

**AMENDED AND RESTATED**  
**ASSET PURCHASE AGREEMENT**

THIS AMENDED AND RESTATED ASSET PURCHASE AGREEMENT is made and entered into as of the \_\_\_\_ day of ~~January~~June, 2009, by and among **T. THOMAS CHEVROLET, INC.**, a Florida corporation, **MRH OF LAKELAND, INC.**, a Florida corporation (herein collectively called "Seller"), **MICHAEL R. HOLLEY** ("Shareholder" and together with the Seller referred to collectively as the "Selling Parties"), and **LAKELAND CHEVROLET, LLC**, a Florida limited liability company, or its assigns (herein called "Buyer").

**RECITALS**

A. Seller is the owner of certain assets used in connection with the operation of an automobile dealership (the "Business") which sells products of the Chevrolet division of General Motors Corporation ("GM") and Kia Motors of America ("Kia") located at 1025 US Highway 98 South, Lakeland, Florida 33801 (the "Dealership Facility").

B. Purchaser desires to purchase the assets of the Business on the terms and conditions set forth below subject to the adjustments and computations provided for in this Agreement and ordinary course of business transactions for a purchase price in the approximate range as follows:

New Vehicles	\$9,064,089.00
Used Vehicles	TBD
Work-in Process	TBD
Fixed Assets	300,000.00
New GM Parts	300,000.00
New Kia Parts	200,000.00
Goodwill	10,000.00
 Total	 \$9,874,089.00

The above approximation of the purchase price is to be adjusted as set forth below to the actual values as of the date of Closing.

C. Seller desires to sell and Buyer desires to buy certain assets of Seller related to the Business of the Seller as described herein, pursuant to the terms and conditions of this Agreement and pursuant to an order of the Bankruptcy Court (as hereinafter defined) approving such sale under Section 363 of Chapter 11, Title 11 of the United States Bankruptcy Code (the "Bankruptcy Code"); et seq., (the "Sale Order"), such Sale Order to include the assumption and assignment of certain executory contracts as provided herein pursuant to Section 365 of the Bankruptcy Code; and

D. The Seller and Buyer have attached the exhibits and schedules that have been completed as of the date of execution of this Agreement. ~~The Seller and Buyer will continue to work to complete the appropriate exhibits and schedules and will agree to a final set of exhibits and schedules within ten (10) days after the date that the last of the parties hereto~~

~~executes this Agreement or this Agreement shall terminate.~~

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed by and between the parties as follows:

1. TRANSFER AND PRICING OF ASSETS TO BE SOLD. Pursuant to the Sale Order of the Bankruptcy Court approving the same and subject to the terms and conditions of this Agreement, the Seller agrees to sell, convey, transfer and deliver to the Buyer at the Closing (as hereinafter defined) all right, title and interest of the Seller in and to the following assets on the terms and conditions all as set forth on Schedule 1 and Subschedules attached hereto and made a part hereof (collectively, the "Assets") free from all claims, defaults, liens, taxes, debts and encumbrances of any kind, except the Assumed Liabilities (as hereinafter defined).

(A) Payment of purchase price. The purchase price, including the cost of parts and new vehicle inventories, and other assets to be purchased by the Company, shall be payable as follows:

(1) Fifty Thousand Dollars (\$50,000.00) shall be paid in trust to Shutts & Bowen LLP, attorneys for the Buyer to be held in escrow upon execution of this Agreement.

(2) The costs of the Assets shall be paid in cash upon the Closing Date by Purchaser and Purchaser's floor plan lender.

(3) The purchase price of the assets purchased hereunder may be allocated as mutually agreed by the parties.

2. ASSUMPTION OF LIABILITIES AND OBLIGATIONS BY BUYER.

(A) Subject to the terms and conditions of this Agreement, on the Closing Date, as partial consideration for the Assets, the Buyer shall assume and agree to perform, pay and discharge when due, by Bankruptcy Court order, pursuant to Section 365 of the Bankruptcy Code, from and after the Closing, and shall indemnify, defend and hold Selling Parties harmless against, the following liabilities (collectively, the "Assumed Liabilities"):

(1) all liabilities and obligations of Seller at the Closing Date pertaining to the pending customer sales contracts set forth on Schedule 2 (for which the purchase price paid hereunder shall be reduced on a dollar for dollar basis) other than any liability for any breach by Seller or any employee or agent of Seller hereunder;

(2) advanced payment obligations of Seller under said pending customer sale contracts (for which the purchase price paid hereunder shall be reduced on a dollar for dollar basis);

(3) security deposit obligations of Seller under said pending customer sale contracts (for which the purchase price paid hereunder shall be reduced on a dollar for dollar basis);

(4) all liabilities and obligations arising out of or resulting from the operation of the business by Buyer, except Excluded Liabilities (as defined in Section 2(B) hereof) occurring subsequent to the Closing Date;

(5) all liabilities arising after the Closing Date with respect to the contracts and leases on **Schedule 1-2**.

(B) Except as, and to the extent specifically set forth in Section 2(A) above, Buyer is not assuming any liabilities of Seller and all such liabilities shall be, and remain the responsibility of Seller. In addition, Buyer shall be entitled to set off or reduce the purchase price by any Buyer Paid Seller Expense (as defined below) which Buyer elects to pay and are permitted by the Sale Order. Notwithstanding the provisions of Section 2(A), Buyer is not assuming, and Seller shall not be deemed to have transferred to Buyer the following liabilities of Seller (collectively, the “Excluded Liabilities”):

(1) any liability of Seller in connection with Seller’s long-term debt or notes payable (including, without limitation, the current portion hereof and any accrued but unpaid interest, costs and fees), including, without limitation, notes payable;

(2) any liability for taxes that are not pro-rated at closing;

(3) contingent liabilities, including any contingent warranty liability;

(4) 401(k) employee elective deferrals, matching contributions and any discretionary employee elective contributions payable;

(5) accrued healthcare expense;

(6) accrued property or other tax that is not pro-rated at closing;

(7) any compensation due to employees as of the Closing Date, including incentive and bonus pay, sick pay and vacation pay; and

(8) any and all liabilities or obligations, contingent or otherwise, related in any way to the Dealership Facility.

(C) To the extent that the assignment of any contract or any license, permit, approval or qualification issued or to be issued by any government or agency or instrumentality thereof relating to the Business, including, without limitation, any licenses and permits, to be assigned to Buyer pursuant to this Agreement shall require the consent of any other party, this Agreement shall not constitute a contract to assign the same if an attempted assignment would constitute a breach thereof. Seller shall use its best commercial efforts, and Buyer shall cooperate where appropriate, to obtain any consent necessary to any such assignment. If any such consent is not obtained, then Seller shall cooperate with Buyer at Buyer’s expense in any reasonable arrangement requested by Buyer designed to provide to Buyer the benefits under any such contract, license, and permit.

3. REPRESENTATIONS AND WARRANTIES OF SELLING PARTIES. Selling Parties, jointly and severally, represent and warrant to Buyer as follows:

(A) Each Seller is a corporation duly organized and existing and in good standing under the laws of the State of Florida, and is duly authorized to carry on its Business and to own and lease its properties as and in the places where such properties are now owned, leased or operated.

(1) Each of the Selling Parties has all requisite ability, power, and authority to own, operate and lease its properties, to carry on its business as and where such is now being conducted, to enter into this Agreement and the other documents and instruments to be executed and delivered by them pursuant hereto and to carry out the transactions contemplated hereby and thereby.

(2) Seller is an entity duly licensed or qualified to do business and is in good standing, in each jurisdiction wherein the character of the properties owned or leased by it, or the nature of its business, makes such licensing or qualification necessary.

(3) The Seller does not own any interest in any corporation, partnership or other entity.

(4) Shareholder is a record and beneficial owner of, and controls 100% of, the equity interest (or other interest convertible into equity interest) of any type of the Seller.

(5) This transaction has been approved by the requisite corporate and shareholder action mandated by Florida law.

(B) Seller has good marketable title to all of the Assets subject to no mortgage, pledge, conditional sales agreement, charges, liens, claims, or encumbrances other than those listed on **Exhibit "A"** attached hereto, and security agreements under which Seller finances vehicles in its inventory with General Motors Acceptance Corporation, which shall be discharged at the Closing by order of the Bankruptcy Court, and Buyer shall take title to the Assets free and clear of such liens, mortgages, claims, encumbrances, interests to the fullest extent permitted under 11 U.S.C. Section 363.

(C) With the exception of the taxes and assessments listed in **Schedule 3-1** attached hereto, Seller has filed all federal, state and local governmental tax returns required by it to be filed in accordance with the provisions of law pertaining thereto and has paid all taxes and assessments (including, without limitation of the foregoing, income, excise, unemployment, social security, occupation, franchise, property, and import taxes, duties or charges and all penalties and interest in respect thereto) required to have been paid to date.

(D) The execution and delivery of this Agreement and the other documents and instruments to be executed and delivered by the Selling Parties pursuant hereto and the consummation of the transactions contemplated hereby and thereby have been duly authorized by the Board of Directors and Shareholder of Seller. No other or further corporate act or proceeding on the part of the Selling Parties is necessary to authorize this Agreement or the other

documents and instruments to be executed and delivered by each of the companies pursuant hereto or the consummation of the transactions contemplated hereby and thereby. This Agreement constitutes, and when executed and delivered, the other documents and instruments to be executed and delivered by the Selling Parties pursuant hereto will constitute, valid and binding agreements of each of the Selling Parties, enforceable in accordance with their respective terms.

(E) There are no legal, quasi-judicial or administrative actions, suits or proceedings of any kind or nature now pending or, to the knowledge of Selling Parties, threatened before any court or administrative body in any manner involving Seller or any of its properties or shares of capital stock, or which may adversely affect the power or authority of Selling Parties to carry out the transactions to be performed by Selling Parties hereunder, all except with respect to the anticipated Bankruptcy Court filing of Seller.

(F) The Selling Parties' execution and delivery of this Agreement and consummation of the transactions contemplated hereby does not (i) conflict with or result in a material breach of any provision of or constitute a material default (or an event which with the giving of notice or the lapse of time or both would constitute a material default) or result in the creation of any lien, security interest, charge or encumbrance upon any part of the Assets under any of the terms, conditions or provisions of the articles of incorporation or bylaws of Seller, or any note, bond, mortgage, indenture, license, permit or material agreement or contract (including those set forth on the Exhibits attached hereto) to which either of the Selling Parties is a party or by which any of their properties may be bound, or (ii) violate any material law or order, writ, injunction, decree, statute, rule or regulation of any court or other governmental authority applicable to or bearing upon the Selling Parties or the Assets.

