Wilshire Blvd. Beverly Hills, CA	Global Five Management, Inc.	

I. Name	II. Jurisdiction of Formation/ Form of Equity/L.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
FAA Beverly Hills, Inc. (continued)			Parking — Storage Lot	8909 Wilshire Blvd. Beverly Hills, CA	8909 Wilshire Beverly, LLC	
			Service Facility Relocations Site	9000-9001 Olympic Blvd. Beverly Hills, CA	Landmark Group, LLC	
			Parking Facility	9100 Wilshire Blvd. Beverly Hills, CA	Douglas Emmett Management, LLC	
FAA Capitol N, Inc.	California Corporation C2054429			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
FAA Concord H, Inc.	California Corporation C2004304		Concord Honda	1300 Concord Ave. Concord, CA	Rosewood Village Associates	
				2241 Commerce Ave. Concord, CA	Stan Gaunt	
FAA Concord T, Inc.	California Corporation C0613543		Concord Toyota Concord Scion	1090 Concord Ave. Concord, CA	1090 Concord Associates, LLC	
FAA Dublin N, Inc.	California Corporation C2007600			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
FAA Dublin VWD, Inc.	California Corporation C2007571			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
FAA Holding Corp.	California Corporation C2174202			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
FAA Las Vegas H, Inc.	Nevada Corporation C13186-1999		Honda West	7615 W. Sahara Ave. Las Vegas, NV	CARS CNI-2 L.P.	
FAA Poway H, Inc.	California Corporation C2006230		Poway Honda	13747 Poway Rd. Poway, CA	Bay Automotive Properties, LLC	
FAA Poway T, Inc.	California Corporation C2006232			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	Chartown is indirectly owned by O. Bruton Smith
FAA San Bruno, Inc.	California Corporation C2004303		Melody Toyota Melody Scion (Main Facility)	750 El Camino Real San Bruno, CA	Bill & Sylvia Wilson	
			(Service and Parts Facility)	222 E. San Bruno Ave. San Bruno, CA	L & P Kaplan	

I. Name	II. Jurisdiction of Formation/ Form of Equity/L.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
FAA San Bruno, Inc. (continued)			(Parking Lot — New and Used)	732 El Camino Real San Bruno, CA	Peter J. Mandell and Susan Gootnick	
			(Main Facility)	750 El Camino Real San Bruno, CA	Thomas Chapman Trust	
			(Used Car Facility)	650 El Camino Real San Bruno, CA	Martha E. Bishop, Helen J. Carey, The Mary Colter McDonald Trust	
			(Parking — Used Cars)	650 and 660 El Camino Real San Bruno, CA	Bill Malkason	
			(Used Cars)	650 and 660 El Camino Real San Bruno, CA	Sonic Development, LLC	Subsidiary of Sonic Automotive, Inc
			(Parking Lot)	692 El Camino Real San Bruno, CA	Larry Mobley and Larry Malasoma	
				Linden Ave. and Angus Ave. San Bruno, CA	G. W. Williams, Co.	

I. Name	II. Jurisdiction of Formation/ Form of Equity/L.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
FAA Santa Monica V, Inc.	California Corporation C2165877		Volvo of Santa Monica	1719 Santa Monica Blvd. Santa Monica, CA	CARS-DB4, LP	
				1801 Santa Monica Blvd. Santa Monica, CA	Sully Three SM, LLC	
				1455 18th St. Santa Monica, CA	Don Kidson	
				1447 18th St. Santa Monica, CA	Layn Smith	
FAA Serramonte, Inc.	California Corporation C2004221		Serramonte Auto Plaza Serramonte Mitsubishi	1500 Collins Ave. Colma, CA	Price Trust	
			Serramonte Auto Plaza (Mitsubishi Service and Parts)	445 Serramonte Blvd. Colma, CA	Price Trust	
			Serramonte Nissan	650 Serramonte Blvd. Colma, CA	Cypress Abbey Company	
			Serramonte PDI Center	900 Collins Ave. Colma, CA	Portola Properties	
FAA Serramonte H, Inc.	California Corporation C2069465		Honda of Serramonte	485 Serramonte Blvd. Colma, CA	Price Trust	

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
FAA Serramonte L, Inc.	California Corporation C2004222		Lexus of Serramonte Lexus of Marin	700 Serramonte Blvd. Colma, CA	Price Trust	
FAA Stevens Creek, Inc.	California Corporation C2004216		Stevens Creek Nissan	513 Francisco Blvd. E. San Rafael, CA	CAR FAA II LLC	
			Stevens Creek Nissan — Offsite Vehicle Storage	4855 & 4875 Stevens Creek Blvd. Santa Jose, CA	Rosewood Village Associates	
			Stevens Creek Nissan — Used Car Lot	1507 South 10th St. San Jose, CA	10th Street Land Management	
			Stevens Creek Nissan — Detail and Service Center	4795 Stevens Creek Blvd. San Jose, CA	Donald S. & Mary S. Abinante	
			South Bay Chrysler Jeep Dodge Main Facility	4885 Stevens Creek Blvd. San Jose, CA	Edmiston & Hock Enterprises, Inc.	
FAA Torrance CPJ, Inc.	California Corporation C2165823			20900 Hawthorne Blvd. Torrance, CA	Miletich-Jones Land Co.	
				20433 Hawthorne Blvd. Torrance, CA	Del Thome LLC	
			CJ Storage Lot	20465 Hawthorne Blvd. Torrance, CA	Marvin Lazar	

I. Name	II. Jurisdiction of Formation/ Form of Equity/L.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
FirstAmerica Automotive, Inc.	Delaware Corporation 2761294			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Fort Mill Ford, Inc.	South Carolina Corporation			801 Gold Hill Rd. Fort Mill, SC	SRE South Carolina-1, LLC	
Fort Myers Collision Center, LLC	Florida Limited Liability Company L00000004315			12490 Metro Pkwy. Fort Myers, FL	S&T Collision Center	
Franciscan Motors, Inc.	California Corporation C1532758		Acura of Serramonte	465/475 Serramonte Blvd. Colma, CA	Price Trust	
Frontier Oldsmobile- Cadillac, Inc.	North Carolina Corporation 0233650			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

I. Name	II. Jurisdiction of Formation/ Form of Equity/L.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
Kramer Motors Incorporated	California Corporation C0392185		Honda of Santa Monica	1720 Santa Monica Blvd. Santa Monica, CA	CARS-DB4, LP	
			Honda of Santa Monica	1801 Santa Monica Blvd. and 1347 - - 18th St. Santa Monica CA	Sully Three SM, LLC	
			Honda of Santa Monica (other)	1411 — 17th St. Santa Monica, CA	Sully Three SM, LLC	
			Honda of Santa Monica (storage)	1819 Santa Monica Blvd. Santa Monica, CA	Sully Three SM, LLC	
				1718 Santa Monica Blvd. Santa Monica, CA	Michael N. Amir, Trustee	
L Dealership Group, Inc.	Texas Corporation 151278900			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Marcus David Corporation	North Carolina Corporation 0272880		Town and Country Toyota Certified Used Cars Lot	9900 South Blvd. Charlotte, NC	Jessco Ltd. Properties	
			CPO and Truck Sales	1300 Cressida Dr. Charlotte, NC	National Retail Properties, LP	
			Town and Country Toyota-Scion Town and Country Toyota	9101 South Blvd. Charlotte, NC	MMR Holdings, LLC	

I. Name	II. Jurisdiction of Formation/ Form of Equity/L.D. Number	III. Address of Chief Executive Office	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations	VI. Name and address of Owner of Collateral Location (if other than Grantor)	VII. Relationship of Persons listed in VI to Grantor (e.g., lessor, warehousemen)
Massey Cadillac, Inc.	Tennessee Corporation 0230052		Massey Cadillac	24600 Grand River Ave. Detroit, MI	CAR SON MAS, L.P.	
Ontario L, LLC	California Limited Liability Company 200330110050		Crown Lexus	1125 Kettering Dr. Ontario, CA	M.F. Salta Co., Inc.	
Philpott Motors, Ltd.	Texas Limited Partnership 12223010		Philpott Motors Hyundai	1900 U.S. Hwy. 69 Nederland, TX	Rustin B. Penland	
			(Hangar Lease)	4605 Third St. Airport Beaumont, TX	Jefferson County, Texas	
			Philpott Ford Philpott Toyota	1400 U.S. Hwy. 69 Nederland, TX	Philpott Properties, Ltd.	
			Philpott Ford-Toyota (Fleet/Body Shop)	2727 Nall St. Port Neches, TX	Philpott Properties, Ltd.	
SAI AL HC1, Inc.	Alabama Corporation D/C 206-272			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
SAI AL HC2, Inc.	Alabama Corporation D/C 199-217		Tom Williams Collision Center	1874 Grants Mill Rd. Irontdale, AL	SRE Alabama — 2, LLC	Indirect Subsidiary of Sonic Automotive, Inc.

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SAI Ann Arbor Imports, LLC	Michigan Limited Liability Company E15303		Mercedes-Benz of Ann Arbor	570 Auto Mall Dr. Ann Arbor, MI	SRE Michigan-1, LLC c/o CARS	
			BMW of Ann Arbor	501 Auto Mall Dr. Ann Arbor, MI	SRE Michigan-2 LLC c/o CARS	
SAI Atlanta B, LLC	Georgia Limited Liability Company 08083814		Global Imports [BMW] Global Imports MINI	500 Interstate North Pkwy. SE Atlanta, GA	MMR Holdings, LLC c/o Capital Automotive REIT McLean, VA 22102 Attn: Portfolio Manager	
SAI Broken Arrow C, LLC	Oklahoma Limited Liability Company 3512215667		Speedway Chevrolet	2301 N. Aspen Ave. Broken Arrow, OK	Miller Family Real Estate, LLC	
SAI Charlotte M, LLC	North Carolina Limited Liability Company 0433486			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
SAI Clearwater T, LLC	Florida Limited Liability Company L08000116713		Clearwater Toyota Clearwater Scion	21799 U.S. Hwy. 19 N. Clearwater, FL	CARS-DB4, LP	

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SAI Columbus Motors, LLC	Ohio Limited Liability Company CP13127		Hatfield Subaru Hatfield Hyundai Hatfield Isuzu	1400 Auto Mall Dr. Columbus, OH	MMR Holdings, LLC	
SAI Columbus T, LLC	Ohio Limited Liability Company CP13128		Toyota West Scion West Hatfield Automall	1500 Automall Dr. Columbus, OH	MMR Holdings, LLC	
SAI Columbus VWK, LLC	Ohio Limited Liability Company CP13130		Hatfield Kia Hatfield Volkswagen	1495 Auto Mall Dr. Columbus, OH	MMR Holdings, LLC	
SAI FL HC2, Inc.	Florida Corporation P98000016038	N/A		6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith.
SAI FL HC3, Inc.	Florida Corporation P98000064012	N/A		6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith.
SAI FL HC4, Inc.	Florida Corporation P98000064009	N/A		6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith.

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SAI FL HC6, Inc.	Florida Corporation P99000004218	N/A	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
SAI FL HC7, Inc.	Florida Corporation F86660	N/A	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
SAI Fort Myers B, LLC	Florida Limited Liability Company L08000116712		BMW of Fort Myers	15421 S. Tamiami Tr. Fort Myers, FL	SRE Florida — 1, LLC	Indirect subsidiary of Sonic Automotive, Inc.
			MINI of Fort Myers	13880 S. Tamiami Tr. Fort Myers, FL	CARS (SON-064)	
SAI Fort Myers H, LLC	Florida Limited Liability Company L08000116710		Honda of Fort Myers	14020 S. Tamiami Tr. Fort Myers, FL	CAR SONFREE, LLC (also tenant for VW of Fort Myers)	
SAI Fort Myers M, LLC	Florida Limited Liability Company L98000002089		Mercedes-Benz of Fort Myers	15461 S. Tamiami Tr. Fort Myers, FL	SRE Florida — 1, LLC	Indirect subsidiary of Sonic Automotive, Inc.

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SAI Fort Myers VW, LLC	Florida Limited Liability Company L08000116709		Volkswagen of Fort Myers	14060 S. Tamiami Tr. Fort Myers, FL	CAR SONFREE, LLC	
SAI GA HC1, LP	Georgia Limited Partnership 0224680	N/A		6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
SAI Georgia, LLC	Georgia Limited Liability Company 08094603	N/A		6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
SAI Irondale Imports, LLC	Alabama Limited Liability Company 428-744		Tom Williams Imports (BMW)	1000 Tom Williams Way Irondale, AL	SRE Alabama — 2, LLC	Indirect Subsidiary of Sonic Automotive, Inc.
			Tom Williams Audi	3001 Tom Williams Way Irondale, AL	SRE Alabama — 2, LLC	
			Tom Williams Porsche			
			Land Rover Birmingham	3000 Tom Williams Way Irondale, AL		
			MINI of Birmingham	2001 Tom Williams Way Irondale, AL	SRE Alabama — 2, LLC	
					SRE Alabama — 2, LLC	
SAI Irondale L, LLC	Alabama Corporation DLL 662-073		Tom Williams Lexus	1001 Tom Williams Way Irondale, AL	SRE Alabama — 2, LLC	

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SAI Long Beach B, Inc.	California Corporation C2998588		Long Beach BMW	2998 Cherry Ave. Signal Hill, CA 90755	Velma M. Robinett, Trustee of the Alda C. Jones Trust c/o Signal Hill Redevelopment Agency	
			Long Beach MINI	2725 Temple Ave. Signal Hill, CA 90755	2175 Cherry Ave. Signal Hill, CA 90806 FU Lyons Signal Hill, LLC 15125 Garfield Ave. Paramount, CA 90723	
SAI MD HC1, Inc.	Maryland Corporation D05310776		N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith.
SAI Monrovia B, Inc.	California Corporation C2979304		BMW of Monrovia	1425-1451 South Mountain Ave. Monrovia, CA	Assael Family Trust c/o Dennis D. and Charyl A. Assael, Trustees 222 Heliotrope Ave. Corona del Mar, CA 92625	
			MINI of Monrovia	1875 South Mountain Ave. Monrovia, CA	SRE California — 4, LLC	SRE California — 4, LLC is an indirect subsidiary of Sonic Automotive, Inc.

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SAI Montgomery B, LLC	Alabama Limited Liability Company 428-746		BMW of Montgomery	190 Eastern Blvd. Montgomery, AL	CC&I LLC	
SAI Montgomery BCH, LLC	Alabama Limited Liability Company 428-745		Classic Cadillac Buick Classic Cadillac Classic Hummer	833 Eastern Blvd. Montgomery, AL	James L. Rouse & Reese H. Bricken	
SAI Montgomery CH, LLC	Alabama Limited Liability Company 428-747		Capitol Chevrolet	711 Eastern Blvd. Montgomery, AL	SRE Alabama-1, LLC	
			Capitol Hyundai	2820 Eastern Blvd. Montgomery, AL	CAR BSC L.L.C.	
SAI Nashville CSH, LLC	Tennessee Limited Liability Company 0336183		Crest Cadillac Crest Hummer Crest Saab	2121 Rosa L. Parks Blvd. Nashville, TN	CAR SON MAS TN L.L.C.	
SAI Nashville H, LLC	Tennessee Limited Liability Company 0336180		Crest Honda	2215 Rosa L. Parks Blvd. Nashville, TN	CAR SON MAS TN L.L.C.	

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SAI Nashville M, LLC	Tennessee Limited Liability Company 0336182		Mercedes-Benz of Nashville	630 Bakers Bridge Ave. Franklin, TN	BKB Properties LLC	
SAI Nashville Motors, LLC	Tennessee Limited Liability Company 0566970		Audi Nashville Jaguar Nashville Porsche of Nashville	2350 Franklin Pike Nashville, TN 725 Melpark Dr. Nashville, TN	SRE Tennessee — 4, LLC 6415 Idlewild Rd. Suite 109 Charlotte, NC SRE Tennessee — 4, LLC 6415 Idlewild Rd. Suite 109 Charlotte, NC	
SAI OK HC1, Inc.	Oklahoma Corporation 1900632183	N/A		6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith.
SAI Oklahoma City C, LLC	Oklahoma Limited Liability Company 3512215668		City Chevrolet	5000 W. Reno Oklahoma City, OK	CARS CNI-2 L.P.	

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SAI Oklahoma City H, LLC	Oklahoma Limited Liability Company 3512215666		Steve Bailey Pre-Owned Super Center Steve Bailey Honda	8700 NW Expressway Oklahoma City, OK	Heitzinger Associates	
SAI Oklahoma City T, LLC	Oklahoma Limited Liability Company 3512215664		Dub Richardson Toyota Dub Richardson Scion (Body Shop)	8401 NW Expressway Oklahoma City, OK 9038 NW Expressway Oklahoma City, OK	Heitzinger Associates and Geary Plaza Associates Heitzinger Associates	
SAI Orlando CS, LLC	Florida Limited Liability Company L08000116711		Massey Cadillac Massey Saab of Orlando Massey Cadillac South	4241 N. John Young Pkwy. Orlando, FL 8819 S. Orange Blossom Tr. Orlando, FL	CAR SON MAS, L.P. CAR SON MAS, L.P.	
			(side street access; possible vehicle storage)	1851 Landstreet Rd. Orlando, FL	Sonic Development, LLC	Sonic Development, LLC is a direct subsidiary of Sonic Automotive, Inc.
SAI Riverside C, LLC	Oklahoma Limited Liability Company 3512215685		Riverside Chevrolet (Main Facility) (Reconditioning Facility)	707 W. 51st St. Tulsa, OK 2002 W. Skelly Dr. Tulsa, OK	Hudiburg Trusts Partnership Union Limited Liability Company	

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SAI Rockville Imports, LLC	Maryland Limited Liability Company W12791083		Rockville Audi Rockville Porsche-Audi Porsche of Rockville	1125 Rockville Pike Rockville, MD 20852	SRE-Virginia 1, LLC c/o Sonic Automotive, Inc. 6415 Idlewild Rd., Suite 109 Charlotte, NC	Indirect Subsidiary of Sonic Automotive, Inc.
SAI Rockville L, LLC	Maryland Limited Liability Company W12796074		Lexus of Rockville	15501 & 15515 Frederick Rd. Rockville, MD	Royco, Inc. 8121 Georgia Ave. Suite 500 Silver Spring, MD 20910	
				711 East Gude Dr. Rockville, MD	The Cotler Properties c/o The Jaffe Group 5454 Wisconsin Ave. Suite 1265 Chevy Chase, MD 20815	
				15814-A and B Paramount Dr. Rockville, MD	Beltway Cable Services Inc. 15815 Paramount Dr. Rockville, MD 20855	
SAI TN HC1, LLC	Tennessee Corporation 0336184	N/A	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith.
SAI TN HC2, LLC	Tennessee Limited Liability Company 0336185	N/A	N/A	N/A	N/A	N/A

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SAI TN HC3, LLC	Tennessee Corporation 0336181		N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith.
SAI Tulsa N, LLC	Oklahoma Limited Liability Company 3512215684		Riverside Nissan	8190 E. Skelly Dr. Tulsa, OK	Hudiburg Properties	
SAI Tulsa T, LLC	Oklahoma Limited Liability Company 3512215671		Riverside Toyota Riverside Scion	6868 East B.A. Frontage Rd. Tulsa, OK	CAR SON OK TOY L.L.C.	
Santa Clara Imported Cars, Inc.	California Corporation C0587296		Honda of Stevens Creek Stevens Creek Used Cars	4590 Stevens Creek Blvd. San Jose, CA	Lucas Trust Properties, LLC	
			Stevens Creek Honda — Offsite Vehicle Storage	1507 South 10th St. San Jose, CA	10th Street Land Management	
Sonic — 2185 Chapman Rd., Chattanooga, LLC	Tennessee Limited Liability Company 0366281		Economy Honda Superstore	2135 Chapman Rd. Chattanooga, TN	Standefer Investment Company	

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Sonic Advantage PA, L.P.	Texas Limited Partnership 800235623		Porsche of West Houston	11890 Katy Fwy. Houston, TX	SRE Texas — 2, L.P.	SRE Texas — 2, L.P. is an indirect subsidiary of Sonic Automotive, Inc.
			Audi West Houston	11850 and 11890 Katy Fwy., Houston, TX	SRE Texas - - 2, L.P.	
			Performance Auto Leasing	19550 Northwest Fwy. Houston, TX	CARS 2 MDMLP	
Sonic Agency, Inc.	Michigan Corporation 35010C			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic Automotive — 1720 Mason Ave., DB, Inc.	Florida Corporation P98000064005			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic Automotive — 1720 Mason Ave., DB, LLC	Florida Limited Liability Company L98000001576		Mercedes-Benz of Daytona Beach	1720 Mason Ave. Daytona Beach, FL	MMR Holdings, LLC	

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Sonic Automotive 2752 Laurens Rd., Greenville, Inc.	South Carolina Corporation		Century BMW Century MINI (Parking Lot)	2750 Laurens Rd. Greenville, SC 17 Duvall and 2758 Laurens Rd. Greenville, SC	MMR Holdings, LLC Brockman Real Estate, LLC	
Sonic Automotive — 3401 N. Main, TX, L.P.	Texas Limited Partnership 11376510		Ron Craft Chevrolet Cadillac Baytown Auto Collision Center	4114 Hwy. 10 E. Baytown, TX	CAR SON BAY, L.P.	
Sonic Automotive- 3700 West Broad Street, Columbus, Inc.	Ohio Corporation CP13131			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic Automotive- 4000 West Broad Street, Columbus, Inc.	Ohio Corporation CP13126			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic Automotive — 4701 I-10 East, TX, L.P.	Texas Limited Partnership 11345010		Baytown Ford	4110 Hwy. 10 E. Baytown, TX	CAR SON BAY, L.P.	

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Sonic Automotive 5260 Peachtree Industrial Blvd., LLC	Georgia Limited Liability Company K734665		Dyer and Dyer Volvo	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic Automotive — 6008 N. Dale Mabry, FL, Inc.	Florida Corporation P9800084876			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic Automotive — 9103 E. Independence, NC, LLC	North Carolina Limited Liability Company 0470751		Infiniti of Charlotte	9103 E. Independence Blvd. Matthews, NC	MMR Holdings, LLC	
Sonic Automotive F&I, LLC	Nevada Limited Liability Company LLC8620-1999		Infiniti of Charlotte Parking Lot	7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV	CAR SON CHAR L.L.C.	
Sonic Automotive of Chattanooga, LLC	Tennessee Limited Liability Company 0336188		BMW of Chattanooga	6806 E. Brainerd Rd. Chattanooga, TN	75 Pointe Centre Partners, LLC	

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Sonic Automotive of Nashville, LLC	Tennessee Limited Liability Company 0336186		BMW of Nashville MINI of Nashville Sonic Automotive Body Shop	4040 Armory Oaks Dr. Nashville, TN	H.G. Hill Realty Company, Inc.	
Sonic Automotive of Nevada, Inc.	Nevada Corporation C18014-1997			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic Automotive of Texas, L.P.	Texas Limited Partnership 11324210		Lone Star Ford	8477 North Fwy. Houston, TX	MMR Viking Investment Associates, LP	
Sonic Automotive Support, LLC	Nevada Limited Liability Company LLC19412-2003			7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV		
Sonic Automotive West, LLC	Nevada Limited Liability Company LLC9139-1999			7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV		

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Sonic-Buena Park H, Inc.	California Corporation C2356456		Buena Park Honda - Employee Parking	7697 Beach Blvd. Buena Park, CA	Abbott Investments	
			Buena Park Honda — Main	6411 Beach Blvd. Buena Park, CA	Slata Lamacchia Land Company	
			Buena Park Honda — Storage	6192 & 6222 Manchester Ave. and Western Ave.	Morgan Adams	
Sonic — Cadillac D, L.P.	Texas Limited Partnership 800061917		Massey Cadillac	11675 LBJ Fwy. Dallas, TX	CAR SON MAS GAR, L.P.	
Sonic- Calabasas A, Inc.	California Corporation C2413759		Acura 101 West	24650 Calabasas Rd. Calabasas, CA	CARS CNI-2 L.P.	
Sonic Calabasas M, Inc.	California Corporation C2975101		Mercedes-Benz of Calabasas	24181 Calabasas Rd. Calabasas, CA 91302	Arthur D'Egidio and Assunta D'Egidio, as Trustees of the D'Egidio Trust dated May 13, 1985 and Maria A. D'Egidio, as Trustee of the D'Egidio Trust dated April 29, 1985 17401 Gresham St. Northridge, CA 91325	
				Parking lot north of and abutting above address containing 20,036 square feet, more or less	City of Calabasas, California 26135 Mureau Rd. Calabasas, CA 91302 Attn: City Manager	

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Sonic — Calabasas V, Inc.	California Corporation C2501983			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic — Camp Ford, L.P.	Texas Limited Partnership 12312610			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic-Capitol Cadillac, Inc.	Michigan Corporation 26619C		Capitol Cadillac Capitol Hummer	5901 S. Pennsylvania Ave. Lansing, MI	CAR SON MAS, L.P.	
Sonic-Capitol Imports, Inc.	South Carolina Corporation		Capitol Imports Capitol Hyundai	101 Newland Rd. Columbia, SC	CAR SON NEWSOME II L.L.C.	
Sonic — Carrollton V, L.P.	Texas Limited Partnership 13894610			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic — Carson F, Inc.	California Corporation C2375909			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

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Sonic-Carson LM, Inc.	California Corporation C2375100			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic-Clear Lake Volkswagen, L.P.	Texas Limited Partnership 800207889		Clear Lake Volkswagen	15100 Gulf Fwy. Houston, TX	CARS-DB4, LP	
Sonic — Coast Cadillac, Inc.	California Corporation C2124569		Coast Cadillac	3399 E. Willow St. Long Beach, CA	Bixby Land Company	
Sonic — Denver T, Inc.	Colorado Corporation 20021350687		Mountain States Toyota and Scion	201 W. 70th Ave. Denver, CO	SRE Colorado — 1, LLC	Indirect subsidiary of Sonic Automotive, Inc.
Sonic Development, LLC	North Carolina Limited Liability Company 0483658		Mountain States Toyota	6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by Bruton O. Smith
Sonic Divisional Operations, LLC	Nevada Limited Liability Company LLC26157-2004			7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV	Nevada Speedway, LLC	

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Sonic — Downey Cadillac, Inc.	California Corporation C2375896			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic — Fort Worth T, L.P.	Texas Limited Partnership 13920710		Toyota of Fort Worth Scion of Fort Worth	9001 Camp Bowie W. Fort Worth, TX	SON MCKNY II, L.P.	
Sonic — Frank Parra Autoplex, L.P.	Texas Limited Partnership 800079059		Frank Parra Chevrolet Frank Parra Chrysler Jeep Frank Parra Chrysler Jeep Dodge	1000 E. Airport Fwy. Irving, TX 700 E. Airport Fwy. Irving, TX	CAR SON PARR L.P. CAR SON PARR L.P.	
Sonic Fremont, Inc.	California Corporation C2935225		Jaguar Fremont Land Rover Fremont Volvo Fremont	5601 and 5701 Cushing Pkwy. Fremont, CA	NICPA of Fremont, Ltd. c/o NICPA Interest, Inc., its general partner Attention: Ricardo M. Weitz, President 9896 Bissonnet, 5th Floor Houston, Texas 77036	
Sonic — Harbor City H, Inc.	California Corporation C2356454		Carson Honda	1435 E. 223rd St. Carson, CA	ENRI 2, LLC	

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Sonic Houston JLR, LP	Texas Limited Partnership 800735509		Jaguar Houston North Land Rover Houston North	18205 Interstate 45 N Houston, TX	NICPA Holdings, Ltd.	
Sonic Houston LR, L.P.	Texas Limited Partnership 800236309		Land Rover Houston Central	7019 Old Katy Rd. Houston, TX	Capital Automotive, LP	SRE Texas — 7, L.P. is an indirect subsidiary of Sonic Automotive, Inc.
			Jaguar Houston Central	7025 Old Katy Rd. Houston, TX	SRE Texas — 7, L.P.	
Sonic — Houston V, L.P.	Texas Limited Partnership 15286810		Volvo of Houston	11950 Old Katy Rd. Houston, TX	CAR SON NSV II, L.P.	
			(Body Shop)	1321 Sherwood Forest Dr. Houston, TX	CAR SON NSV II, L.P.	
Sonic-Jersey Village Volkswagen, L.P.	Texas Limited Partnership 800207902		Momentum Volkswagen of Jersey Village	19550 Northwest Fwy. Houston, TX	CAR 2 MOM, LP	Elcon Properties, Ltd.
Sonic — Las Vegas C East, LLC	Nevada Limited Liability Company LLC7435-2000		Cadillac of Las Vegas	2711 E. Sahara Ave. Las Vegas, NV	GIHM, LLC	
Sonic — Las Vegas C West, LLC	Nevada Limited Liability Company LLC7434-2000		Cadillac of Las Vegas — West	5185 W. Sahara Ave. Las Vegas, NV	TAS Holding Limited Partnership	

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Sonic — Lloyd Nissan, Inc.	Florida Corporation P99000014918			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic — Lloyd Pontiac - Cadillac, Inc.	Florida Corporation P99000014911			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic — Lone Tree Cadillac, Inc.	Colorado Corporation 20021021609		Don Massey Cadillac	8201 Parkway Dr. Lone Tree, CO	County Line, LLC Argonaut Holdings, LLC	
			Don Massey Collision Center	6208 E. County Line Rd. Littleton, CO	Sunrise Real Estate Services Colorado LLC	
Sonic — LS Chevrolet, L.P.	Texas Limited Partnership 11958210		Lone Star Chevrolet	18800 North Fwy. Houston, TX	CARS-DB4, L.P.	
			Lone Star Chevrolet Parking Lot	18990 Northwest Fwy. Houston, TX	CAR SON STAR, L.P.	
Sonic — LS, LLC	Delaware Limited Liability Company 3440418			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

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Sonic — Lute Riley, L.P.	Texas Limited Partnership 11869810		Lute Riley Honda (Body Shop)	1331 N. Central Expy. Richardson, TX 13561 Goldmark Dr. Richardson, TX	MMR Viking Investment Associates, LP CARS (SON-105)	
Sonic — Manhattan Fairfax, Inc.	Virginia Corporation 0521177-6		BMW of Fairfax (Parking Facility)	8427 Lee Hwy. Fairfax, VA 8435 Lee Hwy. Fairfax, VA	MMR Holdings, LLC Cockrill Carr, LLC	
Sonic — Massey Chevrolet, Inc.	California Corporation C2375359			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic — Mesquite Hyundai, L.P.	Texas Limited Partnership 800087803			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

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Sonic Momentum B, L.P.	Texas Limited Partnership 800235477		Momentum BMW Momentum MINI	10002 Southwest Fwy. Houston, TX	CARS CNI—2, LP	
			Momentum BMW (West)	15865 Katy Fwy. Houston, TX	RMC AutoSonic BMW, L.P.	
			(Momentu Body Shop)	9911 Centre Pkwy. Houston, TX	CARS CNI—2, L.P.	
Sonic Momentum JVP, L.P.	Texas Limited Partnership 800235475		Jaguar Southwest Houston Land Rover Southwest Houston Momentum Volvo	10150 Southwest Fwy. Houston, TX	CARS CNI—2, LP	
			Momentum Porsche	10155 Southwest Fwy. Houston, TX	SRE Texas — 3, L.P.	SRE Texas — 3, L.P. is an indirect subsidiary of Sonic Automotive, Inc.

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Sonic Momentum VWA, L.P.	Texas Limited Partnership 800207910		Momentum Volkswagen	2405 Richmond Ave. Houston, TX	RMC Auto Sonic VWA, LP	
			Momentum Audi Certified Pre- Owned Sales	2309 Richmond Ave. Houston, TX	RMC Auto Sonic VWA, LP	
			Momentum Audi	2315 Richmond Ave. Houston, TX	CAR 2 MOM, LP	
			Momentum Audi Back Lot (Storage)	3717-3725 Revere St. Houston, TX	La Mesa Properties Limited	
			Momentum Audi — Parking	2401 Portsmouth Houston, TX	La Mesa Properties Limited	
Sonic — Newsome Chevrolet World, Inc.	South Carolina Corporation		Capitol Chevrolet	111 Newland Rd. Columbia, SC	CAR SON NEWSOME II L.L.C.	
Sonic — Newsome of Florence, Inc.	South Carolina Corporation		Newsome Automotive (Mercedes) Imports of Florence (BMW) Newsome Chevrolet	2199 David McLeod Blvd. Florence, SC	MMR Holdings, LLC	
Sonic of Texas, Inc.	Texas Corporation 150782300			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

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Sonic Peachtree Industrial Blvd., L.P.	Georgia Limited Partnership K739239			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic— Plymouth Cadillac, Inc.	Michigan Corporation 26618C		Don Massey Cadillac	40475 Ann Arbor Rd. Plymouth, MI	CAR SON MAS, L.P.	
Sonic Resources, Inc.	Nevada Corporation C24652-2001			7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV		
Sonic — Richardson F, L.P.	Texas Limited Partnership 14037410		North Central Ford	1819 N. Central Expy. Richardson, TX	Baillargeon Family LP	
Sonic — Sanford Cadillac, Inc.	Florida Corporation P02000010148		Massey Cadillac of Sanford	3700 S. Hwy. 17-92 Sanford, FL	CAR SON MAS, L.P.	

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Sonic Santa Monica M, Inc.	California Corporation C2727452		W.I. Simonson	1626 Wilshire Blvd. Santa Monica, CA	17th & Wilshire Partnership	
				1330 Colorado Ave. Santa Monica, CA	Investment Co. of Santa Monica	
		(Service)		1215 — 17th St. Santa Monica, CA	7R Apartments	
		(Parking)		1415 Euclid & 1308 Santa Monica Blvd. Santa Monica, CA	Frances M. Rehwald, Trustee, Frances M. Rehwald Family Trust	
					Judith A. Richards, Trustee, Judith a. Richards Separate Property Trust	
					William J.S. Rehwald, Trustee, William J.S. Rehwald Separate Property Trust	
					Frances M. Rehwald, Judith a. Richards, William J.S. Rehwald, Trustees, Mary F. Rehwald Separate Property Trust	
Sonic Santa Monica S, Inc.	California Corporation C2788444			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic—Saturn of Silicon Valley, Inc.	California Corporation C2547838			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	Chartown d/b/a Independence Office Park
Sonic — Shottenkirk, Inc.	Florida Corporation P99000043291		Pensacola Honda	5600 Pensacola Blvd. Pensacola, FL	MMR Holdings, LLC	

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Sonic — Stevens Creek B, Inc.	California Corporation C0723787		Stevens Creek BMW	4343 Stevens Creek Blvd. San Jose, CA	Lucas Trust Properties, LLC	
			Stevens Creek BMW — Offsite Vehicle Storage	4333 Stevens Creek Blvd. San Jose, CA	Lucas Trust Properties, LLC	
				1507 S. 10th St. San Jose, CA	10th Street Land Management	
Sonic — Stone Mountain T, L.P.	Georgia Limited Partnership 0342795		Stone Mountain Toyota Stone Mountain Scion	5065 U.S. Hwy. 78 Stone Mountain, GA	Stone Mountain Real Estate Holdings, LLC	
Sonic Tysons Corner H, Inc.	Virginia Corporation 0645231-2		Honda of Tysons Corner	1580 Spring Hill Rd. Vienna, VA	CARS-DB1, LLC	
			(Body Shop)	1548 Spring Hill Rd. Vienna, VA	CARS (ROS-006)	
			(Storage Lot)	Two acres adjacent to 1592 Spring Hill Rd.	CARS (ROS-001)	
				One acre lot on Tyco Rd. at corner of Spring Hill Rd.	Robert Rosenthal	
			(Storage Lot)	8521 Leesburg Pike Vienna, VA	Brandywine Realty Trust	
Sonic Tysons Corner Infiniti, Inc.	Virginia Corporation 0645232-0		Infiniti of Tysons Corner	8527 Leesburg Pike Vienna, VA	Capital Automotive, L.P.	

