PRE-ACQUISITION INVESTIGATION INFORMATION REQUEST

The following information and documents need to be available in order to perform a thorough pre-acquisition investigation.

I. FINANCIAL

A. Financial statements for the three (3) most recent fiscal years (audited or reviewed, if available), and the most recent interim statements of the Company and its subsidiaries and management accounts (line item detail) related to historical financial statements; also provide the manufacturer dealer statements relating to the above periods.

B. Files of correspondence with any reports from the Company's accountants during the past three (3) years.

C. Management's report to directors for meetings of the Company's board of directors for the last year, if any.

D. Analysis of the Company and its business prepared by brokerage houses, management consultants, etc., if any in the last year.

E. Business and/or strategic plans, studies, financial projections or estimates and other reports prepared by the Company or manufacturer within the last year relating to its business. Source of capital report if applicable.

F. Financial statement work papers for the three most recent fiscal years. Audit committee minutes for the last three years.

G. Projected capital expenditures (one time and recurring).

H. State when and how often dealership performs physical inventories on parts and new and used vehicles. Copy of the most current reports.

I. Other financial information as of most recent closed month:

1. Provide general ledgers for dealership and any holding companies;
2. Provide trial balance for dealership and any holding companies;
3. Listing of all bank accounts and description of purpose of each;

4. Detail of cash Bank on deposit (bank or broker statement) and bank reconciliations;
5. Detail of contracts in transit (aging by contract date);
6. Detail of vehicle accounts receivable, warranty, holdback and other receivables (supply aging if applicable);
7. Vehicle and part inventory aging schedules and related trial balance detail;
8. Provide dollar amount of obsolete parts recorded during last parts physical inventory;
9. Reconciliation of new car and truck inventory detailed listings to the dealer statement; including dealer adds, packs etc. FMV of all non-OEM options installed on units.
10. Reconciliation of used car and truck inventory detailed listings to the dealer statement;
11. Reconciliation of demo car and truck inventory to the dealer statement; Please list mileage, when vehicles are grounded, who uses the vehicles and depreciation method;
12. Reconciliation of parts inventory detailed listing to the dealer statement;
13. Physical parts inventory reconciliations;
14. Provide a single new vehicle invoice;
15. Describe methodology used to cost new, used, demo and rental unit inventory;
16. Reconciliation of new and used vehicles to floorplan general ledger;
17. Detail of breakdown on pre-paid other accounts;
18. Detail of other accrued liabilities;
19. Detail of deposits on contracts;
20. Reconciliation of lease/rental units to the dealer statement; Please list mileage, when vehicles are grounded and depreciation method;
21. Detailed fixed asset subledger reconciliation;
22. Provide depreciation methodology for all fixed asset classes;
23. Detail of A/P and reconciliation of A/P trial balance to the general ledger;
24. Detail of credit balances and any advance accounts;
25. Detail of floor plan liability by car and aging;

26. Detail of all bank and non-bank indebtedness including significant terms;

27. Detail for lease/rental liability, provide manufacturer correspondence relating to this program, i.e. finance rate, monthly allowances, etc.;

28. Provide detailed listing of chargebacks over the last three fiscal years and most recent interim period;

29. Provide an estimate of the reserve for chargebacks; use sales over the last 5 years and layer against chargebacks for each of the periods, develop %'s and calculate the most recent month end date;

30. Roll forward of common stock, retained earnings for the last two years, including the period through the most recent month end;

31. List ANY equity transactions made in the last 2 years, including shareholder distributions (should be included on the equity roll forward schedules above);

32. Summary of costs allocated among the dealership group and a reconciliation of intercompany accounts; Detail of any related party transactions;

33. Detail of other income/deductions;

34. Provide detail of any type of prepaid service plan dealership may have;

35. Provide detail of any type of coupon program, discount/loyalty card program that dealership may have;

36. Provide manufacturer information detailing any bonus dollar incentive programs;

37. Please provide explanation of floorplan assistance program and advertising assistance program;

38. Provide a listing of dealer trades in stock.

39. Current special tools inventory requirements from manufacturers and current special tools inventory

40. Finance reserve statements

41. Rental vehicle inventory listing.

42. Detail of Work in process

43. Copies of independent business appraisals

II. FINANCING

A. All floor plan financing facilities, loan agreements, lines of credit, indentures, mortgages, deeds of trust, security agreements, notes or other debt instruments of the Company and its subsidiaries, including any guaranties by the Company or any guaranties of such indebtedness by other persons.

B. All consents and waivers pertaining to such debt instruments and any material correspondence with lenders in the past three years.

III. TAX

A. Federal, state and local income tax returns for last three years and supporting inventory and warranty tax work papers.