(G) All of Seller's vehicles (other than vehicles held as inventory), machinery, tools (including such special tools as are necessary to the normal business operations of Seller), supplies, furniture, fixtures, buildings, improvements and equipment are in good operating condition and repair as of the date hereof and shall be as of the Closing Date, ordinary wear and tear excepted. Buyer shall have the right at any time prior to the Closing Date to inspect such equipment and ascertain its condition. Such equipment is all the equipment necessary for the operation of the Business and all equipment currently used in the business is owned or leased by Seller.

(H) The Dealership Facility and any improvements thereon to be leased by Buyer and any improvements thereon utilized by Seller, to the best of Seller's knowledge, comply with all applicable zoning (except for two lots zoned residential) and other laws, ordinances, regulations and building codes and Selling Parties have not received any notice of any violation thereof which has not been remedied.

(I) Neither Seller is a party to any written or oral (i) contract not made in the ordinary course of business, (ii) employment contract which is not terminable without cost or other liability to Seller, or any successor, upon notice of thirty (30) days or less, (iii) contract with any labor union, (iv) bonus, pension, profit-sharing, retirement, share purchase, hospitalization insurance or similar plan providing employee benefits except as shown on

**Exhibit "F"**, (v) lease or sublease with respect to any property, real or personal, whether as lessor or lessee except as shown on **Schedule 1-2**, (vi) advertising contract or contract for public relations services except as shown on **Schedule 1-2** (vii) continuing contract for the purchase of materials, supplies or equipment except as shown on **Schedule 1-2**, or (viii) contract continuing for a period of more than thirty (30) days or which is not terminable without cost or other liability to Seller or its successors, all except as listed on **Exhibit "C"** or except as shown on **Schedule 1-2**.

(J) Seller has delivered to Buyer a copy of the financial statements of the Seller as of August, 2008, copies of which are attached hereto as **Exhibit "D"**, which present a true and complete statement of the Seller's financial condition as of that date and an accurate representation of the results of the Seller's operations for the period indicated. The financial statements have been prepared in accordance with recommended GM accounting guidelines consistently applied, and which are to be consistently applied through and including the Closing Date. All Assets so described are correct and will remain so until Closing Date, except as affected by ordinary course of business transactions.

(K) With respect to the Dealership Facility, to the best of Selling Parties knowledge, (i) there are no pending or threatened condemnation proceedings, suits or administrative actions relating to the Dealership Facility or other matters affecting adversely the current use or occupancy thereof; (ii) all facilities have received all approvals of governmental authorities (including licenses and permits) required in connection with the operation thereof and have been operated and maintained in accordance with applicable laws, ordinances, rules and regulations; (iii) there are no contracts granting to any party or parties the right of use or occupancy of any portion of the Dealership Facility, and there are no parties (other than Seller) in possession of any of the Dealership Facility; (iv) all facilities located on the Dealership Facility are supplied with utilities and other services necessary for their operation as currently operated, all of which services are adequate in accordance with all applicable laws, ordinances, rules and regulations, and are provided via public roads or via permanent, irrevocable, appurtenant easements benefiting the Dealership Facility; (v) the Dealership Facility abuts on and has adequate direct vehicular access to a public road and there is no pending or, to the knowledge of the Selling Parties, threatened termination of such access; and (vi) all improvements, buildings and systems on the Dealership Facility are suitable for their current use as currently used for the Dealership Facility.

(L) **Environmental Matters**.

(1) There are no asbestos-containing materials in any improvements on the Dealership Facility to the best of Selling Parties knowledge.

(2) Except as disclosed on **Exhibit "E"**, none of the Selling Parties received any request for information, notice of claim, demand or other notification that it is or may be potentially responsible with respect to any investigation or clean-up of hazardous, toxic or polluting substances; except in compliance with applicable regulations, the Seller has not treated, stored for more than ninety (90) days, recycled or disposed of any hazardous, toxic or polluting substances on the Dealership Facility except in accordance with applicable law, and no

other person has treated or stored for more than ninety (90) days, substances on any such Dealership Facility; no PCB's, asbestos or urea formaldehyde insulation is present at any property owned or leased by and of the Seller; and there are no underground storage tanks (except for the existing in-ground gasoline tank) which have not been closed in accordance with applicable law, active or abandoned, on the Dealership Facility.

(3) Except as disclosed on **Exhibit "E"**, (i) Seller has complied with and is not in violation of any federal, state or local law, regulation, permit, provision or ordinance relating to the generation, storage, transportation, treatment or disposal of hazardous, toxic or polluting substances; (ii) has obtained and adhered to all necessary permits and other approvals necessary to store, dispose, and otherwise handle hazardous, toxic and polluting substances; (iii) has reported, to the extent required by federal, state and local law, all past and present sites where hazardous, toxic or polluting substances, if any, from the Seller have been treated, stored or disposed. The Seller has not transported any hazardous, toxic or polluting substances or arranged for the transportation of such substances to any location which is listed or proposed for listing under the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended ("CERCLA"), the Resource Conservation and Recovery Act, as amended ("RCRA"), or the Clean Water Act, as amended ("CWA"), or which is the subject of federal, state or local enforcement actions or other investigations which may lead to claims against the Seller or Buyer for clean-up costs, remedial work, damages to natural resources or for personal injury claims, including, but not limited to, claims under CERCLA, RCRA or the CWA.

(M) If applicable, each Seller is in compliance with the requirements of the Worker Adjustment and Retraining Notification Act of 1988, and any rules or regulations promulgated thereunder.

(N) The Selling Parties are not a party to or bound by any collective bargaining agreement or any other agreement with a labor union, and there has been no labor union prior to the date hereof organizing any employees of the Seller into one or more collective bargaining units. There is not now, and there has not been prior to the date hereof, any actual or, to the knowledge of the Selling Parties, threatened labor dispute, strike or work stoppage which affects or which may affect the Business of the Seller or which may interfere with its continued operations. Neither the Selling Parties, nor any employee, agent or representative thereof, have since the date of formation of Seller committed any unfair labor practice as defined in the National Labor Relations Act, as amended, and there is no pending or, to the knowledge of the Selling Parties, threatened charge or complaint against the Seller by or with the National Labor Relations Board or any representative thereof. There has been no strike, walkout or work stoppage involving any of the employees of the Seller prior to the date hereof. No executive or employee, or group of employees (other than employees that are planning to retire in the normal course of business, or employees who currently have health conditions that will require them to retire), to the Seller's knowledge, has any plans to terminate his, her or their employment with the Seller as a result of the transactions contemplated hereby or otherwise. Buyer is not obligated, and nothing herein shall be deemed to be a promise, to hire any employees of the Seller. Seller has complied in all material respects with applicable laws, rules and regulations relating to employment, civil rights and equal employment opportunities, including but not limited to, the Civil Rights Act of 1964, the FLSA and Title I of the Americans with Disabilities

Act, all as amended. The Seller is and at all times has been in compliance with the terms and provisions of the Immigration Reform and Control Act of 1986, as amended (the "Immigration Act"). With respect to each Employee (as defined in 8 C.F.R. 274a.1(f)) of the Seller for whom compliance with the Immigration Act is required, the Seller has on file a true, accurate and complete copy of (i) each Employee's Form I-9 (Employment Eligibility Verification Form) and (ii) all other records, documents or other papers prepared, procured and/or retained pursuant to the Immigration Act. The Seller has not been cited, fined, served with a Notice of Intent to Fine or with a Cease or Desist Order, nor has any action or administrative proceeding been initiated or threatened against the Seller by the Immigration and Naturalization Service by reason of any actual or alleged failure to comply with the Immigration Act.

(O) The Seller does not and has not maintained, and has no liability with respect to, (a) any Employee Benefit Plan (as defined below) intended to qualify under Code Section 401(a) or 403(a)(i), (b) any multi-employer plan, as defined in Section 3(37) of ERISA, or (c) any employee pension benefit plan, as defined in Section 3(2) of ERISA. **Exhibit "F"** contains a list setting forth each employee benefit plan or arrangement of the Seller, including but not limited to employee welfare benefit plans, deferred compensation plans, stock option plans, bonus plans, stock purchase plans, hospitalization, disability and other insurance plans, severance or termination pay plans and policies, whether or not described in Section 3(3) of ERISA, in which employees, their spouses or dependents, of the Seller participate ("Employee Benefit Plans") (true and accurate copies of which, together with the most recent annual reports on Form 5500 (if any) and summary plan descriptions with respect thereto, if applicable, were furnished to Buyer). With respect to each Employee Benefit Plan (i) each has been administered in all respects in compliance with its terms and with all applicable laws, including, but not limited to, ERISA and the Code; (ii) no actions, suits, claims or disputes are pending, or threatened; (iii) no audits, inquiries, reviews, proceedings, claims or demands are pending with any governmental or regulatory agency; (iv) there are no facts which could give rise to any liability in the event of any such investigation, claim, action, suit, audit, review, or other proceeding; (v) all reports, returns, and similar documents required to be filed with any governmental agency or distributed to any plan participant have been duly or timely filed or distributed; and (vi) no "prohibited transaction" has occurred within the meaning of the applicable provisions of ERISA or the Code.

(P) Except as disclosed on **Exhibit "F"**, the Seller is not obligated under any employee welfare benefit plan as described in Section 3(1) of ERISA ("Welfare Plan") to provide medical or death benefits with respect to any employee or former employee of the Seller or its predecessors after termination of employment; (ii) the Seller has complied with the notice and continuation coverage requirements of Section 4980B of the Code and the regulations thereunder with respect to each Welfare Plan that is, or was during any taxable year for which the statute of limitations on the assessment of federal income taxes remains open, by consent or otherwise, a group health plan within the meaning of Section 5000(b)(1) of the Code; and (iii) there are no reserves, assets, surplus or prepaid premiums under any Welfare Plan which is an Employee Benefit Plan. The consummation of the transactions contemplated by this Agreement will not entitle any individual to severance pay, and, will not accelerate the time of payment or vesting, or increase the amount of compensation, due to any individual.

(Q)(i) None of the Employee Benefit Plans obligates the Seller to pay separation, severance, termination or similar benefits solely as a result of any transaction contemplated by this Agreement; (ii) all required or discretionary (in accordance with historical practices) payments, premiums, contributions, reimbursements, or accruals for all periods ending prior to or as of the Closing shall have been made or properly accrued on the current balance sheet or will be properly accrued on the books and records of the Seller as of the Closing; and (iii) none of the Employee Benefit Plans has any unfunded liabilities which are not reflected on the current balance sheet or the books and records of the Seller.