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Sonic — University Park A, L.P.	Texas Limited Partnership 13748310			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic—Volvo LV, LLC	Nevada Limited Liability Company LLC6829-1999		Volvo of Las Vegas	7705 W. Sahara Ave. Las Vegas, NV	Berberian Properties, LLC	
Sonic Walnut Creek M, Inc.	California Corporation C2508517		Mercedes-Benz of Walnut Creek	1301 Parkside Dr. Walnut Creek, CA	Stead Leasing, Inc.	
			(Parking)	1268 Pine St. Walnut Creek, CA	Janet Murray	
			(Jensen Lease)	1360 Pine St. Walnut Creek, CA	Peter C. Jensen, Trustee of the Peter Cole Jensen and Sharon A. Jensen Living Trust dated December 23, 1986	
			(Storage)	1413 Carlback Ave. Walnut Creek, CA	JoAnn Bertino	
Sonic—West Covina T, Inc.	California Corporation C2356455			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

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Sonic – Williams Cadillac, Inc.	Alabama Corporation D/C 199-219			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
Sonic Wilshire Cadillac, Inc.	California Corporation C2882071			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith
SRE Alabama – 2, LLC	Alabama Limited Liability Company 670-275	N/A	N/A	N/A	N/A	N/A
SRE Alabama- 5, LLC	Alabama Limited Liability Company DLL 691-622	N/A	N/A	N/A	N/A	N/A
SRE California – 1, LLC	California Limited Liability Company 200202910110	N/A	N/A	N/A	N/A	N/A

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SRE California-2, LLC	California Limited Liability Company 200202910111		N/A	N/A	N/A	N/A
SRE California - 4, LLC	California Limited Liability Company 200202810144		N/A	N/A	N/A	N/A
SRE Colorado - 1, LLC	Colorado Limited Liability Company 20021330518		N/A	N/A	N/A	N/A
SRE Florida - 1, LLC	Florida Limited Liability Company L00000006050		N/A	N/A	N/A	N/A
SRE Florida - 2, LLC	Florida Limited Liability Company L00000006045		N/A	N/A	N/A	N/A
SRE Holding, LLC	North Carolina Corporation 0551475		N/A	N/A	N/A	N/A

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SRE North Carolina - 2, LLC	North Carolina Limited Liability Company 0682830		N/A	N/A	N/A	N/A
SRE Oklahoma-1, LLC	Oklahoma Limited Liability Company 3500697104		N/A	N/A	N/A	N/A
SRE Oklahoma -2, LLC	Oklahoma Limited Liability Company 3500697105		N/A	N/A	N/A	N/A
SRE Oklahoma-5, LLC	Oklahoma Limited Liability Company 3500697108		N/A	N/A	N/A	N/A
SRE South Carolina-3, LLC	South Carolina Limited Liability Company N/A		N/A	N/A	N/A	N/A

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SRE South Carolina - 4, LLC	South Carolina Limited Liability Company N/A	N/A	N/A	N/A	N/A	N/A
SRE Tennessee-4, LLC	Tennessee Limited Liability Company 0450279	N/A	N/A	N/A	N/A	N/A
SRE Texas - 1, L.P.	Texas Limited Partnership 00135233-10	N/A	N/A	N/A	N/A	N/A
SRE Texas - 2, L.P.	Texas Limited Partnership 00135234-10	N/A	N/A	N/A	N/A	N/A
SRE Texas - 3, L.P.	Texas Limited Partnership 00135235-10	N/A	N/A	N/A	N/A	N/A
SRE Texas - 4, L.P.	Texas Limited Partnership 800048705	N/A	N/A	N/A	N/A	N/A
SRE Texas - 5, L.P.	Texas Limited Partnership 800048740	N/A	N/A	N/A	N/A	N/A

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SRE Texas - 6, L.P.	Texas Limited Partnership 800048741		N/A	N/A	N/A	N/A
SRE Texas - 7, L.P.	Texas Limited Partnership 800048742		N/A	N/A	N/A	N/A
SRE Texas - 8, L.P.	Texas Limited Partnership 800048743		N/A	N/A	N/A	N/A
SRE Virginia - 1, LLC	Virginia Limited Liability Company 5050246-0		N/A	N/A	N/A	N/A
SRealEstate Arizona - 2, LLC	Arizona Limited Liability Company L-0951252-2		N/A	N/A	N/A	N/A
SRealEstate Arizona - 3, LLC	Arizona Limited Liability Company L-0951282-8		N/A	N/A	N/A	N/A

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Stevens Creek Cadillac, Inc.	California Corporation C1293380		St. Claire Cadillac St. Claire Cadillac — Offsite Vehicle Storage	3737 Stevens Creek Blvd. Santa Jose, CA	Lucas Trust Properties, LLC 10th Street Land Management	
Town and Country Ford, Incorporated	North Carolina Corporation 0148959			5401 E. Independence Blvd. Charlotte, NC	MMR Holdings, LLC	
Village Imported Cars, Inc.	Maryland Corporation D00308593			6415 Idlewild Rd. Suite 109 Charlotte, NC	Chartown d/b/a Independence Office Park	A portion of Chartown is indirectly owned by O. Bruton Smith

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Windward, Inc.	Hawaii Corporation 41788D1		Honda of Hayward (Service)	24895 Mission Blvd. Hayward, CA	Lucas Trust Properties, LLC	
			Ground Lease (Sales)	24947-24975 Mission Blvd. Hayward, CA	Barbara Harrison	
			(Vehicle Display)	24919 Mission Blvd. Hayward, CA	SRE California — 2, LLC	SRE California — 2, LLC is an indirect subsidiary of Sonic Automotive, Inc.
			(Vehicle Storage)	Fletcher Ln. Hayward, CA	SRE California — 2, LLC	
			Ground Lease (Sales)	24933 Mission Blvd. Hayward, CA	Paul Y. Fong	

**GOOD STANDING JURISDICTIONS
AND FOREIGN QUALIFICATIONS**

Name of Entity	Domestic State	Foreign State(s) Authorized
Sonic Automotive, Inc.	Delaware	North Carolina
Arngar, Inc.	North Carolina	
Autobahn, Inc.	California	
Avalon Ford, Inc.	Delaware	California
Cornerstone Acceptance Corporation	Florida	Michigan, North Carolina, Ohio, Tennessee, Texas
FAA Auto Factory, Inc.	California	
FAA Beverly Hills, Inc.	California	
FAA Capitol N, Inc.	California	
FAA Concord H, Inc.	California	
FAA Concord T, Inc.	California	
FAA Dublin N, Inc.	California	
FAA Dublin VWD, Inc.	California	
FAA Holding Corp.	California	
FAA Las Vegas H, Inc.	Nevada	
FAA Poway H, Inc.	California	
FAA Poway T, Inc.	California	
FAA San Bruno, Inc.	California	
FAA Santa Monica V, Inc.	California	
FAA Serramonte H, Inc.	California	
FAA Serramonte L, Inc.	California	
FAA Serramonte, Inc.	California	
FAA Stevens Creek, Inc.	California	

Name of Entity	Domestic State	Foreign State(s) Authorized
FAA Torrance CPJ, Inc.	California	
FirstAmerica Automotive, Inc.	Delaware	California
Fort Mill Ford, Inc.	South Carolina	
Fort Myers Collision Center, LLC	Florida	
Franciscan Motors, Inc.	California	
Frontier OldsmobileCadillac, Inc.	North Carolina	
Kramer Motors Incorporated	California	
L Dealership Group, Inc.	Texas	California
Marcus David Corporation	North Carolina	
Massey Cadillac, Inc.	Tennessee	Michigan
Ontario L, LLC	California	
Philpott Motors, Ltd.	Texas	
SAI AL HC1, Inc.	Alabama	
SAI AL HC2, Inc.	Alabama	
SAI Ann Arbor Imports, LLC	Michigan	
SAI Atlanta B, LLC	Georgia	
SAI Broken Arrow C, LLC	Oklahoma	
SAI Charlotte M, LLC	North Carolina	
SAI Clearwater T, LLC	Florida	
SAI Columbus Motors, LLC	Ohio	
SAI Columbus T, LLC	Ohio	
SAI Columbus VWK, LLC	Ohio	
SAI FL HC2, Inc.	Florida	
SAI FL HC3, Inc.	Florida	
SAI FL HC4, Inc.	Florida	

Name of Entity	Domestic State	Foreign State(s) Authorized
SAI FL HC6, Inc.	Florida	
SAI FL HC7, Inc.	Florida	
SAI Fort Myers B, LLC	Florida	
SAI Fort Myers H, LLC	Florida	
SAI Fort Myers M, LLC	Florida	
SAI Fort Myers VW, LLC	Florida	
SAI GA HC1, LP	Georgia	
SAI Georgia, LLC	Georgia	
SAI Irondale Imports, LLC	Alabama	
SAI Irondale L, LLC	Alabama	
SAI Long Beach B, Inc.	California	
SAI MD HC1, Inc.	Maryland	
SAI Monrovia B, Inc.	California	
SAI Montgomery B, LLC	Alabama	
SAI Montgomery BCH, LLC	Alabama	
SAI Montgomery CH, LLC	Alabama	
SAI Nashville CSH, LLC	Tennessee	
SAI Nashville H, LLC	Tennessee	
SAI Nashville M, LLC	Tennessee	
SAI Nashville Motors, LLC	Tennessee	
SAI OK HC1, Inc.	Oklahoma	
SAI Oklahoma City C, LLC	Oklahoma	
SAI Oklahoma City H, LLC	Oklahoma	
SAI Oklahoma City T, LLC	Oklahoma	
SAI Orlando CS, LLC	Florida	

Name of Entity	Domestic State	Foreign State(s) Authorized
SAI Riverside C, LLC	Oklahoma	
SAI Rockville Imports, LLC	Maryland	
SAI Rockville L, LLC	Maryland	
SAI TN HC1, LLC	Tennessee	
SAI TN HC2, LLC	Tennessee	
SAI TN HC3, LLC	Tennessee	
SAI Tulsa N, LLC	Oklahoma	
SAI Tulsa T, LLC	Oklahoma	
Santa Clara Imported Cars, Inc.	California	
Sonic — Cadillac D, L.P.	Texas	
Sonic — Calabasas V, Inc.	California	
Sonic — Camp Ford, L.P.	Texas	
Sonic — Carrollton V, L.P.	Texas	
Sonic — Carson F, Inc.	California	
Sonic — Denver T, Inc.	Colorado	
Sonic — Downey Cadillac, Inc.	California	
Sonic — Fort Worth T, L.P.	Texas	
Sonic — Frank Parra Autoplex, L.P.	Texas	
Sonic — Harbor City H, Inc.	California	
Sonic — Houston V, L.P.	Texas	
Sonic — Las Vegas C East, LLC	Nevada	
Sonic — Las Vegas C West, LLC	Nevada	
Sonic — Lloyd Nissan, Inc.	Florida	
Sonic — Lloyd Pontiac Cadillac, Inc.	Florida	
Sonic — Lone Tree Cadillac, Inc.	Colorado	

Name of Entity	Domestic State	Foreign State(s) Authorized
Sonic — LS Chevrolet, L.P.	Texas	
Sonic — LS, LLC	Delaware	Texas
Sonic — Lute Riley, L.P.	Texas	
Sonic — Manhattan Fairfax, Inc.	Virginia	
Sonic — Massey Chevrolet, Inc.	California	
Sonic — Mesquite Hyundai, L.P.	Texas	
Sonic — Newsome Chevrolet World, Inc.	South Carolina	
Sonic — Newsome of Florence, Inc.	South Carolina	
Sonic — Richardson F, L.P.	Texas	
Sonic — Sanford Cadillac, Inc.	Florida	
Sonic — Shottenkirk, Inc.	Florida	
Sonic — Stevens Creek B, Inc.	California	
Sonic — Stone Mountain T, L.P.	Georgia	
Sonic — University Park A, L.P.	Texas	
Sonic — Williams Cadillac, Inc.	Alabama	
Sonic 2185 Chapman Rd., Chattanooga, LLC	Tennessee	
Sonic Advantage PA, L.P.	Texas	
Sonic Agency, Inc.	Michigan	
Sonic Automotive — 1720 Mason Ave., DB, Inc.	Florida	
Sonic Automotive — 1720 Mason Ave., DB, LLC	Florida	
Sonic Automotive — 3401 N. Main, TX, L.P.	Texas	
Sonic Automotive — 4701 I10 East, TX, L.P.	Texas	
Sonic Automotive — 6008 Dale Mabry, FL, Inc.	Florida	
Sonic Automotive — 9103 E. Independence, NC, LLC	North Carolina	
Sonic Automotive 2752 Laurens Rd., Greenville, Inc.	South Carolina	

Name of Entity	Domestic State	Foreign State(s) Authorized
Sonic Automotive 5260 Peachtree Industrial Blvd., LLC	Georgia	
Sonic Automotive F&I, LLC	Nevada	
Sonic Automotive of Chattanooga, LLC	Tennessee	
Sonic Automotive of Nashville, LLC	Tennessee	
Sonic Automotive of Nevada, Inc.	Nevada	
Sonic Automotive of Texas, L.P.	Texas	
Sonic Automotive Support, LLC	Nevada	
Sonic Automotive West, LLC	Nevada	
Sonic Automotive-3700 West Broad Street, Columbus, Inc.	Ohio	
Sonic Automotive-4000 West Broad Street, Columbus, Inc.	Ohio	
Sonic Calabasas M, Inc.	California	
Sonic Coast Cadillac, Inc.	California	
Sonic Development, LLC	North Carolina	Alabama, California, Colorado, Florida, Georgia, Maryland, Michigan, Nevada, Ohio, Oklahoma, South Carolina, Tennessee, Texas, Virginia
Sonic Divisional Operations, LLC	Nevada	Alabama, California, Colorado, Florida, Georgia, Maryland, Michigan, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Texas, Virginia
Sonic Financial Corporation	North Carolina	
Sonic Fremont, Inc.	California	
Sonic Houston JLR, LP	Texas	
Sonic Houston LR, L.P.	Texas	
Sonic Momentum B, L.P.	Texas	
Sonic Momentum JVP, L.P.	Texas	
Sonic Momentum VWA, L.P.	Texas	

Name of Entity	Domestic State	Foreign State(s) Authorized
Sonic of Texas, Inc.	Texas	
Sonic Peachtree Industrial Blvd., L.P.	Georgia	
Sonic Resources, Inc.	Nevada	
Sonic Santa Monica M, Inc.	California	
Sonic Santa Monica S, Inc.	California	
Sonic Tysons Corner H, Inc.	Virginia	
Sonic Tysons Corner Infiniti, Inc.	Virginia	
Sonic Walnut Creek M, Inc.	California	
Sonic Wilshire Cadillac, Inc.	California	
Sonic-Buena Park H, Inc.	California	
SonicCalabasas A, Inc.	California	
SonicCapitol Cadillac, Inc.	Michigan	
Sonic-Capitol Imports, Inc.	South Carolina	
Sonic-Carson LM, Inc.	California	
Sonic-Clear Lake Volkswagen, L.P.	Texas	
Sonic-Jersey Village Volkswagen, L.P.	Texas	
Sonic-Plymouth Cadillac, Inc.	Michigan	
Sonic-Saturn of Silicon Valley, Inc.	California	
Sonic-Volvo LV, LLC	Nevada	
Sonic-West Covina T, Inc.	California	
SRE Alabama -2, LLC	Alabama	
SRE Alabama-5, LLC	Alabama	
SRE California-1, LLC	California	
SRE California-4, LLC	California	
SRE California-2, LLC	California	

Name of Entity	Domestic State	Foreign State(s) Authorized
SRE Colorado — 1, LLC	Colorado	
SRE Florida — 1, LLC	Florida	
SRE Florida — 2, LLC	Florida	
SRE Holding, LLC	North Carolina	Alabama, Arizona, Colorado, Texas
SRE North Carolina — 2, LLC	North Carolina	
SRE Oklahoma-1, LLC	Oklahoma	
SRE Oklahoma-2, LLC	Oklahoma	
SRE Oklahoma-5, LLC	Oklahoma	
SRE South Carolina — 3, LLC	South Carolina	
SRE South Carolina — 4, LLC	South Carolina	
SRE Tennessee — 4, LLC	Tennessee	
SRE Texas — 1, L.P.	Texas	
SRE Texas — 2, L.P.	Texas	
SRE Texas — 3, L.P.	Texas	
SRE Texas — 4, L.P.	Texas	
SRE Texas — 5, L.P.	Texas	
SRE Texas — 6, L.P.	Texas	
SRE Texas — 7, L.P.	Texas	
SRE Texas — 8, L.P.	Texas	
SRE Virginia — 1, LLC	Virginia	Maryland
SRealEstate Arizona — 2, LLC	Arizona	Oklahoma
SRealEstate Arizona — 3, LLC	Arizona	Oklahoma
Stevens Creek Cadillac, Inc.	California	
Town and Country Ford, Incorporated	North Carolina	
Village Imported Cars, Inc.	Maryland	

Name of Entity

Windward, Inc.

Domestic State

Hawaii

Foreign State(s) Authorized

California

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MATERIAL INDEBTEDNESS AND OTHER LIABILITIES

None.

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LITIGATION

Actions, suits, proceedings, claims or disputes pending, or to the knowledge of the Company after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority seeking damages or other remedies in excess of \$5,000,000 or which, if determined adversely, could reasonably be expected to have a Material Adverse Effect.

CALIFORNIA**Grewal, Baljinder v. Mercedes-Benz of Calabasas, et al.**

Plaintiff purchased a 2006 Mercedes-Benz S430 from a non-Sonic dealership. The car was serviced at Mercedes-Benz of Calabasas before and after Sonic purchased the dealership. On January 23, 2008 Plaintiff was involved in a single car accident where the vehicle struck a highway guardrail during a rainstorm. The guardrail pierced through the passenger compartment of the vehicle, severely cutting both of Plaintiff's legs. Ultimately both legs were amputated. Plaintiff contends the servicing dealerships failed to adequately service the vehicle, including failing to advise that the wheels needed replacement. A Motion for Summary Judgment is pending on behalf of the Sonic dealership. Trial is scheduled for March 15, 2010. Certain insurance is available with a \$750,000 deductible.

Zamani v. Serramonte Auto Plaza, Sonic Automotive, Inc., et al.

Lawsuit filed by former sales associate at one of Sonic's California dealerships alleging that he was not paid proper commissions for every used vehicle that he sold during his employment from June 2006 to September 2006. The lawsuit purports to be a class action on behalf of all sales associates at all dealerships owned by Sonic in the State of California relating to used vehicle sales. The case has been ordered to Arbitration, and no ruling has occurred to date on class certification.

Hall v. Sonic Automotive, Inc., et al.

Lawsuit filed by consumer alleging that one of Sonic's California dealerships improperly recorded telephone conversations with customers without providing advance warnings or notice required by applicable law. The lawsuit purports to be a class action on behalf of allegedly similarly affected consumers against all of Sonic's California dealerships. No ruling has occurred to date on class certification.

Phillips v. FAA Torrance CPJ, Inc. and Sonic Automotive, Inc.

Lawsuit filed by sales associate at one of Sonic's California dealerships alleging failure to provide rest and meal time breaks and other wage-hour claims. The lawsuit purports to be a class action for two separate classes of employees: (1) on behalf of all sales associates at all

dealerships owned by Sonic in the State of California who were classified as non-exempt employees, and (2) all associates of Sonic's California dealerships where the itemized wage statements merely identified the d/b/a of the employer rather than the employer's formal legal entity name. No ruling has occurred to date on class certification.

Carson CJ, LLC and Kenneth Phillips v. DaimlerChrysler Motors Company, Chrysler Corporation, Inc., Sonic Automotive, Inc., et al.

Lawsuit filed in 2009 by company and individual owner that purchased the Don Kott Chrysler Jeep and Don Kott Kia dealership assets from Sonic in 2005. The plaintiff company had its Chrysler and Jeep franchises terminated by Chrysler Corporation during Chrysler's bankruptcy proceeding in June 2009. Plaintiffs' claims against Sonic allege that Sonic made intentional misrepresentations to the Plaintiffs in conjunction with the 2005 purchase of the dealership assets. Sonic will be moving to compel arbitration of this matter in accordance with the asset purchase agreement.

FLORIDA

Galura, Kimbrell, McNaughton, et al. v. Sonic Automotive, Inc.

Class action of all customers who purchased or leased a vehicle from one of the Company's Florida dealerships after December 31, 1998, where the purchase or lease included an APCO etch product as part of the transaction. Complaint alleges violations of Florida's Unfair Trade Practice Act, Retail Installment Sales Act, etc. relating to the improper disclosure of etch sales. DaimlerChrysler Insurance Company ("DCIC") was providing partial defense costs under a reservation of rights, but their coverage has now been exhausted. The Sonic Defendants still have Motions for Summary Judgment pending. Currently the case is set for trial on March 8, 2010, though that date is very likely to be postponed.

Fecitt, David v BMW of Fort Myers, et al.

Plaintiff purchased a 1999 BMW 323IA from a non-Sonic dealership. BMW of Fort Myers performed some service work on the vehicle and sent some of its wheels to a third party vendor for servicing. Plaintiff was involved in a single car accident after experiencing a tire tread separation. Plaintiff is now a quadriplegic who occasionally needs to breathe with a ventilator. Defendants include the tire manufacturer, the service shop who performed the work at BMW of Fort Myers' request, the garage that sold and installed two tires for Plaintiff, an insurance company and a salvaged vehicle storage company. Discovery is continuing. Certain insurance is available with a \$750,000 deductible.

NORTH CAROLINA

Robert Price et al. v. APCO et al.

This lawsuit has been filed as a purported class action against Automobile Protection Corporation ("APCO"), Sonic Automotive, Inc., and three South Carolina dealership subsidiaries

of Sonic. Plaintiffs contend that the dealerships violated the North Carolina deceptive trade practices act in the manner in which Etch was sold, and that Etch was sold as an unlicensed insurance product. The complaint seeks the certification of alternative classes. One class, the “North Carolina Class” purports to be a class of all North Carolina residents who purchased a vehicle from a Sonic dealership in which the purchase included Etch. The “Nationwide class” purports to be a class of all customers who “purchased or leased a vehicle through a Sonic dealer in any state, with the exception of New York, Florida, and Hawaii (or any other state in which APCO and/or the Company are properly licensed to sell the Etch product)” in which the purchase included Etch.

The parties have agreed to submit this matter to arbitration. This matter has been consolidated with the Owens (below, South Carolina) case and heard by the same arbitrator. The arbitrator is currently considering Plaintiffs’ Motion for Class Certification, although no ruling on class certification has been made to date.

SOUTH CAROLINA

Herron, et al. v. Century BMW, et al.

Adams, et al. v. Action Ford, et al.

Herron was the first case filed by six individuals, asserting claims against almost every automotive dealership in South Carolina. Plaintiffs allege all South Carolina automotive dealers conspired together in a common scheme to deceive all car buyers by presenting car prices in a manner designed to mislead. The claim is that charging customers an administrative fee was improper and that the amount of the administrative fees was excessive. Plaintiffs dismissed all but six dealerships in Herron. Century BMW, a Sonic dealership, is one of the remaining Defendants. Sonic’s dealership moved to compel arbitration in Herron and the court denied the motion. We have appealed and the matter is currently set to be argued before the SC Supreme Court on January 20, 2010.

Adams was a subsequent filing by the same attorneys, and in that action there is a unique Plaintiff for each Defendant. It asserts the same claims, and several of Sonic’s South Carolina dealerships have been named in this case. As to the Sonic dealerships, the case has been stayed pending the outcome of the appeal on the issue of arbitration in Herron.

Owens, Misty, et al. vs. Sonic Automotive, Inc., et al.

Purported class action complaint wherein Plaintiffs allege that Sonic-owned dealerships deceptively marketed and sold the Etch product as a “warranty”, and “stuffed” or “packed” the product into vehicle sales transactions at exorbitant and unconscionable prices without informing the consumer they were paying for Etch. Plaintiffs allege breach of contract, unjust enrichment, and civil conspiracy. The matter has been consolidated with the Price (above, North Carolina) case and is being heard by the same arbitrator. The arbitrator is currently considering Plaintiffs’ Motion for Class Certification, although no ruling on class certification has been made to date.

**SUBSIDIARIES;
OTHER EQUITY INVESTMENTS**

Part (a). Subsidiaries.

Name of Entity	Ownership
1. Sonic Automotive, Inc.	
2. ADI of the Southeast, LLC	Member: Sonic — Newsome Chevrolet World, Inc. — 100%
3. AnTrev, LLC	Member: SRE Holding, LLC — 100%
4. Arngar, Inc.	Sonic Automotive, Inc. — 100%, 1,333 shares
5. Autobahn, Inc.	L Dealership Group, Inc. — 100%, 400,000 shares
6. Avalon Ford, Inc.	Sonic Automotive, Inc. — 100%, 4,164 shares
7. Casa Ford of Houston, Inc.	Sonic Automotive — 4701 I-10 East, TX, L.P. — 100%,
8. Cornerstone Acceptance Corporation	Sonic Automotive, Inc. — 100%, 100 shares
9. FAA Auto Factory, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
10. FAA Beverly Hills, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
11. FAA Capitol F, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
12. FAA Capitol N, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
13. FAA Concord H, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
14. FAA Concord N, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
15. FAA Concord T, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
16. FAA Dublin N, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
17. FAA Dublin VWD, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
18. FAA Holding Corp.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
19. FAA Las Vegas H, Inc.	FAA Holding Corp. — 100%, 10,000 shares

Name of Entity	Ownership
20. FAA Marin F, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
21. FAA Marin LR, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
22. FAA Poway G, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
23. FAA Poway H, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
24. FAA Poway T, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
25. FAA San Bruno, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
26. FAA Santa Monica V, Inc.	FirstAmerica Automotive, Inc.. — 100%, 10,000 shares
27. FAA Serramonte H, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
28. FAA Serramonte L, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
29. FAA Serramonte, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
30. FAA Stevens Creek, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
31. FAA Torrance CPJ, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
32. FirstAmerica Automotive, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
33. Fort Mill Ford, Inc.	Sonic Automotive, Inc. — 100%, 2,700 shares
34. Fort Myers Collision Center, LLC	Member: Sonic Automotive, Inc. — 100%
35. Franciscan Motors, Inc.	L Dealership Group, Inc. — 100%, 700,000 shares
36. Frank Parra Autoplex, Inc.	Sonic Automotive, Inc. — 100% Class A 152 Class B 116,796
37. Fremont JLRV, LLC	Members: Sonic Automotive, Inc. 90% Ricardo Weitz 10%
38. Frontier Oldsmobile-Cadillac, Inc.	Sonic Automotive, Inc. — 100%, 200 shares
39. HMC Finance Alabama, Inc.	Cornerstone Acceptance Corporation — 100%, 100 shares
40. Kramer Motors Incorporated	FAA Holding Corp. — 100%, 250 shares

Name of Entity	Ownership
41. L Dealership Group, Inc.	FAA Holding Corp. — 100%, 1,046,545 shares
42. Marcus David Corporation	Sonic Automotive, Inc. — 100%, 579,000 shares
43. Massey Cadillac, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
44. Massey Cadillac, Inc.	Sonic Automotive, Inc. — 100%, 1,000 shares
45. Mountain States Motors Co., Inc.	Z Management, Inc. — 100%, 30,000 shares
46. Ontario L, LLC	Member: Sonic Automotive, Inc. 100%
47. Philpott Motors, Ltd.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
48. Royal Motor Company, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
49. SAI AL HC1, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
50. SAI AL HC2, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
51. SAI Ann Arbor Imports, LLC	Member: Sonic Automotive, Inc. 100%
52. SAI Atlanta B, LLC	Member: SAI OK HC1, Inc. 100%
53. SAI Broken Arrow C, LLC	Member:: SAI OK HC1, Inc. 100%
54. SAI Charlotte M, LLC	Member: Sonic Automotive, Inc. 100%
55. SAI Clearwater T, LLC	Member: SAI FL HC2, Inc. 100%
56. SAI Columbus Motors, LLC	Member: Sonic Automotive, Inc. 100%
57. SAI Columbus T, LLC	Member: Sonic Automotive, Inc. 100%
58. SAI Columbus VWK, LLC	Member: Sonic Automotive, Inc. 100%
59. SAI FL HC1, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
60. SAI FL HC2, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
61. SAI FL HC3, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
62. SAI FL HC4, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
63. SAI FL HC5, Inc.	Sonic Automotive, Inc. — 100%, 100 shares

Name of Entity	Ownership
64. SAI FL HC6, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
65. SAI FL HC7, Inc.	Sonic Automotive, Inc. — 100%, 500 shares
66. SAI Fort Myers B, LLC	Member: SAI FL HC2, Inc. 100%
67. SAI Fort Myers H, LLC	Member: SAI FL HC4, Inc. 100%
68. SAI Fort Myers M, LLC	Member: SAI FL HC7, Inc. 100%
69. SAI Fort Myers VW, LLC	Member: SAI FL HC4, Inc. 100%
70. SAI GA HC1, LP	Partners: SAI Georgia, LLC, general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
71. SAI Georgia LLC	Member: Sonic Automotive of Nevada, Inc. 100%
72. SAI Irondale Imports, LLC	Member: SAI AL HC2, Inc. 100%
73. SAI Irondale L, LLC	Member: SAI AL HC2, Inc. 100%
74. SAI Lansing CH, LLC	Member: Sonic Automotive, Inc. 100%
75. SAI Long Beach B, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
76. SAI MD HC1, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
77. SAI Monrovia B, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
78. SAI Montgomery B, LLC	Member: SAI AL HC1, Inc. 100%
79. SAI Montgomery BCH, LLC	Member: SAI AL HC1, Inc. 100%
80. SAI Montgomery CH, LLC	Member: SAI AL HC1, Inc. 100%
81. SAI Nashville CSH, LLC	Member: SAI TN HC1, LLC 100%
82. SAI Nashville H, LLC	Member: SAI TN HC3, LLC 100%
83. SAI Nashville M, LLC	Member: SAI TN HC1, LLC 100%
84. SAI Nashville Motors, LLC	Member: SAI TN HC2, LLC 100%
85. SAI NC HC2, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
86. SAI OH HC1, Inc.	Sonic Automotive, Inc. 500 shares

Name of Entity	Ownership
87. SAI OK HC1, Inc.	Sonic Automotive, Inc. — 25%, 100 shares Sonic Automotive of Nevada, Inc. — 74.25%, 297 shares SAI Georgia, LLC 0.75%, 3 shares
88. SAI Oklahoma City C, LLC	Member: SAI OK HC1, Inc. 100%
89. SAI Oklahoma City H, LLC	Member: SAI OK HC1, Inc. 100%
90. SAI Oklahoma City T, LLC	Member: SAI OK HC1, Inc. 100%
91. SAI Orlando CS, LLC	Member: SAI FL HC3, Inc. 100%
92. SAI Peachtree, LLC	Member: SAI GA HC1, LP 100%
93. SAI Plymouth C, LLC	Member: Sonic Automotive, Inc. 100%
94. SAI Riverside C, LLC	Member: SAI OK HC1, Inc. 100%
95. SAI Rockville Imports, LLC	Member: SAI MD HC1, Inc. 100%
96. SAI Rockville L, LLC	Member: SAI MD HC1, Inc. 100%
97. SAI Stone Mountain T, LLC	Member: SAI GA HC1, LP 100%
98. SAI TN HC1, LLC	Member: Sonic Automotive of Nevada, Inc. 100%
99. SAI TN HC2, LLC	Member: Sonic Automotive of Nevada, Inc. 100%
100. SAI TN HC3, LLC	Member: Sonic Automotive of Nevada, Inc. 100%
101. SAI Tulsa N, LLC	Member: SAI OK HC1, Inc. 100%
102. SAI Tulsa T, LLC	Member: SAI OK HC1, Inc. 100%
103. SAI VA HC1, Inc.	Sonic Automotive, Inc.— 100%, 100 shares
104. Santa Clara Imported Cars, Inc.	L Dealership Group, Inc. — 100%, 1,082 shares
105. Sonic — 2185 Chapman Rd., Chattanooga, LLC	Members: Sonic Automotive of Nevada, Inc. 1 Class A Unit Sonic Automotive of Nevada, Inc. 99 Class B Units
106. Sonic — Cadillac D, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
107. Sonic — Calabasas M, Inc.	Sonic Automotive, Inc. — 100%, 100 shares

Name of Entity	Ownership
108. Sonic — Calabasas V, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
109. Sonic — Camp Ford, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
110. Sonic — Carrollton V, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
111. Sonic — Carson F, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
112. Sonic — Coast Cadillac, Inc.	FirstAmerica Automotive, Inc. — 100%, 10,000 shares
113. Sonic — Denver T, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
114. Sonic — Denver Volkswagen, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
115. Sonic — Downey Cadillac, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
116. Sonic — Englewood M, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
117. Sonic — Fort Mill Chrysler Jeep, Inc.	Sonic Automotive, Inc. — 100%, 1,000 shares
118. Sonic — Fort Mill Dodge, Inc.	Sonic Automotive, Inc. — 100%, 1,000 shares
119. Sonic — Fort Worth T, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
120. Sonic — Frank Parra Autoplex, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
121. Sonic — Harbor City H, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
122. Sonic — Houston V, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
123. Sonic — Integrity Dodge LV, LLC	Member: Sonic Automotive, Inc. 100%
124. Sonic — Lake Norman Chrysler Jeep, LLC	Member: Sonic Automotive, Inc. 100%
125. Sonic — Las Vegas C East, LLC	Member: Sonic Automotive, Inc. 100%

Name of Entity	Ownership
126. Sonic — Las Vegas C West, LLC	Member: Sonic Automotive, Inc. 100%
127. Sonic — Lloyd Nissan, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
128. Sonic — Lloyd Pontiac — Cadillac, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
129. Sonic — Lone Tree Cadillac, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
130. Sonic — LS Chevrolet, L.P.	Partners: Sonic — LS, LLC, general partner .1% Sonic Automotive West, LLC, limited partner 99.9%
131. Sonic — LS, LLC	Member: Sonic of Texas, Inc. 100%
132. Sonic — Lute Riley, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
133. Sonic — Manhattan Fairfax, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
134. Sonic — Massey Cadillac, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
135. Sonic — Massey Chevrolet, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
136. Sonic — Massey Pontiac Buick GMC, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
137. Sonic — Mesquite Hyundai, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
138. Sonic — Newsome Chevrolet World, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
139. Sonic — Newsome of Florence, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
140. Sonic — North Charleston Dodge, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
141. Sonic — North Charleston, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
142. Sonic — Reading, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%

Name of Entity	Ownership
143. Sonic — Richardson F, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
144. Sonic — Sam White Nissan, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
145. Sonic — Sanford Cadillac, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
146. Sonic — Shottenkirk, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
147. Sonic — South Cadillac, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
148. Sonic — Stevens Creek B, Inc.	L Dealership Group, Inc. — 100%, 300,000 shares
149. Sonic — Stone Mountain T, L.P.	Partners: SAI Georgia, LLC, general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
150. Sonic — University Park A, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
151. Sonic — Williams Cadillac, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
152. Sonic Advantage PA, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
153. Sonic Agency, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
154. Sonic Automotive — 1720 Mason Ave., DB, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
155. Sonic Automotive — 1720 Mason Ave., DB, LLC	Member: Sonic Automotive — 1720 Mason Ave., DB, Inc. 100%
156. Sonic Automotive — 2490 South Lee Highway, LLC	Members: Sonic Automotive of Nevada, Inc. 1 Class A Unit Sonic Automotive of Nevada, Inc. 99 Class B Units
157. Sonic Automotive — 3401 N. Main, TX, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%

Name of Entity	Ownership
158. Sonic Automotive — 4701 I-10 East, TX, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
159. Sonic Automotive — 5221 I-10 East, TX, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
160. Sonic Automotive 5260 Peachtree Industrial Blvd., LLC	Member: Sonic Peachtree Industrial Blvd., L.P. 100% (100 Units)
161. Sonic Automotive — 6008 N. Dale Mabry, FL, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
162. Sonic Automotive — 9103 E. Independence, NC, LLC	Member: Sonic Automotive, Inc. 100%
163. Sonic Automotive 2424 Laurens Rd., Greenville, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
164. Sonic Automotive 2752 Laurens Rd., Greenville, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
165. Sonic Automotive F&I, LLC	Member: Sonic Automotive, Inc. 100%
166. Sonic Automotive of Chattanooga, LLC	Members: Sonic Automotive of Nevada, Inc. 1 Class A Unit Sonic Automotive of Nevada, Inc. 99 Class B Units
167. Sonic Automotive of Nashville, LLC	Members: Sonic Automotive of Nevada, Inc. 1 Class A Unit Sonic Automotive of Nevada, Inc. 99 Class B Units
168. Sonic Automotive of Nevada, Inc.	Sonic Automotive, Inc. — 100%, 1,000 shares
169. Sonic Automotive of Texas, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
170. Sonic Automotive Support, LLC	Member: Sonic Automotive, Inc. 100%
171. Sonic Automotive West, LLC	Member: Sonic Automotive, Inc. 100%
172. Sonic Automotive-1495 Automall Drive, Columbus, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
173. Sonic Automotive-3700 West Broad Street, Columbus, Inc.	Sonic Automotive, Inc. — 100%, 100 shares

Name of Entity	Ownership
174. Sonic Automotive-4000 West Broad Street, Columbus, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
175. Sonic Clear Lake N, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
176. Sonic Development, LLC	Member: Sonic Automotive, Inc. 100%
177. Sonic Divisional Operations, LLC	Member: Sonic Automotive, Inc. 100%
178. Sonic eStore, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
179. Sonic FFC 1, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
180. Sonic FFC 2, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
181. Sonic FFC 3, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
182. Sonic Fremont, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
183. Sonic Houston JLR, LP	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
184. Sonic Houston LR, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
185. Sonic Momentum B, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
186. Sonic Momentum JVP, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
187. Sonic Momentum VWA, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
188. Sonic of Texas, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
189. Sonic Okemos Imports, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
190. Sonic Peachtree Industrial Blvd., L.P.	Partners: SAI Georgia, LLC, general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%

Name of Entity	Ownership
191. Sonic Resources, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
192. Sonic Santa Monica M, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
193. Sonic Santa Monica S, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
194. Sonic Tysons Corner H, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
195. Sonic Tysons Corner Infiniti, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
196. Sonic Walnut Creek M, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
197. Sonic Wilshire Cadillac, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
198. Sonic-Buena Park H, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
199. Sonic-Calabasas A, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
200. Sonic-Capitol Cadillac, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
201. Sonic-Capitol Imports, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
202. Sonic-Carson LM, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
203. Sonic-Chattanooga D East, LLC	Member: Sonic Automotive, Inc. 100%
204. Sonic-Clear Lake Volkswagen, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
205. Sonic-Jersey Village Volkswagen, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
206. Sonic-Plymouth Cadillac, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
207. Sonic-Riverside Auto Factory, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
208. Sonic-Saturn of Silicon Valley, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
209. Sonic-Serramonte I, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
210. Sonic-Volvo LV, LLC	Member: Sonic Automotive, Inc. 100%
211. Sonic-West Covina T, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
212. SRE Alabama — 2, LLC	Member: SRE Holding, LLC 100%