B. All Federal, state and local audit correspondence, Revenue Agents Report notices with respect to income tax returns.

C. All 3115's – Accounting Method changes filed, any Section 481(a) adjustments.

D. One or two months of specialized returns and supporting work papers (i.e. fuels, tax returns, etc.).

E. All tax sharing agreements, if applicable.

F. Form 2553 – Election for Subchapter S status, if not available Form 4506 requesting a copy of Form 2553 should be filed with the IRS. Copy of IRS approvals. Item #F only if applicable.

G. Calculation of Built in Gain, if applicable (S-Corp that was previously C-Corp).

H. If multi-state entity, summary of apportionment information (sales, property and payroll by state) used to compute apportionment % for most recent period.

I. Calendar year sales and use tax returns, corresponding to most recent federal tax year provided. One month in current year sales and use tax returns and supporting work papers.

J. All sales and use tax audit correspondence, settlements regarding last three (3) years.

K. Explanation of policy of resale and/or exemption certificates maintained for customers and used for purchases.

L. Calendar year Personal Property tax returns, corresponding to most recent federal tax year provided.

M. Calendar Year Federal, state and local payroll tax returns (including 941 for each quarter), corresponding to most recent federal tax year provided.

N. All audit correspondence, settlements, etc. regarding last three years on all items noted above in section III.

O. Copies of all employee benefit plan Form 5500's for the most recent period. All determination letters and IRS notices.

P. Form 8300 (cash transactions $10,000 or more), filings for the last three years; procedures regarding filings; any IRS correspondence regard Form 8300's.

Q. Form 720 (Luxury Tax) filings for last two years with Forms 8807 and 6627 attachments; any IRS correspondence regarding form 720's.

R. Initial LIFO election, Form 970

IV. CORPORATE

A. Articles of Incorporation, as amended to date, of the Company and each of its subsidiaries, if any.

B. The Bylaws, as amended to date, of the Company and its subsidiaries.

C. All minute book records of the Company and each of its subsidiaries, including minutes of all meetings of the stockholders, boards of directors and committees of such boards, since inception.

D. Stock transfer books of the Company.

E. Legal entity structure and management structure.

F. All specimens of each certificate for all outstanding securities of the Company and its subsidiaries.

G. All options, warrants, rights to subscribe, stock option plans, and other agreements of the Company and its subsidiaries relating to the issuance of securities of the Company and its subsidiaries.

H. All stockholders' voting, preemptive, and other agreements, if any, restricting the voting, sale or transfer of the stock of the Company or any of its subsidiaries, or any other stockholders' agreement relating to the securities of the Company or its subsidiaries.

I. List of jurisdictions where the Company and each of its subsidiaries are qualified or licensed to do business.

J. All fictitious name applications and approvals.

K. All sales and service agreements including amendments.

L. Cross purchase agreements

M. Life insurance policies

V. EMPLOYEES/EMPLOYEES BENEFITS

A. For all benefit plans, please provide the following: Plan documents, SPDs, actuarial valuations for funding and FAS purposes, most recent Form 5500 filings (with schedules and attachments) and SAR's, IRS determination letters, trust agreements, and most recent nondiscrimination test results.

B. Benefit enrollment summary by plan; include separate COBRA participant counts.

C. Employment contracts and retention agreements.

D. Listing of employees in electronic format, including as much as possible of the following information: job title, department, grade level, EEO-1 category, DOB, DOH, sex, FLSA status, part-time/full-time, union status, current base salary, bonus or commission (target amounts and amounts YTD), and accrued but unused vacation/time-off benefits.

E. Organization chart, including list of key employees.

F. Retention and turnover statistics and summary of methodology used to measure turnover.

G. Employee Compensation:

1. Salary and wage structures for employees, including geographic differentials;
2. Merit budgets for the past three years;
3. Description of salary planning process;
4. Copy of salary administration manual;
5. Relevant position documentation;

H. Workers' compensation experience (2 years).

I. Summary of outstanding employee litigation and claims (EEO charges, suits, grievances, etc.) and any informal complaints including complaints filed through internal grievance process.

J. All documentation relating to company policies, including manager/supervisor manuals, HR policies and procedures, and employee handbooks.

K. Copy of affirmative action plans.

L. Summary of all government audit activity (e.g. IRS, Department of Labor, Office of Federal Contract Compliance Programs (OFCCP) , etc.).

M. Summary of historical union organizing attempts (last 5 years).

N. Collective bargaining agreements and description of employees covered.

O. Summaries of any formal or informal employee agreements.

P. Employer, employee and retiree (as applicable) costs of existing benefits plans, broken down by plan, in whole dollar amounts and as a percentage of payroll (include definition of "payroll" used).

Q. Description of any severance and layoff/office closing benefits.

R. Copies of carrier contracts, including notice period for termination.

S. Documentation of any other compensation or reward programs (including plan document). e.g. Commission/bonus plans, incentive programs, etc.