(R) **Exhibit I** to this Agreement is a description of all insurance policies held by Seller on the Assets and the Dealership Facility. All of these policies are in the respective principal amounts set forth in Exhibit I. Seller has maintained and now maintains (1) insurance on all the Assets and the Dealership Facility of a type customarily insured, covering property damage and loss of income by fire or other casualty, and (2) adequate insurance protection against all liabilities, claims, and risks against which it is customary to insure. Seller may be in default with respect to payment of premiums on such policies as indicated on **Exhibit I**. Except as set forth in **Exhibit I**, no claim is pending under any such policy.

4. **COVENANTS OF SELLING PARTIES.** Selling Parties, jointly and severally, represent and covenant to Buyer that during and pending completion of the sale of the Assets contemplated hereby and as of Closing that:

(A) Each and every covenant, representation and warranty set forth in Section 3 hereof shall be true and correct as of the Closing Date.

(B) Seller will maintain itself at all times up to and including the Closing Date as a duly licensed corporation in good standing under the laws of the State of Florida and qualified to do business in the State of Florida.

(C) Seller will seek to (i) keep its place of business open during and for not less than the hours customary in the Business's normal course of business, (ii) cause its Business to function in the ordinary course of business and in a good and efficient manner in keeping with the practices of Seller, and (iii) operate its Business in such a way as not to affect adversely the operation or business of Seller or the good name, good will or reputation of GM; provided, however, that the Buyer hereby acknowledges that the Business is presently closed and not being operated.

(D) Seller will afford Buyer, its representatives, agents and employees, at all reasonable times, access and facilities to use, with respect to all of the Assets of Seller, its books, files, records, insurance policies and Shareholder' list for the purpose of audit, inspection and examination thereof, and will do everything reasonably necessary to enable Buyer to make a complete examination of the Assets of Seller and the condition thereof. All information so obtained by Buyer and its representatives, agents, and employees, will be shared with the Seller and shall be kept confidential. Buyer's representatives shall use their best efforts not to interfere with Seller's operations.

(E) Neither Seller will mortgage, pledge, or subject to lien or other encumbrance any of its Assets, except as listed on **Exhibit "A"** hereto and for the floor planning of new and used vehicles.

(F) Neither Seller will acquire or dispose of any of the Assets subject to the terms of this Agreement or in any way obligate itself to do so, except as may be expressly provided by the terms of this Agreement or except in the ordinary course of business.

(G) Seller will maintain, preserve and keep all improvements on its property and all equipment, machinery and other personal property constituting a part of the Assets in a good condition and state of repair, reasonable wear and tear or damage or loss by fire, storm or other casualty loss excepted.

(H) Seller agrees not to enter into employment contracts with employees, grant employees additional benefits, or give employees raises not in the normal course of business.

(I) Seller agrees to use its best efforts to assist Buyer in obtaining lessors' consents, if required, to the assignment of each of the leases and contracts to be assumed by Buyer pursuant hereto.

5. **REPRESENTATIONS AND WARRANTIES OF BUYER.** Buyer represents and warrants to Seller as follows:

(A)(1) Buyer is a limited liability company duly organized and existing and in good standing under the laws of the State of Florida, and is duly authorized to carry on its business and to own and lease its properties as and in the places where such properties are now owned, leased or operated.

(2) Buyer has all requisite power and authority to enter into this Agreement and the other documents and instruments to be executed and delivered by it pursuant hereto and to carry out the transactions contemplated hereby and thereby.

(B)(1) The execution and delivery of this Agreement and the other documents and instruments to be executed and delivered by the Buyer pursuant hereto and the consummation of the transactions contemplated hereby and thereby have been duly authorized by the Board of Directors and Shareholder of Buyer. No other or further corporate act or proceeding on the part of the Buyer is necessary to authorize this Agreement or the other documents and instruments to be executed and delivered by Buyer pursuant hereto or the consummation of the transactions contemplated hereby and thereby. This Agreement constitutes, and when executed and delivered, the other documents and instruments to be executed and delivered by the Buyer pursuant hereto will constitute, valid and binding agreements of Buyer, enforceable in accordance with their respective terms.

(2) Except as set forth on **Exhibit "J"**, there are no legal, quasi judicial or administrative actions, suits or proceedings of any kind or nature now pending or, to the knowledge of Buyer, threatened before any court or administrative body in any manner

involving Buyer which may adversely affect the power or authority of Buyer to carry out the transactions to be performed by Buyer hereunder.

(3)The Buyer's execution and delivery of this Agreement and consummation of the transactions contemplated hereby does not (i) conflict with or result in a material breach of any provision of or constitute a material default (or an event which with the giving of notice or the lapse of time or both would constitute a material default) or result in the creation of any lien, security interest, charge or encumbrance upon any part of the Assets under any of the terms, conditions or provisions of the articles of incorporation or bylaws of Buyer, or any note, bond, mortgage, indenture, license, permit or material agreement or contract (including those set forth on the Exhibits attached hereto) to which the Buyer is a party or by which any of its properties may be bound, or (ii) violate any material law or order, writ, injunction, decree, statute, rule or regulation of any court or other governmental authority applicable to or bearing upon the Buyer or (iii) violate any contract to which Buyer is a party or is bound.

(C) Buyer, or its designee shall promptly, following the execution of this Agreement, make application to the Chevrolet Division of GM and Kia, for the appointment of Buyer or its designee as an authorized franchised Dealer to sell and service Chevrolet Division and Kia vehicles for the trade area now served by the franchise agreement for Chevrolet Division and Kia to the Dealer. Buyer or its designee will not voluntarily withdraw said application. Buyer represents that he or it possess the necessary sales and management experience and financial conditions to meet the requirements of the Chevrolet Division of GM for the issuance of the franchise.

6. REPRESENTATIONS, WARRANTIES & COVENANTS TRUE AS OF THE CLOSING DATE/NATURE AND SURVIVAL.

All of the representations, warranties and covenants herein contained in Sections 3, 4 and 5 hereof shall be true and correct and shall not have been breached on and as of the Closing Date as though made on and as of the Closing Date. All representations and warranties, indemnities, covenants, and agreements made by the Selling Parties in this Agreement shall be deemed joint and several unless indicated otherwise hereunder, and all representations and warranties made by all parties shall survive the Closing Date. Each party shall have the right to fully rely on the representations, warranties, covenants and agreements of the parties contained in this Agreement or in any other documents or papers delivered in connection herewith, and each representation, warranty, covenant and agreement of the parties contained in this Agreement is independent of each other's representation, warranty, covenant and agreement.

7. DUE DILIGENCE. INTENTIONALLY DELETED.

8. CLOSING DATE.

(A)The closing of the transaction provided for in this Agreement shall take place at the offices of the Seller's attorney, on the second Monday following the receipt of GM and Kia approval as set forth in Section 9(B)(10) below and receipt of a nonappealable final order of

the Bankruptcy Court approving the transaction, and such other conditions as set forth in this Agreement (the "Closing Date").

(B) Buyer and Seller acknowledge that preparation of the Bill of Sale is a joint responsibility, the completion of which in a continuing business is a time-consuming and complicated process. Seller therefore requests that Buyer assist Seller in the taking of inventories and preparation of **Schedules** contemplated by this Agreement.

(C) For purposes of conditions, of and preceding closing, the "Closing Date" means the day on which the purchase price is paid and the Bill of Sale is executed and delivered.

9. CONDITIONS PRECEDENT TO CLOSING AND PAYMENT OF PURCHASE PRICE. Payment of the various purchase prices, in immediately available funds, stated in this Agreement shall be conditioned upon their calculation under the formula set forth in this Agreement and upon accomplishment of the following conditions precedent, it being understood that Seller shall do everything within its power to cause such conditions to be accomplished.

(A) On the Closing Date:

(1) Seller's Resignation. Each of Sellers shall have terminated its respective Chevrolet Division Sales & Service Agreement with GM and Kia Sales & Service Agreement by delivering a letter(s) of resignation and, with Shareholder, a General Release(s) in a form satisfactory to GM and Kia and shall have taken all other actions required of Seller under said agreements. Further, Seller shall pay as due GM and Kia all monies due it, including, but not limited to, the balance owed on its parts statement.

(2) GM and Kia Expenses. The Buyer may elect, as part of Closing, pay as due GM and Kia all monies due it by Seller, including, but not limited to, the balance owed on its parts statement. Any such expense paid shall be deemed a Buyer Paid Seller Expense.

(3) Seller's Records. Seller shall have transferred to Buyer all of its registration lists (new and used cars, and trucks), owner follow-up lists, customer history files, including, but not limited to, sales, service, body shop, parts, and "hard" copies of body and service repair orders and lists of new car and truck orders on hand at the Closing Date, in the form as maintained by the Business in the ordinary course of its business. In the event that the Seller is required to pay Reynolds and Reynolds or other vendors amounts owed to such vendors to allow the parties to retrieve necessary records, the Buyer may elect to pay such amounts. Any such amounts paid by Buyer shall be a Buyer Paid Seller Expense.

(4) Telephone Numbers and Computer Sites. Seller shall have transferred to Buyer, insofar as it can, Seller's right in telephone numbers, facsimile numbers, domain addresses and web sites used by Seller in the Business. In the event that the Seller is required to pay a telephone company or web company amounts owed to allow the Seller to transfer such numbers and addresses, the Buyer shall, if the Buyer elects to receive the transferred numbers or addresses, pay such amounts. Any such amounts paid by Buyer shall be a Buyer Paid Seller Expense.

(5) Customer Deposits. Seller, without additional charge therefore, shall have turned over or assigned by appropriate documents to Buyer all unfilled retail orders and deposits made thereon. Annexed hereto as **Exhibit "G"** is a list, prepared by Seller, of all its unfilled retail orders and deposits as of the Closing Date.

(6) List of Employees. Seller shall have furnished to Buyer a list of all employees, their rates of pay, including separately, base pay, and any incentive or commission plans (**Exhibit J**), which will be updated as of the Closing Date.

(7) Unemployment Compensation Rate. Seller shall (if requested by Buyer and permitted by law) have transferred to Buyer (at Buyer's election) insofar as it can, Seller's state unemployment compensation rate and, if transferred, Buyer will assume all liability in connection therewith.

(8) Condition of Assets. Seller shall have reasonably satisfied Buyer that all Assets transferred hereunder are in as good condition, reasonable wear and tear excepted, as when inventoried and the prices for such items established, or, if not in such condition, have been removed from the stocks of items to be transferred hereunder and the price reduced accordingly.

(9) Bill of Sale. Seller shall have delivered to Buyer a Bill of Sale for all Assets to be transferred by Seller hereunder, an IRS allocation of purchase price, (IRS Form 8594), an Assignment of Intangible Assets which are particularly described herein to be transferred, other documents of transfer of title, and any other documents necessary in the opinion of Buyer's counsel in connection with the transfer, which documents shall warrant title to Buyer and shall in all respects be in such form as may be reasonably required by Buyer or its counsel.