Name of Entity	Ownership
213. SRE Alabama — 3, LLC	Member: SRE Holding, LLC 100%
214. SRE Alabama — 4, LLC	Member: SRE Holding, LLC 100%
215. SRE Alabama — 5, LLC	Member: SRE Holding, LLC 100%
216. SRE California — 1, LLC	Member: SRE Holding LLC 100%
217. SRE California — 2, LLC	Member: SRE Holding LLC 100%
218. SRE California — 3, LLC	Member: SRE Holding LLC 100%
219. SRE California — 4, LLC	Member: SRE Holding LLC 100%
220. SRE California — 5, LLC	Member: SRE Holding LLC 100%
221. SRE California — 6, LLC	Member: SRE Holding LLC 100%
222. SRE Colorado — 1, LLC	Member: SRE Holding LLC 100%
223. SRE Colorado — 2, LLC	Member: SRE Holding LLC 100%
224. SRE Colorado — 3, LLC	Member: SRE Holding LLC 100%
225. SRE Florida — 1, LLC	Member: SRE Holding LLC 100%
226. SRE Florida — 2, LLC	Member: SRE Holding LLC 100%
227. SRE Florida — 3, LLC	Member: SRE Holding LLC 100%
228. SRE Georgia — 1, LP	Partners: Sonic of SAI Georgia, LLC, general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
229. SRE Georgia — 2, LP	Partners: Sonic of SAI Georgia, LLC, general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
230. SRE Georgia — 3, LP	Partners: Sonic of SAI Georgia, LLC, general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
231. SRE Holding, LLC	Member: Sonic Automotive, Inc. 100%
232. SRE Maryland — 1, LLC	Member: SRE Holding LLC 100%
233. SRE Maryland — 2, LLC	Member: SRE Holding LLC 100%

Name of Entity	Ownership
234. SRE Michigan — 3, LLC	Member: SRE Holding LLC 100%
235. SRE Nevada — 1, LLC	Member: SRE Holding LLC 100%
236. SRE Nevada — 2, LLC	Member: SRE Holding LLC 100%
237. SRE Nevada — 3, LLC	Member: SRE Holding LLC 100%
238. SRE Nevada — 4, LLC	Member: SRE Holding LLC 100%
239. SRE Nevada — 5, LLC	Member: SRE Holding LLC 100%
240. SRE North Carolina — 1, LLC	Member: SRE Holding LLC 100%
241. SRE North Carolina — 2, LLC	Member: SRE Holding LLC 100%
242. SRE North Carolina — 3, LLC	Member: SRE Holding LLC 100%
243. SRE Oklahoma — 1, LLC	Member: SRE Holding LLC 100%
244. SRE Oklahoma — 2, LLC	Member: SRE Holding LLC 100%
245. SRE Oklahoma — 3, LLC	Member: SRE Holding LLC 100%
246. SRE Oklahoma — 4, LLC	Member: SRE Holding LLC 100%
247. SRE Oklahoma — 5, LLC	Member: SRE Holding LLC 100%
248. SRE South Carolina — 2, LLC	Member: SRE Holding LLC 100%
249. SRE South Carolina — 3, LLC	Member: SRE Holding LLC 100%
250. SRE South Carolina — 4, LLC	Member: SRE Holding LLC 100%
251. SRE Tennessee — 1, LLC	Member: SRE Holding LLC 100%
252. SRE Tennessee — 2, LLC	Member: SRE Holding LLC 100%
253. SRE Tennessee — 3, LLC	Member: SRE Holding LLC 100%
254. SRE Tennessee — 4, LLC	Member: SRE Holding LLC 100%
255. SRE Tennessee — 5, LLC	Member: SRE Holding LLC 100%
256. SRE Tennessee — 6, LLC	Member: SRE Holding LLC 100%

Name of Entity	Ownership
257. SRE Tennessee — 7, LLC	Member: SRE Holding LLC 100%
258. SRE Tennessee — 8, LLC	Member: SRE Holding LLC 100%
259. SRE Tennessee — 9, LLC	Member: SRE Holding LLC 100%
260. SRE Texas — 1, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
261. SRE Texas — 2, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
262. SRE Texas — 3, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
263. SRE Texas — 4, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
264. SRE Texas — 5, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
265. SRE Texas — 6, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
266. SRE Texas — 7, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
267. SRE Texas — 8, L.P.	Partners: Sonic of Texas, Inc., general partner 1% Sonic Automotive of Nevada, Inc., limited partner 99%
268. SRE Virginia — 1, LLC	Member: SRE Holding LLC 100%
269. SRE Virginia — 2, LLC	Member: SRE Holding LLC 100%
270. SRealEstate Arizona — 1, LLC	Member: SRE Holding LLC 100%
271. SRealEstate Arizona — 2, LLC	Member: SRE Holding LLC 100%
272. SRealEstate Arizona — 3, LLC	Member: SRE Holding LLC 100%

Name of Entity	Ownership
273. SRealEstate Arizona — 4, LLC	Member: SRE Holding LLC 100%
274. SRealEstate Arizona — 5, LLC	Member: SRE Holding LLC 100%
275. SRealEstate Arizona — 6, LLC	Member: SRE Holding LLC 100%
276. SRealEstate Arizona — 7, LLC	Member: SRE Holding LLC 100%
277. SRM Assurance, Ltd.	Sonic Automotive, Inc. — 100%, 5,000 shares
278. Stevens Creek Cadillac, Inc.	L Dealership Group, Inc. — 100%, 230,000 shares
279. Town and Country Ford, Incorporated	Sonic Automotive, Inc. — 100%, 471.25 shares
280. Village Imported Cars, Inc.	Sonic Automotive, Inc. — 100%, 100 shares
281. Windward, Inc.	L Dealership Group, Inc. — 100%, 140,500 shares
282. Z Management, Inc.	Sonic Automotive, Inc. — 100%, 30,000 shares
Part(b). <u>Other Equity Investments.</u>	
<i>None.</i>	

FRANCHISE AND FRAMEWORK AGREEMENT MATTERS

None.

LOCATION OF COLLATERAL

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
1. Sonic Automotive, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
2. Arngar, Inc.	Arnold Palmer Cadillac	10725 Pineville Rd. Pineville, NC
3. Autobahn, Inc.	Autobahn Motors Main Facility	700 Island Pkwy. Belmont, CA
	Airspace Lease	Beneath Island Pkwy. north of Ralston Ave. Belmont, CA
	Remnant Parcel	East of Island Pkwy. and north of Ralston Ave. Belmont, CA
	Autobahn Motors-Service / Storage	500-510 Harbor Blvd. Belmont, CA
	Autobahn Motors Vehicle Storage/Detailing	1315 Elmer St. Belmont, CA
4. Avalon Ford, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
5. Cornerstone Acceptance Corporation		6415 Idlewild Rd. Suite 109 Charlotte, NC
6. FAA Auto Factory, Inc.		3737 First St. Livermore, CA
7. FAA Beverly Hills, Inc.	Beverly Hills BMW — Service & CPO Facility	8833 Wilshire Blvd. Beverly Hills, CA
	Beverly Hills BMW — Sales Facility	8825 Wilshire Blvd. Beverly Hills, CA
	Beverly Hills BMW — Rental	

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
FAA Beverly Hills, Inc. (continued)	Parking (Bubble Building) Beverly Hills BMW — Storage (Avis Lot Fee) 8850 Wilshire Blvd. (BMW Beverly Hills — Storage and Service Overflow) 8844 Wilshire Blvd. (BMW Beverly Hills Storage & Service Overflow) Storage Lot Garage Storage Lot Parking — Storage Lot Service Facility Relocations Site Parking Facility	8840 Wilshire Blvd. Beverly Hills, CA 8931 Wilshire Blvd. Beverly Hills, CA 8850 Wilshire Blvd. Beverly Hills, CA 8844 Wilshire Blvd. Beverly Hills, CA 8500 Burton Way Los Angeles, CA 99 N. La Cienega Blvd. Beverly Hills, CA 8900 Wilshire Blvd. Beverly Hills, CA 8909 Wilshire Blvd. Beverly Hills, CA 9000-9001 Olympic Blvd. Beverly Hills, CA 9100 Wilshire Blvd. Beverly Hills, CA
8. FAA Capitol N, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
9. FAA Concord H, Inc.	Concord Honda	1300 Concord Ave. Concord, CA 2241 Commerce Ave. Concord, CA
10. FAA Concord T, Inc.	Concord Toyota Concord Scion	1090 Concord Ave. Concord, CA
11. FAA Dublin N, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
12. FAA Dublin VWD, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
13. FAA Holding Corp.		6415 Idlewild Rd. Suite 109 Charlotte, NC
14. FAA Las Vegas H, Inc.	Honda West	7615 W. Sahara Ave. Las Vegas, NV
15. FAA Poway H, Inc.	Poway Honda	13747 Poway Rd. Poway, CA
16. FAA Poway T, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
17. FAA San Bruno, Inc.	Melody Toyota Melody Scion (Main Facility)	750 El Camino Real San Bruno, CA
	(Service and Parts Facility)	222 E. San Bruno Ave. San Bruno, CA
	(Parking Lot — New and Used)	732 El Camino Real San Bruno, CA
	(Main Facility)	750 El Camino Real San Bruno, CA
	(Used Car Facility)	650 El Camino Real San Bruno, CA
	(Parking — Used Cars)	650 and 660 El Camino Real San Bruno, CA
	(Used Cars)	650 and 660 El Camino Real San Bruno, CA
	(Parking Lot)	692 El Camino Real San Bruno, CA
		Linden Ave. and Angus Ave. San Bruno, CA

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
18. FAA Santa Monica V, Inc.	Volvo of Santa Monica	1719 Santa Monica Blvd. Santa Monica, CA 1801 Santa Monica Blvd. Santa Monica, CA 1455 18th St. Santa Monica, CA 1447 18th St. Santa Monica, CA
19. FAA Serramonte, Inc.	Serramonte Auto Plaza Serramonte Mitsubishi Serramonte Auto Plaza (Mitsubishi Service and Parts) Serramonte Nissan Serramonte PDI Center	1500 Collins Ave. Colma, CA 445 Serramonte Blvd. Colma, CA 650 Serramonte Blvd. Colma, CA 900 Collins Ave. Colma, CA
20. FAA Serramonte H, Inc.	Honda of Serramonte	485 Serramonte Blvd. Colma, CA
21. FAA Serramonte L, Inc.	Lexus of Serramonte Lexus of Marin	700 Serramonte Blvd. Colma, CA 513 Francisco Blvd. E. San Rafael, CA
22. FAA Stevens Creek, Inc.	Stevens Creek Nissan Stevens Creek Nissan — Offsite Vehicle Storage Stevens Creek Nissan — Used Car Lot Stevens Creek Nissan — Detail and Service Center	4855 & 4875 Stevens Creek Blvd. Santa Jose, CA 1507 South 10th St. San Jose, CA 4795 Stevens Creek Blvd. San Jose, CA 4885 Stevens Creek Blvd. San Jose, CA

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
23. FAA Torrance CPJ, Inc.	South Bay Chrysler Jeep Dodge Main Facility CJ Storage Lot	20900 Hawthorne Blvd. Torrance, CA 20433 Hawthorne Blvd. Torrance, CA 20465 Hawthorne Blvd. Torrance, CA
24. FirstAmerica Automotive, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
25. Fort Mill Ford, Inc.		801 Gold Hill Rd. Fort Mill, SC
26. Fort Myers Collision Center, LLC		12490 Metro Pkwy. Fort Myers, FL
27. Franciscan Motors, Inc.	Acura of Serramonte	465/475 Serramonte Blvd. Colma, CA
28. Frontier Oldsmobile-Cadillac, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
29. Kramer Motors Incorporated	Honda of Santa Monica Honda of Santa Monica Honda of Santa Monica (other) Honda of Santa Monica (storage)	1720 Santa Monica Blvd. Santa Monica, CA 1801 Santa Monica Blvd. and 1347 — 18th St. Santa Monica CA 1411 — 17th St. Santa Monica, CA 1819 Santa Monica Blvd. Santa Monica, CA 1718 Santa Monica Blvd. Santa Monica, CA
30. L Dealership Group, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
31. Marcus David Corporation	Town and Country Toyota Certified Used Cars Lot	9900 South Blvd. Charlotte, NC
	CPO and Truck Sales	1300 Cressida Dr. Charlotte, NC
	Town and Country Toyota-Scion Town and Country Toyota	9101 South Blvd. Charlotte, NC
32. Massey Cadillac, Inc.	Massey Cadillac	24600 Grand River Ave. Detroit, MI
33. Ontario L, LLC	Crown Lexus	1125 Kettering Dr. Ontario, CA
34. Philpott Motors, Ltd.	Philpott Motors Hyundai	1900 U.S. Hwy. 69 Nederland, TX
	(Hangar Lease)	4605 Third St. Airport Beaumont, TX
	Philpott Ford Philpott Toyota	1400 U.S. Hwy. 69 Nederland, TX
	Philpott Ford-Toyota (Fleet/Body Shop)	2727 Nall St. Port Neches, TX
35. SAI AL HC1, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
36. SAI AL HC2, Inc.	Tom Williams Collision Center	1874 Grants Mill Rd. Irontdale, AL
37. SAI Ann Arbor Imports, LLC	Mercedes-Benz of Ann Arbor	570 Auto Mall Dr. Ann Arbor, MI
	BMW of Ann Arbor	501 Auto Mall Dr. Ann Arbor, MI
38. SAI Atlanta B, LLC	Global Imports [BMW] Global Imports MINI	500 Interstate North Pkwy. SE Atlanta, GA
39. SAI Broken Arrow C, LLC	Speedway Chevrolet	2301 N. Aspen Ave. Broken Arrow, OK

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
40. SAI Charlotte M, LLC		6415 Idlewild Rd. Suite 109 Charlotte, NC
41. SAI Clearwater T, LLC	Clearwater Toyota Clearwater Scion	21799 U.S. Hwy. 19 N. Clearwater, FL
42. SAI Columbus Motors, LLC	Hatfield Subaru Hatfield Hyundai Hatfield Isuzu	1400 Auto Mall Dr. Columbus, OH
43. SAI Columbus T, LLC	Toyota West Scion West Hatfield Automall	1500 Automall Dr. Columbus, OH
44. SAI Columbus VWK, LLC	Hatfield Kia Hatfield Volkswagen	1495 Auto Mall Dr. Columbus, OH
45. SAI FL HC2, Inc.	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC
46. SAI FL HC3, Inc.	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC
47. SAI FL HC4, Inc.	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC
48. SAI FL HC6, Inc.	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC
49. SAI FL HC7, Inc.	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC
50. SAI Fort Myers B, LLC	BMW of Fort Myers MINI of Fort Myers	15421 S. Tamiami Tr. Fort Myers, FL 13880 S. Tamiami Tr. Fort Myers, FL

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
51. SAI Fort Myers H, LLC	Honda of Fort Myers	14020 S. Tamiami Tr. Fort Myers, FL
52. SAI Fort Myers M, LLC	Mercedes-Benz of Fort Myers	15461 S. Tamiami Tr. Fort Myers, FL
53. SAI Fort Myers VW, LLC	Volkswagen of Fort Myers	14060 S. Tamiami Tr. Fort Myers, FL
54. SAI GA HC1, LP	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC
55. SAI Georgia, LLC	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC
56. SAI Irondale Imports, LLC	Tom Williams Imports (BMW)	1000 Tom Williams Way Irondale, AL
	Tom Williams Audi	3001 Tom Williams Way Irondale, AL
	Tom Williams Porsche	
	Land Rover Birmingham	3000 Tom Williams Way Irondale, AL
	MINI of Birmingham	2001 Tom Williams Way Irondale, AL
57. SAI Irondale L, LLC	Tom Williams Lexus	1001 Tom Williams Way Irondale, AL
58. SAI Long Beach B, Inc.	Long Beach BMW	2998 Cherry Ave. Signal Hill, CA 90755
	Long Beach MINI	2725 Temple Ave. Signal Hill, CA 90755
59. SAI MD HC1, Inc.	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC
60. SAI Monrovia B, Inc.	BMW of Monrovia	1425-1451 South Mountain Ave. Monrovia, CA
	MINI of Monrovia	1875 South Mountain Ave. Monrovia, CA

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
61. SAI Montgomery B, LLC	BMW of Montgomery	190 Eastern Blvd. Montgomery, AL
62. SAI Montgomery BCH, LLC	Classic Cadillac Buick Classic Cadillac Classic Hummer	833 Eastern Blvd. Montgomery, AL
63. SAI Montgomery CH, LLC	Capitol Chevrolet	711 Eastern Blvd. Montgomery, AL
	Capitol Hyundai	2820 Eastern Blvd. Montgomery, AL
64. SAI Nashville CSH, LLC	Crest Cadillac Crest Hummer Crest Saab	2121 Rosa L. Parks Blvd. Nashville, TN
65. SAI Nashville H, LLC	Crest Honda	2215 Rosa L. Parks Blvd. Nashville, TN
66. SAI Nashville M, LLC	Mercedes-Benz of Nashville	630 Bakers Bridge Ave. Franklin, TN
67. SAI Nashville Motors, LLC	Audi Nashville Jaguar Nashville Porsche of Nashville	2350 Franklin Pike Nashville, TN 725 Melpark Dr. Nashville, TN
68. SAI OK HC1, Inc.	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC
69. SAI Oklahoma City C, LLC	City Chevrolet	5000 W. Reno Oklahoma City, OK
70. SAI Oklahoma City H, LLC	Steve Bailey Pre-Owned Super Center Steve Bailey Honda	8700 NW Expressway Oklahoma City, OK
71. SAI Oklahoma City T, LLC	Dub Richardson Toyota Dub Richardson Scion (Body Shop)	8401 NW Expressway Oklahoma City, OK 9038 NW Expressway Oklahoma City, OK

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
72. SAI Orlando CS, LLC	Massey Cadillac Massey Saab of Orlando	4241 N. John Young Pkwy. Orlando, FL
	Massey Cadillac South	8819 S. Orange Blossom Tr. Orlando, FL
	(side street access; possible vehicle storage)	1851 Landstreet Rd. Orlando, FL
73. SAI Riverside C, LLC	Riverside Chevrolet (Main Facility)	707 W. 51st St. Tulsa, OK
	(Reconditioning Facility)	2002 W. Skelly Dr. Tulsa, OK
74. SAI Rockville Imports, LLC	Rockville Audi Rockville Porsche-Audi Porsche of Rockville	1125 Rockville Pike Rockville, MD 20852
75. SAI Rockville L, LLC	Lexus of Rockville	15501 & 15515 Frederick Rd. Rockville, MD
		711 East Gude Dr. Rockville, MD
		15814-A and B Paramount Dr. Rockville, MD
76. SAI TN HC1, LLC	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC
77. SAI TN HC2, LLC	N/A	N/A
78. SAI TN HC3, LLC	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC
79. SAI Tulsa N, LLC	Riverside Nissan	8190 E. Skelly Dr. Tulsa, OK
80. SAI Tulsa T, LLC	Riverside Toyota Riverside Scion	6868 East B.A. Frontage Rd. Tulsa, OK

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
81. Santa Clara Imported Cars, Inc.	Honda of Stevens Creek Stevens Creek Used Cars	4590 Stevens Creek Blvd. San Jose, CA
	Stevens Creek Honda — Offsite Vehicle Storage	1507 South 10th St. San Jose, CA
82. Sonic — 2185 Chapman Rd., Chattanooga, LLC	Economy Honda Superstore	2135 Chapman Rd. Chattanooga, TN
83. Sonic Advantage PA,L.P.	Porsche of West Houston	11890 Katy Fwy. Houston, TX
	Audi West Houston	11850 and 11890 Katy Fwy.,
	Performance Auto Leasing	Houston, TX 19550 Northwest Fwy. Houston, TX
84. Sonic Agency, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
85. Sonic Automotive - 1720 Mason Ave., DB, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
86. Sonic Automotive - 1720 Mason Ave., DB, LLC	Mercedes-Benz of Daytona Beach	1720 Mason Ave. Daytona Beach, FL
87. Sonic Automotive 2752 Laurens Rd., Greenville, Inc.	Century BMW Century MINI	2750 Laurens Rd. Greenville, SC
	(Parking Lot)	17 Duvall and 2758 Laurens Rd. Greenville, SC
88. Sonic Automotive - 3401 N. Main, TX, L.P.	Ron Craft Chevrolet Cadillac Baytown Auto Collision Center	4114 Hwy. 10 E. Baytown, TX
89. Sonic Automotive-3700 West Broad Street, Columbus, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
90. Sonic Automotive-4000 West Broad Street, Columbus, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
91. Sonic Automotive — 4701 I-10 East, TX, L.P.	Baytown Ford	4110 Hwy. 10 E. Baytown, TX
92. Sonic Automotive 5260 Peachtree Industrial Blvd., LLC	Dyer and Dyer Volvo	6415 Idlewild Rd. Suite 109 Charlotte, NC
93. Sonic Automotive — 6008 N. Dale Mabry, FL, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
94. Sonic Automotive — 9103 E. Independence, NC, LLC	Infiniti of Charlotte	9103 E. Independence Blvd. Matthews, NC
	Infiniti of Charlotte Parking Lot	9032 Scenic Dr. Matthews, NC
95. Sonic Automotive F&I, LLC		7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV
96. Sonic Automotive of Chattanooga, LLC	BMW of Chattanooga	6806 E. Brainerd Rd. Chattanooga, TN
97. Sonic Automotive of Nashville, LLC	BMW of Nashville MINI of Nashville Sonic Automotive Body Shop	4040 Armory Oaks Dr. Nashville, TN
98. Sonic Automotive of Nevada, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
99. Sonic Automotive of Texas, L.P.	Lone Star Ford	8477 North Fwy. Houston, TX
100. Sonic Automotive Support, LLC		7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV
101. Sonic Automotive West, LLC		7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV

I. Names	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
102. Sonic-Buena Park H, Inc.	Buena Park Honda - Employee Parking Buena Park Honda — Main Buena Park Honda — Storage	7697 Beach Blvd. Buena Park, CA 6411 Beach Blvd. Buena Park, CA 6192 & 6222 Manchester Ave. and Western Ave.
103. Sonic — Cadillac D, L.P.	Massey Cadillac	11675 LBJ Fwy. Dallas, TX
104. Sonic-Calabasas A, Inc.	Acura 101 West	24650 Calabasas Rd. Calabasas, CA
105. Sonic Calabasas M, Inc.	Mercedes-Benz of Calabasas	24181 Calabasas Rd. Calabasas, CA 91302 Parking lot north of and abutting above address containing 20,036 square feet, more or less
106. Sonic — Calabasas V, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
107. Sonic — Camp Ford, L.P.		6415 Idlewild Rd. Suite 109 Charlotte, NC
108. Sonic-Capitol Cadillac, Inc.	Capitol Cadillac Capitol Hummer	5901 S. Pennsylvania Ave. Lansing, MI
109. Sonic-Capitol Imports, Inc.	Capitol Imports Capitol Hyundai	101 Newland Rd. Columbia, SC
110. Sonic — Carrollton V, L.P.		6415 Idlewild Rd. Suite 109 Charlotte, NC
111. Sonic — Carson F, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
112. Sonic-Carson LM, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC

I. Names	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
113. Sonic-Clear Lake Volkswagen, L.P.	Clear Lake Volkswagen	15100 Gulf Fwy. Houston, TX
114. Sonic — Coast Cadillac, Inc.	Coast Cadillac	3399 E. Willow St. Long Beach, CA
115. Sonic — Denver T, Inc.	Mountain States Toyota and Scion Mountain States Toyota	201 W. 70th Ave. Denver, CO
116. Sonic Development, LLC		6415 Idlewild Rd. Suite 109 Charlotte, NC
117. Sonic Divisional Operations, LLC		7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV
118. Sonic — Downey Cadillac, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
119. Sonic — Fort Worth T, L.P.	Toyota of Fort Worth Scion of Fort Worth	9001 Camp Bowie W. Fort Worth, TX
120. Sonic — Frank Parra Autoplex, L.P.	Frank Parra Chevrolet Frank Parra Chrysler Jeep Frank Parra Chrysler Jeep Dodge	1000 E. Airport Fwy. Irving, TX 700 E. Airport Fwy. Irving, TX
121. Sonic Fremont, Inc.	Jaguar Fremont Land Rover Fremont Volvo Fremont	5601 and 5701 Cushing Pkwy. Fremont, CA
122. Sonic — Harbor City H, Inc.	Carson Honda	1435 E. 223rd St. Carson, CA
123. Sonic Houston JLR, LP	Jaguar Houston North Land Rover Houston North	18205 Interstate 45 N Houston, TX

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
124. Sonic Houston LR, L.P.	Land Rover Houston Central	7019 Old Katy Rd. Houston, TX
	Jaguar Houston Central	7025 Old Katy Rd. Houston, TX
125. Sonic — Houston V, L.P.	Volvo of Houston (Body Shop)	11950 Old Katy Rd. Houston, TX 1321 Sherwood Forest Dr. Houston, TX
126. Sonic-Jersey Village Volkswagen, L.P.	Momentum Volkswagen of Jersey Village	19550 Northwest Fwy. Houston, TX
127. Sonic — Las Vegas C East, LLC	Cadillac of Las Vegas	2711 E. Sahara Ave. Las Vegas, NV
128. Sonic — Las Vegas C West, LLC	Cadillac of Las Vegas — West	5185 W. Sahara Ave. Las Vegas, NV
129. Sonic — Lloyd Nissan, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
130. Sonic — Lloyd Pontiac - Cadillac, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
131. Sonic — Lone Tree Cadillac, Inc.	Don Massey Cadillac	8201 Parkway Dr. Lone Tree, CO
	Don Massey Collision Center	6208 E. County Line Rd. Littleton, CO
132. Sonic — LS Chevrolet, L.P.	Lone Star Chevrolet	18800 North Fwy. Houston, TX
	Lone Star Chevrolet Parking Lot	18990 Northwest Fwy. Houston, TX
133. Sonic — LS, LLC		6415 Idlewild Rd. Suite 109 Charlotte, NC

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
134. Sonic — Lute Riley, L.P.	Lute Riley Honda (Body Shop)	1331 N. Central Expy. Richardson, TX 13561 Goldmark Dr. Richardson, TX
135. Sonic — Manhattan Fairfax, Inc.	BMW of Fairfax (Parking Facility)	8427 Lee Hwy. Fairfax, VA 8435 Lee Hwy. Fairfax, VA
136. Sonic — Massey Chevrolet, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
137. Sonic — Mesquite Hyundai, L.P.		6415 Idlewild Rd. Suite 109 Charlotte, NC
138. Sonic Momentum B, L.P.	Momentum BMW Momentum MINI Momentum BMW (West) (Momentum Body Shop)	10002 Southwest Fwy. Houston, TX 15865 Katy Fwy. Houston, TX 9911 Centre Pkwy. Houston, TX
139. Sonic Momentum JVP, L.P.	Jaguar Southwest Houston Land Rover Southwest Houston Momentum Volvo Momentum Porsche	10150 Southwest Fwy. Houston, TX 10155 Southwest Fwy. Houston, TX

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
140. Sonic Momentum VWA, L.P.	Momentum Volkswagen	2405 Richmond Ave. Houston, TX
	Momentum Audi Certified Pre-Owned Sales	2309 Richmond Ave. Houston, TX
	Momentum Audi	2315 Richmond Ave. Houston, TX
	Momentum Audi Back Lot (Storage)	3717-3725 Revere St. Houston, TX
	Momentum Audi – Parking	2401 Portsmouth Houston, TX
141. Sonic — Newsome Chevrolet World, Inc.	Capitol Chevrolet	111 Newland Rd. Columbia, SC
142. Sonic — Newsome of Florence, Inc.	Newsome Automotive (Mercedes) Imports of Florence (BMW) Newsome Chevrolet	2199 David McLeod Blvd. Florence, SC
143. Sonic of Texas, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
144. Sonic Peachtree Industrial Blvd., L.P.		6415 Idlewild Rd. Suite 109 Charlotte, NC
145. Sonic-Plymouth Cadillac, Inc.	Don Massey Cadillac	40475 Ann Arbor Rd. Plymouth, MI
146. Sonic Resources, Inc.		7000 Las Vegas Blvd. N. Suite 200 Las Vegas, NV
147. Sonic — Richardson F, L.P.	North Central Ford	1819 N. Central Expy. Richardson, TX
148. Sonic — Sanford Cadillac, Inc.	Massey Cadillac of Sanford	3700 S. Hwy. 17-92 Sanford, FL
149. Sonic Santa Monica M, Inc.	W.I. Simonson	1626 Wilshire Blvd. Santa Monica, CA
	(Service)	1330 Colorado Ave. Santa Monica, CA
	(Parking)	1215 – 17th St. Santa Monica, CA
		1415 Euclid & 1308 Santa Monica Blvd. Santa Monica, CA

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
150. Sonic Santa Monica S, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
151. Sonic-Saturn of Silicon Valley, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
152. Sonic — Shottenkirk, Inc.	Pensacola Honda	5600 Pensacola Blvd. Pensacola, FL
153. Sonic — Stevens Creek B, Inc.	Stevens Creek BMW	4343 Stevens Creek Blvd. San Jose, CA
		4333 Stevens Creek Blvd. San Jose, CA
	Stevens Creek BMW – Offsite Vehicle Storage	1507 S. 10th St. San Jose, CA
154. Sonic — Stone Mountain T, L.P.	Stone Mountain Toyota	5065 U.S. Hwy. 78 Stone Mountain, GA
	Stone Mountain Scion	

I. Name	IV. Trade Names, Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
155. Sonic Tysons Corner H, Inc.	Honda of Tysons Corner (Body Shop) (Storage Lot) (Storage Lot)	1580 Spring Hill Rd. Vienna, VA 1548 Spring Hill Rd. Vienna, VA Two acres adjacent to 1592 Spring Hill Rd. One acre lot on Tyco Rd. at corner of Spring Hill Rd. 8521 Leesburg Pike Vienna, VA
156. Sonic Tysons Corner Infiniti, Inc.	Infiniti of Tysons Corner	8527 Leesburg Pike Vienna, VA
157. Sonic — University Park A, L.P.		6415 Idlewild Rd. Suite 109 Charlotte, NC
158. Sonic-Volvo LV, LLC	Volvo of Las Vegas	7705 W. Sahara Ave. Las Vegas, NV
159. Sonic Walnut Creek M, Inc.	Mercedes-Benz of Walnut Creek (Parking) (Jensen Lease) (Storage)	1301 Parkside Dr. Walnut Creek, CA 1268 Pine St. Walnut Creek, CA 1360 Pine St. Walnut Creek, CA 1413 Carlback Ave. Walnut Creek, CA
160. Sonic-West Covina T, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
161. Sonic — Williams Cadillac, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC

I. Name	IV. Trade Names Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
162. Sonic Wilshire Cadillac, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC
163. SRE Alabama — 2, LLC	N/A	N/A
164. SRE Alabama — 5, LLC	N/A	N/A
165. SRE California — 1, LLC	N/A	N/A
166. SRE California — 2, LLC	N/A	N/A
167. SRE California — 4, LLC	N/A	N/A
168. SRE Colorado — 1, LLC	N/A	N/A
169. SRE Florida 1, LLC	N/A	N/A
170. SRE Florida — 2, LLC	N/A	N/A
171. SRE Holding, LLC	N/A	N/A
172. SRE North Carolina — 2, LLC	N/A	N/A
173. SRE Oklahoma 1, LLC	N/A	N/A
174. SRE Oklahoma — 2, LLC	N/A	N/A
175. SRE Oklahoma — 5, LLC	N/A	N/A
176. SRE South Carolina — 3, LLC	N/A	N/A
177. SRE South Carolina — 4, LLC	N/A	N/A
178. SRE Tennessee — 4, LLC	N/A	N/A
179. SRE Texas — 1, L.P.	N/A	N/A
180. SRE Texas — 2, L.P.	N/A	N/A
181. SRE Texas — 3, L.P.	N/A	N/A

I. Name	IV. Trade Names Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
182. SRE Texas — 4, L.P.	N/A	N/A
183. SRE Texas — 5, L.P.	N/A	N/A
184. SRE Texas — 6, L.P.	N/A	N/A
185. SRE Texas — 7, L.P.	N/A	N/A
186. SRE Texas — 8, L.P.	N/A	N/A
187. SRE Virginia — 1, LLC	N/A	N/A
188. SRealEstate Arizona — 2, LLC	N/A	N/A
189. SRealEstate Arizona — 3, LLC	N/A	N/A
190. SRM Assurance, Ltd.	N/A	6415 Idlewild Rd. Suite 109 Charlotte, NC
191. Stevens Creek Cadillac, Inc.	St. Claire Cadillac	3737 Stevens Creek Blvd. Santa Jose, CA
	St. Claire Cadillac Offsite Vehicle Storage	1507 South 10th St., San Jose, CA
192. Town and Country Ford, Incorporated		5401 E. Independence Blvd. Charlotte, NC
193. Village Imported Cars, Inc.		6415 Idlewild Rd. Suite 109 Charlotte, NC

I. Name	IV. Trade Names Trade Styles, Fictitious Names and "d/b/a" Names	V. Collateral Locations
194. Windward, Inc.	Honda of Hayward (Service)	24895 Mission Blvd. Hayward, CA
	Ground Lease (Sales)	24947 24975 Mission Blvd. Hayward, CA
	(Vehicle Display)	24919 Mission Blvd. Hayward, CA
	(Vehicle Storage)	Fletcher Ln. Hayward, CA
	Ground Lease (Sales)	24933 Mission Blvd. Hayward, CA

EXISTING LIENS

Secured Party	File Date	File Number	Collateral
Sonic Automotive, Inc.			
Delaware Secretary of State			
BBH Financial Services Company	12/28/2004	43658079	Computer equipment
BBH Financial Services Company	12/28/2004	43658152	Computer equipment
BBH Financial Services Company	12/28/2004	43658780	Computer equipment
Dell Financial Services L.P.	05/19/2006	61708031	Leased equipment
Dell Financial Services L.P.	05/19/2006	61708049	Leased equipment
Greater Bay Bank N.A.	02/29/2008	2008 0732816	Leased Equipment 1 Komatsu Forklift FG15SHT 17 s/n 673434
Arngar, Inc., d/b/a Arnold Palmer Cadillac North Carolina Secretary of State			
General Electric Capital Corporation (additional debtor Sonic Development, LLC)	12/30/2004	20040125442F	<i>Leased equipment — Service Department Air Systems; Body Shop vehicle lifts; Body Shop paint booth equipment; frame straightening equipment; Body Shop general equipment; Parts Department equipment</i>
Wells Fargo Equipment Finance, Inc. (additional debtor Sonic Development, LLC)	11/02/2005	20050105391H	<i>Leased equipment — all equipment and personal property covered by that certain Lease Schedule NO. 13 dated to Master Lease No. CML 0877 F dated 7/26/04 between Celtic Leasing Corp. and Debtor</i>
Autobahn, Inc., d/b/a Autobahn Motors California Secretary of State			
Mercedes Benz of North America, LLC	12/10/1991	91261652	Motor vehicles, parts and accessories for which payment has not been received by Mercedes - Benz North America, Inc. in accordance with the provisions of the Mercedes - Benz Dealer Agreement
<i>Amendment: Continuation</i>	08/21/1996	96234C0412	

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
<i>Amendment: Change S/P name ndment: Change Debtor address</i>	01/21/1997	97021C0292	
<i>Amendment: Change S/P name from Inc. to LLC</i>	09/27/2000	00273C0058	
<i>Amendment: Continuation</i>	10/30/2001	01304C0008	
<i>Amendment: Continuation</i>	10/10/2006	06 70880947	
FAA Beverly Hills, Inc., d/b/a Beverly Hills BMW California Secretary of State			
BMW of North America, LLC	10/27/1999	9930660594	A purchase money security interest in all unpaid BMW motor vehicles, including BMW automobiles, sports activity vehicles/light trucks, motorcycles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, Inc. and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
<i>Amendment: Continuation</i>	08/20/2004	04 - 10021858	
<i>Amendment: Change S/P name from Inc. to LLC</i>	05/10/2005	05 - 70262321	
<i>Amendment: Restate collateral to delete</i>	05/10/2005	05 - 70262327	
<i>Inc. and add LLC</i>			
<i>Amendment: Delete Debtor d/b/a</i>	05/10/2005	05 - 70262328	
<i>Amendment: Change Debtor information</i>	10/30/2007	07 - 71348214	
<i>Amendment: Change Debtor information</i>	10/30/2007	07 - 71348217	
<i>Amendment: Change Debtor information</i>	10/30/2007	07 - 71348201	
<i>Amendment: Change Debtor information</i>	08/04/2009	07 - 71389993	
<i>Amendment: Continuation</i>	12/04/2007	09 - 72045370	

