HEARING DATE AND TIME: August 3, 2009 at 9:45 a.m. (Eastern Time)
OBJECTION DEADLINE: July 28, 2009 at 4:00 p.m. (Eastern Time)

Jeffrey S. Davis
Attorney at Law
1422 Berry Drive
Cleburne, Texas 76033
817/602-7999
FAX # 817/641-8829
jsdesqtx@yahoo.com
Motion for Admission to Practice *Pro Hac Vice* has been filed

IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE:	**General Motors Corporation, *et al***	§	**Chapter 11**
		§	**Case No. 1-09-50026 (REG)**
	Debtors.	§	**(Jointly Administered)**

AFFIDAVIT OF CHARLES MICHAEL FORREST IN SUPPORT OF LIMITED OBJECTION OF FORREST CHEVROLET-CADILLAC, INC., AND FORREST PONTIAC-BUICK-GMC TRUCK, INC., TO OMNIBUS MOTION OF DEBTORS FOR ENTRY OF ORDER PURSUANT TO 11 U.S.C. §§ 105 AND 365 AUTHORIZING (A) THE REJECTION OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES WITH CERTAIN DOMESTIC DEALERS AND (B) GRANTING CERTAIN RELATED RELIEF

STATE OF TEXAS §
§
COUNTY OF JOHNSON §

BEFORE ME, the undersigned notary public, personally appeared Charles Michael Forrest, who stated that he is over the age of 18, is of sound mind, and that the matters stated herein are within his personal knowledge and are true and correct.

"My name is Charles Michael Forrest. I am the Vice-President of both Forrest Pontiac-Buick-GMC Truck, Inc., and Forrest Chevrolet-Cadillac, Inc. I have been actively involved in the all aspects of the operations of both dealerships, including management, for several decades. As such, I am very familiar with the operations of both dealerships, as well as their relationship and dealings with General Motors Corporation ('GM') and General Motors Acceptance Company ("GMAC'). I am also the business records custodian for both of said corporations. The attached documents reflect business records of Forrest Pontiac-Buick-GMC Truck, Inc., and Forrest Chevrolet-Cadillac, Inc., and it was in the regular course of business of both Forrest Pontiac-Buick-GMC Truck, Inc., and Forrest Chevrolet-Cadillac, Inc., for an employee or representative of Forrest Pontiac-Buick-GMC Truck, Inc., and/or Forrest Chevrolet-Cadillac, Inc., with knowledge of the act, event, condition, opinion, or diagnosis, recorded to make the record or to transmit information thereof to be included in such record; and the record was made at or near the time or reasonably soon thereafter. The records attached hereto are the original or exact duplicates of the original.

"I am presenting the information herein in support of the Limited Objection of Forrest Chevrolet-Cadillac, Inc., and Forrest Pontiac-Buick-GMC Truck, Inc., to the Omnibus Motion of Debtors for Entry of Order Pursuant to 11 U.S.C. §§ 105 and 365 Authorizing (A) the Rejection of Executory Contracts and Unexpired Leases with Certain Domestic Dealers and (B) Granting Certain Related Relief.

"I am the second generation son of a legendary car dealer in Cleburne, Texas. My father, the late O.C. Forrest, Jr. began selling cars and trucks in our community in 1949. Through much hard work and sacrifice of my parents, my dad was able to purchase our Chevrolet-Cadillac franchise in 1961. As young children in the fifties, my older brother Clint and I grew up around the automobile business. Then, after graduation from the University of Texas, Clint in 1971, and I in 1974, both elected to join

the family business. In 1978, a strike year as I recall, I was visiting with my father about the current business climate and the gravity of our own circumstances. We surveyed our car lot, and counted only five pickups in stock. As my mom and dad would often get out on Sunday afternoons, driving the country side, they discovered that Durant Chevrolet in Granbury, Texas had about 60 pickups on their lot. My dad was furious. He called the Chevrolet zone manager about the disparity. Within ten minutes of the phone conversation, virtually all the employees at the Dallas zone knew my dad had registered a complaint, along with most of the employees at that dealership. He approached me right outside the showroom with a look of fear in his eyes proclaiming, 'Son, they're all in it together what are we going to do?'