(10) Act of God. There shall not have been any fire, accident or other casualty or any labor disturbance, civil commotion, riot, act of God or the public enemy, or any change in the Business or property of Seller, which would have a material adverse effect on the conduct of any automobile business at the property where the Business of Seller is now being conducted, or which would interfere with the use and occupancy by Buyer of the Dealership Facility in the conduct of an automobile dealership business.

(11) No Material Adverse Change. There shall not have been any material adverse change to the condition of the Dealership Facility or Assets, GM, Kia, or any material adverse change in the operation or management of the Business other than that occurring in the ordinary course of business. Notwithstanding the foregoing, the Buyer acknowledges that the Dealership Facility, that Assets and the Business are not being operated in the ordinary course of business and have been closed to the public. The purpose of this paragraph is for it to be applicable only if the Business, the Assets or Dealership Facility become materially worse than they were on the effective date of this Agreement and that the GM and Kia dealership agreements have not been terminated.

(B) On or before the Closing Date:

(1) Lease of Property. The Closing of the transaction contemplated herein is expressly contingent upon the execution of a lease for the Dealership Facility Property from Seller (the "Lease Agreement") a copy of which is attached hereto as Exhibit K. If the Lease Agreement is terminated, this Agreement shall automatically be terminated as well and all parties shall be released from further liability hereunder. A breach of the Lease Agreement shall be a breach of this Agreement, it being understood that this Agreement and the Lease Agreement are to close contemporaneously.

(2) Telephone Charges. Seller shall have obtained from the telephone company, and provided to Buyer, a statement, or provided other reasonable proof, of all sums that are due to the telephone company before the Closing Date.

(3) Corporate Approval of Sale and Ownership of Assets. Seller shall have furnished to Buyer evidence to the reasonable satisfaction of Buyer or its counsel of:

(a) Proper corporate and shareholder action on the part of Seller and Shareholder authorizing or ratifying the execution of this Agreement and the consummation of the transactions contemplated hereby; and

(b) Ownership by Seller of the Assets to be transferred by Seller, free of any mortgage, conditional sales agreement, charge, lien, encumbrance or security interest.

(4) Tax and Lien Clearance. Buyer may also reduce the purchase price by an amount sufficient to discharge Seller's future obligations pursuant to any "we owes", as well as any Seller in-house programs, including, but not limited to, free oil change programs and free tire programs and sales taxes. Seller shall provide Buyer proof of payment of all taxes, creditor accounts and the discharge of all liens or make adequate provision for the payment thereof in a manner reasonably satisfactory to Buyer. To the extent that any such taxes or creditor accounts are not paid in full, and the parties determine that it is necessary to pay such accounts, the Buyer may elect to pay such accounts in full. The amounts paid by the Buyer for such accounts shall be deemed Buyer Paid Seller Expenses.

(5) Bankruptcy Motion and Order.

(i) The Seller shall have filed a motion or motions for approval (the "Approval Motion") under Section 363 of the Bankruptcy Code of (x) the sale of the Assets and assumption and assignment of the Assigned Contracts and assumption of the Assumed Liabilities pursuant to the terms of this Agreement and the transactions hereunder (the "Transaction") and (y) the form of this Agreement;

(ii) The United States Bankruptcy Court having jurisdiction over the Chapter 11 case that the Seller is required to file in (i) above (the "Bankruptcy Court") shall have entered the Sale Order approving the Approval Motion; and

(iii) No court order by the Bankruptcy Court or the applicable United States District Court shall have been entered in any action or proceeding, including, without limitation, Seller's bankruptcy case, instituted by any person that enjoins, restrains, or prohibits the consummation of the transactions contemplated hereby or stays, enjoins or otherwise renders ineffective or materially modified, the Sale Order.

(iv) The Sale Order shall include a finding by the Bankruptcy Court pursuant to Section 363(m) of the Bankruptcy Code, that the negotiations between Buyer and Seller, entering into the transaction contemplated hereby, as approved pursuant to the Approval Motion and in accordance with the Sale Order, have been in all respects conducted and carried out in good faith, therefore shall be subject to all protections afforded by Section 363(m) of the Bankruptcy Code.

(v) The form and substance of the Sale Order shall be reasonably satisfactory to Buyer and its counsel.

(6) Representations and Warranties. The President or Vice President and the Secretary or the Assistant Secretary of each of Seller and Shareholder shall have executed and delivered to Buyer a certificate confirming the truth and correctness of all representations and warranties set forth in Sections 3 and 4 hereof from the date hereof to, and as of the Closing Date.

(7) Leases and Contracts. Seller shall have delivered all necessary assignments and consents and Buyer shall have assumed the Leases and Contracts set forth in **Schedule 1-2.**

(8) Evidence of Authority. Buyer shall have received an opinion or evidence, in form and substance satisfactory to Buyer, to the effect that (a) Each Seller is a corporation duly organized and existing and in good standing under the laws of the State of Florida and is entitled to carry on its business and to own and lease property as and in the places where such business is now conducted or such properties are now owned, leased or operated; (b) Seller has full power and authority to convey, assign, transfer and deliver to Buyer the Assets as herein provided; (c) all corporate and other proceedings required to be taken by, or on the part of, Seller and the Shareholder to authorize it to enter into and carry out this Agreement and to so convey, assign, transfer and deliver the Assets to Buyer as herein provided have been duly and properly taken, and (d) that counsel is not aware of any litigation involving any of the Selling Parties except with respect to the Bankruptcy Court and litigation described on **Exhibit "J"**.

(9) Material Error or Omission. Buyer shall not have discovered any material error, misstatement or omission in any of the representations or warranties made by Seller herein.

(10) Sales Agreement and GM and Kia Approval, Floorplan. Buyer shall have received Chevrolet Division Sales & Service Agreement from GM for a Chevrolet dealership at 1025 US Highway 98 South, Lakeland, Florida and a Kia Sales & Service Agreement for a Kia dealership at 1025 Highway 98 South, Lakeland, Florida, or

approval of same, in form and substance satisfactory to Buyer, covering Seller's Dealer Locality (as defined by GM and Kia) and approval of the Buyer or its designee as the Dealer/Operator, together with a floorplan loan acceptable to Buyer and the respective manufacturers. The parties agree to use commercially reasonable efforts to obtain such approvals and to pursue such approvals in a diligent manner. If approval has not been obtained within ninety (90) days from the date hereof, the Buyer, Selling Parties or the Shareholder may terminate this Agreement.

(11) Facility Qualification. The Dealership Facility to be leased and the improvements thereon, to be used by Buyer shall have met, to the satisfaction of the Buyer, all applicable federal, state and local environmental rules and regulations. Buyer shall notify Selling Parties within thirty (30) days of the signing of this Agreement of any matter that is not satisfactory to it with respect to the Dealership Facility.

(12) UCC Termination Statements. Seller shall have filed with the Secretary of State of Florida, and Polk County, Florida, or presented to Buyer for filing, UCC-3 termination statements, properly authorized by the secured party, releasing any and all liens filed on any of the Assets to be purchased hereunder. To the extent that an updated UCC search must be performed to determine existing UCC-1 filings that exist of record, the Buyer shall pay for such updated UCC search and such expense shall be deemed a Buyer Paid Seller Expense.

(13) State Licensing Board Approval. Buyer shall have received the approval by the applicable state licensing board of a license to Buyer or its nominee to operate the Chevrolet and Kia dealership business at the Dealership Facility. Buyer shall timely apply for and diligently proceed to obtain said approval.

10. ACCOUNTS RECEIVABLE. Buyer, on Seller's behalf, shall accept payment of Seller's accounts receivable arising out of the operation of Seller's business prior to the Closing Date at no charge to Seller, for a period of ninety (90) days after the Closing Date, and Buyer shall turn over to Seller from time to time during said period all of the moneys so accepted on said accounts receivable. At the end of said ninety (90) day period, Buyer shall turn over to Seller all documents in Buyer's possession which pertain to any such accounts receivable which remain uncollected. It is understood that Buyer's responsibility, so far as such collection is concerned, is only to accept moneys paid on such accounts receivable and shall not include any obligation to attempt to enforce payment thereof, verify the correctness of payment thereof, or to send out bills or statements therefore. No adjustments shall be made in any of such accounts receivable without the written permission of Seller or its nominee. Buyer shall credit any funds from a receivable debtor first, if the payment refers to or is identifiable to a specific invoice, the payment shall be applied to such invoice, and second, if not so identifiable, to the oldest outstanding invoice of Seller at the time of receipt, except if Buyer has been instructed by the payor to apply in a different order, or to a specific invoice or account, if Buyer is aware that there is a dispute with respect to such account, or if Buyer's payment terms are C.O.D. or rush.

11. INTENTIONALLY DELETED.

12. TAXES. Seller and Buyer agree that all State, City and County personal property taxes, if any, which are directly applicable to the Assets to be transferred hereunder, shall be prorated to the Closing Date. Buyer shall pay the pro rata share of such taxes applicable to the period subsequent to the Closing Date. The Buyer may elect to also pay such taxes applicable to the period prior to the Closing Date, but such amounts shall be deemed a Buyer Paid Seller Expense. Buyer shall pay all sales and use taxes arising as a result of this transaction. Buyer will execute such Florida tax-exemption forms as Seller shall reasonably request.

13. EMPLOYEEES. Buyer will assume no past or future obligations of Seller to any employees not hired by Buyer, including, but not limited to, any obligations to pay severance pay, incentive pay, bonuses, sick pay, pensions, vacation pay or other benefits to such employees, and such obligations will be and remain obligations of Seller, as will any similar obligations to any employees of Seller who are not hired by Buyer. Seller will transfer to Buyer on the Closing Date all applicable unemployment compensation rates, to the extent permitted by law and requested by Buyer and Buyer shall assume all liabilities in connection with said rate and the transfer thereof, if any. Seller will pay any and all employee obligations arising, accrued or owing prior to the Closing Date, including but not limited to, severance pay, incentive pay, bonuses, vacation pay or other benefits. Without limiting the foregoing, it is agreed that Buyer shall not, under any circumstances, become obligated for payment of any vacation pay accruing prior to the Closing Date.