Secured Party	File Date	File Number	Collateral
FAA Capitol N, Inc., d/b/a Capitol Nissan California Secretary of State			
Nissan Motor Acceptance Corporation	05/05/2005	05 - 7025740161	Signs, together with all related materials, tools, parts, fittings, supports, fixings, attachments, illumination, electrical cables, connections and equipment, and concrete foundations
<i>Amendment: Change S/P information</i>	11/06/2006	06 - 70909110	
<i>Amendment: Change S/P information</i>	02/09/2008	08 - 71467543	
FAA Las Vegas H, Inc, d/b/a Honda West Nevada Secretary of State			
Lakeland Bank Equipment Leasing Division	03/27/2007	2007009438 - 2	Leased Equipment: Market Scan System
FAA Stevens Creek, Inc., d/b/a Stevens Creek Nissan California Secretary of State			
Nissan Motor Acceptance Corporation	08/21/2007	07 - 7126162527	Signs, together with all related materials, tools, parts, fittings, supports, fixings, attachments, illumination, electrical cables, connections and equipment, and concrete foundations
Fort Mill Ford, Inc. South Carolina Secretary of State			
Ford Motor Company	10/27/1986	86 - 051658	All motor vehicles together with all equipment and accessories thereto, including all current and after acquired motor vehicles, held as inventory on lease or rental; or held for lease, rental or sale, pursuant to a Rent - A - Car System and Lease Agreement between secured party and debtor
<i>Amendment: Change Debtor address</i>	03/09/1989	89 - 012309	
<i>Amendment: Change Debtor address</i>	04/27/1989	89 - 021926	
<i>Amendment: Continuation</i>	05/06/1991	91 - 022733	
<i>Amendment: Continuation</i>	05/16/1996	960516 - 113648A	
<i>Amendment: Change Debtor address</i>	02/15/2001	010215 - 113328A	

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
<i>Amendment: Continuation</i>	05/02/2001	010502-102524A	
<i>Amendment: Change S/P address</i>	08/09/2002	020809-1036398	
<i>Amendment: Continuation</i>	06/08/2006	060608-1052069	
Marcus David Corporation , d/b/a Town and Country Toyota, Town and Country Toyota Certified Used Cars, Town and Country Toyota-Scion North Carolina Secretary of State			
Coactive Capital Partners LLC	08/18/2006	20060080665E	Leased computer equipment
<i>Amendment: Assignment from US Bancorp</i>	03/22/2007	20070028051G	
US Bancorp	08/29/2007	20070082898F	3 Optiplex 745; 3 15" flat panel; 1 new vehicle lease, retail finance, 2 desk mod seats MDesking modules
Main Street National Bank	06/03/2008	20080051421E	Leased Equipment — 1 DCMdata Digital Lot system including: Itab pen tablet data collection device, printer, internal modem, database synchronization, web site creation and Digital Lot software license
Ontario L, LLC , d/b/a Crown Lexus California Secretary of State			
Lakeland Bank Equipment Leasing Division	05/23/2007	07-7115027818	Leased Equipment — Market Scan System
Philpott Motors, Ltd. , d/b/a Philpott Ford, Philpott Toyota, Philpott Motors Hyundai Texas Secretary of State			
Citicorp Leasing, Inc.	01/05/2006	06-0000435412	1 used Linde Model #E15S
Ford Motor Company	05/04/2006	06-0015117556	New, used and demonstrator vehicles, tractors, trailers, semi-trailers and truck and camper bodies, and other goods which are inventory or equipment on or held for lease, rental or sale, together with goods with manufacturer's certificates and certificates of title or ownership on or held for lease, rental or sale, and all accessions thereto, pursuant to a Rent-A-Car System and Lease Agreement between Secured Party and Debtor; manufacturer's certificates and Certificates of Title, ownership, or origin and all accessories and replacement parts of any of the above; all accounts, instruments, chattel papers, lease rentals, contract rights, documents, general intangibles and supporting obligations thereto.
Greater Bay Bank N.A.	10/12/2007	07-0035038743	1 — Used Forklift E15S s/n 324E12613416 including parts, accessories, substitutions, additions, accessions and replacements thereto, and all proceeds

Secured Party	File Date	File Number	Collateral
SAI Ann Arbor Imports, LLC, f/k/a Sonic-Ann Arbor Imports, Inc., d/b/a Mercedes-Benz of Ann Arbor, BMW of Ann Arbor, Auto-Strasse Michigan Secretary of State			
BMW of North America, LLC	10/23/2003	2003202420-2	A purchase money security interest in all unpaid BMW motor vehicles, including but not limited to BMW automobiles, sports activity vehicles/light trucks, motorcycles, tools, special tools, equipment, signage, warranty advances, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
<i>Amendment: Change Debtor information</i>	11/21/2006	2006194891	
<i>Amendment: Continuation</i>	09/05/2008	2008139289-4	
<i>Amendment: Change Debtor name</i>	01/26/2009	2009012242-6	
Mercedes-Benz USA, LLC	11/05/2003	2003212735-1	Motor vehicles, parts, and accessories for which payment has not been received by Mercedes-Benz USA, LLC, in accordance with the provisions of the Mercedes-Benz Dealer Agreements
<i>Amendment: Continuation</i>	09/25/2008	2008149688-2	
<i>Amendment: Change Debtor name</i>	02/12/2009	2009023157-8	
Vesco Oil Corporation <i>Note: Additional debtor: Auto-Strasse, Ltd.</i>	04/07/2004	2004070435-5	Equipment on loan — 4 218-445 Std Oil Reel; 2 224-886 Reel; 6 218-546 Kit; 2 218-548 End Panel Kit; 2 218-588 Solenoid Kit; 4 3330-008 Solenoid Kit; 500 ft wire; 2 203-523 Mt. Channel; 460 ft. 5/8" steel tubing; 120 ft 1 1/2 " black pipe; 40 Ft Unistrut; 1 P6-12CIT hose 6' x 3/4
<i>Amendment: Continuation</i>	10/21/2008	2008162771-6	
Vesco Oil Corporation	05/30/2007	2007085884-9	Equipment on loan: (1) DW165 tank, 165 gal double wall; (1) G575215A pump, flojet; (1) 1740002S strainer, flojet; (1) A770A30B-PB hose, flex 1/4" x 30"; (1) 180-685 water bibb; (1) 110-318 air regulator; (1) 29850 air gauge; (1) 210 air coupler; (1) P6-6 hose 6' x 2/8" air

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
SAI Atlanta B, LLC, f/k/a Sonic-Global Imports, L.P., d/b/a Global Imports BMW, Global Imports MINI Georgia Central Filing			
Compass Bank	03/26/1999	033-1999-005311	All present and future accounts and general intangibles purchased by or transferred to secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect, all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amounts at any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
<i>Amendment: Partial release (copy missing)</i>	03/16/2001	033-2001-003309	
<i>Amendment: Continuation</i>	12/08/2003	033-2003-011919	
<i>Amendment: Continuation</i>	12/19/2008	0332008-12560	
BMW of North America, LLC	09/04/2007	0602007-10773	A purchase money security interest in all unpaid BMW motor vehicles, including BMW automobiles, sports activity vehicles/light trucks, motorcycles, MINI vehicles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
<i>Amendment: Change Debtor name</i>	03/02/2009	0602009-01822	
SAI Broken Arrow C, LLC, f/k/a Speedway Chevrolet, Inc. Oklahoma Secretary of State			
American Tire Distributors, Inc.	06/21/2005	2005007653634	All inventory or merchandise purchased from secured party and held for sale or lease or furnished or to be furnished under contract of service, and all proceeds of the foregoing, and all equipment and proceeds thereof including all additions, accessions or substitutions; all proceeds
SAI Charlotte M, LLC, f/k/a Sonic-Lake Norman Dodge, LLC, f/k/a Sonic Dodge, LLC North Carolina Secretary of State			
American Express Business Finance Corporation	02/05/2003	20030011994M	Leased computer equipment

Secured Party	File Date	File Number	Collateral
<i>Amendment: Continuation</i>	12/15/2007	20070117237A	
SAI Clearwater T, LLC, f/k/a Sonic Automotive-Clearwater, Inc., d/b/a/ Clearwater Toyota, Clearwater Scion Florida Secretary of State			
Wells Fargo Financial Leasing, Inc.	01/06/2005	200508689005	Computer equipment
US Bancorp (filed under Debtor d/b/a Clearwater Toyota)	21/28/2005	200501498646	Leased computer equipment
US Bancorp (filed under Debtor d/b/a Clearwater Toyota)	07/20/2006	200603215252	Leased Equipment — Computer equipment
US Bancorp (filed under Debtor d/b/a Clearwater Toyota)	11/29/2006	200604254170	Leased Equipment — Computer equipment
SAI Fort Myers B, LLC, f/k/a Sonic-FM, Inc., d/b/a BMW of Fort Myers Florida Secretary of State			
BMW of North America, LLC	04/05/2002	200200808778	A purchase money security interest in all unpaid BMW motor vehicles, including but not limited to BMW automobiles, sports activity vehicles/light trucks, motorcycles, tools, special tools, equipment, signage, warranty advances, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
<i>Amendment: Continuation</i>	01/29/2007	200704690533	
<i>Amendment: Change Debtor information</i>	03/10/2008	200807835615	
<i>Amendment: Change Debtor name</i>	02/27/2009	200900101049	
SAI Fort Myers M, LLC, f/k/a Sonic-FM Automotive, LLC, d/b/a Mercedes-Benz of Fort Myers Florida Secretary of State			
Mercedes-Benz USA, LLC	02/29/2000	200000050147-6	Motor vehicles, parts and accessories for which payment has not been received by Mercedes-Benz USA, Inc. in accordance with the provisions of the Mercedes-Benz Dealer Agreement

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
<i>Amendment: Change S/P name from Inc. to LLC</i>	02/16/2001	200100036392-5	
<i>Amendment: Continuation</i>	11/19/2004	20040835754X	
<i>Amendment: Change Debtor information</i>	12/21/2006	200604417827	
<i>Amendment: Change Debtor name</i>	02/11/2009	200900014006	
SAI Irondale Imports, LLC, f/k/a Sonic-Williams Imports, Inc., d/b/a Tom Williams Imports, Audi, BMW, Porsche, Land Rover Alabama Secretary of State			
BMW of North America, LLC	02/17/2000	B2000-07123 FS	A purchase money security interest in all unpaid BMW motor vehicles, including BMW automobiles, sports activity vehicles/light trucks, motorcycles, MINI vehicles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
<i>Amendment: Change Debtor address</i>	03/23/2004	B2000-07123 AM	
<i>Amendment: Change Debtor name to delete d/b/a</i>	02/01/2005	B2000-07123 AM	
<i>Amendment: Change S/P name from BMW of North America, Inc.</i>	02/01/2005	B2000-07123 AM	
<i>Amendment: Continuation</i>	02/01/2005	B2000-07123 CS	
<i>Amendment: Restate collateral</i>	01/17/2006	B2000-07123 AM	A Purchase Money Security Interest in all unpaid BMW motor vehicles, including but not limited to BMW automobiles, sports activity vehicles/light trucks, motorcycles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America LLC (collectively "BMW") and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
			insurance proceeds, and a security interest in and right to set off with respect to all credits and rights to payments held by BMW, its subsidiaries and affiliates for the account of debtor, and as to all of the foregoing whether now owned or hereafter acquired.
<i>Amendment: Change Debtor name</i>	04/02/2009	B2000-07123AM	
<i>Amendment: Change Debtor address</i>	10/01/2009	B2000-07123AM	
Compass Bank dba Commercial Billing Services	08/08/2002	B02-0660244 FS	All present and future accounts and general intangibles purchased by or transferred to secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect, all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amounts at any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
<i>Amendment: Continuation</i>	05/07/2007	B02-0660244CS	
SAI Irondale L, LLC, f/k/a Sonic-Williams Motors, LLC, d/b/a Tom Williams Lexus Alabama Secretary of State			
Compass Bank dba Commercial Billing Service	07/26/2002	B02-0622674 FS	All present and future accounts and general intangibles purchased by or transferred to secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect, all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amounts at any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
<i>Amendment: Continuation</i>	04/05/2007	B02-0622674CS	
<i>Amendment: Change Debtor name</i>	04/23/2009	B02-0622674AM	
Aqua Pure Water Systems, Dolphin Capital Corp., Assignee	08/30/2005	B05-0659918FS	Leased Equipment — 1 Micro Bar s/n 165473; 1 Milk Coorer s/n 002697; 1 Bunn Coffee Brewer s/n WTF306415; 1 Innovave Chiller s/n 2104L11082; 1 Viking Refrigerator s/n VUAR141; 1 Ice O Matic Ice Maker s/n 05021280010728; 1 Vita Mix Blender s/n 000749
Pullman Bank and Trust Company (additional debtors Sonic-Williams Imports, Inc. and Sonic-Williams Cadillac, Inc.)	11/02/2005	B05-0818139FS	Leased Equipment — covered by that certain Lease Schedule 12 dated to Master Lease No. CML-0877-F dated 7/26/04 between Celtic Leasing and Lessee
<i>Amendment: Restate collateral</i>	12/29/2005	B05-0818139FS	[Adds more detail to description of leased equipment]
<i>Amendment: Assignment from Celtic Leasing Corp.</i>	12/29/2005	B05-0818139 AS	
Wells Fargo Equipment Finance, Inc. (additional debtors Sonic-Williams Imports, Inc.)	11/02/2005	B05-0818151FS	Leased Equipment — covered by that certain Lease Schedule 13 dated to Master Lease No. CML-0877-F dated 7/26/04 between Celtic Leasing and

Secured Party	File Date	File Number	Collateral
and Sonic-Williams Cadillac, Inc.)			Lessee
SAI Long Beach B, Inc. , d/b/a Long Beach BMW, Long Beach MINI Florida Secretary of State			
BMW of North America, LLC	08/13/2007	07-7125294239	A purchase money security interest in all unpaid BMW motor vehicles, including BMW automobiles, sports activity vehicles/light trucks, motorcycles, MINI vehicles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
SAI Monrovia B, Inc. , d/b/a BMW of Monrovia, MINI of Monrovia Florida Secretary of State			
BMW of North America, LLC	07/18/2007	07-7121775916	A purchase money security interest in all unpaid BMW motor vehicles, including BMW automobiles, sports activity vehicles/light trucks, motorcycles, MINI vehicles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
SAI Montgomery B, LLC, f/k/a Sonic Montgomery B, Inc., d/b/a BMW of Montgomery Alabama Secretary of State			
Compass Bank	04/18/2005	B05-0284796 FS	All present and future accounts and general intangibles purchased by or transferred to secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect, all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amounts at any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
BMW of North America, LLC	06/27/2005	B05-0489290 FS	A purchase money security interest in all unpaid BMW motor vehicles, including BMW automobiles, sports activity vehicles/light trucks, motorcycles, MINI vehicles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
<i>Amendment: Change Debtor name</i>	04/02/2009	B05-0489290AM	
SAI Montgomery BCH, LLC, f/k/a Cobb Pontiac-Cadillac, Inc., d/b/a Classic Cadillac, Classic Cadillac Buick, Classic Hummer			
Alabama Secretary of State			
Compass Bank Commercial Billing Service	03/28/1990	B90-11752 FS	All present and future accounts and general intangibles purchased by or transferred to secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect, all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amounts at any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
<i>Amendment: Change S/P from Central Bank of the South dba Commercial Billing Service</i>	11/30/1994	B90-11752 AM	
<i>Amendment: Continuation</i>	11/30/1994	B90-11752 CS	

Secured Party	File Date	File Number	Collateral
<i>Amendment:</i> <i>Continuation</i>	12/09/1999	B1990-11752 CS	
<i>Amendment:</i> <i>Continuation</i>	12/01/2004	B1990-11752 CS	

SAI Montgomery CH, LLC, f/k/a **Capitol Chevrolet and Imports, Inc., d/b/a Capitol Chevrolet, Capitol Hyundai**

Alabama Secretary of State

Compass Bank	08/19/2002	B02-0691500 FS	All present and future accounts and general intangibles purchased by or transferred to secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect, all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amounts at any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
<i>Amendment: Change debtor information</i>	08/15/2005	B02-0691500AM	
<i>Amendment: Continuation</i>	05/07/2007	B02-0691500CS	
General Electric Capital Corporation, Assignee of Berny Office Solutions (filed under debtor name Capital Chevrolet Inc.)	04/18/2000	B2000-15379 FS	Konica and Sharp copiers
<i>Amendment: Continuation</i>	02/18/2005	B2000-15379 CS	

SAI Nashville CSH, LLC, f/k/a Sonic-Crest Cadillac, LLC, d/b/a Crest Cadillac, Crest Hummer, Crest Saab

Tennessee Secretary of State

Compass Bank dba Commercial Billing Service	05/13/2002	102-020599	All present and future accounts and general intangibles purchased by or transferred to secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect, all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amounts at any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
<i>Amendment: Amend amount of maximum principal indebtedness</i>	06/01/2002	302-032546	
<i>Amendment: Continuation</i>	02/09/2007	107-006316	
<i>Amendment: Change Debtor Name</i>	04/23/2009	309-020596	

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
Irwin Union Bank and Trust Company (in name of Crest Cadillac, Inc.)	06/29/2001	301-084579	Contract #40052138LE — Car wash machinery and equipment together with all accessions, attachments and additions thereto and replacements thereof
<i>Amendment: Continuation</i>	01/23/2006	206-004296	
SAI Nashville H, LLC, f/k/a Sonic-Crest H, LLC, d/b/a Crest Honda Tennessee Secretary of State			
Compass Bank dba Commercial Billing Service	06/24/2002	202-036728	All present and future accounts and general intangibles purchased by or transferred to secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect, all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amounts at any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
<i>Amendment: Continuation</i>	03/02/2007	307-114168	
<i>Amendment: Change Debtor name</i>	04/23/2009	309-020595	
SAI Nashville M, LLC, f/k/a Sonic Nashville M, LLC, f/k/a Sonic Nashville MB, Inc., d/b/a Mercedes-Benz of Nashville Tennessee Secretary of State			
Compass Bank dba Commercial Billing Service	04/05/2005	105-021181	All present and future accounts and general intangibles purchased by or transferred to secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect, all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amounts at any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
<i>Amendment: Change Debtor name</i>	04/23/2009	309-020594	
Mercedes-Benz USA, LLC	04/07/2005	305-020582	Motor vehicles, parts, and accessories for which payment has not been received by Mercedes-Benz USA, LLC in accordance with the provisions of the Mercedes-Benz Dealer Agreements
<i>Amendment: Change Debtor name</i>	02/12/2009	209-007725	
SAI Oklahoma City C, LLC, f/k/a Sonic-West Reno Chevrolet, Inc., d/b/a City Chevrolet Oklahoma Secretary of State			
American Tire Distributors, Inc.	07/25/2005	2005009154834	All inventory or merchandise purchased from secured party and held for sale or lease or furnished or to be furnished under contract of service, and all proceeds of the foregoing, and all equipment and proceeds thereof including all additions, accessions or substitutions; all proceeds
US Bancorp	08/09/2005	2005009814332	Leased copier equipment

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
SAI Oklahoma City T, LLC, f/k/a Wrangler Investments, Inc., d/b/a Dub Richardson Toyota, Dub Richardson Scion Oklahoma Secretary of State			
General Electric Capital Corporation	12/30/2004	2004015737940	Leased equipment — Service Department air systems; Service Department Vehicle Lifts; Service Department Lube System; Service Department Exhaust System; General Shop equipment; Wheel Service/Alignment equipment; Engine Service equipment; Washing equipment; Roll Over Car Wash equipment; Parts Department equipment
Wells Fargo Equipment Finance, Inc.	11/02/2005	2005013361021	Leased equipment
Pullman Bank and Trust Company.	11/02/2005	2005013361122	Leased equipment — Carwash equipment
<i>Amendment: Restate collateral</i>	12/21/2005	2005015151424	
<i>Amendment: Assignment from Celtic Leasing Corp.</i>	12/27/2005	E2005015275936	
American Tire Distributors, Inc.	02/27/2006	2006002320015	All debtors inventory or merchandise purchased from Secured Party now or hereafter acquired and held for sale or lease or furnished or to be furnished under contract of services, and all proceeds of the foregoing (all hereinafter called inventory), and all equipment and proceeds thereof including any and all additions, accessions, or substitutions; proceeds
SAI Orlando CS, LLC, f/k/a Sonic-North Cadillac, Inc., d/b/a Massey Cadillac, Massey Saab of Orlando Florida Secretary of State			
The Valvoline Company, a division of Ashland Inc.	09/08/2006	200603608203	Leased Equipment — Fluid pumping equipment
SAI Tulsa T, LLC, f/k/a Sonic-Oklahoma T, Inc., d/b/a Riverside Toyota, Riverside Scion Oklahoma Secretary of State			
J.D. Young Leasing, LLC	10/30/2008	E2008012366836	Leased Equipment — 2 — PHSI Black Water Systems s/n 0650202857 and 0736207610
Sonic Automotive-1720 Mason Ave., DB, Inc. Florida Secretary of State			
American Tire Distributors, Inc.	06/23/2006	200602981172	All debtors inventory or merchandise purchased from Secured Party now or hereafter acquired and held for sale or lease or furnished or to be furnished under contract of services, and all proceeds of the foregoing (all hereinafter called inventory), and all equipment and proceeds thereof including any and all additions, accessions, or substitutions; proceeds

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
Sonic Automotive-1720 Mason Ave., DB, LLC, d/b/a Mercedes-Benz of Daytona Beach			
Florida Secretary of State			
Mercedes-Benz of North America, Inc.	01/04/1999	990000001662-8	Motor vehicles, parts and accessories for which payment has not been received by Mercedes-Benz North America, Inc. in accordance with the provisions of the Mercedes-Benz Deal Agreement
<i>Amendment: Change additional debtor d/b/a from Higgenbotham Automobiles</i>	06/30/2000	200000151617-6	
<i>Amendment: Continuation</i>	11/10/2003	200305418988	
<i>Amendment: Continuation</i>	09/25/2008	200809230362	
Sonic Automotive 2752 Laurens Rd., Greenville, Inc, d/b/a Century BMW, Century MINI			
South Carolina Secretary of State			
Compass Bank d/b/a Commercial Billing Service	10/01/1998	981001-091107A	All present and future accounts and general intangibles purchased by or transferred to the secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect; all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amount oat any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
<i>Amendment: Continuation</i>	07/14/2003	030714-1246220	
<i>Amendment: Continuation</i>	07/16/2008	080716-0906202	

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
BMW of North America LLC	08/05/2002	020805-1140573	A purchase money security interest in all unpaid BMW motor vehicles, including BMW automobiles, sports activity vehicles/light trucks, motorcycles, MINI vehicles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
<i>Amendment: Delete debtor d/b/a</i>	10/27/2005	051027-1204584	
<i>Amendment: Continuation</i>	05/22/2007	070522-1229389	
<i>Amendment: Change Debtor information</i>	08/19/2009	090819-1248279	
Sonic Automotive-4701 I-10 East, TX, LP, d/b/a Baytown Ford Texas Secretary of State			
Ford Motor Company	11/28/2005	05-0036354400	New, used and demonstrator vehicles, tractors, trailers, semi-trailers and truck and camper bodies, and other goods which are inventory or equipment on or held for lease, rental or sale, together with goods with manufacturer's certificates and certificates of title or ownership on or held for lease, rental or sale, and all accessions thereto, pursuant to a Rent-A-Car System and Lease Agreement between Secured Party and Debtor; manufacturer's certificates and Certificates of Title, ownership, or origin and all accessories and replacement parts of any of the above; all accounts, instruments, chattel papers, lease rentals, contract rights, documents, general intangibles and supporting obligations thereto.
Sonic Automotive 5260 Peachtree Industrial Blvd., LLC, d/b/a Dyer and Dyer Volvo, Volvo at Gwinnett Place Georgia Secretary of State			
Compass Bank	10/01/1987	87-9976	All present and future accounts and general intangibles purchased by or transferred to secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect, all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amounts at any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party

Secured Party	File Date	File Number	Collateral
<i>Amendment: Change S/P from Central Bank of the South dba Commercial Billing Service</i>	07/29/1997	044-1997-007559	
<i>Amendment: Continuation</i>	07/29/1997	044-1997-007560	
<i>Amendment: Change Debtor name to Sonic Automotive, Inc. from Dyer & Dyer Inc.</i>	05/20/1998	044-1998-005201	
<i>Amendment: Add additional Debtor address</i>	09/29/1999	044-1999-008249	
<i>Amendment: Add additional Debtor address</i>	03/03/2000	044-2000-002232	
<i>Amendment: Change Debtor name from Sonic Automotive</i>	08/20/2001	044-2001-006054	
<i>Amendment: Continuation</i>	07/18/2002	044-2002-003612	
<i>Amendment: Continuation</i>	07/06/2007	044200702639	
Sonic Automotive-9103 E. Independence, NC, LLC, d/b/a Infiniti of Charlotte North Carolina Secretary of State			
Infiniti Financial Services, a division of Nisan Motor Acceptance Corporation	12/04/2007	20070113213A	Signs, together with all related materials, tools, parts, fittings, supports, fixings, attachments, illumination, electrical cables, connections and equipment, and concrete foundations
Sonic Automotive of Chattanooga, LLC, d/b/a BMW of Chattanooga Tennessee Secretary of State			
BMW of North America, LLC	10/28/2002	302-060389	A purchase money security interest in all unpaid BMW motor vehicles, including BMW automobiles, sports activity vehicles/light trucks, motorcycles, MINI vehicles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like)

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
			held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
<i>Amendment: Change Debtor information</i>	11/21/2006	206-073733	
<i>Amendment: Continuation</i>	07/24/2007	107-039829	
Sonic Automotive of Nashville, LLC, d/b/a BMW of Nashville, MINI of Nashville, Sonic Automotive Body Shop Tennessee Secretary of State			
Compass Bank dba Commercial Billing Service	10/12/1998	982-085571	All present and future accounts and general intangibles purchased by or transferred to the secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect; all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amount out any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
<i>Amendment: Add Debtor address</i>	03/26/1999	993-016437	
<i>Amendment: Continuation</i>	07/08/2003	103-029596	
<i>Amendment: Continuation</i>	07/16/2008	208-035771	
BMW of North America, LLC	10/28/2002	302-060387	A purchase money security interest in all unpaid BMW motor vehicles, including BMW automobiles, sports activity vehicles/light trucks, motorcycles, MINI vehicles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
<i>Amendment: Continuation</i>	07/23/2007	107-039469	
Sonic Automotive of Texas, L.P., d/b/a Lone Star Ford Texas Secretary of			
Danka Financial Services	09/26/2001	02-0004414813	Leased copier

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
<i>Amendment: Continuation</i>	09/19/2006	06-00312562	
Jones Oil, Inc. (filed under Debtor d/b/a)	06/08/2005	05-0017911054	TMS-800 one hose mech. Fuel console; White tucker tuthill pulser
Ford Motor Company	12/08/2005	05-0037542177	New, used and demonstrator vehicles, tractors, trailers, semi-trailers and truck and camper bodies, and other goods which are inventory or equipment on or held for lease, rental or sale, together with goods with manufacturer's certificates and certificates of title or ownership on or held for lease, rental or sale, and all accessions thereto, pursuant to a Rent-A-Car System and Lease Agreement between Secured Party and Debtor; manufacturer's certificates and Certificates of Title, ownership, or origin and all accessories and replacement parts of any of the above; all accounts, instruments, chattel papers, lease rentals, contract rights, documents, general intangibles and supporting obligations thereto.
Sonic-2185 Chapman Rd., Chattanooga, LLC, d/b/a Economy Honda Cars, Economy Honda Superstore Tennessee Secretary of State			
Compass Bank dba Commercial Billing Service	08/30/2001	301-095978	All present and future accounts and general intangibles purchased by or transferred to secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect, all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amounts at any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
<i>Amendment: Continuation</i>	05/03/2006	306-125297	
Sonic-Calabasas A, Inc., d/b/a Acura 101 West California Secretary of State			
US Bancorp	01/30/2006	06-7057036509	Leased Equipment — New vehicle lease desking module , 1 desking
US Bancorp	02/20/2007	07-7103274091	module network seat Leased Equipment — Optiplex 74519 ELO Flat Panel monitor
US Bancorp	02/19/2008	08-7147676470	desking module 2 Optiplex 745; 2 15" flat panel; 1 network seat, custom SW
Sonic-Calabasas M, Inc., d/b/a Mercedes-Benz of Calabasas California Secretary of State			
Mercedes-Benz USA, LLC	07/31/2007	07-7124004691	desking module New motor vehicles, parts and accessories for which payment has not been received by Mercedes-Benz USA LLC, in accordance with the provisions of the Mercedes-Benz Dealer Agreements

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
Sonic-Camp Ford, L.P.			
Texas Secretary of State			
Dept. of Treasury — IRS	06/12/2006	06-0020027289	Federal tax lien in the amount of \$11,165.91
Sonic-Capitol Cadillac, Inc., d/b/a Capitol Cadillac, Capitol Hummer			
Michigan Secretary of State			
Vesco Oil Corporation	07/08//1986	8820392	Equipment on loan — fluid pumping equipment
<i>Amendment: Continuation</i>	02/13/1991	C447574	
<i>Amendment: Continuation</i>	01/12/1996	D052125	
<i>Amendment: Continuation</i>	01/26/2001	D737599	
<i>Amendment: Continuation</i>	03/14/2006	2006045178-2	
Vesco Oil Corporation	04/19/2006	2006070892-7	Fluid pumping equipment
Vesco Oil Corporation	06/10/2009	2009085838-6	Equipment on loan — 1 RM74900 Refurb 74000 machine
Vesco Oil Corporation	06/26/2009	2009095738-6	Equipment on loan — 2 WO401 Enviropurge Adapter IT; 2 W31501 S-Tool; 2 RM4000 Enviropurge unit; 1 M75500 machine power steering
Sonic-Carson F, Inc., d/b/a Don Kott Ford			
California Secretary of State			
General Electric Capital Corporation	09/11/2002	0225460680	Leased computer system
<i>Amendment: Continuation</i>	04/26/2007	07-71117202	

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
Sonic-Carson LM, Inc. , d/b/a Don Kott Lincoln Mercury California Secretary of State			
Ford Motor Company	05/09/2002	0213060440	New, used and demonstrator motor vehicles, tractors, trailers, semi-trailers and truck and camper bodies, and other goods which are inventory or equipment on or held for lease, rental or sale, together with goods with manufacturer's certificates and certificates of title or ownership on or held for lease, rental or sale, and all accessions thereto, pursuant to a Rent-A-Car System and Lease Agreement between secured party and debtor; manufacturer's certificates and certificates of title, ownership or origin and all accessories and replacement parts of any of the above; all accounts, instruments, chattel paper, lease rentals, contract rights, documents, general intangibles and supporting obligations
<i>Amendment: Change S/P address</i>	09/12/2005	05-70410070	
<i>Amendment: Continuation</i>	01/04/2007	07-70975818	
Sonic Development, LLC North Carolina Secretary of State			
General Electric Capital Corporation (Additional debtor: Arngar, Inc.)	12/30/2004	20040125442F	Leased Equipment — Service Department air systems, Body Shop vehicle lifts, Body Shop paint booth equipment, Frame straightening equipment; Body Shop general equipment, Parts Department equipment
General Electric Capital Corporation	12/30/2004	20040125446K	Leased Equipment — Service Department air systems, Service Department vehicle lifts, Service Department lube system, Service Department exhaust systems; General shop equipment, Wheel service and alignment equipment, Transmission equipment, Air conditioning equipment, Vertical Lift equipment, Parts Department equipment
General Electric Capital Corporation	12/30/2004	20040125452G	Leased Equipment — Service Department air systems, Service Department vehicle lifts, Service Department lube system, Service Department exhaust systems; General shop equipment, Wheel service and alignment equipment, Parts Department equipment
General Electric Capital Corporation	12/30/2004	20040125453H	Leased Equipment — Service Department air systems, Service Department vehicle lifts, Service Department lube system, Service Department exhaust systems; General shop equipment, Tune-up/electrical equipment, Wheel service and alignment equipment, Parts Department equipment
General Electric Capital Corporation (Additional debtor: Sonic-Harbor City H, Inc.)	12/30/2004	20040125454J	Leased Equipment — Service Department air systems, Service Department vehicle lifts, Service Department lube system, Service Department exhaust systems; General shop equipment, Tune-up/electric equipment, Air

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
			conditioning equipment, Brake service equipment, Wheel service and alignment equipment, Transmission equipment, Engine service equipment, Washing equipment, Parts Department equipment
General Electric Capital Corporation (Additional debtor: Wrangler Investments, Inc.)	12/30/2004	20040125458B	Leased Equipment — Service Department air systems, Service Department vehicle lifts, Service Department lube system, Service Department exhaust systems; General shop equipment, Wheel service and alignment equipment, Engine service equipment, Roll Over car wash equipment, Parts Department equipment
Wells Fargo Equipment Finance, Inc. (Additional debtor: Sonic-Stevens Creek B, Inc.)	01/03/2005	20050000489K	Leased Equipment — Service Department air systems, Service Department vehicle lifts, Service Department lube system, Service Department exhaust systems; General shop equipment, Tune-up/electric equipment, Air conditioning equipment, Brake service equipment, Wheel service and alignment equipment, Transmission equipment, Engine service equipment, Washing equipment, Parts Department equipment
Wells Fargo Equipment Finance, Inc. (additional debtor Armgar, Inc.)	11/02/2005	20050105391H	Leased Equipment — covered by that certain Lease Schedule 13 dated to Master Lease No. CML-0877-F dated 7/26/04 between Celtic Leasing and Lessee
Pullman Bank and Trust Company	11/02/2005	20050105396B	Leased equipment — covered by that certain Lease Schedule 13 dated to Master Lease No. CML-0877-F dated 7/26/04 between Celtic Leasing and Lessee
<i>Amendment: Restate collateral</i>	12/21/2005	20050121956B	
<i>Amendment: Assignment from Celtic Leasing Corp.</i>	12/27/2005	20050122513B	
Sonic-Fort Worth T, L.P. , d/b/a Toyota of Fort Worth, Scion of Fort Worth Texas Secretary of State			
Ervin Leasing Company	10/08/2007	07-0034473311	Leased Equipment — Mobile Mini 8x20 open bay security office 2007 model s/n JS20U4W0143
Sonic-Frank Parra Autoplex, L.P. , d/b/a Frank Parra Chevrolet, Frank Parra Chrysler Jeep, Frank Parra Chrysler Jeep Dodge Texas Secretary of State			
American Tire Distributors, Inc.	07/10/2006	06-0023158732	Purchase Money Security Agreement covering: all of debtors inventory or merchandise purchased from American Tire Distributors now or hereafter acquired and held for sale or lease or furnished under contract of service, and all proceeds of the foregoing (all hereinafter called inventory), and all equipment and proceeds thereof including any and all additions, accessions, or substitutions thereof. (x) Proceeds of the collateral are also covered.