T. Description of payroll processing (e.g. internally or externally). If external, please provide a copy of the vendor contract, including notice period for termination.

U. Describe pay frequency and any special pay programs.

V. Are items such as garnishments, child support, local taxes, etc. processed internally or externally?

W. Pay plans for all managers and sales personnel currently in effect

X. Access to all employee and customer files

VI. AGREEMENTS

A. All agreements by the Company or its subsidiaries for mergers or acquisitions of other businesses, and the purchase or sale of assets, if closed within the last year or if the Company or its subsidiaries have any contingent obligations thereunder; and pending agreements with respect to proposed mergers or acquisitions or purchases or sales if assets.

B. All material agreements, including but not limited to:

1. All dealer or franchise agreements with any automobile manufacturer;

2. All agreements with extended warranty service providers;

3. All forms used for the sale, finance, or lease of vehicles and other services, including extended warranty programs and maintenance programs;

4. All agreements with any customers that individually account for more than 1% of the annual consolidated revenue of the Company;

5. All joint venture and partnership agreements;

6. All agreements which in any manner restrict the operations of the Company, or any of its employees or owners (current or former), including non-competition covenants, confidentiality agreements, and other contracts;

7. All agreements encumbering or restricting the sale of any other assets or capital stock of the Company or its subsidiaries;

8. All advertising contracts;

9. All computer/IT and DMS contracts;

10. Description of all intercompany agreements and all business transactions between the Company, its subsidiaries and any of their respective stockholders, officers, employees or directors or their affiliates, including any borrowing by and from such persons or entities, any purchase or sales of assets, and management contracts, and any leases.

11. All agreements which are outside the ordinary course of business.

12. Indirect financing agreements in effect for the past three years.

VII. REAL AND PERSONAL PROPERTY

A. Deed and title insurance policies for all real estate owned by the Company and its subsidiaries.

B. All leases for personal property, equipment and real estate.

C. Copies of any evaluations or appraisals of any significant properties of the Company.

D. All agreements, instruments and documents creating or evidencing security interest, mortgages or liens on the properties, real or personal, of the Company.

E. All existing plans and specifications for any real property lease or owned (minimum site pans and floor plans) indicating square footage of all buildings, parking counts, number of lift bays, number of flat detail bays, and total parts area including mezzanines where applicable.

F. Documentation of current minimum manufacturer required standards for size and appearance of all facilities owned or leased.

G Lists of any known future manufacturer required modifications or minimum standards, including preliminary plans.

H. A list of any planned capital projects including a detailed budget. Budget should include architectural and engineering fees along with other associated soft costs, such as permits, hard construction cost, all equipment, furniture and fixtures.

I. Any copies of recent cost segregation studies, sec 179d and energy credit studies.

VIII. REGULATORY MATTERS; LICENSES AND PERMITS

A. All reports to and correspondence with federal, state or local regulatory, licensing and enforcement agencies in the last three (3) years.

B. All licenses and permits of the Company including the following:

1. Dealer license;
2. Finance and insurance seller's license;
3. Warranty seller's license;
4. Any other licenses required to operate the Company's business.

IX. LITIGATION/DISPUTES

A. Pending litigation files involving the Company and its subsidiaries, including pleadings, opinions of counsel, correspondence, settlement offers, and analysis of litigation, and a list of any threatened litigation or administrative actions and any letters related thereto.

B. Lawyer's audit inquiry response letters for the last three (3) years.

C. Any consent decrees, judgments, orders or settlement agreements which require or prohibit future activities of the Company or any of its officers, directors or key employees.

X. INSURANCE

A. All insurance policies (for last 2 years), including but not limited to, liability, workers' compensation, property damage, surety bonds, garagekeeper's liability, pollution, director and officer, errors and omissions, and life insurance policies on which the Company or its subsidiaries pays the premium.

XI. INTELLECTUAL PROPERTY

A. Copies of all United States and foreign patents, patent applications, copyrights, trademarks, trade names, and applications therefore owned or licensed by the Company and its subsidiaries.

B. All claims of infringement of any pending or threatened disputes regarding Company's intellectual property.

XII. SIGNIFICANT DEFAULTS

A. List of all significant defaults by any party under any of the agreements, contracts, leases, licenses and instruments disclosed pursuant to this due diligence request.

XIII. ENVIRONMENTAL MATTERS

A. Environmental due diligence request list will be provided under separate cover.

XIV. MISCELLANEOUS

A. Copies of all press releases, if any issued by the Company and its subsidiaries during the last two (2) years.

B. All brochures and any other documents used with respect to the Company and its subsidiaries and/or their services or the marking of such services.

C. Copy of all forms used, not limited to the following:

a. Buyer's order
b. Bailment form

c. Demo agreement
d. Rental agreement
e. We owes
f. Repair orders