14. HAZARDOUS MATERIALS. Buyer shall have no responsibility or obligations regarding any Hazardous Materials located on, in or under the Dealership Facility, unless such event is caused by Buyer after the Closing Date. Seller shall remove, in a manner that complies with applicable law, all waste (solid, liquid and sludge), waste oil requested to be removed by Buyer, antifreeze, open paint containers, vehicle gasoline tanks, body shop waste, removed parts and accessories, unused equipment and compressors, barrels, used tires, and batteries. All sump pits, clarifiers, and oil/water separators are to be thoroughly pumped out and cleaned, and any used car and truck gasoline tanks, batteries, and tires are also to be properly disposed of in a legal manner by Seller prior to the Closing Date. The cost for the above may be paid by the Buyer and shall be deemed a Buyer Paid Seller Expense. The Selling Parties hereby jointly and severally agree to indemnify, defend and hold harmless Buyer, its directors, Shareholder, officers, employees, agents and successors and assigns from and against any and all costs, damages, claims, and liabilities, including reasonable attorneys' fees and costs, foreseeable or unforeseeable, directly or indirectly arising from any breach of the representations and warranties or covenants by Seller or the Selling Parties regarding Hazardous Materials, or from any release, treatment, use, generation, storage, or disposal of Hazardous Materials prior to the Closing Date on, under, or from the Dealership Facility, including, without limitation, the cost of any required or necessary remediation or removal of such Hazardous Materials, any costs of repair of improvements on the real property or surrounding properties necessitated by such remediation or removal and, except as specifically provided in this Agreement, the costs of any testing, sampling or other investigation or preparation of remediation or other required plans undertaken prior to such remediation or removal. Nothing in this section shall be construed to require the removal of the existing in ground gasoline storage tank.

## 15. TERMINATION.

(A) Right of Termination Without Breach. This Agreement may be terminated without further liability of any party at any time except as described below prior to the Closing Date:

(1) by mutual written agreement of Selling Parties and Buyer; or

(2) by either Buyer or the Selling Parties if the Closing Date shall not have occurred on or before one hundred twenty (120) days after the execution of this Agreement, provided the terminating party has not, through breach of a representation, warranty or covenant, prevented the Closing from occurring on or before such date; or

(3) by either Buyer or Selling Parties if, prior to the Closing Date, the other party is in material breach of any representation, warranty, covenant or agreement herein contained and such breach shall not be cured within ten (10) days of the date of notice of default served by the party claiming such material breach; provided that such terminating party shall not also be in material breach of this Agreement at the time notice of termination is delivered; or

(4) by Buyer, if any of the conditions in Section 9 have not been satisfied as of the Closing Date (or such earlier date as may be applicable) if satisfaction of such a condition is or becomes impossible (other than through the failure of Buyer to comply with its obligations under this Agreement) and Buyer has not waived such condition on or before the Closing Date; or

(5) by Buyer, if the Lease Agreement is terminated in accordance with its provisions or by the non-breaching party if the Lease Agreement is terminated due to breach by a party thereto; or

(6) by Buyer, if the Bankruptcy Court denies the Approval Motion, materially revises the terms of the proposed Sale Order, or orders the sale of the Assets to a third party.

(B) Effect of Termination. If this Agreement is terminated by either Buyer or Selling Parties pursuant to the provisions of this Section 15, this Agreement shall forthwith become void and there shall be no further obligation on the part of any party hereto, except pursuant to the provisions of Sections 17 and 25 hereof (which shall survive and continue pursuant to their terms); and except to the extent that such termination results from Buyer's failure to close at the Closing, without breach of the Seller, once the Bankruptcy Court has approved the Transaction and this Agreement pursuant to the Sale Order; provided however, that a termination of this Agreement shall not relieve any party hereto from any liability for damages incurred as a result of a breach by such party of its representations, warranties, covenants, agreements or other obligations hereunder occurring prior to such termination. Except as a result of any such breach, no party hereto, shall have any liability to the other party as a result of the termination of this Agreement or the failure to complete the transactions contemplated hereby for any reason whatsoever. In the event that Buyer is not approved by the Bankruptcy Court

because it is not the winning bidder resulting from an auction process, then Buyer shall be entitled to receive a fee of \$250,000.00 from Seller plus reimbursement of Buyer Paid Seller Expense as a result of its efforts with respect to the transaction set forth herein and Seller shall cause provision for this amount to be set forth in the appropriate filings with the Bankruptcy Court.

16. EXPENSES IF TRANSACTION NOT CONSUMMATED. If the transaction contemplated hereby shall not be consummated for any reason, except as otherwise specifically provided in this Agreement. Except as otherwise provided for herein, each party shall pay its own expenses incident to the preparation for carrying this Agreement into effect and consummating the transactions hereby contemplated and that Buyer shall be entitled to such relief as may be permitted by the Bankruptcy Court if it is not approved as the purchaser.

17. DEFAULT/REMEDIES. (A) Except as otherwise provided in this Agreement with respect to permitted terminations outlined in Section 15 hereof, in the event the transaction contemplated by this Agreement shall fail to close solely because of a default by either party, the non-defaulting party shall be entitled, as its sole and exclusive remedy, to receive \$50,000.00 from the defaulting party for default of this Agreement and default of the Lease Agreement and said sum shall constitute liquidated damages to the non-defaulting party as stated in the following paragraph:

BUYER AND SELLER HAVE DISCUSSED AND NEGOTIATED, IN GOOD FAITH, UPON THE QUESTION OF DAMAGES TO BE SUFFERED BY EITHER PARTY IN THE EVENT THIS TRANSACTION FAILS TO CLOSE DUE TO THE OTHER PARTY'S DEFAULT AND HAVE ENDEAVORED TO REASONABLY ESTIMATE SUCH DAMAGES, AND THEY HEREBY AGREE THAT (a) SUCH DAMAGES ARE AND WILL BE IMPRACTICABLE OR EXTREMELY DIFFICULT TO FIX; (b) LIQUIDATED DAMAGES SHALL BE IN AN AMOUNT EQUAL TO \$50,000.00; (c) IN THE EVENT OF SUCH FAILURE DUE TO A PARTY'S DEFAULT, THE NON-DEFAULTING PARTY SHALL BE ENTITLED TO RECEIVE AND SHALL RETAIN SUCH DAMAGES; AND (d) SUCH LIQUIDATED DAMAGES SHALL BE THE NON-DEFAULTING PARTY'S SOLE REMEDY IN THE EVENT THIS TRANSACTION FAILS TO CLOSE AND THE LEASE AGREEMENT AS DESCRIBED ABOVE IS TERMINATED.

\_\_\_\_\_  
Buyer's Initials

\_\_\_\_\_  
Seller's and Shareholder's Initials

Alternatively, Buyer, may, in its sole discretion seek the remedy of specific performance against the Selling Parties, it being acknowledged that the failure of the Selling Parties to violation of its covenants and obligations set forth herein may cause the Buyer to suffer irreparable harm which cannot be remedied by payment of money damages for which the Buyer may not have an adequate remedy at law.

18. INTENTIONALLY DELETED.

## 19. INDEMNIFICATION.

(A) General Indemnification by Selling Parties. Selling Parties jointly and severally covenants and agrees to indemnify, defend, protect and hold harmless Buyer and its respective officers, directors, employees, shareholder(s), assigns, successors and affiliates (individually a "Buyer Indemnified Party" and collectively, the "Buyer Indemnified Parties") from, against and in respect of: all liabilities, losses, claims, damages, punitive damages, cause of action, lawsuits, administrative proceedings (including informal proceedings), investigations, audits, demands, assessments, adjustments, judgments, settlement payments, deficiencies, penalties, fines, interest (including interest from the date of such damages), costs and expenses (including without limitation reasonable attorneys' fees and disbursements of every kind, nature and description) (collectively, "Damages") suffered, sustained, incurred or paid by the Buyer Indemnified Parties in connection with, resulting from or arising out of, directly or indirectly:

(1) any breach of any representation or warranty of the Seller or Selling Parties set forth in this Agreement or any **Schedule, Exhibit** or certificate, delivered by or on behalf of the Seller or any Selling Party in connection herewith; or

(2) any nonfulfillment of any covenant or agreement by the Seller or the Selling Parties under this Agreement; or

(3) the assertion against any Buyer Indemnified Party of any Damages relating to the business, operations or assets of Seller prior to the Closing Date for the actions or omissions of the trustees, directors, officers, employees or agents of Seller prior to the Closing Date, other than Damages arising from matters expressly disclosed in this Agreement or the **Exhibits** to this Agreement; or

(4) the matters disclosed on the **Exhibits** attached hereto; or

(5) any and all Damages incident to any of the foregoing or to the enforcement of this Section 19.

(B) General Indemnification by Buyer. Buyer covenants and agrees to indemnify, defend, protect and hold harmless, Selling Parties and Selling Parties' respective officers, directors, employees, shareholder(s), assigns, successors and affiliates (individually a "Seller Indemnified Party" and collectively, the "Seller Indemnified Parties") from, against and in respect of: all liabilities, losses, claims, damages, punitive damages, causes of action, lawsuits, administrative proceedings (including informal proceedings), investigations, audits, demands, assessments, adjustments, judgments, settlement payments, deficiencies, penalties, fines, interest (including interest from the date of such damages), costs and expenses (including without limitation reasonable attorneys' fees and disbursements of every kind, nature and description) (collectively, "Damages") suffered, sustained, incurred or paid by the Seller Indemnified Parties in connection with, resulting from or arising out of, directly or indirectly:

(1) any breach of any representation or warranty of the Buyer set forth in this

Agreement or any **Schedule, Exhibit** or certificate, delivered by or on behalf of the Buyer in connection herewith; or

(2) any nonfulfillment of any covenant or agreement by the Buyer under this Agreement; or

(3) the assertion against any Seller Indemnified Party of any Damages relating to the business, operations or assets of Buyer after the Closing Date for the action or omissions of the trustees, directors, officers, employees or agents of Buyer after the Closing Date, and

(4) any and all Damages incident to any of the foregoing or to the enforcement of this Section 19.

(C) Claims.

(1) In the event that a Party seeks recourse to satisfy an indemnification obligation pursuant to this Section 19, it (the "Claimant") shall submit to the other Party a written statement (an "Indemnification Claim") conforming to the provisions of this Section 19(C). Each Indemnification Claim:

(i) shall set forth the matter as to which indemnification is or may be sought, and the basis for the indemnification obligation pursuant to Section 19 of this Agreement, not later than 10 days after acquiring notice, and

(ii) shall set forth the total amount of losses, liabilities, damages, cost and expenses suffered with respect to such matter (or if such total amount is not then capable of precise determination, the Claimant's good faith estimate of such total amount). The total of the specified losses, liabilities, damages, costs and expenses, or the total good faith estimate of such losses, liabilities, costs and expenses as referred to herein shall constitute the "total amount claimed" pursuant to such Indemnification Claim.