Sonic-Harbor City H, Inc., d/b/a Carson Honda

Secured Party	File Date	File Number	Collateral
California Secretary of State			
General Electric Capital Corporation	12/29/2004	04-7010253496	Leased Equipment — Service Department air systems; Shop Equipment; Service Department vehicle lifts; Service Department lubrication system; Service Department exhaust system; General shop equipment; Air conditioning equipment; Brake Service equipment; Wheel Service/Alignment equipment; Transmission equipment; Engine Service equipment; Washing equipment; Parts Department equipment
Wells Fargo Equipment Finance, Inc. (additional debtor Sonic-Stevens Creek B, Inc.)	11/01/2005	05-7047448938	Leased Equipment — covered by that certain Lease Schedule 13 dated to Master Lease No. CML-0877-F dated 7/26/04 between Celtic Leasing and Lessee
Sonic-Lloyd Nissan, Inc., d/b/a Lloyd Nissan, Lloyd Automotive Florida Secretary of State			
Nissan Motor Acceptance Corporation	03/04/2004	200406349035	Signs, together with all related materials, tools, parts, fittings, supports, fixings, attachments, illumination, electrical cables, connections and equipment, and concrete foundations
<i>Amendment: Change S/P information</i>	11/14/2006	200604141589	
<i>Amendment: Change S/P information</i>	01/09/2008	200807387140	
<i>Amendment: Continuation</i>	10/07/2008	200809311389	
Sonic-Manhattan Fairfax, Inc., d/b/a BMW of Fairfax Virginia Secretary of State			
BMW of North America, LLC	09/27/1999	990927-7803	All unpaid BMW Motor Vehicles, including BMW automobiles and motorcycles, warranty advances, holdbacks, incentives, warranty credits, parts and accessories that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, Inc. and or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing whether now owned or hereafter acquired
<i>Amendment: Continuation</i>	07/09/2004	040709-7310-4	
<i>Amendment: Change S/P name from Inc. to LLC</i>	07/14/2005	050714-7028-8	
<i>Amendment: Delete d/b/a as additional debtor</i>	07/14/2005	050714-7026-4	
<i>Amendment: Restate collateral</i>	12/28/2005	051228-7173-5	A purchase money security interest in all unpaid BMW motor vehicles,

Secured Party	File Date	File Number	Collateral
			including BMW automobiles, sports activity vehicles/light trucks, motorcycles, MINI vehicles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
<i>Amendment: Change Debtor information</i>	01/25/2007	070125-7270-6	
<i>Amendment: Change Debtor information</i>	09/22/2008	080922-7434-6	
<i>Amendment: Continuation</i>	06/08/2009	090608-7646-5	
Sonic-Mesquite Hyundai, L.P. , d/b/a Philpott Chevrolet, Mesquite Hyundai Texas Secretary of State			
The Valvoline Company/ a division of Ashland, Inc.	01/31/2006	06-0003399797	1 – Alemite 3620 elec meter; 1 – Alemite 8078 D Reel; 1 – Buffalo OV275 Gal Tank; 1 – EBS Brake Flush Machine; 1 – Graco 203-876 Lubt Pump; 1 – Hydro 3856 3-button dilution machine; 1 – NS 1208 G.O. Pump w/Meter; 1 – Sellers #290 Cat Pressure Washer
Sonic Momentum B, L.P. , d/b/a Momentum BMW, Momentum MINI, Momentum Collision Center Texas Secretary of State			
BMW of North America, LLC	09/24/2004	04-0082933655	A purchase money security interest in all unpaid BMW motor vehicles, including BMW automobiles, sports activity vehicles/light trucks, motorcycles, MINI vehicles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
<i>Amendment: Continuation</i>	04/20/2009	09-00112142	
Sonic-Newsome of Florence, Inc. d/b/a Newsome Automotive (Mercedes), Imports of Florence (BMW), Newsome Chevrolet, Capitol Chevrolet of Florence South Carolina Secretary of State			
BMW of North America, LLC	03/29/2000	000329-101319A	A purchase money security interest in all unpaid BMW motor vehicles, including BMW automobiles, sports activity vehicles/light trucks, motorcycles, MINI vehicles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
<i>Amendment: Delete Debtor d/b/a Imports of Florence</i>	03/18/2005	050318-1140292	
<i>Amendment: Change S/P name from Inc. to LLC</i>	03/18/2005	050318-1141077	
<i>Amendment: Continuation</i>	03/18/2005	050318-1142012	
<i>Amendment: Restate collateral</i>	01/17/2006	060117-1205163	A Purchase Money Security Interest in all unpaid BMW motor vehicles, including but not limited to BMW automobiles, sports activity vehicles/light trucks, motorcycles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America LLC (collectively "BMW") and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right to set off with respect to all credits and rights to payments held by BMW, its subsidiaries and affiliates for the account of debtor, and as to all of the foregoing whether now owned or hereafter acquired.
Mercedes-Benz USA, LLC	02/23/2001	010223-134301A	Motor vehicles, parts and accessories for which payment has not been received by Mercedes-Benz USA, LLC in accordance with the provisions of the Mercedes-Benz Retailer Agreement

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
<i>Amendment: Continuation</i>	02/15/2006	060215-1348517	
Sonic-Plymouth Cadillac, Inc. , d/b/a Don Massey Cadillac Michigan Secretary of State			
Vesco Oil Corporation	06/30/2004	2004132905-7	Equipment on loan: 1 SP Tank custom sized .5; 1 PC275 gallon tank; 120 ft. 5/8" steel tubing; 2 P6-6 H hose 6'x3/8" air; 2 P6-6 hose 6'x3/8" air; 10 6C2ATRL 3/8" gates
<i>Amendment: Continuation</i>	01/06/2009	2009002019-1	
Sonic-Richardson F., L.P. , d/b/a North Central Ford Texas Secretary of State			
Ford Motor Company	01/11/2001	01-005683	All motor vehicles together with all equipment and accessories thereto, including all current and after acquired motor vehicles, held as inventory on lease or rental; or held for lease, rental or sale, pursuant to a Rent-A-Car System and Lease Agreement between secured party and debtor
<i>Amendment: Continuation</i>	11/29/2005	05-00364473	
<i>Amendment: Change debtor information</i>	11/29/2005	05-00364481	
<i>Amendment: Change S/P address</i>	11/29/2005	05-00364486	
Sonic Santa Monica M, Inc. , d/b/a W.I. Simonson California Secretary of State			
Mercedes-Benz USA, LLC	06/02/2005	05-7029278010	Motor vehicles, parts and accessories for which payment has not been received by Mercedes-Benz USA, LLC in accordance with the provisions of the Mercedes-Benz Dealer Agreement
Mercedes-Benz (filed under Debtor d/b/a [Inc.])	11/04/2002	0230960824	Motor vehicles, parts and accessories for which payment has not been received by Mercedes-Benz North America, Inc. in accordance with the provisions of the Mercedes-Benz Deal Agreement
Sonic-Santa Monica S, Inc. , d/b/a Santa Monica Subaru California Secretary of State			
Reyna Capital Corporation	12/14/2006	06-7095551785	Leased Equipment — Computer equipment and software

Secured Party	File Date	File Number	Collateral
Sonic-Stevens Creek B, Inc., f/k/a Don Lucas International, Inc., d/b/a Stevens Creek BMW California Secretary of State			
BMW of North America, Inc.	01/31/2000	0003360313	A purchase money security interest in all unpaid BMW motor vehicles, including BMW automobiles, sports activity vehicles/light trucks, motorcycles, MINI vehicles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America, LLC and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right of setoff with respect to all credits and right to payment (e.g. holdbacks, bonuses, incentives, warranty credits and the like) held by BMW, its subsidiaries and affiliates for the account of debtor, and as to the foregoing whether now owned or hereafter acquired
<i>Amendment: Change Debtor address</i>	01/30/2001	01031C0242	
<i>Amendment: Continuation</i>	11/23/2004	04-70065566	
<i>Amendment: Change Debtor name from f/k/a</i>	11/23/2004	04-70065565	
<i>Amendment: Change Debtor address</i>	03/07/2005	05-70182663	
<i>Amendment: Change S/P address</i>	05/10/2005	05-70282350	
<i>Amendment: Restate collateral</i>	05/10/2005	05-70262352	A Purchase Money Security Interest in all unpaid BMW motor vehicles, including but not limited to BMW automobiles, sports activity vehicles/light trucks, motorcycles, tools, special tools, equipment, signage, warranty advances, holdbacks, incentives, warranty credits, parts and accessories, Lifestyle products and gift articles that are manufactured or sold by Bayerische Motoren Werks AG and/or BMW of North America LLC (collectively "BMW") and/or bear trademarks of BMW, all accessions and additions thereto and all proceeds of any of the foregoing, including insurance proceeds, and a security interest in and right to set off with respect to all credits and rights to payments held by BMW, its subsidiaries and affiliates for the account of debtor, and as to all of the foregoing whether now owned or hereafter acquired
<i>Amendment: Delete Debtor d/b/a</i>	12/01/2005	05-70503928	

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
<i>Amendment: Change Debtor information</i>	02/26/2009	09-71889092	
Wells Fargo Equipment Finance, Inc.	12/30/2004	04-7010510159	Leased Equipment — Service Department air systems; Service Department vehicle lifts; Service Department lube system; Service Department exhaust system; General shop equipment; Tune up/Electrical equipment; Air conditioning equipment; Brake service equipment; Wheel Service/Alignment equipment; Transmission equipment; Engine Service equipment; Washing equipment; Parts Department equipment
Pulkman Bank and Trust Company	11/01/2005	05-7047444994	Leased Equipment — Car wash equipment covered by that certain Lease Schedule No. 12 dated to Master Lease No. CML-0877-F dated 7/26/04 between Celtic Leasing and Lessor
<i>Amendment: Restate collateral</i>	12/20/2005	05-70527433	
<i>Amendment: Assignment from Celtic Leasing Corp.</i>	12/27/2005	05-70531750	
Wells Fargo Equipment Finance, Inc.	11/01/2005	05-7047448938	Leased Equipment — covered by that certain Lease Schedule No. 13 dated to Master Lease No. CML-0877-F dated 7/26/04 between Celtic Leasing and Lessor
Sonic-Stone Mountain T, L.P. , d/b/a Stone Mountain Toyota, Stone Mountain Scion Georgia Secretary of State			
Greenepointe Funding L.C. (filed under Debtor d/b/a Stone Mountain Toyota)	02/02/2005	044-2005-000633	22 pagers and related equipment
Sonic Tysons Corner Infiniti, Inc. , d/b/a Infiniti of Tysons Corner Virginia State Corporation Commission			
Infiniti Financial Services, a division of Nissan Motor Acceptance Corporation	05/20/2008	080520-7396-2	Signs, together with all related materials, tools, parts, fittings, supports, footings, attachments, documentation, electrical cables, connections and equipment, and concrete foundations
Sonic Walnut Creek M, Inc. , f/k/a Sonic-Dublin M, Inc., d/b/a Mercedes-Benz of Walnut Creek California Secretary of State			
Mercedes-Benz USA, LLC	03/16/2006	06-7062844976	Motor vehicles, parts and accessories for which payment has not been received by Mercedes-Benz USA LLC, in accordance with the provisions of the Mercedes-Benz Dealer Agreements
Sonic-West Covina T., Inc. , d/b/a West Covina Toyota, West Covina Scion California Secretary of State			
Lakeland Bank Equipment Leasing Division	07/26/2007	07-7123514020	Leased Equipment — Market Scan System

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
Sonic-Williams Cadillac, Inc., d/b/a Tom Williams Cadillac Alabama Secretary of State			
Compass Bank dba Commercial Billing Services	08/08/2002	B02-0660273FS	All present and future accounts and general intangibles purchased by or transferred to secured party pursuant to that certain agreement between debtor and secured party as now or hereafter in effect, all reserves, balances, deposits and property at any time to the credit of debtor with secured party (including all amounts at any time owing to debtor by secured party in connection with said agreement) or in the possession of secured party
<i>Amendment: Continuation</i>	05/07/2007	B02-0660273CS	
General Electric Capital Corporation	12/30/2004	B05-0000179 FS	Leased Equipment — Service Department air systems; Service Department vehicle lifts; Service Department lube system; Service Department exhaust system; General shop equipment; Wheel Service and alignment equipment; Parts Department equipment
Pullman Bank and Trust Company	11/02/2005	B05-0818139FS	Leased Equipment — all equipment and personal property covered by that certain Lease Schedule No. 12 dated to Master Lease No. CML-0877-F dated 7/26/04 between Celtic Leasing Corp. and Debtor
<i>Amendment: Restate collateral</i>	12/29/2005	B05-0818139AM	Add detail of locations of leased equipment
<i>Amendment: Assignment from Celtic Leasing Corp to Pullman Bank and Trust Company</i>	12/29/2005	B05-0818139AS	
Wells Fargo Equipment Finance, Inc. (additional debtors Sonic-Williams Imports, Inc. and Sonic- Williams Motors, Inc.)	11/02/2005	B05-0818151FS	Leased Equipment — all equipment and personal property covered by that certain Lease Schedule NO. 13 dated to Master Lease No. CML-0877-F dated 7/26/04 between Celtic Leasing Corp. and Debtor
Town and Country Ford, Incorporated North Carolina Secretary of State			
Ford Motor Company	11/26/1985	0167802	All motor vehicles together with all equipment and accessories thereto, including all current and after acquired motor vehicles, held as inventory on lease or rental; or held for lease, rental or sale, pursuant to a Rent-A-Car System and Lease Agreement between secured party and debtor
<i>Amendment: Continuation</i>	06/05/1990	0685748	
<i>Amendment: Continuation</i>	06/02/1995	1231697	
<i>Amendment: Continuation</i>	05/30/2000	2000055011	

<u>Secured Party</u>	<u>File Date</u>	<u>File Number</u>	<u>Collateral</u>
<i>Amendment: Change debtor information</i>	09/26/2005	20050091602G	
<i>Amendment: Change S/P address</i>	09/26/2005	20050091601F	
<i>Amendment: Continuation</i>	09/26/2005	20050091607A	
American Express Business Finance Corporation	03/18/2002	20020032486H	Leased equipment
<i>Amendment: Continuation</i>	03/13/2007	20070024866G	

EXISTING INDEBTEDNESS

Description	Creditor	Original Principal Balance	Principal Balance as of 12/31/09	Maturity Date
Advantage Lease Holdings*	iStar Financial	\$ 8,213,445	\$ 5,552,703	09/01/2016
Richmond Lease Holdings*	iStar Financial	\$ 5,622,157	\$ 3,648,897	11/01/2015
Momentum Lease Holdings*	iStar Financial	\$ 12,735,033	\$ 8,312,886	12/01/2015
Capital Lease – Concord Toyota Facility	1090 Concord Associates, LLC	\$ 6,514,841	\$ 6,096,298	12/01/2025
Capital Lease – Audi Diagnostic Machine	ISDC Holdings	\$ 7,450	\$ 2,681	12/01/2010
Capital Lease – Phone System	GE Capital	\$ 2,770	\$ 7,586	04/01/2012
Capital Lease – Fork Lift	Wells Fargo	\$ 13,728	\$ 7,869	12/01/2011

* Indicates indebtedness constituting “Falcon Indebtedness”

**ADMINISTRATIVE AGENT'S OFFICE;
CERTAIN ADDRESSES FOR NOTICES**

**BORROWER AND
EACH NEW VEHICLE BORROWER:**

Sonic Automotive, Inc.
6415 Idlewild Road, Suite 109
Charlotte, North Carolina 28212
Attention: Stephen K. Coss and Greg Young
Telephone: 704-566-2420 and 704-566-2489
Facsimile: 704-927-3412 and 704-566-2480
Email: steve.coss@sonicautomotive.com and greg.young@sonicautomotive.com
Website Address: www.sonicautomotive.com
U.S. Taxpayer ID Number: 56-2010790

ADMINISTRATIVE AGENT:

For Payments and Requests for Credit Extensions:

Bank of America, N.A.
101 North Tryon Street
Mail Code: NC1-001-04-39
Charlotte, North Carolina 28255
Attention: Jelani S. Ford
Telephone: 980-386-7637
Facsimile: 704-719-8266
Email: jelani.s.ford@bankofamerica.com

Wire Instructions:

Bank of America, N. A.
New York, New York
ABA Number: 026009593
Account Name: Bank of America Credit Services
Account Number: 136-621-225-0600
Reference: Sonic Automotive, Inc.

For Credit Related Matters:

Bank of America, N.A.
100 N. Westshore Boulevard
Mail Code: FL2-399-02-05
Tampa, Florida 33609
Attention: Kenneth W. Winston
Telephone: 813-384-3638
Facsimile: 800-851-6341
Email: kenneth.winston@baml.com

with copy to:

Bank of America, N.A.
800 Hingham Street
Mail Code: MA1-600-01-01
Rockland, Massachusetts 02370
Attention: M. Patricia Kay
Telephone: 781-878-2109
Facsimile: 781-878-1136
Email: patty.kay@baml.com

Other Notices/Deliveries to Administrative Agent:

Bank of America, N.A.
231 South LaSalle Street
Mail Code: IL1-231-10-41
Chicago, Illinois 60604
Attention: Anne M. Zeschke
Telephone: 312-828-4900
Facsimile: 877-206-1771
Email: anne.m.zeschke@bankofamerica.com

NEW VEHICLE SWING LINE LENDER:

BANK OF AMERICA, N.A.
101 North Tryon Street
Mail Code: NC1-001-04-39
Charlotte, North Carolina 28255
Attention: Jelani S. Ford
Telephone: 980-386-7637
Facsimile: 704-719-8266
Email: jelani.s.ford@bankofamerica.com

USED VEHICLE SWING LINE LENDER:

BANK OF AMERICA, N.A.
101 North Tryon Street
Mail Code: NC1-001-04-39
Charlotte, North Carolina 28255
Attention: Jelani S. Ford
Telephone: 980-386-7637
Facsimile: 704-719-8266
Email: jelani.s.ford@bankofamerica.com

FORM OF NEW VEHICLE FLOORPLAN COMMITTED LOAN NOTICE

Date: _____, _____

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Syndicated New and Used Vehicle Floorplan Credit Agreement, dated as of January 15, 2010 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement" the terms defined therein being used herein as therein defined), among Sonic Automotive, Inc., a Delaware corporation (the "Company"), certain Subsidiaries of the Company from time to time party thereto (each a "New Vehicle Borrower"), the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, New Vehicle Swing Line Lender, and Used Vehicle Swing Line Lender, and Bank of America, N.A., as Revolving Administrative Agent (in the capacity of collateral agent for the Secured Parties).

The undersigned hereby requests (select one):

A Borrowing of New Vehicle Floorplan Committed Loans

A conversion of New Vehicle Floorplan Committed Loans

1. For _____, the applicable New Vehicle Borrower.

2. On _____ (a Business Day).

3. In the amount of \$ _____.

4. Comprised of _____
[Type of New Vehicle Floorplan Committed Loan requested]

The Committed Borrowing, if any, requested herein complies with the provisos to the first sentence of Section 2.01 of the Credit Agreement.

SONIC AUTOMOTIVE, INC.

By: _____

Name: _____

Title: _____

FORM OF USED VEHICLE FLOORPLAN COMMITTED LOAN NOTICE

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Syndicated New and Used Vehicle Floorplan Credit Agreement, dated as of January 15, 2010 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement" the terms defined therein being used herein as therein defined), among Sonic Automotive, Inc., a Delaware corporation (the "Company"), certain Subsidiaries of the Company from time to time party thereto, the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, New Vehicle Swing Line Lender, and Used Vehicle Swing Line Lender, and Bank of America, N.A., as Revolving Administrative Agent (in the capacity of collateral agent for the Secured Parties).

The undersigned hereby requests (select one):

- A Used Vehicle Floorplan Committed Borrowing
- A conversion of Used Vehicle Floorplan Committed Loans

1. On _____ (a Business Day).
2. In the amount of \$ _____.
3. Comprised of _____
 [Type of Used Vehicle Floorplan Committed Loan requested]

The Used Vehicle Floorplan Committed Borrowing, if any, requested herein complies with the provisos to the first sentence of Section 2.06 of the Credit Agreement.

SONIC AUTOMOTIVE, INC.

By: _____
 Name: _____
 Title: _____



**FORM OF NEW VEHICLE FLOORPLAN SWING LINE LOAN NOTICE (BORROWING)
LOW DOC ADVANCE FORM — NEW CARS**

To: Bank of America, N.A., as New Vehicle Swing Line Lender
Floor Plan Operations
Fax: (800) 766-8238

Fax Page # ___ of ___

Reference is made to that certain Syndicated New and Used Vehicle Floorplan Credit Agreement, dated as of January 15, 2010 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement" the terms defined therein being used herein as therein defined), among Sonic Automotive, Inc., a Delaware corporation (the "Company"), certain Subsidiaries of the Company from time to time party thereto (each a "New Vehicle Borrower"), the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, New Vehicle Swing Line Lender, and Used Vehicle Swing Line Lender, and Bank of America, N.A., as Revolving Administrative Agent (in the capacity of collateral agent for the Secured Parties).

Dealership Name:

Dealer#

#	Class#	Franchise#	Vehicle ID #	Year	Make/Model	Stock #	Floorplan Amount
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
						Total:	

Class #001-New; Franchise #

One checking account credit will be processed for the total dollar amount indicated.

Dealership Authorized Signature: _____ **Date:** _____

Contact Name: _____ **Phone#:** _____ **Fax#:** _____

FORM OF NEW VEHICLE FLOORPLAN SWING LINE LOAN NOTICE
(CONVERSION)

Date: _____, ____

To: Bank of America, N.A., as New Vehicle Swing Line Lender
Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Syndicated New and Used Vehicle Floorplan Credit Agreement, dated as of January 15, 2010 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement" the terms defined therein being used herein as therein defined), among Sonic Automotive, Inc., a Delaware corporation (the "Company"), certain Subsidiaries of the Company from time to time party thereto (each a "New Vehicle Borrower"), the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, New Vehicle Swing Line Lender, and Used Vehicle Swing Line Lender, and Bank of America, N.A., as Revolving Administrative Agent (in the capacity of collateral agent for the Secured Parties).

The undersigned hereby requests (select one):

A conversion of New Vehicle Floorplan Swing Line Loans

1. For _____, the applicable New Vehicle Borrower.
2. On _____ (a Business Day).
3. In the amount of \$_____.
4. Comprised of _____
[Type of New Vehicle Floorplan Swing Line Loan requested]

SONIC AUTOMOTIVE, INC.

By: _____
Name: _____
Title: _____

Form of New Vehicle Floorplan Swing Line Loan Notice (Conversion)

FORM OF USED VEHICLE FLOORPLAN COMMITTED LOAN NOTICE

Date: _____, ____

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Syndicated New and Used Vehicle Floorplan Credit Agreement, dated as of January 15, 2010 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement" the terms defined therein being used herein as therein defined), among Sonic Automotive, Inc., a Delaware corporation (the "Company"), certain Subsidiaries of the Company from time to time party thereto, the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, New Vehicle Swing Line Lender, and Used Vehicle Swing Line Lender, and Bank of America, N.A., as Revolving Administrative Agent (in the capacity of collateral agent for the Secured Parties).

The undersigned hereby requests (select one):

- A Used Vehicle Floorplan Committed Borrowing
- A conversion of Used Vehicle Floorplan Committed Loans

1. On _____ (a Business Day).
2. In the amount of \$ _____.
3. Comprised of _____
[Type of Used Vehicle Floorplan Committed Loan requested]

The Used Vehicle Floorplan Swing Line Borrowing, if any, requested herein complies with the provisos to the first sentence of Section 2.08(a) of the Credit Agreement.

SONIC AUTOMOTIVE, INC.

By: _____
 Name: _____
 Title: _____

Form of Used Vehicle Floorplan Swing Line Loan Notice



FORM OF NOTE

FOR VALUE RECEIVED, each of the undersigned (each a "Borrower" and collectively the "Borrowers") hereby promises, jointly and severally, to pay to _____ or registered assigns (the "Lender"), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of each New Vehicle Floorplan Loan from time to time made by the Lender to Sonic Automotive, Inc. (the "Company") or any New Vehicle Borrower under the Credit Agreement and the principal amount of each Used Vehicle Floorplan Loan from time to time made by the Lender to the Company under that certain Syndicated New and Used Vehicle Floorplan Credit Agreement, dated as of January 15, 2010 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the Company, certain Subsidiaries of the Company from time to time party thereto, the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, New Vehicle Swing Line Lender, and Used Vehicle Swing Line Lender, and Bank of America, N.A., as Revolving Administrative Agent (in the capacity of collateral agent for the Secured Parties).

Each Borrower promises, jointly and severally, to pay interest on the unpaid principal amount of each Loan from the date of such New Vehicle Floorplan Loan or Used Vehicle Floorplan Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Credit Agreement. Except as otherwise provided in Section 2.03(h) with respect to New Vehicle Floorplan Swing Line Loans, and Section 2.08(f) with respect to Used Vehicle Floorplan Swing Line Loans, all payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Credit Agreement.

This Note is one of the Notes referred to in the Credit Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Note is also entitled to the benefits of the Guaranties and is secured by the Collateral. Upon the occurrence and continuation of one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Note shall (if required by the Credit Agreement) become, or may be declared to be, immediately due and payable all as provided in the Credit Agreement. New Vehicle Floorplan Loans and Used Vehicle Floorplan Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Note and endorse thereon the date, amount and maturity of its New Vehicle Floorplan Loans and Used Vehicle Floorplan Loans and payments with respect thereto.

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Each Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NORTH CAROLINA.

SONIC AUTOMOTIVE, INC.

By: _____
Name: _____
Title: _____

[EACH NEW VEHICLE BORROWER]

By: _____
Name: _____
Title: _____

Form of Note

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ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (this "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [the][each] Assignor identified in item 1 below ([the][each, an] "Assignor") and [the][each] Assignee identified in item 2 below ([the][each, an] "Assignee"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees] hereunder are several and not joint.]² Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below (including, without limitation the New Vehicle Floorplan Swing Line Loans or the Used Vehicle Floorplan Swing Line Loans, as applicable, included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "Assigned Interest"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: _____

¹ For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.
² Include bracketed language if there are either multiple Assignors or multiple Assignees.

2. Assignee[s]: _____

[for each Assignee, indicate [Affiliate][Approved Fund] of [identify Lender]]

3. Borrowers: Sonic Automotive, Inc. and certain of its Subsidiaries
4. Administrative Agent: Bank of America, N.A., as the administrative agent under the Credit Agreement
5. Credit Agreement: Syndicated New and Used Vehicle Floorplan Credit Agreement, dated as of January 15, 2010, among Sonic Automotive, Inc., a Delaware corporation (the "Company"), certain Subsidiaries of the Company from time to time party thereto, the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, New Vehicle Swing Line Lender, and Used Vehicle Swing Line Lender, and Bank of America, N.A., as Revolving Administrative Agent (in the capacity of collateral agent for the Secured Parties)..
6. Assigned Interest:

<u>Assignor[s]</u> ³	<u>Assignee[s]</u> ⁴	<u>Facility Assigned</u> ⁵	<u>Aggregate Amount of Commitment for all Lenders*</u>	<u>Amount of Commitment Assigned*</u>	<u>Percentage Assigned of Commitment</u> ⁶	<u>CUSIP Number</u>
			\$ _____	\$ _____	_____%	
			\$ _____	\$ _____	_____%	
			\$ _____	\$ _____	_____%	

[7. Trade Date: _____] ⁷

Effective Date: _____20___ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

- 3 List each Assignor, as appropriate.
- 4 List each Assignee, as appropriate.
- 5 Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment ("New Vehicle Floorplan Commitment", Used Vehicle Floorplan Commitment").
- * Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
- 6 Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.
- 7 To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

Form of Assignment and Assumption

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Title:

[Consented to and] ⁸ Accepted:

BANK OF AMERICA, N.A., as
Administrative Agent [, **New Vehicle
Swing Line Lender and
Used Vehicle Swing Line Lender**]

By: _____
Title:

[Consented to:] ⁹

SONIC AUTOMOTIVE, INC.

By: _____
Title:

⁸ To be added only if the consent of the Administrative Agent, New Vehicle Swing Line Lender or Used Vehicle Swing Line Lender, as applicable, is required by the terms of the Credit Agreement.

⁹ To be added only if the consent of the Company is required by the terms of the Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1. Assignor. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of any Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by any Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 10.06(b)(iii) and (v) of the Credit Agreement (subject to such consents, if any, as may be required under Section 10.06(b)(iii) of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by [the][such] Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire [the][such] Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 6.01 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) if it is a Foreign Lender, attached hereto is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance upon the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

Form of Assignment and Assumption

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of North Carolina.

Form of Assignment and Assumption

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FORM OF COMPANY GUARANTY

See attached.

Form of Company Guaranty

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FORM OF SUBSIDIARY GUARANTY

See attached.

Form of Amended and Restated Subsidiary Guaranty

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FORM OF COMPLIANCE CERTIFICATE

Financial Statement Date: _____

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to (i) that certain Amended and Restated Credit Agreement, dated as of January 15, 2009 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Revolving Credit Agreement"; all terms used herein but not otherwise defined herein have the respective meanings given thereto in the Credit Agreement), among Sonic Automotive, Inc., a Delaware corporation (the "Company"), the lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent (in such capacity, the "Revolving Administrative Agent"), Swing Line Lender and an L/C Issuer and Wells Fargo Bank, National Association, as an L/C Issuer and (ii) that certain Syndicated New and Used Vehicle Floorplan Credit Agreement, dated as of January 15, 2009 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Floorplan Credit Agreement"; and collectively with the Revolving Credit Agreement, the "Credit Agreements"), among the Company, certain Subsidiaries of the Company from time to time party thereto, the lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent (in such capacity, the "Floorplan Administrative Agent", and collectively with the Revolving Administrative Agent, the "Administrative Agents"), New Vehicle Swing Line Lender and Used Vehicle Swing Line Lender, and Bank of America, N.A., as Revolving Administrative Agent (in the capacity of collateral agent for the Secured Parties (as defined in the Floorplan Credit Agreement)..

The undersigned Responsible Officer hereby certifies as of the date hereof that he/she is the _____ of the Company, and that, as such, he/she is authorized to execute and deliver this Certificate to the Administrative Agents on the behalf of the Company, and that:

[Use following paragraph 1 for fiscal year-end financial statements]

1. Attached hereto as Schedule 1 are the year-end audited financial statements required by Section 6.01(a) of each Credit Agreement for the fiscal year of the Company ended as of the above date, together with the report and opinion of an independent certified public accountant required by such section.

[Use following paragraph 1 for fiscal month-end financial statements]

1. Attached hereto as Schedule 1 are the unaudited financial statements required by Section 6.01(b) of each Credit Agreement for the fiscal month of the Company ended as of the above date. Such monthly financial statements fairly present the financial condition, results of operations and cash flows of the Company and its Subsidiaries in accordance with GAAP as at

Form of Compliance Certificate

such date and for such period, subject only to normal year-end audit adjustments and the absence of footnotes.

2. The undersigned has reviewed and is familiar with the terms of each Credit Agreement and has made, or has caused to be made under his/her supervision, a detailed review of the transactions and condition (financial or otherwise) of the Company and its Subsidiaries during the accounting period covered by the attached financial statements.

3. A review of the activities of the Loan Parties during such fiscal period has been made under the supervision of the undersigned with a view to determining whether during such fiscal period each Loan Party has performed and observed all of its Obligations under the Loan Documents, and

[to the best knowledge of the undersigned during such fiscal period, each Loan Party performed and observed each covenant and condition of the Loan Documents applicable to it, and no Default has occurred and is continuing.]

—*or*—

[the following covenants or conditions have not been performed or observed and the following is a list of each such Default and its nature and status:]

4. A review of the activities of the Loan Parties during such fiscal period has been made under the supervision of the undersigned with a view to determining whether during such fiscal period each Loan Party has performed and observed all of its Obligations under the Loan Documents (each defined term used in this Section 6 shall have the meanings set forth for such term in the Floorplan Credit Agreement), and

[select one:]

[to the best knowledge of the undersigned during such fiscal period, each Loan Party performed and observed each covenant and condition of the Loan Documents applicable to it, and no Default has occurred and is continuing.]

—*or*—

[the following covenants or conditions have not been performed or observed and the following is a list of each such Default and its nature and status:]

5. The representations and warranties of the Company and each Loan Party contained in Article V of the Revolving Credit Agreement, and any representations and warranties of any Loan Party that are contained in any document furnished at any time under or in connection with the Loan Documents, are true and correct on and as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that for purposes of this Compliance Certificate, the representations and warranties contained in subsections (a) and (b) of Section 5.05 of the Revolving Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01 of the

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Revolving Credit Agreement, including the statements in connection with which this Compliance Certificate is delivered.

6. The representations and warranties of the Company and each Loan Party contained in Article V of the Floorplan Credit Agreement, and any representations and warranties of any Loan Party that are contained in any document furnished at any time under or in connection with the Loan Documents, are true and correct on and as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that for purposes of this Compliance Certificate, the representations and warranties contained in subsections (a) and (b) of Section 5.05 of the Floorplan Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01 of the Floorplan Credit Agreement, including the statements in connection with which this Compliance Certificate is delivered (each defined term used in this Section 6 shall have the meanings set forth for such term in the Floorplan Credit Agreement).

7. The financial covenant analyses and information set forth on Schedule 2 attached hereto are true and accurate on and as of the date of this Certificate.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of _____.

SONIC AUTOMOTIVE, INC.

By: _____
Name: _____
Title: _____

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SCHEDULE 1
to the Compliance Certificate
Financial Statements
Form of Compliance Certificate

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SCHEDULE 2
to the Compliance Certificate
(\$ in 000’s)

I. Section 7.11(a) — Consolidated Liquidity Ratio.

A. Consolidated Current Assets at Statement Date:

1. Current assets at Statement Date:	\$ _____
2. All long-term assets of discontinued operations held for sale and included in current assets at Statement Date:	\$ _____
3. Long-term assets of discontinued operations held for sale which are subject to a non-cancelable purchase and sale agreement which are to be Disposed of within 60 days of such date of Statement Date:	\$ _____
4. Investments made in connection with the Company’s supplemental executive retirement plan at Statement Date:	\$ _____
5. Temporary Excess Cash at Statement Date:	\$ _____
6. Consolidated Current Assets Numerator at Statement Date (Lines I.A.1 — 2 + 3 — 4— 5):	\$ _____

B. Revolving Facility Liquidity Amount at Statement Date:

1. Revolving Advance Limit:	
(a) Aggregate Commitments at Statement Date:	\$ _____
(b) The Revolving Borrowing Base at Statement Date:	\$ _____
(c) Revolving Advance Limit: (Lesser of Lines I.B.1(a) and I.B.1(b)):	\$ _____
2. Total Outstandings at Statement Date:	\$ _____
3. Lines I.B.1(c) — I.B.2:	\$ _____
4. The largest principal amount of Committed Loans that may be borrowed under the Credit Agreement without resulting in an Event of Default under <u>Section 7.11(c)</u> (on a pro forma basis as of the Statement Date) after giving pro forma effect to such Committed Loans:	\$ _____

¹ Not to exceed (A) \$5,000,000 in any given calendar year or (B) \$10,000,000 in the aggregate.

5. Revolving Facility Liquidity Amount at Statement Date (Lesser of Lines I.B.3 and I.B.4):	\$ _____
6. Temporary Letter of Credit Amount at Statement Date ² :	\$ _____
7. Lines I.B.5 + I.B.6:	\$ _____
C. Consolidated Current Liabilities at Statement Date:	\$ _____
D. Consolidated Current Liabilities consisting of any balloon, bullet or similar final scheduled principal payment that would repay any Indebtedness permitted by Section 7.03 in full at Statement Date:	\$ _____
E. Consolidated Current Liabilities listed in Line I.D. which are due within one (1) fiscal quarter following Statement Date:	\$ _____
F. Temporary Indebtedness at Statement Date:	\$ _____
G. Without duplication, Indebtedness (whether or not reflected as a Consolidated Current Liability) under all floorplan financing arrangements at Statement Date:	\$ _____
H. Consolidated Liquidity Ratio ((Lines I.A.6. + I.B.7) ÷ (Lines I.C. — I.D. + I.E. — I.F. + I.G.):	_____ to 1

Minimum Required:

Period	Ratio
Closing Date through and including March 30, 2011	1.00 to 1.00
March 31, 2011 through and including March 30, 2012	1.05 to 1.00
March 31, 2012 and thereafter	1.10 to 1.00

II. Section 7.11 (b) — Consolidated Fixed Charge Coverage Ratio.

A. Consolidated EBITDAR for four consecutive fiscal quarters ending on above date (“Subject Period”):

1. Consolidated Net Income for Subject Period:	\$ _____
2. Consolidated Interest Expense with respect to non-floorplan Indebtedness (including interest expense not payable in cash) for Subject Period*:	\$ _____

² May be included on or before January 31, 2010 only, but only to the extent such Temporary Letter of Credit Amount was included in Total Outstandings as of such date.

* To the extent deducted in computing Consolidated Net Income in Line II.A.1. above.

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3. Consolidated Interest Expense with respect to Used Vehicle floorplan Indebtedness for Subject Period*:	\$ _____
4. Charges against income for income taxes for Subject Period*:	\$ _____
5. Depreciation expenses for Subject Period*:	\$ _____
6. Amortization expenses (including, without limitation, amortization of other intangible assets and transaction costs) for Subject Period*:	\$ _____
7. Non-cash charges for Subject Period*:	\$ _____
8. Extraordinary losses for Subject Period*:	\$ _____
9. Legal fees, broker fees and other transaction expenses incurred in connection with any Permitted Acquisition (not to exceed \$1,000,000 in the aggregate for each such Acquisition) during Subject Period*:	\$ _____
10. Consolidated Rental Expense*:	\$ _____
11. Non-cash lease termination charges, net of amortization*:	\$ _____
12. Extraordinary gains during Subject Period**:	\$ _____
13. Gains on repurchases for long-term Indebtedness during Subject Period**:	\$ _____
14. Consolidated EBITDAR for Subject Period (Lines II.A.1 + 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9 + 10 + 11 -12-13):	\$ _____
B. Assumed maintenance and capital expenditures during Subject Period:	
1. \$100,000	
2. Average daily number of physical dealership locations at which the Subsidiaries operated franchised vehicle dealerships during the Subject Period = _____	
3 Line II.B.1 multiplied by Line II.B.2:	\$ _____
C. Numerator (Line II.A.14 — II.B.3):	\$ _____
D. Consolidated Fixed Charges for Subject Period:	

** To the extent included in computing Consolidated Net Income in Line II.A.1. above.

1. Consolidated Interest Expense with respect to non-floorplan Indebtedness for Subject Period:	\$ _____
2. Interest expense not payable in cash included in Line C.1. which is not payable as a result of any default for Subject Period:	\$ _____
3. Consolidated Interest Expense with respect to Used Vehicle floorplan Indebtedness for Subject Period:	\$ _____
4. Consolidated Principal Payments for Subject Period:	\$ _____
5. Consolidated Rental Expenses for Subject Period:	\$ _____
6. Income taxes paid in cash during Subject Period:	\$ _____
7. Specified Payments for Subject Period:	
i. Restricted Payments permitted by Section 7.06(e) 3:	\$ _____
ii Restricted Payment set forth in Line II.D.7.i. constituting repurchases of long-term Indebtedness solely with net cash proceeds of cash capital contributions made in exchange solely for Class A Common Stock of the Company	\$ _____
iii. Prepayments, redemptions, purchases, defeases or other satisfactions of Indenture Indebtedness or Additional Indebtedness prior to the scheduled maturity thereof, as permitted by <u>Section 7.15</u>):	\$ _____
iv Payment set forth in Line II.D.7.iii. constituting repurchases of long-term Indebtedness solely with net cash proceeds of cash capital contributions made in exchange solely for Class A Common Stock of the Company	\$ _____
v. Refinancing of Indenture Indebtedness using the proceeds of Permitted Indenture Refinancing Indebtedness with respect thereto:	\$ _____
8. Cash refunds of income taxes during the Subject Period:	\$ _____
9. Consolidated Fixed Charges for Subject Period (Lines II.D.1 - 2 + 3 + 4 + 5 + 6 + 7i. - 7.ii. + 7iii - 7.iv. - 7.v. - 8):	\$ _____

³ Amount not to exceed \$10,000,000 in any fiscal year.

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E. Consolidated Fixed Charge Coverage Ratio ((Line II.C.) ÷ Line II.D.9): _____ to 1

Minimum Required:

Period	Ratio
Closing Date through and including March 30, 2011	1.10 to 1.00
March 31, 2011 through and including March 30, 2012	1.15 to 1.00
March 31, 2012 and thereafter	1.20 to 1.00

III. Section 7.11 (c) — Consolidated Total Senior Secured Debt to EBITDA Ratio.

A. Consolidated Total Outstanding Senior Secured Indebtedness at Statement Date:

1. Aggregate outstanding principal amount of secured Consolidated Funded Indebtedness at Statement Date:	\$ _____
2. Aggregate outstanding principal amount of Indebtedness under New Vehicle Floorplan Facility at Statement Date*:	\$ _____
3. Aggregate outstanding principal amount of Indebtedness under Permitted Silo Indebtedness for New Vehicle inventory at Statement Date*:	\$ _____
4. Consolidated Total Outstanding Senior Secured Indebtedness at Statement Date (Lines III.A. 1 - - 2- 3):	\$ _____

B. Consolidated EBITDA for Subject Period:

1. Consolidated EBITDAR (Line II.A.13):	\$ _____
2. Consolidated Rental Expense (Line II.A.10):	\$ _____
3. Consolidated EBITDA for Subject Period ((Line III.B.1 - Line III.B.2):	\$ _____

C. Consolidated Total Senior Secured Debt to EBITDA Ratio (Line III.A.4 ÷ Line III.B.3): _____ to 1

Maximum permitted: 2.25 to 1.00

* To the extent such amounts were included in secured Consolidated Funded Indebtedness in Line II.A.1. above.

* To the extent such amounts were included in secured Consolidated Funded Indebtedness in Line II.A.1. above.

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IV. Consolidated Total Debt to EBITDA Ratio.

A. Consolidated Total Outstanding Indebtedness:	\$ _____
B. Amount of Line IV.A. that would otherwise be deemed to be equity solely because of the effect of FASB 14-1:	\$ _____
C. Indebtedness under the New Vehicle Floorplan Facility:	\$ _____
D. Permitted Silo Indebtedness for New Vehicle inventory:	\$ _____
E. Temporary Additional Indebtedness as of Statement Date:	\$ _____
F. Consolidated Total Debt numerator at Statement Date (Line IV.A. — B — C. — D. — E.):	\$ _____
G. Consolidated EBITDA for Subject Period (Line III.B.3.):	\$ _____
H. Consolidated Total Debt to EBITDA Ratio (Line IV.F. ÷ Line IV.G.):	_____ to 1

Applicable Rate — Revolving Credit Agreement

Pricing Level	Consolidated Total Debt to EBITDA Ratio	Commitment Fee	Eurodollar Rate Loans + Letter of Credit Fee	Base Rate Loans +
1	Less than 4.00:1.00	0.375%	2.50%	1.50%
2	Less than 4.50:1.00 but greater than or equal to 4.00:1.00	0.50%	3.00%	2.00%
3	Less 5.00:1.00 but greater than or equal to 4.50:1.00	0.50%	3.50%	2.50%
4	Greater than or equal to 5.00:1.00	0.625%	4.00%	3.00%

Applicable Rate — Floorplan Credit Agreement

Pricing Level	Consolidated Total Debt to EBITDA Ratio	Commitment Fee on New Vehicle Floorplan Facility	Commitment Fee on Used Vehicle Floorplan Facility	Eurodollar Rate Loans + (for New Vehicle Floorplan Facility)	Base Rate Loans + (for New Vehicle Floorplan Facility)	Eurodollar Rate Loans + (for Used Vehicle Floorplan Facility)	Base Rate Loans + (for Used Vehicle Floorplan Facility)
1	Less than 4.00:1.00	0.20%	0.25%	1.50%	0.50%	1.75%	0.75%
2	Less than 4.50:1.00 but greater than or equal to 4.00:1.00	0.25%	0.30%	1.75%	0.75%	2.00%	1.00%
3	Less 5.00:1.00 but greater than or equal to 4.50:1.00	0.25%	0.30%	2.00%	1.00%	2.25%	1.25%
4	Greater than or equal to 5.00:1.00	0.30%	0.35%	2.25%	1.25%	2.50%	1.50%

Form of Compliance Certificate

V. Information Regarding Litigation Matters.⁴

Describe all actions, suits, proceedings, claims or disputes pending, or to the knowledge of the Company after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority seeking damages or other remedies in excess of \$5,000,000:

VI. Information Regarding Disposition.⁵

Describe all asset purchase agreements entered into during Subject Period, intended closing dates of dispositions thereunder and amounts of discontinued operations and all new and used vehicle floorplan indebtedness associated therewith:

⁴ To be included with Compliance Certificates delivered for each March, June, September and December.

⁵ VI. to be completed if Line I.A.3. is included in the Consolidated Liquidity Ratio or if Consolidated Interest Expense, Consolidated Principal Payments or Consolidated Rental Expenses attributable to Permitted Dispositions are excluded from the Consolidated Fixed Charge calculation above

Form of Compliance Certificate

FORM OF JOINDER AGREEMENT

See attached.

Form of Joinder Agreement

H-1

FORM OF USED VEHICLE BORROWING BASE CERTIFICATE

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Syndicated New and Used Vehicle Floorplan Credit Agreement, dated as of January 15, 2010 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement"), among Sonic Automotive, Inc., a Delaware corporation (the "Company"), certain Subsidiaries of the Company from time to time party thereto, the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, New Vehicle Swing Line Lender, and Used Vehicle Swing Line Lender and Bank of America, N.A., as Revolving Administrative Agent (in the capacity of collateral agent for the Secured Parties). Terms used herein not otherwise defined herein have the respective meanings given thereto in the Credit Agreement.

The undersigned Responsible Officer of the Company hereby certifies as of the date hereof that at the close of business on [_____] (the "Calculation Date") the Used Vehicle Borrowing Base¹ was \$ _____, computed as set forth on the schedule attached hereto.

SONIC AUTOMOTIVE, INC.

By: _____
Name: _____
Title: _____

¹ See definition of Used Vehicle Borrowing Base in the Credit Agreement.

USED VEHICLE BORROWING BASE SCHEDULE

Eligible Used Vehicle Inventory

A. Net book value of Eligible Used Vehicle Inventory:	\$ _____	
i. Cost of payoff of any Lien (including any consumer Lien) on such Used Vehicle Inventory (other than the Revolving Administrative Agent's Lien):	\$ _____	
ii. Reserves maintained in accordance with the Company's internal accounting policies:	\$ _____	
iii. Net Book Value of Used Vehicle Inventory (Lines A.i. – ii. – iii.)	\$ _____	
B. Net Book Value of Inventory described in Line A subject to any Lien (other than the Revolving Administrative Agent's Lien or those otherwise netted in Line A) ²	\$ _____	
C. Net Book Value of other Inventory described in Line A which does not otherwise meet the definition of "Eligible Used Vehicle Inventory" set forth in the Credit Agreement (including, without limitation, sub-parts (a), (b) and (c) of such definition)	\$ _____	
D. Lines B + C	\$ _____	
E. Lines A.iii. – D	\$ _____	

Used Vehicle Borrowing Base: Line E x 75% \$ _____

² Revolving Administrative Agent's Lien means a first priority, perfected Lien of the Revolving Administrative Agent (for the benefit of the Secured Parties) pursuant to the Loan Documents.

FORM OF AMENDED AND RESTATED SECURITY AGREEMENT

See attached.

Form of Amended and Restated Security Agreement

J-1

FORM OF NEW VEHICLE BORROWER NOTICE

Date: _____, _____

To: Sonic Automotive, Inc.

The Lenders party to the Credit Agreement referred to below

Ladies and Gentlemen:

This New Vehicle Borrower Notice is made and delivered pursuant to Section 2.19(b) of that certain Syndicated New and Used Vehicle Floorplan Credit Agreement, dated as of January 15, 2010 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement"), among Sonic Automotive, Inc., a Delaware corporation (the "Company"), certain Subsidiaries of the Company from time to time party thereto, the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent, Collateral Agent, New Vehicle Swing Line Lender, and Used Vehicle Swing Line Lender, and reference is made thereto for full particulars of the matters described therein. All capitalized terms used in this New Vehicle Borrower Notice and not otherwise defined herein shall have the meanings assigned to them in the Credit Agreement.

The Administrative Agent hereby notifies the Company and the Lenders that effective as of the date hereof [_____] shall be a New Vehicle Borrower and may receive New Vehicle Swing Line Loans for its account on the terms and conditions set forth in the Credit Agreement.

This New Vehicle Borrower Notice shall constitute a Loan Document under the Credit Agreement.

BANK OF AMERICA, N.A.,
as Administrative Agent

By: _____
Name: _____
Title: _____

Form of New Vehicle Borrower Notice



OPINION MATTERS

See attached.

Form of Opinion Matters

L-1

FORM OF MASTER INTERCREDITOR AGREEMENT

See attached.

Form of Master Intercreditor Agreement

M-1

FORM OF FORD MOTOR CREDIT CONSENT

See attached.

SYNDICATED NEW AND USED VEHICLE FLOORPLAN CREDIT AGREEMENT
Signature Page

NOTE

January 15, 2010

FOR VALUE RECEIVED, each of the undersigned (each a "Borrower" and collectively the "Borrowers") hereby promises, jointly and severally, to pay to **BANK OF AMERICA, N.A.** or registered assigns (the "Lender"), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of each New Vehicle Floorplan Loan from time to time made by the Lender to Sonic Automotive, Inc. (the "Company") or any New Vehicle Borrower under the Credit Agreement and the principal amount of each Used Vehicle Floorplan Loan from time to time made by the Lender to the Company under that certain Syndicated New and Used Vehicle Floorplan Credit Agreement, dated as of January 15, 2010 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the Company, certain Subsidiaries of the Company from time to time party thereto, the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, New Vehicle Swing Line Lender, and Used Vehicle Swing Line Lender, and Bank of America, N.A., as Revolving Administrative Agent (in the capacity of collateral agent for the Secured Parties).

Each Borrower promises, jointly and severally, to pay interest on the unpaid principal amount of each Loan from the date of such New Vehicle Floorplan Loan or Used Vehicle Floorplan Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Credit Agreement. Except as otherwise provided in Section 2.03(h) with respect to New Vehicle Floorplan Swing Line Loans, and Section 2.08(f) with respect to Used Vehicle Floorplan Swing Line Loans, all payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Credit Agreement.

This Note is one of the Notes referred to in the Credit Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Note is also entitled to the benefits of the Guaranties and is secured by the Collateral. Upon the occurrence and continuation of one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Note shall (if required by the Credit Agreement) become, or may be declared to be, immediately due and payable all as provided in the Credit Agreement. New Vehicle Floorplan Loans and Used Vehicle Floorplan Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Note and endorse thereon the date, amount and maturity of its New Vehicle Floorplan Loans and Used Vehicle Floorplan Loans and payments with respect thereto.

Each Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

SONIC AUTOMOTIVE, INC.

By: /s/ DAVID P. COSPER

Name: David P. Cospers

Title: Vice Chairman and Chief Financial Officer

**FAA CONCORD H, INC.
FAA LAS VEGAS H, INC.
FAA POWAY H, INC.
FAA SANTA MONICA V, INC.
FAA SERRAMONTE H, INC.
FAA SERRAMONTE, INC.
FAA STEVENS CREEK, INC.
FRANCISCAN MOTORS, INC.
KRAMER MOTORS INCORPORATED
SAI COLUMBUS MOTORS, LLC
SAI COLUMBUS VWK, LLC
SAI FORT MYERS H, LLC
SAI FORT MYERS VW, LLC
SAI IRONDALE IMPORTS, LLC
SAI MONTGOMERY CH, LLC
SAI NASHVILLE H, LLC
SAI NASHVILLE MOTORS, LLC
SAI OKLAHOMA CITY H, LLC
SAI TULSA N, LLC
SANTA CLARA IMPORTED CARS, INC.
SONIC – 2185 CHAPMAN RD., CHATTANOOGA, LLC
SONIC – HARBOR CITY H, INC.
SONIC – SHOTTENKIRK, INC.
SONIC AUTOMOTIVE – 9103 E. INDEPENDENCE, NC, LLC**

By: /s/ DAVID P. COSPER

Name: David P. Cospers

Title: Vice President and Treasurer

NOTE
(Syndicated New and Used Vehicle Floorplan Credit Agreement)
Signature Page

**SONIC AUTOMOTIVE 5260 PEACHTREE INDUSTRIAL
BLVD., LLC
SONIC FREMONT, INC.
SONIC TYSONS CORNER H, INC.
SONIC TYSONS CORNER INFINITI, INC.
SONIC-BUENA PARK H, INC.
SONIC-CALABASAS A, INC.
SONIC-CAPITOL IMPORTS, INC.
SONIC-VOLVO LV, LLC
WINDWARD, INC.**

By: /s/ DAVID P. COSPER
Name: David P. Cospers
Title: Vice President and Treasurer

**PHILPOTT MOTORS, LTD.
SONIC – HOUSTON V, L.P.
SONIC – LUTE RILEY, L.P.
SONIC ADVANTAGE PA, L.P.
SONIC HOUSTON JLR, LP
SONIC HOUSTON LR, L.P.
SONIC MOMENTUM JVP, L.P.
SONIC MOMENTUM VWA, L.P.
SONIC-CLEAR LAKE VOLKSWAGEN, L.P.
SONIC-JERSEY VILLAGE VOLKSWAGEN, L.P.**

By: SONIC OF TEXAS, INC., as Sole General Partner

By: /s/ DAVID P. COSPER
Name: David P. Cospers
Title: Vice President and Treasurer

NOTE
(Syndicated New and Used Vehicle Floorplan Credit Agreement)
Signature Page

NOTE

January 15, 2010

FOR VALUE RECEIVED, each of the undersigned (each a "Borrower" and collectively the "Borrowers") hereby promises, jointly and severally, to pay to **JPMORGAN CHASE BANK, N.A.** or registered assigns (the "Lender"), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of each New Vehicle Floorplan Loan from time to time made by the Lender to Sonic Automotive, Inc. (the "Company") or any New Vehicle Borrower under the Credit Agreement and the principal amount of each Used Vehicle Floorplan Loan from time to time made by the Lender to the Company under that certain Syndicated New and Used Vehicle Floorplan Credit Agreement, dated as of January 15, 2010 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the Company, certain Subsidiaries of the Company from time to time party thereto, the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, New Vehicle Swing Line Lender, and Used Vehicle Swing Line Lender, and Bank of America, N.A., as Revolving Administrative Agent (in the capacity of collateral agent for the Secured Parties).

Each Borrower promises, jointly and severally, to pay interest on the unpaid principal amount of each Loan from the date of such New Vehicle Floorplan Loan or Used Vehicle Floorplan Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Credit Agreement. Except as otherwise provided in Section 2.03(h) with respect to New Vehicle Floorplan Swing Line Loans, and Section 2.08(f) with respect to Used Vehicle Floorplan Swing Line Loans, all payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Credit Agreement.

This Note is one of the Notes referred to in the Credit Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Note is also entitled to the benefits of the Guaranties and is secured by the Collateral. Upon the occurrence and continuation of one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Note shall (if required by the Credit Agreement) become, or may be declared to be, immediately due and payable all as provided in the Credit Agreement. New Vehicle Floorplan Loans and Used Vehicle Floorplan Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Note and endorse thereon the date, amount and maturity of its New Vehicle Floorplan Loans and Used Vehicle Floorplan Loans and payments with respect thereto.

Each Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

SONIC AUTOMOTIVE, INC.

By: /s/ DAVID P. COSPER

Name: David P. Cospers

Title: Vice Chairman and Chief Financial Officer

**FAA CONCORD H, INC.
FAA LAS VEGAS H, INC.
FAA POWAY H, INC.
FAA SANTA MONICA V, INC.
FAA SERRAMONTE H, INC.
FAA SERRAMONTE, INC.
FAA STEVENS CREEK, INC.
FRANCISCAN MOTORS, INC.
KRAMER MOTORS INCORPORATED
SAI COLUMBUS MOTORS, LLC
SAI COLUMBUS VWK, LLC
SAI FORT MYERS H, LLC
SAI FORT MYERS VW, LLC
SAI IRONDALE IMPORTS, LLC
SAI MONTGOMERY CH, LLC
SAI NASHVILLE H, LLC
SAI NASHVILLE MOTORS, LLC
SAI OKLAHOMA CITY H, LLC
SAI TULSA N, LLC
SANTA CLARA IMPORTED CARS, INC.
SONIC – 2185 CHAPMAN RD., CHATTANOOGA, LLC
SONIC – HARBOR CITY H, INC.
SONIC – SHOTTENKIRK, INC.
SONIC AUTOMOTIVE – 9103 E. INDEPENDENCE, NC, LLC**

By: /s/ DAVID P. COSPER

Name: David P. Cospers

Title: Vice President and Treasurer

NOTE
(Syndicated New and Used Vehicle Floorplan Credit Agreement)
Signature Page

**SONIC AUTOMOTIVE 5260 PEACHTREE INDUSTRIAL
BLVD., LLC
SONIC FREMONT, INC.
SONIC TYSONS CORNER H, INC.
SONIC TYSONS CORNER INFINITI, INC.
SONIC-BUENA PARK H, INC.
SONIC-CALABASAS A, INC.
SONIC-CAPITOL IMPORTS, INC.
SONIC-VOLVO LV, LLC
WINDWARD, INC.**

By: /s/ DAVID P. COSPER
Name: David P. Cospers
Title: Vice President and Treasurer

**PHILPOTT MOTORS, LTD.
SONIC – HOUSTON V, L.P.
SONIC – LUTE RILEY, L.P.
SONIC ADVANTAGE PA, L.P.
SONIC HOUSTON JLR, LP
SONIC HOUSTON LR, L.P.
SONIC MOMENTUM JVP, L.P.
SONIC MOMENTUM VWA, L.P.
SONIC-CLEAR LAKE VOLKSWAGEN, L.P.
SONIC-JERSEY VILLAGE VOLKSWAGEN, L.P.**

By: SONIC OF TEXAS, INC., as Sole General Partner

By: /s/ DAVID P. COSPER
Name: David P. Cospers
Title: Vice President and Treasurer

NOTE
(Syndicated New and Used Vehicle Floorplan Credit Agreement)
Signature Page

NOTE

January 15, 2010

FOR VALUE RECEIVED, each of the undersigned (each a "Borrower" and collectively the "Borrowers") hereby promises, jointly and severally, to pay to **WACHOVIA BANK, NATIONAL ASSOCIATION** or registered assigns (the "Lender"), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of each New Vehicle Floorplan Loan from time to time made by the Lender to Sonic Automotive, Inc. (the "Company") or any New Vehicle Borrower under the Credit Agreement and the principal amount of each Used Vehicle Floorplan Loan from time to time made by the Lender to the Company under that certain Syndicated New and Used Vehicle Floorplan Credit Agreement, dated as of January 15, 2010 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the Company, certain Subsidiaries of the Company from time to time party thereto, the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, New Vehicle Swing Line Lender, and Used Vehicle Swing Line Lender, and Bank of America, N.A., as Revolving Administrative Agent (in the capacity of collateral agent for the Secured Parties).

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Each Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NORTH CAROLINA.

SONIC AUTOMOTIVE, INC.

By: /s/ DAVID P. COSPER

Name: David P. Cospers

Title: Vice Chairman and Chief Financial Officer

**FAA CONCORD H, INC.
FAA LAS VEGAS H, INC.
FAA POWAY H, INC.
FAA SANTA MONICA V, INC.
FAA SERRAMONTE H, INC.
FAA SERRAMONTE, INC.
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SAI TULSA N, LLC
SANTA CLARA IMPORTED CARS, INC.
SONIC – 2185 CHAPMAN RD., CHATTANOOGA, LLC
SONIC – HARBOR CITY H, INC.
SONIC – SHOTTENKIRK, INC.
SONIC AUTOMOTIVE – 9103 E. INDEPENDENCE, NC, LLC**

By: /s/ DAVID P. COSPER

Name: David P. Cospers

Title: Vice President and Treasurer

NOTE
(Syndicated New and Used Vehicle Floorplan Credit Agreement)
Signature Page

**SONIC AUTOMOTIVE 5260 PEACHTREE INDUSTRIAL
BLVD., LLC
SONIC FREMONT, INC.
SONIC TYSONS CORNER H, INC.
SONIC TYSONS CORNER INFINITI, INC.
SONIC-BUENA PARK H, INC.
SONIC-CALABASAS A, INC.
SONIC-CAPITOL IMPORTS, INC.
SONIC-VOLVO LV, LLC
WINDWARD, INC.**

By: /s/ DAVID P. COSPER
Name: David P. Cospers
Title: Vice President and Treasurer

**PHILPOTT MOTORS, LTD.
SONIC – HOUSTON V, L.P.
SONIC – LUTE RILEY, L.P.
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SONIC HOUSTON LR, L.P.
SONIC MOMENTUM JVP, L.P.
SONIC MOMENTUM VWA, L.P.
SONIC-CLEAR LAKE VOLKSWAGEN, L.P.
SONIC-JERSEY VILLAGE VOLKSWAGEN, L.P.**

By: SONIC OF TEXAS, INC., as Sole General Partner

By: /s/ DAVID P. COSPER
Name: David P. Cospers
Title: Vice President and Treasurer

NOTE
(Syndicated New and Used Vehicle Floorplan Credit Agreement)
Signature Page

NOTE

January 15, 2010

FOR VALUE RECEIVED, each of the undersigned (each a "Borrower" and collectively the "Borrowers") hereby promises, jointly and severally, to pay to **COMERICA BANK** or registered assigns (the "Lender"), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of each New Vehicle Floorplan Loan from time to time made by the Lender to Sonic Automotive, Inc. (the "Company") or any New Vehicle Borrower under the Credit Agreement and the principal amount of each Used Vehicle Floorplan Loan from time to time made by the Lender to the Company under that certain Syndicated New and Used Vehicle Floorplan Credit Agreement, dated as of January 15, 2010 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement"), the terms defined therein being used herein as therein defined), among the Company, certain Subsidiaries of the Company from time to time party thereto, the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, New Vehicle Swing Line Lender, and Used Vehicle Swing Line Lender, and Bank of America, N.A., as Revolving Administrative Agent (in the capacity of collateral agent for the Secured Parties).

Each Borrower promises, jointly and severally, to pay interest on the unpaid principal amount of each Loan from the date of such New Vehicle Floorplan Loan or Used Vehicle Floorplan Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Credit Agreement. Except as otherwise provided in Section 2.03(h) with respect to New Vehicle Floorplan Swing Line Loans, and Section 2.08(f) with respect to Used Vehicle Floorplan Swing Line Loans, all payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Credit Agreement.

This Note is one of the Notes referred to in the Credit Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Note is also entitled to the benefits of the Guaranties and is secured by the Collateral. Upon the occurrence and continuation of one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Note shall (if required by the Credit Agreement) become, or may be declared to be, immediately due and payable all as provided in the Credit Agreement. New Vehicle Floorplan Loans and Used Vehicle Floorplan Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Note and endorse thereon the date, amount and maturity of its New Vehicle Floorplan Loans and Used Vehicle Floorplan Loans and payments with respect thereto.

Each Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NORTH CAROLINA.

SONIC AUTOMOTIVE, INC.

By: /s/ DAVID P. COSPER

Name: David P. Cospers

Title: Vice Chairman and Chief Financial Officer

**FAA CONCORD H,INC.
FAA LAS VEGAS H,INC.
FAA POWAY H, INC.
FAA SANTA MONICA V, INC.
FAA SERRAMONTE H,INC.
FAA SERRAMONTE,INC.
FAA STEVENS CREEK, INC.
FRANCISCAN MOTORS, INC.
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SAI COLUMBUS MOTORS, LLC
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SAI FORT MYERS VW, LLC
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SAI NASHVILLE MOTORS, LLC
SAI OKLAHOMA CITY H, LLC
SAI TULSA N, LLC
SANTA CLARA IMPORTED CARS, INC.
SONIC — 2185 CHAPMAN RD.,CHATTANOOGA,
LLC
SONIC — HARBOR CITY H, INC.
SONIC — SHOTTENKIRK, INC.
SONIC AUTOMOTIVE — 9103 E. INDEPENDENCE,
NC, LLC**

By: /s/ DAVID P. COSPER

Name: David P. Cospers

Title: Vice President and Treasurer

NOTE
(Syndicated New and Used Vehicle Floorplan Credit Agreement)
Signature Page

**SONIC AUTOMOTIVE 5260 PEACHTREE
INDUSTRIAL BLVD., LLC
SONIC FREMONT, INC.
SONIC TYSONS CORNER H, INC.
SONIC TYSONS CORNER INFINITI, INC.
SONIC-BUENA PARK H, INC.
SONIC-CALABASAS A, INC.
SONIC-CAPITOL IMPORTS, INC.
SONIC-VOLVO LV, LLC
WINDWARD, INC.**

By: /s/ DAVID P. COSPER

Name: David P. Cosper

Title: Vice President and Treasurer

**PHILPOTT MOTORS, LTD.
SONIC — HOUSTON V,L.P.
SONIC — LUTE RILEY,L.P.
SONIC ADVANTAGE PA,L.P.
SONIC HOUSTON JLR,LP
SONIC HOUSTON LR,L.P.
SONIC MOMENTUM JVP, L.P.
SONIC MOMENTUM VWA, L.P.
SONIC-CLEAR LAKE VOLKSWAGEN, L.P.
SONIC-JERSEY VILLAGE VOLKSWAGEN,L.P.**

By: SONIC OF TEXAS, INC., as Sole General Partner

By: /s/ DAVID P. COSPER

Name: David P. Cosper

Title: Vice President and Treasurer

NOTE
(Syndicated New and Used Vehicle Floorplan Credit Agreement)
Signature Page

COMPANY GUARANTY AGREEMENT

THIS COMPANY GUARANTY AGREEMENT (this "Guaranty Agreement"), dated as of January 15, 2010, is made by **SONIC AUTOMOTIVE, INC.** (the "Guarantor" or the "Company") to **BANK OF AMERICA, N.A.**, a national banking association organized and existing under the laws of the United States, as administrative agent (in such capacity, the "Administrative Agent") for each of the lenders (the "Lenders") now or hereafter party to the Floorplan Credit Agreement defined below (collectively with the Administrative Agent and the Revolving Administrative Agent (as defined below), in its capacity as collateral agent under the Floorplan Credit Agreement the "Floorplan Secured Parties"). All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Floorplan Credit Agreement.

WITNESSETH

WHEREAS, the Floorplan Secured Parties have agreed to provide to the Guarantor and certain Subsidiaries of the Guarantor (each a "New Vehicle Borrower", and collectively with the Company, the "Borrowers" and each individually, a "Borrower") certain credit facilities, as applicable, including a new vehicle floorplan facility with a swing line sublimit, and a used vehicle floorplan facility with a swing line sublimit, in each case pursuant to the terms of that certain Syndicated New and Used Vehicle Floorplan Credit Agreement dated as of the date hereof among the Borrowers, the Administrative Agent, the Lenders and the Revolving Administrative Agent in its capacity as collateral agent for the Floorplan Secured Parties (such agreement, as from time to time amended, restated, supplemented or otherwise modified, the "Floorplan Credit Agreement"); and

WHEREAS, Bank of America, N.A. is a party to that certain Amended and Restated Credit Agreement as of the date hereof among the Company, the lenders parties thereto from time to time (the "Revolving Lenders") and Bank of America, N.A., as administrative agent (in such capacity, the "Revolving Administrative Agent") for the Revolving Secured Parties (as such term is defined in the Security Agreement); and

WHEREAS, each New Vehicle Borrower is a Subsidiary of the Guarantor and the Guarantor will materially benefit from the New Vehicle Floorplan Loans made and to be made under the Floorplan Credit Agreement; and

WHEREAS, the Guarantor is required to enter into this Guaranty Agreement pursuant to the terms of the Floorplan Credit Agreement; and

WHEREAS, a material part of the consideration given in connection with and as an inducement to the execution and delivery of the Floorplan Credit Agreement by the Floorplan Secured Parties was the obligation of the Guarantor to enter into this Guaranty Agreement, and the Floorplan Secured Parties are unwilling to extend and maintain the credit facilities provided under the Loan Documents unless the Guarantor enters into this Guaranty Agreement;

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

1. Guaranty. The Guarantor hereby unconditionally, absolutely, continually and irrevocably guarantees to the Administrative Agent for the benefit of the Floorplan Secured Parties the payment and performance in full of the Guaranteed Liabilities (as defined below). For all purposes of this Guaranty Agreement, "Guaranteed Liabilities" means: (a) each New Vehicle Borrower's prompt payment in full, when due or declared due and at all such times, of all Obligations and all other amounts pursuant to the terms of the Floorplan Credit Agreement, the Notes, and all other Loan Documents heretofore, now or at any time or times hereafter owing, arising, due or payable from such New Vehicle Borrower to any one or more of the Floorplan Secured Parties, including principal, interest, premiums and fees (including, but not limited to, loan fees and reasonable fees, charges and disbursements of counsel ("Attorney Costs")); and (b) each New Vehicle Borrower's prompt, full and faithful performance, observance and discharge of each and every agreement, undertaking, covenant and provision to be performed, observed or discharged by such New Vehicle Borrower under the Floorplan Credit Agreement, the Notes and all other Loan Documents. The Guarantor's obligations to the Floorplan Secured Parties under this Guaranty Agreement are hereinafter collectively referred to as the "Guarantor's Obligations".

The Guarantor agrees that it is directly and primarily liable for the Guaranteed Liabilities.

The Guarantor's Obligations are secured by various Security Instruments referred to in the Floorplan Credit Agreement, including without limitation, the Security Agreement.

2. Payment. If any New Vehicle Borrower shall default in payment or performance of any of the Guaranteed Liabilities, whether principal, interest, premium, fee (including, but not limited to, loan fees and Attorney Costs), or otherwise, when and as the same shall become due, and after expiration of any applicable grace period, whether according to the terms of the Floorplan Credit Agreement, by acceleration, or otherwise, or upon the occurrence and during the continuance of any Event of Default under the Floorplan Credit Agreement, then the Guarantor will, upon demand thereof by the Administrative Agent, fully pay to the Administrative Agent, for the benefit of the Floorplan Secured Parties, subject to any restriction on the Guarantor's Obligations set forth in Section 1 hereof, an amount equal to all the Guaranteed Liabilities then due and owing.

3. Absolute Rights and Obligations. This is a guaranty of payment and not of collection. The Guarantor's Obligations under this Guaranty Agreement shall be absolute and unconditional irrespective of, and the Guarantor hereby expressly waives, to the extent permitted by law, any defense to its obligations under this Guaranty Agreement and all Security Instruments to which it is a party by reason of:

(a) any lack of legality, validity or enforceability of the Floorplan Credit Agreement, of any of the Notes, of any other Loan Document, or of any other agreement or instrument creating, providing security for, or otherwise relating to the Guarantor's Obligations, any of the Guaranteed Liabilities, or any other guaranty of any of the

Guaranteed Liabilities (the Loan Documents and all such other agreements and instruments being collectively referred to as the “Related Agreements”);

(b) any action taken under any of the Related Agreements, any exercise of any right or power therein conferred, any failure or omission to enforce any right conferred thereby, or any waiver of any covenant or condition therein provided;

(c) any acceleration of the maturity of any of the Guaranteed Liabilities or of any other obligations or liabilities of any Person under any of the Related Agreements;

(d) any release, exchange, non-perfection, lapse in perfection, disposal, deterioration in value, or impairment of any security for any of the Guaranteed Liabilities, or for any other obligations or liabilities of any Person under any of the Related Agreements;

(e) any dissolution of any Borrower, the Guarantor, any other Loan Party or any other party to a Related Agreement, or the combination or consolidation of any New Vehicle Borrower, the Guarantor, any other Loan Party or any other party to a Related Agreement into or with another entity, or any transfer or disposition of any assets of any New Vehicle Borrower, the Guarantor, any other Loan Party or any other party to a Related Agreement;

(f) any extension (including without limitation extensions of time for payment), renewal, amendment, restructuring or restatement of, any acceptance of late or partial payments under, or any change in the amount of any borrowings or any credit facilities available under, the Floorplan Credit Agreement, any of the Notes or any other Loan Document or any other Related Agreement, in whole or in part;

(g) the existence, addition, modification, termination, reduction or impairment of value, or release of any other guaranty (or security therefor) of the Guaranteed Liabilities (including without limitation obligations arising under any other Guaranty now or hereafter in effect);

(h) any waiver of, forbearance or indulgence under, or other consent to any change in or departure from any term or provision contained in the Floorplan Credit Agreement, any other Loan Document or any other Related Agreement, including without limitation any term pertaining to the payment or performance of any of the Guaranteed Liabilities, or any of the obligations or liabilities of any party to any other Related Agreement;

(i) any other circumstance whatsoever (with or without notice to or knowledge of the Guarantor) which may or might in any manner or to any extent vary the risks of the Guarantor, or might otherwise constitute a legal or equitable defense available to, or discharge of, a surety or a guarantor, including without limitation any right to require or claim that resort be had to any New Vehicle Borrower or any other Loan Party or to any collateral in respect of the Guaranteed Liabilities or Guarantor’s Obligations,

whether arising under North Carolina General Statutes Sections 26-7 and 26-9 or otherwise.

It is the express purpose and intent of the parties hereto that this Guaranty Agreement and the Guarantor's Obligations hereunder shall be absolute and unconditional under any and all circumstances and shall not be discharged except by payment as herein provided.

4. Currency and Funds of Payment. All Guarantor's Obligations will be paid in lawful currency of the United States of America and in immediately available funds, regardless of any law, regulation or decree now or hereafter in effect that might in any manner affect the Guaranteed Liabilities, or the rights of any Floorplan Secured Party with respect thereto as against any Borrower, or cause or permit to be invoked any alteration in the time, amount or manner of payment by any Borrower of any or all of the Guaranteed Liabilities.

5. Events of Default. Without limiting the provisions of Section 2 hereof, in the event that there shall occur and be continuing an Event of Default, then notwithstanding any collateral or other security or credit support for the Guaranteed Liabilities, at the Administrative Agent's election and without notice thereof or demand therefor, the Guarantor's Obligations shall immediately be and become due and payable.

6. Subordination. Until this Guaranty Agreement is terminated in accordance with Section 21 hereof, the Guarantor hereby unconditionally subordinates all present and future debts, liabilities or obligations now or hereafter owing to the Guarantor (i) of any New Vehicle Borrower, to the payment in full of the Guaranteed Liabilities and (ii) of each other Person now or hereafter constituting a Loan Party, to the payment in full of the obligations of such Loan Party owing to any Floorplan Secured Party and arising under the Loan Documents. All amounts due under such subordinated debts, liabilities, or obligations shall, upon the occurrence and during the continuance of an Event of Default, be collected and, upon request by the Administrative Agent, paid over forthwith to the Administrative Agent for the benefit of the Floorplan Secured Parties on account of the Guaranteed Liabilities, the Guarantor's Obligations, or such other obligations, as applicable, and, after such request and pending such payment, shall be held by the Guarantor as agent and bailee of the Floorplan Secured Parties separate and apart from all other funds, property and accounts of the Guarantor.

7. Suits. The Guarantor from time to time shall pay to the Administrative Agent for the benefit of the Floorplan Secured Parties, on demand, at the Administrative Agent's Office or such other address as the Administrative Agent shall give notice of to the Guarantor, the Guarantor's Obligations as they become or are declared due, and in the event such payment is not made forthwith, the Administrative Agent may proceed to suit against the Guarantor. At the Administrative Agent's election, one or more and successive or concurrent suits may be brought hereon by the Administrative Agent against the Guarantor, whether or not suit has been commenced against any New Vehicle Borrower, any Loan Party or any other Person and whether or not the Floorplan Secured Parties have taken or failed to take any other action to collect all or any portion of the Guaranteed Liabilities or have taken or failed to take any actions against any collateral securing payment or performance of all or any portion of the Guaranteed Liabilities, and irrespective of any event, occurrence, or condition described in Section 3 hereof.

8. Set-Off and Waiver. The Guarantor waives any right to assert against any Floorplan Secured Party as a defense, counterclaim, set-off, recoupment or cross claim in respect of its Guarantor's Obligations, any defense (legal or equitable) or other claim which the Guarantor may now or at any time hereafter have against any New Vehicle Borrower or any or all of the Floorplan Secured Parties without waiving any additional defenses, set-offs, counterclaims or other claims otherwise available to the Guarantor. The Guarantor agrees that each Floorplan Secured Party shall have a lien for all the Guarantor's Obligations upon all deposits or deposit accounts, of any kind, or any interest in any deposits or deposit accounts, now or hereafter pledged, mortgaged, transferred or assigned to such Floorplan Secured Party or otherwise in the possession or control of such Floorplan Secured Party for any purpose (other than solely for safekeeping) for the account or benefit of the Guarantor, including any balance of any deposit account or of any credit of the Guarantor with the Floorplan Secured Party, whether now existing or hereafter established, and hereby authorizes each Floorplan Secured Party from and after the occurrence of an Event of Default at any time or times with or without prior notice to apply such balances or any part thereof to such of the Guarantor's Obligations to the Floorplan Secured Parties then due and in such amounts as provided for in the Floorplan Credit Agreement or otherwise as they may elect. For the purposes of this Section 8, all remittances and property shall be deemed to be in the possession of a Floorplan Secured Party as soon as the same may be put in transit to it by mail or carrier or by other bailee.