(2) Notice of all Indemnification Claims hereunder shall be given not later than sixty (60) days from the expiration of the Indemnity Period, as defined in Section 19 of this Agreement. Any Indemnification Claim as to which notice is not given by 60 days after the expiration of Indemnification Period shall not be effective under this Agreement.

(3) In the event a Party reasonably objects, in good faith, in whole or in part to any Indemnification Claim, the Party shall within fifteen (15) calendar days after notice of an Indemnification Claim is given, deliver to the Claimant a written statement (an "Objection") setting forth in reasonable detail the basis of such objection, and the portion of the total amount claimed pursuant to such Indemnification Claim which the Party disputes (the "Disputed Portion").

(4) Payment of Indemnification Claims. A Party shall make payments to the Claimant to the extent Claimant elects as follows:

(i) to Claimant of any portion of the Indemnification Claim that is not disputed; or

(ii) to Claimant pursuant to an Arbitrator's Final Order ordering a Party to make such payment; or

(iii) to Claimant, in the total amount claimed pursuant to an Indemnification Claim if the other Party has not filed an Objection to such Indemnification Claim within the 15 day period set forth in Subsection (3) above.

(5) Defense of Third Party Claims. With respect to each third party claim for which a Claimant seeks indemnification under this Section (a "Third Party Claim"), Claimant shall give prompt notice to the other Party of the Third Party Claim, provided that failure to give such notice promptly shall not relieve or limit the obligations of the other (unless Claimant's failure materially prejudices the other's position). The Indemnifying Party, at its sole cost and expense, may, upon notice to Claimant within fifteen (15) days after it receives notice of the Third Party Claim, assume the defense of the Third Party Claim. If the Indemnifying Party elects to assume the defense of a Third Party Claim, then it shall select counsel, which shall be reasonably acceptable to Claimant, and the Claimant shall be entitled to participate in the defense of such matter at its own expense. The Indemnifying Party shall not consent to a settlement of, or the entry of any judgment arising from, any Third Party Claim, unless (i) the settlement or judgment is solely for money damages and the Indemnifying Party admits in writing its liability to hold Claimant harmless from and against any losses, damages, expenses and liabilities arising out of such settlement or judgment or (ii) Claimant consents thereto, which consent shall not be unreasonably withheld. The Indemnifying Party shall provide Claimant with reasonable notice under the circumstances prior to consenting to a settlement of, or the entry of a judgment arising from, any Third Party Claim. If the Indemnifying Party does not assume the defense of any Third Party Claim in accordance with the terms of this Section then the Indemnifying Party shall be bound by the results obtained by Claimant with respect to the Third Party Claim. The advisability and terms of any such settlement shall be solely a matter for the good faith determination of the Claimant who shall be under no duty to litigate or otherwise contest the claim except as dictated by its reasonable business judgment.

(6) Nature and Survival of Representations. All representations and warranties, indemnities, covenants, and agreements made by a Party in this Agreement shall survive the Closing and any investigation conducted in connection with this Agreement for a period of eighteen (18) months ("Indemnity Period"). Each party shall have the right to fully rely on the representations, warranties, covenants and agreements of the parties contained in this Agreement or in any other documents or papers delivered in connection herewith, and each representation, warranty, covenant and agreement of the parties contained in this Agreement is independent of each other's representation, warranty, covenant and agreement.

20. NOTICES. Any notice, communication, request, reply or advice (hereinafter severally and collectively, for convenience, called "Notice") in this Agreement provided or

permitted to be given, made or accepted by either party to the other, must be in writing and may, unless otherwise in this Agreement expressly provided, be given or be served by depositing the same in the United States mail, postage paid, and registered or certified and addressed to the party to be notified, with return receipt requested, or by delivering the same in person to an officer of such party, or by nationally recognized overnight courier for next business day delivery, when appropriate, addressed to the party to be notified. Notice deposited in the mail or via overnight courier in the manner hereinabove described shall be effective, unless otherwise stated in this Agreement, from and after the date it is so deposited. Notice given in any other manner shall be effective only if and when received by the party to be notified. Any party may change the address to which Notices are to be delivered by giving the other parties notice in a manner consistent with the notice requirements described above.

For purposes of Notice, the addresses of the parties shall be as follows:

To Shareholder or Seller:

2345 Collins Lane  
Lakeland, Florida 33803  
Attn: Michael Holley

If to Seller's and Shareholder's  
attorney:

Timothy F. Esquire, Esq.  
Clark, Campbell, Mawhinney  
& Lancaster P.A.  
500 South Florida Avenue  
Suite 800  
Lakeland, FL 33801  
Ph: 863-647-5337 ext 1121  
Fax: 863-647-5012

If to Buyer:

Lakeland Chevrolet, LLC  
c/o Champion Chevrolet, Inc  
500 E. Grand River  
Howell, MI 48843  
Attn: Len Nadolski  
Ph: 517-545-8800  
Fax: 517-545-3317

If to Buyer's Attorney:

J. Gregory Humphries, Esq.  
Shutts & Bowen LLP  
300 South Orange Avenue, Suite 1000  
Orlando, FL 32801  
Ph: 407-835-6940  
Fax: 407-849-7240

21. POST CLOSING MATTERS. Both parties understand that, following the consummation of the transactions contemplated hereby, various expenses may continue to be charged against Seller under its accounts with GM and Kia and other vendors and that Buyer

may be billed for matters dating from prior to the Closing Date as the purchaser of the Assets from Seller. The parties hereby make a mutual covenant of cooperation to address such items of expense (and any other matters that may arise post-closing) on a timely basis so as to allocate such items and matters in an equitable manner, including reimbursement, when applicable. With respect to vehicles-in-transit and other closing adjustments, in the event the actual amount is less than the amount set forth on the Bill of Sale, the difference shall be considered a Buyer Paid Seller Expense. The parties may also adjust any amounts due the other net of any amounts owed. In the event the actual amount is more than the amount set forth in the Bill of Sale, Buyer agrees to pay Seller promptly the difference between the amount set forth herein and the actual amount. For so long as any such items and matters remain unresolved, representatives of Buyer and Seller shall meet no less frequently than weekly to address those issues pending resolution. Mail addressed to Selling Parties shall be opened by Selling Parties agent and then distributed to the appropriate party.

22. INTENTIONALLY DELETED.

23. INTENTIONALLY DELETED.

24. CERTAIN TAXES OTHER THAN FEDERAL, STATE AND LOCAL INCOME TAXES. All transfer, documentary, sales, use, stamp, registration and other such taxes and fees (including penalties and interest), if any, after giving effect to Section 1146(c) of the Bankruptcy Code, incurred in connection with this Agreement shall be paid by the Buyer when due, and the Buyer shall, at its own expense, file all necessary tax returns and other documentation with respect to all such transfer, documentary, sales, use, stamp, registration and other such taxes and fees, and, if required by applicable law, the Seller shall join in the execution of any such tax returns and other documentation. The parties shall cooperate with one another in the preparation of all Tax returns, questionnaires, applications or other documents regarding any Taxes or transfer, recording, registration or other fees which become payable in connection with the transactions that are required to be filed on or before the Closing.

25. MISCELLANEOUS.

(A) Section and Other Headings. Section or other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

(B) Enforcement. This Agreement may be enforced by a specific performance action by a party if the other parties, without just cause, refuse to close this Agreement, in addition to any other remedy the party may have at law or in equity.

(C) Attorneys' Fees and Costs. In the event it becomes necessary for either party to enforce the terms of this Agreement, the prevailing party shall be entitled, in addition to such damages or other relief as may be granted, to recover reasonable attorneys' fees and costs, such attorneys' fees to include those incurred on any appeal.

(D) No Other Discussions. From and after the execution of this Agreement and prior to any valid termination of this Agreement, Selling Parties and their employees, agents and

representatives will not (a) initiate, encourage the initiation by others of discussions or negotiations with third parties, or respond to solicitations by third persons relating to any merger, sale or other disposition of any substantial part of the assets, capital stock, business or properties of the Seller (whether by merger, consolidation, sale of stock, sale of assets, or otherwise), or (b) enter into any agreement or commitment (whether or not binding) with respect to any of the foregoing transactions.

(E) Arm's Length Negotiations. Each party herein expressly represents and warrants to all other parties hereto that (a) before executing this Agreement, said party has fully informed itself of the terms, contents, conditions, and effects of this Agreement; (b) said party has relied solely and completely upon its own judgment in executing this Agreement; (c) said party has had the opportunity to seek and has obtained the advice of counsel before executing this Agreement; (d) said party has acted voluntarily and of its own free will in executing this Agreement; (e) said party is not acting under duress, whether economic or physical, in executing this Agreement; and (f) this Agreement is the result of arm's length negotiations conducted by and among the parties and their respective counsel.

(F) Governing Law and Venue. THIS AGREEMENT (AND ALL DOCUMENTS, INSTRUMENTS, AND AGREEMENTS EXECUTED AND DELIVERED PURSUANT TO THE TERMS AND PROVISIONS HEREOF (THE "ANCILLARY DOCUMENTS")) SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE BANKRUPTCY CODE AND TO THE EXTENT NOT INCONSISTENT WITH THE BANKRUPTCY CODE, THE INTERNAL LAWS OF THE STATE OF FLORIDA WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF. THE BUYER AND THE SELLER FURTHER AGREE THAT THE BANKRUPTCY COURT SHALL HAVE EXCLUSIVE JURISDICTION OVER ALL DISPUTES AND OTHER MATTERS RELATING TO (A) THE INTERPRETATION AND ENFORCEMENT OF THIS AGREEMENT OR ANY ANCILLARY DOCUMENT AND (B) THE ACQUIRED ASSETS AND THE ASSUMED LIABILITIES. BUYER CONSENTS TO AND EXPRESSLY CONSENTS TO AND AGREES NOT TO CONTEST SUCH EXCLUSIVE JURISDICTION; PROVIDED, HOWEVER, THAT IF THE BANKRUPTCY COURT REFUSES TO ACCEPT JURISDICTION OVER ANY SUCH DISPUTE, THEN ANY STATE OR FEDERAL COURT LOCATED IN THE STATE OF FLORIDA SHALL HAVE JURISDICTION OVER SUCH DISPUTE AND BUYER AND THE SELLER HEREBY CONSENT TO THE JURISDICTION OF SUCH COURT IN ANY SUCH CASE.

(G) Parties in Interest. All of the terms and provisions of this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their successors, heirs and permitted assigns.

(H) Documentation/Further Assurances. From time to time, after the Closing Date, at the request of the Buyer, the Selling Parties will execute and deliver to the Buyer such other instruments of conveyance and transfer and take such other action as the Buyer may reasonably require to more effectively convey, transfer to, and vest in the Buyer, and to put the Buyer in possession of, any of the Assets to be conveyed, transferred, and delivered to the Buyer hereunder.

(I) Force Majeure. If either party hereto is prevented in the performance of any act required hereunder other than payment of the purchase price due Seller from Buyer by reason of acts of God, fire, flood or other natural disaster, malicious injury, strikes, lock-outs, or other labor troubles, riots, insurrection, war or other reason of like nature not the fault of the party in performing under this Agreement, then performance of such act shall be excused for the period of the delay and the period of performance of any such act shall be extended for a period equivalent to the period of such delay except that if any delay exceeds two (2) months, then the party entitled to such performance shall have the option to terminate this Agreement and the parties shall, thereupon, be released from their obligations to close the transactions contemplated hereunder.

(J) Time. In computing any period of time prescribed by the terms of this Agreement, the day from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included unless it is a Saturday, Sunday, or legal holiday (i.e., not a "Business Day"), in which event the period shall run until the end of the next day which is a Business Day. In the event any day on which any act is to be performed by Seller or Buyer under the terms of this Agreement is not a Business Day, the time for the performance by Seller to Buyer of any such act shall be extended to the next day which is a Business Day.

(K) Exhibits. Information set forth in any Exhibit specifically refers to the Section of this Agreement to which such information is responsive and such information shall not be deemed to have been disclosed with respect to any other Section of this Agreement or for any other purpose. The Exhibits shall not vary, change or alter the language of the representations and warranties contained in this Agreement and, to the extent the language in the Exhibits does not conform in every respect to the language of such representations and warranties, such language shall be disregarded and be of no force or effect. Information set forth in any **Exhibit** or **Schedule** becomes a part of this Agreement.

(L) Counterparts. This Agreement may be executed in a number of identical counterparts, each of which for all purposes is deemed an original, and all of which constitute collectively one (1) agreement.

(M) Brokers. Buyer and Seller each represent and warrant to the other that such party has not dealt with any brokers or finders in connection with this Agreement and, insofar as each party knows, no broker or person is entitled to any commission or finder's fee in connection with this transaction. Buyer and Seller hereby agree to indemnify, defend, and hold the other harmless from any and all actions, claims, demands, debts, liabilities, losses, damages, costs and expenses (including without limitation attorneys' fees and court costs), which any broker agent or finder, licensed or otherwise, may have or claim to have by reason of the conduct or contracts of the indemnifying party. This provision shall survive the Closing or any termination of this Agreement.

(N) Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations and understandings of the parties. This Agreement was prepared jointly with input from Buyer and Seller and none of its provisions

shall be construed against one party as being the party that prepared this Agreement. No supplement, modification, or amendment of this Agreement will be binding unless executed in writing by all parties. No waiver of any of the provisions of this Agreement will be considered, or will constitute, a waiver of any other provision, and no waiver will constitute a continuing waiver. No waiver will be binding unless executed in writing by the party making the waiver.

(O) Execution of Agreement. This Agreement shall constitute an offer to Purchase or Sell depending on the party first executing the Agreement, which offer shall automatically expire and be withdrawn if a complete original Agreement fully executed by all parties with all **Exhibits** properly attached thereto has not been delivered to and received by the offering party on or before 5:00 p.m. Eastern Standard/Daylight Savings Time on that day which is the fifth (5) Business Day following the date of first execution by either Buyer or Seller as entered below.

(P) Assignment. Buyer may assign this Agreement and Buyer's rights and obligations hereunder to an affiliated entity without the consent of Seller and Buyer shall not be relieved from all liability hereunder. Seller may not assign this Agreement or its rights hereunder.

(Q) Conflicts. In case any provision in this Agreement shall conflict with any part of the Sale Order, the terms of the Sale Order shall control and shall be given precedence by the parties hereto over any such conflicting term in this Agreement.

(R) Expenses of Transaction. Except as specifically provided above, each of the parties hereto shall pay its own expenses related to the preparation of this Agreement and to its efforts to close the transaction provided herein. Notwithstanding the above, because the Selling Parties and Shareholder are not in the position to pay for any of the expenses (including, real estate taxes or any payments for attorneys fees to effect this Agreement including fees for bankruptcy) that are allocated, as is customary in the normal course of business, to them as sellers, the Buyer may elect to pay such expenses on behalf of the Seller (the "Buyer Paid Seller Expenses"). In the event that the transaction contemplated by this Agreement is closed, the Buyer shall be entitled to a credit towards the purchase price or a reduction of the purchase price at closing, as the parties may agree, for any Buyer Paid Seller Expenses that the Buyer has paid. In the event that the transaction contemplated by this Agreement does not close for any reason other than a default by the Buyer, the Buyer shall be entitled to be reimbursed by the Seller for any such Buyer Paid Seller Expenses that the Buyer paid on behalf of the Seller after the termination of this Agreement and within fifteen (15) days after demand for such payment from Buyer to Seller.

(S) The Recitals set forth above are incorporated into this Agreement as if fully set forth herein, and shall be considered an integral part of this Agreement.

~~*{SIGNATURES ON FOLLOWING PAGE}*~~

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

**SELLER:**

**T. THOMAS CHEVROLET, INC.**

ATTEST:

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**MRH OF LAKELAND, INC.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**SHAREHOLDER:**

\_\_\_\_\_  
Michael R. Holley

**LAKELAND CHEVROLET, LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**SCHEDULE 1**  
**ASSETS TO BE PURCHASED**

(A) Parts and Accessories. Seller shall sell and Buyer shall buy all the new, unused, undamaged, and returnable Chevrolet and Kia factory parts and accessories (including tires), such parts to be purchased for the price as set forth below. Parts and accessories categories with no sales activity for nine (9) months or more ("Obsolete Parts") shall be deemed obsolete and excluded from the Buyer's obligation to purchase. All items to be purchased by Buyer pursuant to this paragraph shall (i) appear on an inventory list prepared by Purchaser and Seller between Manufacturer's Approval and the Closing and (ii) be used by Seller in its business as a Chevrolet and Kia dealer at the Dealership Facility and shall be located at such Dealership Facility. The inventory list is to be incorporated herein and made a part hereof the same as if fully set forth herein and designated as **Schedule 2.** Buyer shall pay Seller for the parts referenced herein at Seller's cost less all available discounts or incentives. Buyer may purchase any parts and inventories not required to be purchased by this section as shall be determined by mutual agreement of Buyer and Seller.

It is understood that Buyer shall have no obligation to purchase damaged parts or accessories, parts or accessories with component parts missing, in opened packaging, or used parts or accessories. Superseded parts and accessories will be counted using the superseded part number. Further, the Inventory Service in the preparation of the inventory list shall designate thereon all Obsolete Parts, damaged parts and accessories, parts and accessories with component parts missing, parts and accessories not being purchased under the terms of this Agreement, and used parts or accessories and other parts not being purchased. Seller agrees that if parts and accessories that Buyer is not obligated to purchase are not removed from the Dealership Facility to be acquired hereunder within fifteen (15) days after the Buyer takes possession of such Dealership Facility, they shall become the property of Buyer without charge in addition to other consideration named in this Agreement.

Seller at Closing shall assign to Buyer any special parts return authorization should it be granted to Seller by GM or Kia. Notwithstanding the amounts that may be determined pursuant to the actual count provided for herein, Buyer shall not be required to pay more than \$300,000.00 for the Chevrolet parts (which shall also include Gasoline, Oil and Grease at 100% of replacement cost as determined by vendor's current price list and accessories), or more than \$200,000.00 for the Kia parts and accessories.

(B) Miscellaneous Inventories. Seller shall sell and Buyer shall buy all usable miscellaneous inventories located at the Dealership Facility on the Closing Date per actual count and measurement. Prices shall be determined as follows:

(1) Paint and Body Shop Materials. 100% of replacement cost as determined by most recent vendor's price list. To include but not limited to: (i) unopened cans of paint, paint thinner, primer and other paint solvents; (ii) unopened bulk packages, sand paper, masking tape and other materials and supplies used in the normal course of business at the Dealership Facility. Open cans are owned by the painters employed by Seller.

(2) Miscellaneous. For other consideration set forth in Section H of this **Schedule 1**, Seller shall transfer to Buyer all of the usable and salable articles, including but not limited to, promotion items, service supplies, printed materials, such as buyers orders, letterhead, envelopes, repair orders, shop reference, parts reference catalogs, product sales training materials, video tapes and discs, vehicle brochures, web sites, domain names, reference books, office supplies etc. used in the normal course of business at the Dealership Facility.

(C) Equipment. The Buyer shall purchase from Seller, free and clear of all liens, claims and encumbrances all of the furniture, machinery and shop equipment, company vehicles and all other fixed assets (excluding any real property or leasehold improvements) used in the Dealership business which includes, but is not limited to, the items set forth on **Schedule 1-1** attached hereto at appraised value as determined by Dave D'Ameco Appraisers. The cost of the appraisal shall be paid equally by the Buyer and Seller.

The Company shall not be required to assume Holley's Reynolds and Reynolds computer system lease and Holley shall reject same in its filing with the Bankruptcy Court, if requested by Buyer.

Seller agrees that if any of the equipment as described on **Schedule 1-1** hereto is financed on conditional contracts or otherwise, Seller shall pay such indebtedness in full prior to or at Closing.

(D) Contract and Leases. The items listed on **Schedule 1-2** are true and correct copies of all of the leases and contracts of Seller in connection with the operation of the Business at the Dealership Facility. Buyer shall assume those contracts and leases as are listed on **Schedule 1-2** ("Leases and Contracts"). Buyer shall hold Seller harmless from any obligations accruing after Closing with respect to the Leases and Contracts assumed and shall reimburse Seller at Closing for the prorated amount of any prepaid expenses paid by Seller prior to Closing on the assumed Contracts and Leases. Seller shall use its best efforts to obtain estoppel letters for assumed items current through the Closing. All leases in existence between the Selling Parties shall be cancelled as of the Closing Date if requested by Buyer. Seller shall pay the amount of necessary costs (the "Cure Costs") that Seller pays to cure all defaults under the Assigned Contracts to compensate non-debtor parties under Section 365 of the Bankruptcy Code in connection with and prior to the assumption and assignment of the Assigned Contracts under Section 365 of the Bankruptcy Code as specifically set forth in the Sale Order.