9. Waiver of Notice; Subrogation.

(a) The Guarantor hereby waives to the extent permitted by law notice of the following events or occurrences: (i) acceptance of this Guaranty Agreement; (ii) the Lenders' heretofore, now or from time to time hereafter making Loans and otherwise loaning monies or giving or extending credit to or for the benefit of any Borrower or any other Loan Party, or otherwise entering into arrangements with any Loan Party giving rise to Guaranteed Liabilities, whether pursuant to the Floorplan Credit Agreement or the Notes or any other Loan Document or Related Agreement or any amendments, modifications, or supplements thereto, or replacements or extensions thereof; (iii) presentment, demand, default, non-payment, partial payment and protest; and (iv) any other event, condition, or occurrence described in Section 3 hereof. The Guarantor agrees that each Floorplan Secured Party may heretofore, now or at any time hereafter do any or all of the foregoing in such manner, upon such terms and at such times as each Floorplan Secured Party, in its sole and absolute discretion, deems advisable, without in any way or respect impairing, affecting, reducing or releasing the Guarantor from its Guarantor's Obligations, and the Guarantor hereby consents to each and all of the foregoing events or occurrences.

(b) The Guarantor hereby agrees that payment or performance by the Guarantor of its Guarantor's Obligations under this Guaranty Agreement may be enforced by the Administrative Agent on behalf of the Floorplan Secured Parties upon demand by the Administrative Agent to the Guarantor without the Administrative Agent being required, the Guarantor expressly waiving to the extent permitted by law any right it may have to require the Administrative Agent, to (i) prosecute collection or seek to

enforce or resort to any remedies against any Borrower or any other guarantor of the Guaranteed Liabilities, or (ii) seek to enforce or resort to any remedies with respect to any security interests, Liens or encumbrances granted to the Administrative Agent or any Lender or other party to a Related Agreement by any Borrower or any other Person on account of the Guaranteed Liabilities or any guaranty thereof, **IT BEING EXPRESSLY UNDERSTOOD, ACKNOWLEDGED AND AGREED TO BY THE GUARANTOR THAT DEMAND UNDER THIS GUARANTY AGREEMENT MAY BE MADE BY THE ADMINISTRATIVE AGENT, AND THE PROVISIONS HEREOF ENFORCED BY THE ADMINISTRATIVE AGENT, EFFECTIVE AS OF THE FIRST DATE ANY EVENT OF DEFAULT OCCURS AND IS CONTINUING UNDER THE FLOORPLAN CREDIT AGREEMENT.**

(c) The Guarantor further agrees with respect to this Guaranty Agreement that it shall have no right of subrogation, reimbursement, contribution or indemnity, nor any right of recourse to security for the Guaranteed Liabilities unless and until 93 days immediately following the Facility Termination Date shall have elapsed without the filing or commencement, by or against any Loan Party, of any state or federal action, suit, petition or proceeding seeking any reorganization, liquidation or other relief or arrangement in respect of creditors of, or the appointment of a receiver, liquidator, trustee or conservator in respect to, such Loan Party or its assets. This waiver is expressly intended to prevent the existence of any claim in respect to such subrogation, reimbursement, contribution or indemnity by the Guarantor against the estate of any other Loan Party within the meaning of Section 101 of the Bankruptcy Code, in the event of a subsequent case involving any other Loan Party. If an amount shall be paid to the Guarantor on account of such rights at any time prior to termination of this Guaranty Agreement in accordance with the provisions of Section 21 hereof, such amount shall be held in trust for the benefit of the Floorplan Secured Parties and shall forthwith be paid to the Administrative Agent, for the benefit of the Floorplan Secured Parties, to be credited and applied upon the Guarantor's Obligations, whether matured or unmatured, in accordance with the terms of the Floorplan Credit Agreement or otherwise as the Floorplan Secured Parties may elect. The agreements in this subsection shall survive repayment of all of the Guarantor's Obligations, the termination or expiration of this Guaranty Agreement in any manner, including but not limited to termination in accordance with Section 21 hereof, and occurrence of the Facility Termination Date.

10. Effectiveness; Enforceability. This Guaranty Agreement shall be effective as of the date first above written and shall continue in full force and effect until termination in accordance with Section 21 hereof. Any claim or claims that the Floorplan Secured Parties may at any time hereafter have against the Guarantor under this Guaranty Agreement may be asserted by the Administrative Agent on behalf of the Floorplan Secured Parties by written notice directed to the Guarantor in accordance with Section 23 hereof.

11. Representations and Warranties. The Guarantor warrants and represents to the Administrative Agent, for the benefit of the Floorplan Secured Parties, that it is duly authorized to execute and deliver this Guaranty Agreement, and to perform its obligations under this Guaranty Agreement, that this Guaranty Agreement has been duly executed and delivered on

behalf of the Guarantor by its duly authorized representatives; that this Guaranty Agreement is legal, valid, binding and enforceable against the Guarantor in accordance with its terms except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles; and that the Guarantor's execution, delivery and performance of this Guaranty Agreement does not violate or constitute a breach of any of its Organizational Documents, any agreement or instrument to which the Guarantor is a party, or any law, order, regulation, decree or award of any governmental authority or arbitral body to which it or its properties or operations is subject.

12. Expenses. The Guarantor agrees to be jointly and severally liable for the payment of all reasonable fees and expenses, including Attorney Costs, incurred by any Floorplan Secured Party in connection with the enforcement of this Guaranty Agreement, whether or not suit be brought.

13. Reinstatement. The Guarantor agrees that this Guaranty Agreement shall continue to be effective or be reinstated, as the case may be, at any time payment received by any Floorplan Secured Party in respect of any Guaranteed Liabilities is rescinded or must be restored for any reason, or is repaid by any Floorplan Secured Party in whole or in part in good faith settlement of any pending or threatened avoidance claim.

14. Attorney-in-Fact. To the extent permitted by law, the Guarantor hereby appoints the Administrative Agent, for the benefit of the Floorplan Secured Parties, as the Guarantor's attorney-in-fact for the purposes of carrying out the provisions of this Guaranty Agreement and taking any action and executing any instrument which the Administrative Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment is coupled with an interest and is irrevocable; provided, that the Administrative Agent shall have and may exercise rights under this power of attorney only upon the occurrence and during the continuance of an Event of Default.

15. Reliance. The Guarantor represents and warrants to the Administrative Agent, for the benefit of the Floorplan Secured Parties, that: (a) the Guarantor has adequate means to obtain on a continuing basis (i) from any New Vehicle Borrower, information concerning the Loan Parties and the Loan Parties' financial condition and affairs and (ii) from other reliable sources, such other information as it deems material in deciding to provide this Guaranty Agreement ("Other Information"), and has full and complete access to the Loan Parties' books and records and to such Other Information; (b) the Guarantor is not relying on any Floorplan Secured Party or its or their employees, directors, agents or other representatives or Affiliates, to provide any such information, now or in the future; (c) the Guarantor has been furnished with and reviewed the terms of the Floorplan Credit Agreement and such other Loan Documents and Related Agreements as it has requested, is executing this Guaranty Agreement freely and deliberately, and understands the obligations and financial risk undertaken by providing this Guaranty Agreement; (d) the Guarantor has relied solely on the Guarantor's own independent investigation, appraisal and analysis of each New Vehicle Borrower, each New Vehicle Borrower's financial condition and affairs, the "Other Information", and such other matters as it deems material in deciding to provide this Guaranty Agreement and is fully aware of the same; and (e) the Guarantor has not depended or relied on any Floorplan Secured Party or its or their

employees, directors, agents or other representatives or Affiliates, for any information whatsoever concerning any New Vehicle Borrower or any New Vehicle Borrower's financial condition and affairs or any other matters material to the Guarantor's decision to provide this Guaranty Agreement, or for any counseling, guidance, or special consideration or any promise therefor with respect to such decision. The Guarantor agrees that no Floorplan Secured Party has any duty or responsibility whatsoever, now or in the future, to provide to the Guarantor any information concerning any New Vehicle Borrower or any New Vehicle Borrower's financial condition and affairs, or any Other Information, other than as expressly provided herein, and that, if the Guarantor receives any such information from any Floorplan Secured Party or its or their employees, directors, agents or other representatives or Affiliates, the Guarantor will independently verify the information and will not rely on any Floorplan Secured Party or its or their employees, directors, agents or other representatives or Affiliates, with respect to such information.

16. Rules of Interpretation. The rules of interpretation contained in Sections 1.02 and 1.05 of the Floorplan Credit Agreement shall be applicable to this Guaranty Agreement and are hereby incorporated by reference. All representations and warranties contained herein shall survive the delivery of documents and any extension of credit referred to herein or guaranteed hereby.

17. Entire Agreement. This Guaranty Agreement, together with the Floorplan Credit Agreement and other Loan Documents, constitutes and expresses the entire understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior negotiations, agreements, understandings, inducements, commitments or conditions, express or implied, oral or written, except as herein contained. The express terms hereof control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof. Except as provided in Section 21, neither this Guaranty Agreement nor any portion or provision hereof or thereof may be changed, altered, modified, supplemented, discharged, canceled, terminated, or amended orally or in any manner other than as provided in the Floorplan Credit Agreement.

18. Binding Agreement; Assignment. This Guaranty Agreement and the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the parties hereto, and to their respective heirs, legal representatives, successors and assigns; provided, however, that the Guarantor shall not be permitted to assign any of its rights, powers, duties or obligations under this Guaranty Agreement or any other interest herein or therein without the prior written consent of the Administrative Agent. Without limiting the generality of the foregoing sentence of this Section 18, any Lender may assign to one or more Persons, or grant to one or more Persons participations in or to, all or any part of its rights and obligations under the Floorplan Credit Agreement (to the extent permitted by the Floorplan Credit Agreement); and to the extent of any such permitted assignment or participation such other Person shall, to the fullest extent permitted by law, thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise, subject however, to the provisions of the Floorplan Credit Agreement, including Article IX thereof (concerning the Administrative Agent) and Section 10.06 thereof concerning assignments and participations. All references herein to the Administrative Agent shall include any successor thereof.

19. Severability. The provisions of this Guaranty Agreement are independent of and separable from each other. If any provision hereof shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision hereof, but this Guaranty Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

20. Counterparts. This Guaranty Agreement may be executed in any number of counterparts each of which when so executed and delivered shall be deemed an original, and it shall not be necessary in making proof of this Guaranty Agreement to produce or account for more than one such counterpart executed by the Guarantor. Without limiting the foregoing provisions of this Section 20, the provisions of Section 10.10 of the Floorplan Credit Agreement shall be applicable to this Guaranty Agreement.

21. Termination. Subject to reinstatement pursuant to Section 13 hereof, this Guaranty Agreement, and all of the Guarantor's Obligations hereunder (excluding those Guarantor's Obligations relating to Guaranteed Liabilities that expressly survive such termination) shall terminate on the Facility Termination Date.

22. Remedies Cumulative; Late Payments. All remedies hereunder are cumulative and are not exclusive of any other rights and remedies of the Administrative Agent or any other Floorplan Secured Party provided by law or under the Floorplan Credit Agreement, the other Loan Documents or other applicable agreements or instruments. The making of the Loans and other credit extensions pursuant to the Floorplan Credit Agreement and other Related Agreements shall be conclusively presumed to have been made or extended, respectively, in reliance upon the Guarantor's guaranty of the Guaranteed Liabilities pursuant to the terms hereof. Any amounts not paid when due under this Guaranty Agreement shall bear interest at the Default Rate.

23. Notices. Any notice required or permitted hereunder shall be given, (a) with respect to the Guarantor, at its address indicated in Schedule 10.02 of the Floorplan Credit Agreement and (b) with respect to the Administrative Agent or any other Floorplan Secured Party, at the Administrative Agent's address indicated in Schedule 10.02 of the Floorplan Credit Agreement. All such addresses may be modified, and all such notices shall be given and shall be effective, as provided in Section 10.02 of the Floorplan Credit Agreement for the giving and effectiveness of notices and modifications of addresses thereunder.

24. Governing Law; Venue; Waiver of Jury Trial

(a) THIS GUARANTY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NORTH CAROLINA APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

(b) THE GUARANTOR HEREBY EXPRESSLY AND IRREVOCABLY AGREES AND CONSENTS THAT ANY SUIT, ACTION OR PROCEEDING

ARISING OUT OF OR RELATING TO THIS GUARANTY AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN MAY BE INSTITUTED IN ANY STATE OR FEDERAL COURT SITTING IN MECKLENBURG COUNTY, STATE OF NORTH CAROLINA, UNITED STATES OF AMERICA AND, BY THE EXECUTION AND DELIVERY OF THIS GUARANTY AGREEMENT, THE GUARANTOR EXPRESSLY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE IN, OR TO THE EXERCISE OF JURISDICTION OVER IT AND ITS PROPERTY BY, ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING, AND THE GUARANTOR HEREBY IRREVOCABLY SUBMITS GENERALLY AND UNCONDITIONALLY TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING.

(c) THE GUARANTOR AGREES THAT SERVICE OF PROCESS MAY BE MADE BY PERSONAL SERVICE OF A COPY OF THE SUMMONS AND COMPLAINT OR OTHER LEGAL PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING, OR BY REGISTERED OR CERTIFIED MAIL (POSTAGE PREPAID) TO THE ADDRESS FOR NOTICES TO THE GUARANTOR IN EFFECT PURSUANT TO SECTION 24 HEREOF, OR BY ANY OTHER METHOD OF SERVICE PROVIDED FOR UNDER THE APPLICABLE LAWS IN EFFECT IN THE STATE OF NORTH CAROLINA.

(d) NOTHING CONTAINED IN SUBSECTIONS (b) or (c) HEREOF SHALL PRECLUDE THE ADMINISTRATIVE AGENT FROM BRINGING ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY AGREEMENT OR ANY OTHER LOAN DOCUMENT IN THE COURTS OF ANY JURISDICTION WHERE THE GUARANTOR OR ANY OF THE GUARANTOR'S PROPERTY OR ASSETS MAY BE FOUND OR LOCATED. TO THE EXTENT PERMITTED BY THE APPLICABLE LAWS OF ANY SUCH JURISDICTION, THE GUARANTOR HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT AND EXPRESSLY WAIVES, IN RESPECT OF ANY SUCH SUIT, ACTION OR PROCEEDING, OBJECTION TO THE EXERCISE OF JURISDICTION OVER IT AND ITS PROPERTY BY ANY SUCH OTHER COURT OR COURTS WHICH NOW OR HEREAFTER MAY BE AVAILABLE UNDER APPLICABLE LAW.

(e) IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS OR REMEDIES UNDER OR RELATED TO THIS GUARANTY AGREEMENT OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR THAT MAY IN THE FUTURE BE DELIVERED IN CONNECTION THEREWITH, THE GUARANTOR AND THE ADMINISTRATIVE AGENT ON BEHALF OF THE FLOORPLAN SECURED PARTIES HEREBY AGREE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, THAT ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY AND HEREBY IRREVOCABLY WAIVE, TO THE EXTENT PERMITTED BY APPLICABLE

LAW, ANY RIGHT ANY SUCH PERSON MAY HAVE TO TRIAL BY JURY IN ANY SUCH ACTION, SUIT OR PROCEEDING.

(f) THE GUARANTOR HEREBY EXPRESSLY WAIVES ANY OBJECTION IT MAY HAVE THAT ANY COURT TO WHOSE JURISDICTION IT HAS SUBMITTED PURSUANT TO THE TERMS HEREOF IS AN INCONVENIENT FORUM.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Guaranty Agreement as of the day and year first written above.

GUARANTOR :

SONIC AUTOMOTIVE, INC.

By: /s/ DAVID P. COSPER

Name: David P. Cosper

Title: Vice Chairman and Chief Financial Officer

COMPANY GUARANTY AGREEMENT

Signature Page

ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ ANGELO M. MARTORANA

Name: Angelo M. Martorana

Title: Assistant Vice President

COMPANY GUARANTY AGREEMENT

Signature Page

SUBSIDIARY GUARANTY AGREEMENT

THIS SUBSIDIARY GUARANTY AGREEMENT (this "Guaranty Agreement"), dated as of January 15, 2010, is made by **EACH OF THE UNDERSIGNED AND EACH OTHER PERSON WHO SHALL BECOME A PARTY HERETO BY EXECUTION OF A JOINDER AGREEMENT WHICH IDENTIFIES SUCH PERSON THEREIN AS A "FLOORPLAN SUBSIDIARY GUARANTOR"** (each a "Guarantor" and collectively the "Guarantors") to **BANK OF AMERICA, N.A.**, a national banking association organized and existing under the laws of the United States, as administrative agent (in such capacity, the "Administrative Agent") for each of the lenders (the "Lenders") now or hereafter party to the Floorplan Credit Agreement defined below (collectively with the Administrative Agent and the Revolving Administrative Agent (as defined below), in its capacity as collateral agent under the Floorplan Credit Agreement, the "Floorplan Secured Parties"). All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Floorplan Credit Agreement.

WITNESSETH

WHEREAS, the Floorplan Secured Parties have agreed to provide (i) Sonic Automotive, Inc. (the "Company" and a "Borrower") a used vehicle floorplan facility with a swing line sublimit, and (ii) certain Subsidiaries of the Company (each a "New Vehicle Borrower" and collectively with the Company, the "Borrowers" and each a "Borrower") with a new vehicle floorplan facility with a swing line sublimit, in each case pursuant to the terms of that certain Syndicated New and Used Vehicle Floorplan Credit Agreement dated as of the date hereof among the Borrowers, the Administrative Agent, the Lenders and the Revolving Administrative Agent in its capacity as collateral agent for the Floorplan Secured Parties (such agreement, as from time to time amended, restated, supplemented or otherwise modified, the "Floorplan Credit Agreement"); and

WHEREAS, Bank of America, N.A. is a party to that certain Amended and Restated Credit Agreement as of the date hereof among the Company, the lenders parties thereto from time to time (the "Revolving Lenders") and Bank of America, N.A., as administrative agent (in such capacity, the "Revolving Administrative Agent") for the Revolving Secured Parties (as such term is defined in the Security Agreement); and

WHEREAS, each Guarantor is, directly or indirectly, a Subsidiary of the Company; and

WHEREAS, each Guarantor will materially benefit from the Loans to be made under the Floorplan Credit Agreement; and

WHEREAS, each Guarantor is required to enter into this Guaranty Agreement pursuant to the terms of the Floorplan Credit Agreement; and

WHEREAS, a material part of the consideration given in connection with and as an inducement to the execution and delivery of the Floorplan Credit Agreement by the Floorplan Secured Parties was the obligation of the Company to cause each Guarantor to enter into this

Guaranty Agreement, and the Floorplan Secured Parties are unwilling to extend and maintain the credit facilities provided under the Loan Documents unless the Guarantors enter into this Guaranty Agreement;

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

1. Guaranty. Each Guarantor hereby jointly and severally, unconditionally, absolutely, continually and irrevocably guarantees to the Administrative Agent for the benefit of the Floorplan Secured Parties the payment and performance in full of the Guaranteed Liabilities (as defined below). For all purposes of this Guaranty Agreement, "**Guaranteed Liabilities**" means: (a) each Borrower's prompt payment in full, when due or declared due and at all such times, of all Obligations and all other amounts pursuant to the terms of the Floorplan Credit Agreement, the Notes, and all other Loan Documents heretofore, now or at any time or times hereafter owing, arising, due or payable from any Borrower to any one or more of the Floorplan Secured Parties, including principal, interest, premiums and fees (including, but not limited to, loan fees and reasonable fees, charges and disbursements of counsel ("**Attorney Costs**")); and (b) each Borrower's prompt, full and faithful performance, observance and discharge of each and every agreement, undertaking, covenant and provision to be performed, observed or discharged by such Borrower under the Floorplan Credit Agreement, the Notes and all other Loan Documents. The Guarantors' obligations to the Floorplan Secured Parties under this Guaranty Agreement are hereinafter collectively referred to as the "**Guarantors' Obligations**" and, with respect to each Guarantor individually, the "**Guarantor's Obligations**". Notwithstanding the foregoing, the liability of each Guarantor individually with respect to its Guarantor's Obligations shall be limited to an aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance under Section 548 of the United States Bankruptcy Code or any comparable provisions of any applicable state law.

Each Guarantor agrees that it is jointly and severally, directly and primarily liable (subject to the limitation in the immediately preceding sentence) for the Guaranteed Liabilities.

The Guarantors' Obligations are secured by various Security Instruments referred to in the Floorplan Credit Agreement, including without limitation, the Security Agreement.

2. Payment. If any Borrower shall default in payment or performance of any of the Guaranteed Liabilities, whether principal, interest, premium, fee (including, but not limited to, loan fees and Attorney Costs), or otherwise, when and as the same shall become due, and after expiration of any applicable grace period, whether according to the terms of the Floorplan Credit Agreement, by acceleration, or otherwise, or upon the occurrence and during the continuance of any Event of Default under the Floorplan Credit Agreement, then any or all of the Guarantors will, upon demand thereof by the Administrative Agent, fully pay to the Administrative Agent, for the benefit of the Floorplan Secured Parties, subject to any restriction on each Guarantor's Obligations set forth in Section 1 hereof, an amount equal to all the Guaranteed Liabilities then due and owing.

3. Absolute Rights and Obligations. This is a guaranty of payment and not of collection. The Guarantors' Obligations under this Guaranty Agreement shall be joint and several, absolute and unconditional irrespective of, and each Guarantor hereby expressly waives, to the extent permitted by law, any defense to its obligations under this Guaranty Agreement and all Security Instruments to which it is a party by reason of:

(a) any lack of legality, validity or enforceability of the Floorplan Credit Agreement, of any of the Notes, of any other Loan Document, or of any other agreement or instrument creating, providing security for, or otherwise relating to any of the Guarantors' Obligations, any of the Guaranteed Liabilities, or any other guaranty of any of the Guaranteed Liabilities (the Loan Documents and all such other agreements and instruments being collectively referred to as the "Related Agreements");

(b) any action taken under any of the Related Agreements, any exercise of any right or power therein conferred, any failure or omission to enforce any right conferred thereby, or any waiver of any covenant or condition therein provided;

(c) any acceleration of the maturity of any of the Guaranteed Liabilities, of the Guarantor's Obligations of any other Guarantor, or of any other obligations or liabilities of any Person under any of the Related Agreements;

(d) any release, exchange, non-perfection, lapse in perfection, disposal, deterioration in value, or impairment of any security for any of the Guaranteed Liabilities, for any of the Guarantor's Obligations of any Guarantor, or for any other obligations or liabilities of any Person under any of the Related Agreements;

(e) any dissolution of any Borrower or any Guarantor or any other party to a Related Agreement, or the combination or consolidation of any Borrower or any Guarantor or any other party to a Related Agreement into or with another entity or any transfer or disposition of any assets of any Borrower or any Guarantor or any other party to a Related Agreement;

(f) any extension (including without limitation extensions of time for payment), renewal, amendment, restructuring or restatement of, any acceptance of late or partial payments under, or any change in the amount of any borrowings or any credit facilities available under, the Floorplan Credit Agreement, any of the Notes or any other Loan Document or any other Related Agreement, in whole or in part;

(g) the existence, addition, modification, termination, reduction or impairment of value, or release of any other guaranty (or security therefor) of the Guaranteed Liabilities (including without limitation the Guarantor's Obligations of any other Guarantor and obligations arising under any other Guaranty now or hereafter in effect);

(h) any waiver of, forbearance or indulgence under, or other consent to any change in or departure from any term or provision contained in the Floorplan Credit Agreement, any other Loan Document or any other Related Agreement, including

without limitation any term pertaining to the payment or performance of any of the Guaranteed Liabilities, any of the Guarantor's Obligations of any other Guarantor, or any of the obligations or liabilities of any party to any other Related Agreement;

(i) any other circumstance whatsoever (with or without notice to or knowledge of any Guarantor) which may or might in any manner or to any extent vary the risks of such Guarantor, or might otherwise constitute a legal or equitable defense available to, or discharge of, a surety or a guarantor, including without limitation any right to require or claim that resort be had to any Borrower or any other Loan Party or to any collateral in respect of the Guaranteed Liabilities or Guarantors' Obligations, whether arising under North Carolina General Statutes Sections 26-7 and 26-9 or otherwise.

It is the express purpose and intent of the parties hereto that this Guaranty Agreement and the Guarantors' Obligations hereunder and under each Joinder Agreement shall be absolute and unconditional under any and all circumstances and shall not be discharged except by payment as herein provided.

4. Currency and Funds of Payment. All Guarantors' Obligations will be paid in lawful currency of the United States of America and in immediately available funds, regardless of any law, regulation or decree now or hereafter in effect that might in any manner affect the Guaranteed Liabilities, or the rights of any Floorplan Secured Party with respect thereto as against any Borrower, or cause or permit to be invoked any alteration in the time, amount or manner of payment by any Borrower of any or all of the Guaranteed Liabilities.

5. Events of Default. Without limiting the provisions of Section 2 hereof, in the event that there shall occur and be continuing an Event of Default, then notwithstanding any collateral or other security or credit support for the Guaranteed Liabilities, at the Administrative Agent's election and without notice thereof or demand therefor, the Guarantors' Obligations shall immediately be and become due and payable.

6. Subordination. Until this Guaranty Agreement is terminated in accordance with Section 21 hereof, each Guarantor hereby unconditionally subordinates all present and future debts, liabilities or obligations now or hereafter owing to such Guarantor (i) of any Borrower, to the payment in full of the Guaranteed Liabilities, (ii) of every other Guarantor (an "obligated guarantor"), to the payment in full of the Guarantors' Obligations of such obligated guarantor, and (iii) of each other Person now or hereafter constituting a Loan Party, to the payment in full of the obligations of such Loan Party owing to any Floorplan Secured Party and arising under the Loan Documents. All amounts due under such subordinated debts, liabilities, or obligations shall, upon the occurrence and during the continuance of an Event of Default, be collected and, upon request by the Administrative Agent, paid over forthwith to the Administrative Agent for the benefit of the Floorplan Secured Parties on account of the Guaranteed Liabilities, the Guarantors' Obligations, or such other obligations, as applicable, and, after such request and pending such payment, shall be held by such Guarantor as agent and bailee of the Floorplan Secured Parties separate and apart from all other funds, property and accounts of such Guarantor.

7. Suits. Each Guarantor from time to time shall pay to the Administrative Agent for the benefit of the Floorplan Secured Parties, on demand, at the Administrative Agent's Office or such other address as the Administrative Agent shall give notice of to such Guarantor, the Guarantors' Obligations as they become or are declared due, and in the event such payment is not made forthwith, the Administrative Agent may proceed to suit against any one or more or all of the Guarantors. At the Administrative Agent's election, one or more and successive or concurrent suits may be brought hereon by the Administrative Agent against any one or more or all of the Guarantors, whether or not suit has been commenced against any Borrower, any other Guarantor, or any other Person and whether or not the Floorplan Secured Parties have taken or failed to take any other action to collect all or any portion of the Guaranteed Liabilities or have taken or failed to take any actions against any collateral securing payment or performance of all or any portion of the Guaranteed Liabilities, and irrespective of any event, occurrence, or condition described in Section 3 hereof.

8. Set-Off and Waiver. Each Guarantor waives any right to assert against any Floorplan Secured Party as a defense, counterclaim, set-off, recoupment or cross claim in respect of its Guarantor's Obligations, any defense (legal or equitable) or other claim which such Guarantor may now or at any time hereafter have against any Borrower or any or all of the Floorplan Secured Parties without waiving any additional defenses, set-offs, counterclaims or other claims otherwise available to such Guarantor. Each Guarantor agrees that each Floorplan Secured Party shall have a lien for all the Guarantor's Obligations upon all deposits or deposit accounts, of any kind, or any interest in any deposits or deposit accounts, now or hereafter pledged, mortgaged, transferred or assigned to such Floorplan Secured Party or otherwise in the possession or control of such Floorplan Secured Party for any purpose (other than solely for safekeeping) for the account or benefit of such Guarantor, including any balance of any deposit account or of any credit of such Guarantor with the Floorplan Secured Party, whether now existing or hereafter established, and hereby authorizes each Floorplan Secured Party from and after the occurrence of an Event of Default at any time or times with or without prior notice to apply such balances or any part thereof to such of the Guarantor's Obligations to the Floorplan Secured Parties then due and in such amounts as provided for in the Floorplan Credit Agreement or otherwise as they may elect. For the purposes of this Section 8, all remittances and property shall be deemed to be in the possession of a Floorplan Secured Party as soon as the same may be put in transit to it by mail or carrier or by other bailee.

9. Waiver of Notice; Subrogation.

(a) Each Guarantor hereby waives to the extent permitted by law notice of the following events or occurrences: (i) acceptance of this Guaranty Agreement; (ii) the Lenders' heretofore, now or from time to time hereafter making Loans and otherwise loaning monies or giving or extending credit to or for the benefit of any Borrower or any other Loan Party, or otherwise entering into arrangements with any Loan Party giving rise to Guaranteed Liabilities, whether pursuant to the Floorplan Credit Agreement or the Notes or any other Loan Document or Related Agreement or any amendments, modifications, or supplements thereto, or replacements or extensions thereof; (iii) presentment, demand, default, non-payment, partial payment and protest; and (iv) any other event, condition, or occurrence described in Section 3 hereof. Each Guarantor

agrees that each Floorplan Secured Party may heretofore, now or at any time hereafter do any or all of the foregoing in such manner, upon such terms and at such times as each Floorplan Secured Party, in its sole and absolute discretion, deems advisable, without in any way or respect impairing, affecting, reducing or releasing such Guarantor from its Guarantor's Obligations, and each Guarantor hereby consents to each and all of the foregoing events or occurrences.

(b) Each Guarantor hereby agrees that payment or performance by such Guarantor of its Guarantor's Obligations under this Guaranty Agreement may be enforced by the Administrative Agent on behalf of the Floorplan Secured Parties upon demand by the Administrative Agent to such Guarantor without the Administrative Agent being required, such Guarantor expressly waiving to the extent permitted by law any right it may have to require the Administrative Agent, to (i) prosecute collection or seek to enforce or resort to any remedies against any Borrower or any other Guarantor or any other guarantor of the Guaranteed Liabilities, or (ii) seek to enforce or resort to any remedies with respect to any security interests, Liens or encumbrances granted to the Administrative Agent or any Lender or other party to a Related Agreement by any Borrower, any other Guarantor or any other Person on account of the Guaranteed Liabilities or any guaranty thereof, **IT BEING EXPRESSLY UNDERSTOOD, ACKNOWLEDGED AND AGREED TO BY SUCH GUARANTOR THAT DEMAND UNDER THIS GUARANTY AGREEMENT MAY BE MADE BY THE ADMINISTRATIVE AGENT, AND THE PROVISIONS HEREOF ENFORCED BY THE ADMINISTRATIVE AGENT, EFFECTIVE AS OF THE FIRST DATE ANY EVENT OF DEFAULT OCCURS AND IS CONTINUING UNDER THE FLOORPLAN CREDIT AGREEMENT.**

(c) Each Guarantor further agrees with respect to this Guaranty Agreement that it shall have no right of subrogation, reimbursement, contribution or indemnity, nor any right of recourse to security for the Guaranteed Liabilities unless and until 93 days immediately following the Facility Termination Date shall have elapsed without the filing or commencement, by or against any Loan Party, of any state or federal action, suit, petition or proceeding seeking any reorganization, liquidation or other relief or arrangement in respect of creditors of, or the appointment of a receiver, liquidator, trustee or conservator in respect to, such Loan Party or its assets. This waiver is expressly intended to prevent the existence of any claim in respect to such subrogation, reimbursement, contribution or indemnity by any Guarantor against the estate of any other Loan Party within the meaning of Section 101 of the Bankruptcy Code, in the event of a subsequent case involving any other Loan Party. If an amount shall be paid to any Guarantor on account of such rights at any time prior to termination of this Guaranty Agreement in accordance with the provisions of Section 21 hereof, such amount shall be held in trust for the benefit of the Floorplan Secured Parties and shall forthwith be paid to the Administrative Agent, for the benefit of the Floorplan Secured Parties, to be credited and applied upon the Guarantors' Obligations, whether matured or unmatured, in accordance with the terms of the Floorplan Credit Agreement or otherwise as the Floorplan Secured Parties may elect. The agreements in this subsection shall survive repayment of all of the Guarantors' Obligations, the termination or expiration of this

Guaranty Agreement in any manner, including but not limited to termination in accordance with Section 21 hereof, and occurrence of the Facility Termination Date.

10. Effectiveness; Enforceability. This Guaranty Agreement shall be effective as of the date first above written and shall continue in full force and effect until termination in accordance with Section 21 hereof. Any claim or claims that the Floorplan Secured Parties may at any time hereafter have against a Guarantor under this Guaranty Agreement may be asserted by the Administrative Agent on behalf of the Floorplan Secured Parties by written notice directed to such Guarantor in accordance with Section 23 hereof.

11. Representations and Warranties. Each Guarantor warrants and represents to the Administrative Agent, for the benefit of the Floorplan Secured Parties, that it is duly authorized to execute and deliver this Guaranty Agreement (or the Joinder Agreement to which it is a party, as applicable), and to perform its obligations under this Guaranty Agreement, that this Guaranty Agreement (or the Joinder Agreement to which it is a party, as applicable) has been duly executed and delivered on behalf of such Guarantor by its duly authorized representatives; that this Guaranty Agreement (and any Joinder Agreement to which such Guarantor is a party) is legal, valid, binding and enforceable against such Guarantor in accordance with its terms except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles; and that such Guarantor's execution, delivery and performance of this Guaranty Agreement (and any Joinder Agreement to which such Guarantor is a party) do not violate or constitute a breach of any of its Organizational Documents, any agreement or instrument to which such Guarantor is a party, or any law, order, regulation, decree or award of any governmental authority or arbitral body to which it or its properties or operations is subject.

12. Expenses. Each Guarantor agrees to be jointly and severally liable for the payment of all reasonable fees and expenses, including Attorney Costs, incurred by any Floorplan Secured Party in connection with the enforcement of this Guaranty Agreement, whether or not suit be brought.

13. Reinstatement. Each Guarantor agrees that this Guaranty Agreement shall continue to be effective or be reinstated, as the case may be, at any time payment received by any Floorplan Secured Party in respect of any Guaranteed Liabilities is rescinded or must be restored for any reason, or is repaid by any Floorplan Secured Party in whole or in part in good faith settlement of any pending or threatened avoidance claim.

14. Attorney-in-Fact. To the extent permitted by law, each Guarantor hereby appoints the Administrative Agent, for the benefit of the Floorplan Secured Parties, as such Guarantor's attorney-in-fact for the purposes of carrying out the provisions of this Guaranty Agreement and taking any action and executing any instrument which the Administrative Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment is coupled with an interest and is irrevocable; provided, that the Administrative Agent shall have and may exercise rights under this power of attorney only upon the occurrence and during the continuance of an Event of Default.

15. Reliance. Each Guarantor represents and warrants to the Administrative Agent, for the benefit of the Floorplan Secured Parties, that: (a) such Guarantor has adequate means to obtain on a continuing basis (i) from any Borrower, information concerning the Loan Parties and the Loan Parties' financial condition and affairs and (ii) from other reliable sources, such other information as it deems material in deciding to provide this Guaranty Agreement and any Joinder Agreement ("Other Information"), and has full and complete access to the Loan Parties' books and records and to such Other Information; (b) such Guarantor is not relying on any Floorplan Secured Party or its or their employees, directors, agents or other representatives or Affiliates, to provide any such information, now or in the future; (c) such Guarantor has been furnished with and reviewed the terms of the Floorplan Credit Agreement and such other Loan Documents and Related Agreements as it has requested, is executing this Guaranty Agreement (or the Joinder Agreement to which it is a party, as applicable) freely and deliberately, and understands the obligations and financial risk undertaken by providing this Guaranty Agreement (and any Joinder Agreement); (d) such Guarantor has relied solely on the Guarantor's own independent investigation, appraisal and analysis of each Loan Party, each Loan Party's financial condition and affairs, the "Other Information", and such other matters as it deems material in deciding to provide this Guaranty Agreement (and any Joinder Agreement) and is fully aware of the same; and (e) such Guarantor has not depended or relied on any Floorplan Secured Party or its or their employees, directors, agents or other representatives or Affiliates, for any information whatsoever concerning any Loan Party or any Loan Party's financial condition and affairs or any other matters material to such Guarantor's decision to provide this Guaranty Agreement (and any Joinder Agreement), or for any counseling, guidance, or special consideration or any promise therefor with respect to such decision. Each Guarantor agrees that no Floorplan Secured Party has any duty or responsibility whatsoever, now or in the future, to provide to such Guarantor any information concerning any Loan Party or any Loan Party's financial condition and affairs, or any Other Information, other than as expressly provided herein, and that, if such Guarantor receives any such information from any Floorplan Secured Party or its or their employees, directors, agents or other representatives or Affiliates, such Guarantor will independently verify the information and will not rely on any Floorplan Secured Party or its or their employees, directors, agents or other representatives or Affiliates, with respect to such information.

16. Rules of Interpretation. The rules of interpretation contained in Sections 1.02 and 1.05 of the Floorplan Credit Agreement shall be applicable to this Guaranty Agreement and each Joinder Agreement and are hereby incorporated by reference. All representations and warranties contained herein shall survive the delivery of documents and any extension of credit referred to herein or guaranteed hereby.