(E) New Vehicles. Except as provided herein, Seller shall sell and Buyer shall buy such of Seller's new and unused, undamaged, unregistered 2008 (pursuant to the lottery selection process infra) and later Chevrolet and 2009 and later, Kia vehicles with less than 200 miles, as are in possession of Seller on the Closing Date, at the several prices at which the same were invoiced to Seller by Chevrolet or Kia, except that ~~no: (i):~~ (i) no full fuel tank allowance, (ii) no advertising allowances or charges of any nature (iii) less carryover model rebates, (iv) ~~dealer rebates, or (v)~~ less dealer rebates, or (v) less holdbacks or incentives of any nature (including, but not limited to floor plan incentives), paid or payable with respect of

such vehicles are to be included in these prices (the items referred to in (i)-(v) above being referred to collectively as the "Holdbacks") and (vi) thirty-five cents (\$0.35) per mile for each mile in excess of 200 miles. Buyer shall have no obligation to purchase more than fifteen (15) 2008 model year new vehicles under this Section E; provided, however, that no more than one (1) of the 2008 model year new vehicles to be purchased shall be a Chevrolet Corvette, if any are in Seller's inventory at the Closing; provided further that if Seller has more than fifteen (15) 2008 model year new vehicles in inventory at the Closing the 2008 model year new vehicles to be purchased shall be selected by a random, unweighted lottery whereby the parties shall place identical strips of paper, each describing one (1) of the 2008 model year new vehicles in inventory at the Closing, into a bowl and fifteen (15) strips shall be drawn at random to determine the fifteen (15) 2008 model year new vehicles to be purchased by Buyer. If more than one (1) 2008 model year Chevrolet Corvette is in Seller's inventory at the Closing the Buyer shall not purchase more than one Chevrolet Corvette and a selection of a second Chevrolet Corvette during the lottery shall be disregarded and the lottery shall continue for the remaining vehicles, if any.

If, subsequent to the Closing Date, any new vehicles shall be consigned or delivered to Seller by Chevrolet and Kia, Seller shall assign all its right, title and interest in such new vehicles to Buyer and Buyer shall pay to Seller the prices as provided above except that 100% of finance costs and allowances shall be deducted. Further, these prices shall be reduced by the amount of the service (P&C) allowance on vehicles which have not been serviced by the Seller as of the Closing Date, full fuel tank allowances, advertising allowances or charges of any nature, Holdbacks, finance costs and allowances of any nature, and any other applicable rebates or incentive of any type. Seller agrees to provide Buyer with power of attorney to transfer manufacturer certificates of origin for vehicles purchased from Seller. It is further agreed that prices referred to in this section shall be increased to cover the Seller's actual cost for accessories installed on those units which have had additional accessories installed, which are accepted by Buyer. These prices shall also be decreased by the amount of factory cost of removed accessories with regard to accessories, which have been removed from the vehicles sold hereunder. Buyer shall have no obligation to purchase any vehicle upon which additional installed accessories or conversion packages and accessories, and equipment has invalidated the new vehicle warranty, or for which the warranty has been invalidated for any other reason.

It is further agreed that in the event any new vehicles referred to in this section shall have been damaged prior to the Closing Date, the Seller shall have repaired such vehicle in accordance to the normal course of business, or in the event any such vehicles have not been repaired, Seller and Buyer shall agree on the cost to cover such repairs, which cost shall be deducted from the prices referred to herein. In the event Seller and Buyer cannot agree on the cost of repairs, Buyer shall have no obligation to purchase any such vehicle or vehicles. It is specifically provided that Buyer shall not be required to purchase any vehicle which has over 500 miles, which has been previously RDR'd, or which has sustained damage which would require disclosure pursuant to Florida law. Seller agrees to disclose all prior damage or repairs to new vehicles to be purchased by Buyer. Any new vehicle which has sustained damage and not been repaired to the satisfaction of the Buyer shall be excluded from the definition of new vehicles and dealt with in the same manner as the used vehicles as described in Section **HG** of this **Schedule 1**.

Buyer shall have no obligation to purchase any vehicle upon which the new vehicle warranty has been invalidated for any reason. Further, Buyer shall have the obligation to purchase vehicles which were dealer trades at a price not to exceed manufacturer's invoice price, less the amount of dealer holdback and any and all incentive and allowances of any nature on any of the dealer trade vehicles.

**Schedule 1-3** attached hereto is a list of all new and unused 2008 and later years Chevrolet and Kia vehicles in Seller's possession on the date designated thereon with the cost to Seller of each, and the name of the finance company, bank or other financial institution, if any, with which each of these units listed is "floor planned" on the date designated thereon. Seller agrees that hereafter no additions shall be made to such vehicle inventories except in the normal course of business, which will include but not limited to Chevrolet and Kia vehicles which are on order with Chevrolet Division and/or consented and committed to for production and delivery for a period up to 90 days from the Closing Date. Seller will cooperate with Buyer in the ordering of vehicles, after the date of this Agreement, to be delivered after the Closing Date. Further, Seller agrees to keep its usual and adequate records of any such additions which shall be made available to the Buyer for review and verification.

(F) Miscellaneous Training and Sales Materials. For other considerations named in Section H of this **Schedule 1**, Seller shall transfer to Buyer without additional charge hereunder all of the Seller's right, title and interest in Seller's product sales training material, video tapes, DVDs and discs, remotes, and reference books, including shop reference manuals and parts reference catalogs, as are on hand on the Closing Date.

(G) Used and Company Owned Vehicles and Defined Kia vehicles. Buyer, at its election, may purchase all, any or none of Seller's used, rental, service, and company owned vehicle inventory on the Closing Date, at such price for each vehicle or vehicles selected by Buyer as shall be determined by negotiation between a representative of Buyer and a representative of Seller prior to the Closing Date (such used and company owned vehicles as are purchased are "Used Vehicles"). All used vehicles not selected by Buyer, and all used vehicles as to which no agreement as to price has been reached or for which Seller does not have titles, shall be removed from the Dealership Facility by Seller within thirty (30) days after the Closing Date. 2008 and earlier model new and unused Kia vehicles as such are defined in Section E above as a new vehicle except for model year, shall be purchased at NADA Left Book Value. ~~The parties agree that with respect to certain used vehicle inventory which is presently subject to third party liens from persons other than Seller's floorplan lender, the parties will negotiate in good faith to determine an Actual Cash Value ("ACV") for each such vehicle. The difference between the ACV and lien payoff, if any, shall be deemed a Buyer Paid Seller Expense and be deducted from the total Purchase Price pursuant to this Agreement.~~ Except for Chevrolet Corvettes, 2008 model new and unused Chevrolet vehicles as such are defined in Section E above as a new vehicle except for model year, which exceed the lottery selection process of Section (E), shall be purchased at NADA Clean Value.

The Buyer shall purchase each vehicle that is a part of that certain used vehicle inventory ("Third Party Liened Vehicle Inventory") that is presently subject to third party liens from

persons other than Seller's floorplan lender ("Third Party Lienor"), and identified in Schedule 5 attached hereto. The purchase price for each such vehicle shall be the greater of (i) the current payoff amount for such vehicle that will include all amounts, including late fees and charges, owed by the owner of that vehicle to the Third Party Lienor (the "Payoff Amount"), or (ii) an actual cash value based on recent Manheim Auction index (Southeast region) auction column with actual miles ("ACV") for each such vehicle. To the extent the Payoff Amount exceeds the ACV, Buyer's aggregate liability hereunder to pay such excess amounts shall not exceed Five Hundred Ten Thousand Dollars (\$510,000.00). For each such purchase, the Payoff Amount shall be paid directly to the Third Party Lienor in exchange for the title to the vehicle free and clear of any lien from the Third Party Lienor and, to the extent that the purchase price exceeds the Payoff Amount, the sales proceeds that exceed the Payoff Amount shall be paid directly to GMAC. The Third Party Lienor shall transfer title to the vehicle purchased directly to the Buyer. With respect to any Third Party Liened Vehicle Inventory where GMAC holds the purchase money lien as the Third Party Lienor, GMAC shall receive the Payoff Amount as a Third Party Lienor and also the amount of the sales proceeds that exceed the Payoff Amount.

(H) Goodwill. Buyer shall acquire Seller's goodwill, including the use of Seller's name, website, domain address, telephone numbers, facsimile numbers, assignment of lease customers, customer lists and customer service history files, deal jackets, parts records, lease records, personnel records, technical data, internal memoranda, supplier's lists, all vehicle registration lists, owner follow-up lists, service files, "hard" copies of shop repair orders, lists of new car and truck orders, and copies, if available to Seller, of all customer lists, customer service history files, and parts records, Chevrolet and Kia franchise rights, and other general intangibles associated with the Business, for Ten Thousand Dollars (\$10,000.00) payable in cash at the Closing.

Buyer shall make all records and data transferred to Buyer available to Seller for up to 3 years after Closing as is required to (i) answer inquiries from individuals, companies, governmental agencies and other entities to defend alleged claims against the Selling Parties or (ii) to comply with statutes, regulations, court proceedings, directives, etc. for the time required by the statutes, regulations, court proceedings, directives, etc. or (iii) defend any disputes, claims, prosecution or litigation including any enforcement of rights against third parties in the Bankruptcy Court, or (iv) for any other reasonable purpose.

(J) Work in Process. The Seller's inventories which are no more than 15 days old at the Closing Date of sublet repairs and work in process as determined by actual repair orders in process as of 12:01 AM on the Closing Date: provide that until the Closing is not consummated, Seller shall continue to work on such sublet and repairs in the ordinary course of business. Work in process shall not include work performed on employee vehicles.

## **LIST OF EXHIBITS**

- A. List of Liens and Encumbrances
- B. List of Legal Actions
- C. List of Agreements and Contracts
- D. Financial Statements
- E. Environmental Matters
- F. Employee Benefit Plans
- G. Customer Deposits
- H. Insurance Policies
- I. Employees and Pay
- J. Litigation Matters
- K. Lease

## **LIST OF SCHEDULES**

- 1 Assets to be Purchased
  - 1-1 Equipment
  - 1-2 Contracts & Leases
  - 1-3 New Vehicles
  - 1-4 Daily Rental Vehicles
- 2 Customer Sales Contracts
- 3 Key Employees
  - 3-1 Taxes and Assessments
- 4 Employees to be terminated by Buyer
- 5 Third Party Liened Vehicle Inventory

Document comparison done by Workshare DeltaView on Friday, June 05, 2009  
11:32:59 AM

Input:	
Document 1	interwovenSite://SB-ORL-DMS/ORLDOCS/11377383/5
Document 2	interwovenSite://SB-ORL-DMS/ORLDOCS/11377383/6
Rendering set	standard

Legend:	
<a href="#">Insertion</a>	
<del>Deletion</del>	
<del>Moved from</del>	
<u>Moved to</u>	
Style change	
Format change	
<del>Moved deletion</del>	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	19
Deletions	12
Moved from	2
Moved to	2
Style change	0
Format changed	0
<b>Total changes</b>	<b>35</b>