17. Entire Agreement. This Guaranty Agreement and each Joinder Agreement, together with the Floorplan Credit Agreement and other Loan Documents, constitutes and expresses the entire understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior negotiations, agreements, understandings, inducements, commitments or conditions, express or implied, oral or written, except as herein contained. The express terms hereof control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof. Except as provided in Section 21, neither this Guaranty Agreement nor any Joinder Agreement nor any portion or provision hereof or thereof

may be changed, altered, modified, supplemented, discharged, canceled, terminated, or amended orally or in any manner other than as provided in the Floorplan Credit Agreement.

18. Binding Agreement; Assignment. This Guaranty Agreement, each Joinder Agreement and the terms, covenants and conditions hereof and thereof, shall be binding upon and inure to the benefit of the parties hereto and thereto, and to their respective heirs, legal representatives, successors and assigns; provided, however, that no Guarantor shall be permitted to assign any of its rights, powers, duties or obligations under this Guaranty Agreement, any Joinder Agreement or any other interest herein or therein without the prior written consent of the Administrative Agent. Without limiting the generality of the foregoing sentence of this Section 18, any Lender may assign to one or more Persons, or grant to one or more Persons participations in or to, all or any part of its rights and obligations under the Floorplan Credit Agreement (to the extent permitted by the Floorplan Credit Agreement); and to the extent of any such permitted assignment or participation such other Person shall, to the fullest extent permitted by law, thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise, subject however, to the provisions of the Floorplan Credit Agreement, including Article IX thereof (concerning the Administrative Agent) and Section 10.06 thereof concerning assignments and participations. All references herein to the Administrative Agent shall include any successor thereof.

19. Severability. The provisions of this Guaranty Agreement are independent of and separable from each other. If any provision hereof shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision hereof, but this Guaranty Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

20. Counterparts. This Guaranty Agreement may be executed in any number of counterparts each of which when so executed and delivered shall be deemed an original, and it shall not be necessary in making proof of this Guaranty Agreement to produce or account for more than one such counterpart executed by the Guarantors against whom enforcement is sought. Without limiting the foregoing provisions of this Section 20, the provisions of Section 10.10 of the Floorplan Credit Agreement shall be applicable to this Guaranty Agreement.

21. Termination. Subject to reinstatement pursuant to Section 13 hereof, this Guaranty Agreement and each Joinder Agreement, and all of the Guarantors' Obligations hereunder (excluding those Guarantors' obligations relating to Guaranteed Liabilities that expressly survive such termination) shall terminate on the Facility Termination Date.

22. Remedies Cumulative; Late Payments. All remedies hereunder are cumulative and are not exclusive of any other rights and remedies of the Administrative Agent or any other Floorplan Secured Party provided by law or under the Floorplan Credit Agreement, the other Loan Documents or other applicable agreements or instruments. The making of the Loans and other credit extensions pursuant to the Floorplan Credit Agreement and other Related Agreements shall be conclusively presumed to have been made or extended, respectively, in reliance upon each Guarantor's guaranty of the Guaranteed Liabilities pursuant to the terms

hereof. Any amounts not paid when due under this Guaranty Agreement shall bear interest at the Default Rate.

23. Notices. Any notice required or permitted hereunder or under any Joinder Agreement shall be given, (a) with respect to each Guarantor, at the address of the Company indicated in Schedule 10.02 of the Floorplan Credit Agreement and (b) with respect to the Administrative Agent or any other Floorplan Secured Party, at the Administrative Agent's address indicated in Schedule 10.02 of the Floorplan Credit Agreement. All such addresses may be modified, and all such notices shall be given and shall be effective, as provided in Section 10.02 of the Floorplan Credit Agreement for the giving and effectiveness of notices and modifications of addresses thereunder.

24. Joinder. Each Person who shall at any time execute and deliver to the Administrative Agent a Joinder Agreement and who is identified therein as a "Guarantor" shall thereupon irrevocably, absolutely and unconditionally become a party hereto and obligated hereunder as a Guarantor, and all references herein and in the other Loan Documents to the Guarantors or to the parties to this Guaranty Agreement shall be deemed to include such Person as a Guarantor hereunder.

25. Governing Law; Venue; Waiver of Jury Trial

(a) THIS GUARANTY AGREEMENT AND EACH JOINDER AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NORTH CAROLINA APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

(b) EACH GUARANTOR HEREBY EXPRESSLY AND IRREVOCABLY AGREES AND CONSENTS THAT ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY AGREEMENT OR ANY JOINDER AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN MAY BE INSTITUTED IN ANY STATE OR FEDERAL COURT SITTING MECKLENBURG COUNTY, STATE OF NORTH CAROLINA, UNITED STATES OF AMERICA AND, BY THE EXECUTION AND DELIVERY OF THIS GUARANTY AGREEMENT OR A JOINDER AGREEMENT, SUCH GUARANTOR EXPRESSLY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE IN, OR TO THE EXERCISE OF JURISDICTION OVER IT AND ITS PROPERTY BY, ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING, AND EACH GUARANTOR HEREBY IRREVOCABLY SUBMITS GENERALLY AND UNCONDITIONALLY TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING.

(c) EACH GUARANTOR AGREES THAT SERVICE OF PROCESS MAY BE MADE BY PERSONAL SERVICE OF A COPY OF THE SUMMONS AND COMPLAINT OR OTHER LEGAL PROCESS IN ANY SUCH SUIT,

ACTION OR PROCEEDING, OR BY REGISTERED OR CERTIFIED MAIL (POSTAGE PREPAID) TO THE ADDRESS FOR NOTICES TO SUCH GUARANTOR IN EFFECT PURSUANT TO SECTION 23 HEREOF, OR BY ANY OTHER METHOD OF SERVICE PROVIDED FOR UNDER THE APPLICABLE LAWS IN EFFECT IN THE STATE OF NORTH CAROLINA.

(d) NOTHING CONTAINED IN SUBSECTIONS (b) or (c) HEREOF SHALL PRECLUDE THE ADMINISTRATIVE AGENT FROM BRINGING ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY AGREEMENT OR ANY JOINDER AGREEMENT OR ANY OTHER LOAN DOCUMENT IN THE COURTS OF ANY JURISDICTION WHERE ANY GUARANTOR OR ANY OF SUCH GUARANTOR'S PROPERTY OR ASSETS MAY BE FOUND OR LOCATED. TO THE EXTENT PERMITTED BY THE APPLICABLE LAWS OF ANY SUCH JURISDICTION, EACH GUARANTOR HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT AND EXPRESSLY WAIVES, IN RESPECT OF ANY SUCH SUIT, ACTION OR PROCEEDING, OBJECTION TO THE EXERCISE OF JURISDICTION OVER IT AND ITS PROPERTY BY ANY SUCH OTHER COURT OR COURTS WHICH NOW OR HEREAFTER MAY BE AVAILABLE UNDER APPLICABLE LAW.

(e) IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS OR REMEDIES UNDER OR RELATED TO THIS GUARANTY AGREEMENT OR ANY JOINDER AGREEMENT OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR THAT MAY IN THE FUTURE BE DELIVERED IN CONNECTION THEREWITH, EACH GUARANTOR AND THE ADMINISTRATIVE AGENT ON BEHALF OF THE FLOORPLAN SECURED PARTIES HEREBY AGREE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, THAT ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY AND HEREBY IRREVOCABLY WAIVE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT ANY SUCH PERSON MAY HAVE TO TRIAL BY JURY IN ANY SUCH ACTION, SUIT OR PROCEEDING.

(f) EACH GUARANTOR HEREBY EXPRESSLY WAIVES ANY OBJECTION IT MAY HAVE THAT ANY COURT TO WHOSE JURISDICTION IT HAS SUBMITTED PURSUANT TO THE TERMS HEREOF IS AN INCONVENIENT FORUM.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Guaranty Agreement as of the day and year first written above.

GUARANTORS:

FAA CONCORD H, INC.
FAA LAS VEGAS H, INC.
FAA POWAY H, INC.
FAA SANTA MONICA V, INC.
FAA SERRAMONTE H, INC.
FAA SERRAMONTE, INC.
FAA STEVENS CREEK, INC.
FRANCISCAN MOTORS, INC.
KRAMER MOTORS INCORPORATED
SAI COLUMBUS MOTORS, LLC
SAI COLUMBUS VWK, LLC
SAI FORT MYERS H, LLC
SAI FORT MYERS VW, LLC
SAI IRONDALE IMPORTS, LLC
SAI MONTGOMERY CH, LLC
SAI NASHVILLE H, LLC
SAI NASHVILLE MOTORS, LLC
SAI OKLAHOMA CITY H, LLC
SAI TULSA N, LLC
SANTA CLARA IMPORTED CARS, INC.
SONIC — 2185 CHAPMAN RD., CHATTANOOGA, LLC
SONIC — HARBOR CITY H, INC.
SONIC — SHOTTENKIRK, INC.
SONIC AUTOMOTIVE — 9103 E. INDEPENDENCE, NC, LLC
SONIC AUTOMOTIVE 5260 PEACHTREE INDUSTRIAL BLVD., LLC
SONIC FREMONT, INC.
SONIC TYSONS CORNER H, INC.
SONIC TYSONS CORNER INFINITI, INC.
SONIC-BUENA PARK H, INC.
SONIC-CALABASAS A, INC.
SONIC-CAPITOL IMPORTS, INC.

SONIC-VOLVO LV, LLC
WINDWARD, INC.

By: /s/ DAVID P. COSPER
Name: David P. Cospers
Title: Vice President and Treasurer

SUBSIDIARY GUARANTY AGREEMENT
Signature Page

**PHILPOTT MOTORS, LTD.
SONIC — HOUSTON V, L.P.
SONIC — LUTE RILEY, L.P.
SONIC ADVANTAGE PA, L.P.
SONIC HOUSTON JLR, LP
SONIC HOUSTON LR, L.P.
SONIC MOMENTUM JVP, L.P.
SONIC MOMENTUM VWA, L.P.
SONIC-CLEAR LAKE VOLKSWAGEN, L.P.
SONIC-JERSEY VILLAGE VOLKSWAGEN, L.P.**

By: SONIC OF TEXAS, INC., as Sole General Partner

By: /s/ DAVID P. COSPER

Name: David P. Cospers

Title: Vice President and Treasurer

SUBSIDIARY GUARANTY AGREEMENT

Signature Page

ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ ANGELO M. MARTORANA _____

Name: Angelo M. Martorana

Title: Assistant Vice President

SUBSIDIARY GUARANTY AGREEMENT

Signature Page

Exhibit 12.1

(dollars in thousands)	2005	2006	2007	2008	2009
Fixed charges:					
Interest expense, excluding floor plan interest	\$ 42,386	\$ 42,235	\$ 47,313	\$ 72,360	\$ 92,927
Capitalized interest	2,328	3,651	2,463	1,543	702
Rent expense (interest factor)	25,999	32,471	31,987	32,119	31,763
Total fixed charges	70,713	78,357	81,763	106,022	125,392
Income from continuing operations before income taxes and cumulative effect of change in accounting principle					
	152,643	140,998	173,584	(770,966)	22,359
Add: Fixed charges	70,713	78,357	81,763	106,022	125,392
Less: Capitalized interest	(2,328)	(3,651)	(2,463)	(1,543)	(702)
Income from continuing operations before income taxes and cumulative effect of change in accounting principle & fixed charges	\$ 221,028	\$ 215,704	\$ 252,884	\$ (666,487)	\$ 147,049
Ratio of earnings to fixed charges	3.1x	2.8x	3.1x	(772,509)(1)	1.2x

(1) Reflects deficiency of earnings available to cover fixed charges. Because of the deficiency, ratio information is not provided.

<u>Name of Entity</u>	<u>Domestic State</u>	<u>Certificate of Assumed Name</u>
ADI of the Southeast LLC	SC	
AnTrev, LLC	NC	
Arngar, Inc.	NC	Arnold Palmer Cadillac
Autobahn, Inc.	CA	Autobahn Motors
Avalon Ford, Inc.	DE	
Casa Ford of Houston, Inc.	TX	
Cornerstone Acceptance Corporation	FL	
FAA Auto Factory, Inc.	CA	
FAA Beverly Hills, Inc.	CA	Beverly Hills BMW
FAA Capitol F, Inc.	CA	
FAA Capitol N, Inc.	CA	
FAA Concord H, Inc.	CA	Concord Honda
FAA Concord N, Inc.	CA	
FAA Concord T, Inc.	CA	Concord Toyota Concord Scion
FAA Dublin N, Inc.	CA	
FAA Dublin VWD, Inc.	CA	
FAA Holding Corp.	CA	
FAA Las Vegas H, Inc.	NV	Honda West
FAA Marin F, Inc.	CA	
FAA Marin LR, Inc.	CA	
FAA Poway G, Inc.	CA	
FAA Poway H, Inc.	CA	Poway Honda
FAA Poway T, Inc.	CA	
FAA San Bruno, Inc.	CA	Melody Toyota Melody Scion
FAA Santa Monica V, Inc.	CA	Volvo of Santa Monica
FAA Serramonte H, Inc.	CA	Honda of Serramonte
FAA Serramonte L, Inc.	CA	Lexus of Serramonte Lexus of Marin
FAA Serramonte, Inc.	CA	Serramonte Auto Plaza Serramonte Nissan
FAA Stevens Creek, Inc.	CA	Stevens Creek Nissan
FAA Torrance CPJ, Inc.	CA	South Bay Chrysler Jeep Dodge
FirstAmerica Automotive, Inc.	DE	
Fort Mill Ford, Inc.	SC	
Fort Myers Collision Center, LLC	FL	
Franciscan Motors, Inc.	CA	Acura of Serramonte
Frank Parra Autoplex, Inc.	TX	
Frontier Oldsmobile-Cadillac, Inc.	NC	
HMC Finance Alabama, Inc.	AL	
Kramer Motors Incorporated	CA	Honda of Santa Monica
L Dealership Group, Inc.	TX	

<u>Name of Entity</u>	<u>Domestic State</u>	<u>Certificate of Assumed Name</u>
Marcus David Corporation	NC	Town and Country Toyota Town and Country Toyota Certified Used Cars Town and Country Toyota-Scion
Massey Cadillac, Inc.	TN	
Massey Cadillac, Inc.	TX	
Mountain States Motors Co., Inc.	CO	
Ontario L, LLC	CA	Crown Lexus
Philpott Motors, Ltd.	TX	Philpott Ford Philpott Toyota Philpott Motors Hyundai
Royal Motor Company, Inc.	AL	
Santa Clara Imported Cars, Inc.	CA	Honda of Stevens Creek
SRM Assurance, Ltd.	Cayman Islands	
Stevens Creek Cadillac, Inc.	CA	St. Claire Cadillac
Town and Country Ford, Incorporated	NC	
Village Imported Cars, Inc.	MD	
Windward, Inc.	HI	Honda of Hayward
Z Management, Inc.	CO	
SAI AL HC1, Inc.	AL	
SAI AL HC2, Inc.	AL	Tom Williams Collision Center
SAI Ann Arbor Imports, LLC,	MI	Mercedes-Benz of Ann Arbor BMW of Ann Arbor
SAI Atlanta B, LLC	GA	Global Imports [BMW] Global Imports MINI
SAI Broken Arrow C, LLC	OK	Speedway Chevrolet
SAI Charlotte M, LLC	NC	
SAI Clearwater T, LLC	FL	Clearwater Toyota Clearwater Scion
SAI Columbus Motors, LLC	OH	Hatfield Hyundai Hatfield Isuzu Hatfield Subaru
SAI Columbus T, LLC,	OH	Toyota West Hatfield Automall Scion West
SAI Columbus VWK, LLC	OH	Hatfield Kia Hatfield Volkswagen
SAI FL HC1, Inc.	FL	
SAI FL HC2, Inc.	FL	
SAI FL HC3, Inc.	FL	
SAI FL HC4, Inc.	FL	
SAI FL HC5, Inc.	FL	
SAI FL HC6, Inc.	FL	
SAI FL HC7, Inc.	FL	
SAI Fort Myers B, LLC	FL	BMW of Fort Myers MINI of Fort Myers
SAI Fort Myers H, LLC	FL	Honda of Fort Myers

<u>Name of Entity</u>	<u>Domestic State</u>	<u>Certificate of Assumed Name</u>
SAI Fort Myers M, LLC	FL	Mercedes-Benz of Fort Myers
SAI Fort Myers VW, LLC	FL	Volkswagen of Fort Myers
SAI GA HC1, LP	GA	
SAI Georgia LLC	GA	
SAI Irondale Imports, LLC	AL	Tom Williams Imports (BMW) Tom Williams Audi Tom Williams Porsche Land Rover Birmingham MINI of Birmingham Tom Williams Lexus
SAI Irondale L, LLC	AL	
SAI Lansing CH, LLC	MI	
SAI Long Beach B, Inc.	CA	Long Beach BMW Long Beach MINI
SAI MD HC1, Inc.	MD	
SAI Monrovia B, Inc.	CA	BMW of Monrovia MINI of Monrovia
SAI Montgomery B, LLC	AL	BMW of Montgomery
SAI Montgomery BCH, LLC	AL	Classic Cadillac Classic Cadillac Buick Classic Hummer
SAI Montgomery CH, LLC	AL	Capitol Chevrolet Capitol Hyundai
SAI Nashville CSH, LLC	TN	Crest Saab Crest Cadillac Crest Hummer
SAI Nashville H, LLC	TN	Crest Honda
SAI Nashville M, LLC	TN	Mercedes-Benz of Nashville
SAI Nashville Motors, LLC	TN	Audi Nashville Jaguar Nashville Porsche of Nashville
SAI NC HC2, Inc.	NC	
SAI OH HC1, Inc.	OH	
SAI OK HC1, Inc.	OK	
SAI Oklahoma City C, LLC	OK	
SAI Oklahoma City H, LLC	OK	Steve Bailey Honda Steve Bailey Pre-Owned Super Center
SAI Oklahoma City T, LLC	OK	Dub Richardson Toyota Dub Richardson Scion
SAI Orlando CS, LLC	FL	Massey Cadillac [North] Massey Saab of Orlando
SAI Peachtree, LLC	GA	
SAI Plymouth C, LLC	MI	
SAI Riverside C, LLC	OK	Riverside Chevrolet
SAI Rockville Imports, LLC	MD	Rockville Audi Porsche of Rockville Rockville Porsche-Audi
SAI Rockville L, LLC	MD	Lexus of Rockville
SAI Stone Mountain T, LLC	GA	

<u>Name of Entity</u>	<u>Domestic State</u>	<u>Certificate of Assumed Name</u>
SAI TN HC1, LLC	TN	
SAI TN HC2, LLC	TN	
SAI TN HC3, LLC	TN	
SAI Tulsa N, LLC	OK	Riverside Nissan
SAI Tulsa T, LLC	OK	Riverside Toyota Riverside Scion
SAI VA HC1, Inc.	VA	
Sonic Automotive-1495 Automall Drive, Columbus, Inc.	OH	
Sonic Automotive — 1720 Mason Ave., DB, Inc.	FL	
Sonic Automotive — 1720 Mason Ave., DB, LLC	FL	Mercedes-Benz of Daytona Beach
Sonic Automotive 2424 Laurens Rd., Greenville, Inc.	SC	
Sonic Automotive — 2490 South Lee Highway, LLC	TN	
Sonic Automotive 2752 Laurens Rd., Greenville, Inc.	SC	Century BMW Century MINI
Sonic Automotive — 3401 N. Main, TX, LP	TX	Ron Craft Chevrolet Cadillac Baytown Auto Collision Center
Sonic Automotive-3700 West Broad Street, Columbus, Inc.	OH	
Sonic Automotive-4000 West Broad Street, Columbus, Inc.	OH	
Sonic Automotive — 4701 I-10 East, TX, LP	TX	Baytown Ford
Sonic Automotive — 5221 I-10 East, TX, LP	TX	
Sonic Automotive 5260 Peachtree Industrial Blvd., LLC	GA	Dyer and Dyer Volvo (Chamblee location)
Sonic Automotive — 6008 N. Dale Mabry, FL, Inc.	FL	
Sonic Automotive — 9103 E. Independence, NC, LLC	NC	Infiniti of Charlotte
Sonic Automotive F&I, LLC	NV	
Sonic Automotive of Chattanooga, LLC	TN	BMW of Chattanooga
Sonic Automotive of Nashville, LLC	TN	BMW of Nashville MINI of Nashville Sonic Automotive Body Shop
Sonic Automotive of Nevada, Inc.	NV	
Sonic Automotive of Texas, LP	TX	Lone Star Ford
Sonic Automotive Support, LLC	NV	
Sonic Automotive West, LLC	NV	
Sonic 2185 Chapman Rd., Chattanooga, LLC	TN	Economy Honda Superstore
Sonic Advantage PA, LP	TX	Performance Auto Leasing Audi West Houston Porsche of West Houston Momentum Luxury Cars
Sonic Agency, Inc.	MI	
Sonic — Buena Park H, Inc.	CA	Buena Park Honda
Sonic — Cadillac D, LP	TX	Massey Cadillac
Sonic — Calabasas A, Inc.	CA	Acura 101 West
Sonic Calabasas M, Inc.	CA	Mercedes-Benz of Calabasas
Sonic — Calabasas V, Inc.	CA	
Sonic — Camp Ford, LP	TX	
Sonic — Capitol Cadillac, Inc.	MI	Capitol Cadillac Capitol Hummer

<u>Name of Entity</u>	<u>Domestic State</u>	<u>Certificate of Assumed Name</u>
Sonic — Capitol Imports, Inc.	SC	Capitol Imports Capitol Hyundai
Sonic — Carrollton V, LP	TX	
Sonic — Carson F, Inc.	CA	
Sonic — Carson LM, Inc.	CA	
Sonic — Chattanooga D East, LLC	TN	
Sonic — Clear Lake N, LP	TX	
Sonic — Clear Lake Volkswagen, LP	TX	Clear Lake Volkswagen
Sonic Coast Cadillac, Inc.	CA	Coast Cadillac
Sonic — Denver T, Inc.	CO	Mountain States Toyota Mountain States Toyota and Scion
Sonic — Denver Volkswagen, Inc.	CO	
Sonic Development, LLC	NC	
Sonic Divisional Operations, LLC	NV	
Sonic — Downey Cadillac, Inc.	CA	
Sonic — Englewood M, Inc.	CO	
Sonic eStore, Inc.	NC	
Sonic FFC 1, Inc.	DE	
Sonic FFC 2, Inc.	DE	
Sonic FFC 3, Inc.	DE	
Sonic — Fort Mill Chrysler Jeep, Inc.	SC	
Sonic — Fort Mill Dodge, Inc.	SC	
Sonic — Fort Worth T, LP	TX	Toyota of Fort Worth Scion of Fort Worth
Sonic — Frank Parra Autoplex, LP	TX	Frank Parra Chevrolet Frank Parra Chrysler Jeep Frank Parra Chrysler Jeep Dodge
Sonic Fremont, Inc.	CA	Jaguar Fremont Land Rover Fremont Volvo Fremont
Sonic — Harbor City H, Inc.	CA	Carson Honda
Sonic Houston JLR, LP	TX	Jaguar Houston North Land Rover Houston North
Sonic Houston LR, L.P	TX	Land Rover Houston Central Jaguar Houston Central
Sonic — Houston V, L.P	TX	Volvo of Houston
Sonic — Integrity Dodge LV, LLC	NV	
Sonic — Jersey Village Volkswagen, LP	TX	Momentum Volkswagen of Jersey Village
Sonic — Lake Norman Chrysler Jeep, LLC	NC	
Sonic — Las Vegas C East, LLC	NV	
Sonic — Las Vegas C West, LLC	NV	Cadillac of Las Vegas — West
Sonic — Lloyd Nissan, Inc.	FL	
Sonic — Lloyd Pontiac — Cadillac, Inc.	FL	
Sonic — Lone Tree Cadillac, Inc.	CO	Don Massey Cadillac Don Massey Collision Center
Sonic — LS Chevrolet, LP	TX	Lone Star Chevrolet
Sonic — LS, LLC	DE	

<u>Name of Entity</u>	<u>Domestic State</u>	<u>Certificate of Assumed Name</u>
Sonic — Lute Riley, LP	TX	Lute Riley Honda
Sonic — Manhattan Fairfax, Inc.	VA	BMW of Fairfax
Sonic — Massey Cadillac, LP	TX	
Sonic — Massey Chevrolet, Inc.	CA	
Sonic — Massey Pontiac Buick GMC, Inc.	CO	
Sonic — Mesquite Hyundai, LP	TX	
Sonic Momentum B, LP	TX	Momentum BMW
		Momentum MINI
Sonic Momentum JVP, LP	TX	Land Rover Southwest Houston
		Jaguar Southwest Houston
		Momentum Volvo
		Momentum Porsche
Sonic Momentum VWA, LP	TX	Momentum Volkswagen Momentum Audi
Sonic — Newsome Chevrolet World, Inc.	SC	Capitol Chevrolet
Sonic — Newsome of Florence, Inc.	SC	Capitol Chevrolet of Florence
		Newsome Automotive (Mercedes)
		Imports of Florence (BMW)
Sonic — North Charleston Dodge, Inc.	SC	
Sonic — North Charleston, Inc.	SC	
Sonic of Texas, Inc.	TX	
Sonic Okemos Imports, Inc.	MI	
Sonic Peachtree Industrial Blvd., LP	GA	
Sonic — Plymouth Cadillac, Inc.	MI	Don Massey Cadillac
Sonic — Reading, LP	TX	
Sonic Resources, Inc.	NV	
Sonic — Richardson F, LP	TX	North Central Ford
Sonic-Riverside Auto Factory, Inc.	OK	
Sonic — Sam White Nissan, LP	TX	
Sonic — Sanford Cadillac, Inc.	FL	Massey Cadillac of Sanford
Sonic Santa Monica M, Inc.	CA	W.I. Simonson
Sonic Santa Monica S, Inc.	CA	
Sonic — Saturn of Silicon Valley, Inc.	CA	
Sonic Serramonte I, Inc.	CA	
Sonic — Shottenkirk, Inc.	FL	Pensacola Honda
Sonic — South Cadillac, Inc.	FL	
Sonic — Stevens Creek B, Inc.	CA	Stevens Creek BMW
Sonic — Stone Mountain T, LP	GA	Stone Mountain Toyota
		Stone Mountain Scion
Sonic Tysons Corner H, Inc.	VA	Honda of Tysons Corner
Sonic Tysons Corner Infiniti, Inc.	VA	Infiniti of Tysons Corner
Sonic — University Park A, LP	TX	
Sonic-Volvo LV, LLC	NV	Volvo of Las Vegas
Sonic Walnut Creek M, Inc.	CA	Mercedes-Benz of Walnut Creek
Sonic — West Covina T, Inc.	CA	
Sonic — Williams Cadillac, Inc.	AL	
Sonic Wilshire Cadillac, Inc.	CA	

<u>Name of Entity</u>	<u>Domestic State</u>	<u>Certificate of Assumed Name</u>
SRE Alabama — 2, LLC	AL	
SRE Alabama — 3, LLC	AL	
SRE Alabama — 4, LLC	AL	
SRE Alabama — 5, LLC	AL	
SRealEstate Arizona — 1, LLC	AZ	
SRealEstate Arizona — 2, LLC	AZ	
SRealEstate Arizona — 3, LLC	AZ	
SRealEstate Arizona — 4, LLC	AZ	
SRealEstate Arizona — 5, LLC	AZ	
SRealEstate Arizona — 6, LLC	AZ	
SRealEstate Arizona — 7, LLC	AZ	
SRE California — 1, LLC	CA	
SRE California — 2, LLC	CA	
SRE California — 3, LLC	CA	
SRE California — 4, LLC	CA	
SRE California — 5, LLC	CA	
SRE California — 6, LLC	CA	
SRE Colorado — 1, LLC	CO	
SRE Colorado — 2, LLC	CO	
SRE Colorado — 3, LLC	CO	
SRE Florida — 1, LLC	FL	
SRE Florida — 2, LLC	FL	
SRE Florida — 3, LLC	FL	
SRE Georgia — 1, LP	GA	
SRE Georgia — 2, LP	GA	
SRE Georgia — 3, LP	GA	
SRE Holding, LLC	NC	
SRE Maryland — 1, LLC	MD	
SRE Maryland — 2, LLC	MD	
SRE Michigan — 3, LLC	MI	
SRE Nevada — 1, LLC	NV	
SRE Nevada — 2, LLC	NV	
SRE Nevada — 3, LLC	NV	
SRE Nevada — 4, LLC	NV	
SRE Nevada — 5, LLC	NV	
SRE North Carolina — 1, LLC	NC	
SRE North Carolina — 2, LLC	NC	
SRE North Carolina — 3, LLC	NC	
SRE Oklahoma — 1, LLC	OK	
SRE Oklahoma — 2, LLC	OK	
SRE Oklahoma — 3, LLC	OK	
SRE Oklahoma — 4, LLC	OK	
SRE Oklahoma — 5, LLC	OK	
SRE South Carolina — 2, LLC	SC	
SRE South Carolina — 3, LLC	SC	

<u>Name of Entity</u>	<u>Domestic State</u>	<u>Certificate of Assumed Name</u>
SRE South Carolina — 4, LLC	SC	
SRE Tennessee — 1, LLC	TN	
SRE Tennessee — 2, LLC	TN	
SRE Tennessee — 3, LLC	TN	
SRE Tennessee — 4, LLC	TN	
SRE Tennessee — 5, LLC	TN	
SRE Tennessee — 6, LLC	TN	
SRE Tennessee — 7, LLC	TN	
SRE Tennessee — 8, LLC	TN	
SRE Tennessee — 9, LLC	TN	
SRE Texas — 1, LP	TX	
SRE Texas — 2, LP	TX	
SRE Texas — 3, LP	TX	
SRE Texas — 4, LP	TX	
SRE Texas — 5, LP	TX	
SRE Texas — 6, LP	TX	
SRE Texas — 7, LP	TX	
SRE Texas — 8, LP	TX	
SRE Virginia — 1, LLC	VA	
SRE Virginia — 2, LLC	VA	

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements of Sonic Automotive, Inc.:

- Registration Statement No. 333-82615 on Form S-3;
- Registration Statement No. 333-81059 on Form S-8;
- Post-Effective Amendment No. 1 to the Registration Statement No. 333-81059 on Form S-8;
- Registration Statement No. 333-81053 on Form S-8;
- Post-Effective Amendment No. 1 to the Registration Statement No. 333-81053 on Form S-8;
- Registration Statement No. 333-71803 on Form S-3;
- Registration Statement No. 333-77407 on Form S-3MEF;
- Registration Statement No. 333-69907 on Form S-8;
- Registration Statement No. 333-69899 on Form S-8;
- Registration Statement No. 333-68183 on Form S-3;
- Registration Statement No. 333-65447 on Form S-8;
- Registration Statement No. 333-49113 on Form S-8;
- Registration Statement No. 333-96023 on Form S-3;
- Registration Statement No. 333-51978 on Form S-4;
- Registration Statement No. 333-50430 and Nos. 333-50430-01 through 333-50430-G7 on Form S-3;
- Registration Statement No. 333-69901 on Form S-8;
- Post-Effective Amendment No. 2 to the Registration Statement No. 333-69901 on Form S-8;
- Registration Statement No. 333-95791 on Form S-8;
- Post-Effective Amendment No. 1 to the Registration Statement No. 333-95791 on Form S-8;
- Registration Statement No. 333-46272 on Form S-8;
- Post-Effective Amendment No. 1 to the Registration Statement No. 333-46272 on Form S-8;
- Registration Statement No. 333-46274 on Form S-8;
- Post-Effective Amendment No. 1 to the Registration Statement No. 333-46274 on Form S-8;
- Registration Statement No. 333-102052 on Form S-8;
- Registration Statement No. 333-102053 on Form S-8;
- Registration Statement No. 333-109411 on Form S-8;
- Registration Statement No. 333-109426 and Nos. 333-109426-1 through 333-109426-261 on Form S-4;
- Registration Statement No. 333-111463 and Nos. 333-111463-01 through 333-111463-263 on Form S-4;
- Registration Statement No. 333-117065 on Form S-8;
- Registration Statement No. 333-124370 on Form S-8;
- Registration Statement No. 333-142435 on Form S-8;
- Registration Statement No. 333-142436 on Form S-8;
- Registration Statement No. 333-159674 on Form S-8;
- Registration Statement No. 333-159675 on Form S-8;
- Registration Statement No. 333-160452 and Nos. 333-160452-01 through 333-160452-277 on Form S-3; and
- Registration Statement No. 333-161519 and Nos. 333-161519-01 through 333-161519-277 on Form S-3.

of our report dated February 29, 2008 (May 28, 2009 as to the third and fourth paragraphs under the Recent Accounting Pronouncements heading in Note 1, the fourth paragraph under the Dispositions heading in Note 2, the first and second paragraphs in Note 7 and the fifth paragraph in Note 9) (February 24, 2010 as to the first paragraph under the Reclassifications heading in Note 1) related to the 2007 consolidated financial statements (including retrospective adjustments to the 2007 consolidated financial statements and financial statement disclosures) of Sonic Automotive, Inc. (which report on the consolidated financial statements expresses an unqualified opinion and includes explanatory paragraphs regarding the adoption of the updated provisions of "Income Taxes" in the Accounting Standards Codification ("ASC") as of January 1, 2007, the adoption of the updated provisions of "Debt with Conversion and Other Options" in the ASC and for the adoption of the updated provisions of "Earnings Per Share" in the ASC), appearing in this Annual Report on Form 10-K of Sonic Automotive, Inc.

/s/ DELOITTE & TOUCHE LLP

Charlotte, North Carolina
February 24, 2010

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements of Sonic Automotive, Inc.:

- Registration Statement No. 333-82615 on Form S-3;
- Registration Statement No. 333-81059 on Form S-8;
- Post-Effective Amendment No. 1 to the Registration Statement No. 333-81059 on Form S-8;
- Registration Statement No. 333-81053 on Form S-8;
- Post-Effective Amendment No. 1 to the Registration Statement No. 333-81053 on Form S-8;
- Registration Statement No. 333-71803 on Form S-3;
- Registration Statement No. 333-77407 on Form S-3MEF;
- Registration Statement No. 333-69907 on Form S-8;
- Registration Statement No. 333-69899 on Form S-8;
- Registration Statement No. 333-68183 on Form S-3;
- Registration Statement No. 333-65447 on Form S-8;
- Registration Statement No. 333-49113 on Form S-8;
- Registration Statement No. 333-96023 on Form S-3;
- Registration Statement No. 333-51978 on Form S-4;
- Registration Statement No. 333-50430 and Nos. 333-50430-01 through 333-50430-G7 on Form S-3;
- Registration Statement No. 333-69901 on Form S-8;
- Post-Effective Amendment No. 2 to the Registration Statement No. 333-69901 on Form S-8;
- Registration Statement No. 333-95791 on Form S-8;
- Post-Effective Amendment No. 1 to the Registration Statement No. 333-95791 on Form S-8;
- Registration Statement No. 333-46272 on Form S-8;
- Post-Effective Amendment No. 1 to the Registration Statement No. 333-46272 on Form S-8;
- Registration Statement No. 333-46274 on Form S-8;
- Post-Effective Amendment No. 1 to the Registration Statement No. 333-46274 on Form S-8;
- Registration Statement No. 333-102052 on Form S-8;
- Registration Statement No. 333-102053 on Form S-8;
- Registration Statement No. 333-109411 on Form S-8;
- Registration Statement No. 333-109426 and Nos. 333-109426-1 through 333-109426-261 on Form S-4;
- Registration Statement No. 333-111463 and Nos. 333-111463-01 through 333-111463-263 on Form S-4;
- Registration Statement No. 333-117065 on Form S-8;
- Registration Statement No. 333-124370 on Form S-8;
- Registration Statement No. 333-142435 on Form S-8;
- Registration Statement No. 333-142436 on Form S-8;
- Registration Statement No. 333-159674 on Form S-8;
- Registration Statement No. 333-159675 on Form S-8; and
- Registration Statement No. 333-160452 and Nos. 333-160452-01 through 333-160452-277
- Registration Statement No. 333-161519 and Nos. 333-161519-01 through 333-161519-277

of our report dated February 24, 2010, with respect to the consolidated financial statements of Sonic Automotive, Inc. (the “Company”) and our report dated February 24, 2010, with respect to the effectiveness of internal controls over financial reporting of the Company, included in this Annual Report (Form 10-K) of the Company for the year ended December 31, 2009.

/s/ ERNST & YOUNG LLP

Charlotte, North Carolina
February 24, 2010

CERTIFICATION

I, David P. Cosper, certify that:

1. I have reviewed this annual report on Form 10-K of Sonic Automotive, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ DAVID P. COSPER
David P. Cosper
Vice Chairman and Chief Financial Officer

Date: February 24, 2010

CERTIFICATION

I, O. Bruton Smith, certify that:

1. I have reviewed this annual report on Form 10-K of Sonic Automotive, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ O. BRUTON SMITH
O. Bruton Smith
Chairman and Chief Executive Officer

Date: February 24, 2010

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO**

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Somic Automotive, Inc. (the "Company") on Form 10-K for the year ended December 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David P. Cosper, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ DAVID P. COSPER
David P. Cosper
Vice Chairman and Chief Financial Officer

February 24, 2010

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Sonic Automotive, Inc. (the "Company") on Form 10-K for the year ended December 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, O. Bruton Smith, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ O. BRUTON SMITH
O. Bruton Smith
Chairman and Chief Executive Officer

February 24, 2010