"My dad had been a director of the Texas Automobile Dealer Association in the sixties and had gained a reputation as a very successful car dealer, businessman, and community leader and he commanded some attention to his grievance. The manufacturer, caught with its hand in the cookie jar, was compelled to divert some of the fleet-ordered vehicles to our normal stock. The Durant family stopped speaking to our family for several years afterward. Basically, we were made a victim of the power-broker games of inventory acquisition. In those days, the formula that applied was: who do you know? ...and... what have you done for them lately? In this instance, there was a separate distribution system for the fleet-related aspect of new vehicle sales versus the retail system, the supposed 'normal' way that vehicles were acquired and sold. Within the context of how the retail side of the automobile business functioned, an aggressive, cannibalistic protocol developed as to of how new car dealers were uniquely taught to do business. It became known as 'TURN-and-EARN.'

"As circumstances would dictate, in 1990, our family was afforded the unique opportunity to purchase the other two (2) General Motors franchises in our community, the Pontiac-Buick franchise and the Oldsmobile-GMC franchise. Without the 'benefit of General Motor's advice or wise counsel',

we were blessed with enough common sense to consolidate three franchises in our size community into two dealerships, which lead to the logical configuration of Forrest Chevrolet-Oldsmobile-Cadillac and Forrest Pontiac-Buick-GMC. Approximately four (4) years later, General Motors adopted those particular brand alignments for communities of similar size to ours, being Cleburne, Texas.

"During the early 1990's, I respectfully wrote and spoke to various members of our state legislature, numerous car dealers, dealer council representatives, and wholesale factory representatives about any number of important, relevant issues. Much of my commentary and analysis focused on two (2) of my family's worst experiences of franchise ownership...the manufacturer's new vehicle allocation process...and the architecture of the relationship between the franchise holder and the manufacturer. In 1994, on behalf of my family, I invested six (6) months of time and energy in preparing a business proposal to relocate the Pontiac-Buick-GMC dealership (that was occupying rental property adjacent to a cemetery), to our long held family real estate site location at Forrest Chevrolet-Oldsmobile-Cadillac. At a meeting at our Chevrolet store later that year, a Pontiac zone manager named Jeff Fernandez took only twenty (20) minutes to obfuscate our plan. During the next two (2) years we amended our original proposal twice only to be greeted by more roadblocks. Disturbingly, none of my family realized at the time that Mr. Fernandez was 'employed on the inside track', waiting for an opportunity to 'get his hands on a dealership' under the minority plank of dealer development. It was not until 2001 that I became aware that Mr. Fernandez was even a car dealer in our market or, for that matter, that a Fernandez Pontiac-Buick-GMC (near the intersection of Highway 67 and Interstate 20 in Dallas)...even existed! Several years later, on a routine visit to my franchise, a General Motors representative, with no inducement on my part, volunteered information to me that Mr. Fernandez' motive had indeed been to become a General Motors dealer.

"By 1995, at the tender age of 43, I had already seen enough evil propagated by 'our corporate

partner' to cause grave concern about how good people with noble intentions would ever succeed in such an environment. I became motivated to develop a platform from which to volunteer my name for election to the National Dealer Council. In the final hours leading up to the election, I received a letter from the corporation notifying me that I was ineligible to serve. Even though I had contributed greatly to the value of our family's franchises over my lifetime, my name had supposedly been listed in paragraph three (3) of our franchise agreement for only two (2) of a required three years. Since General Motors had already delivered to me approximately 225 self-addressed envelopes for all the Chevrolet dealers in North Texas, I thought it foolish to let all my observations go to waste and enthusiastically forwarded my platform issues to the dealer body. Attached hereto as Exhibit 'A' is a true and correct copy of my platform which is incorporated by reference herein as if set forth at length. As a result, a number of Chevrolet dealers whose passion and plight was 'to play games to get ahead in the system' and whose behavior was being in advertently characterized by my comments, forwarded my platform concerns and ideas to all the higher-ups in Detroit. Apparently all hell broke loose in General Motor's inner circle where raw nerves had obviously been touched. The then Chairman of Chevrolet, our dear friend Jim Perkins, summoned my father and me to appear on 'the Fourteenth Floor' in Detroit to explain my position paper. During our two hour meeting that followed, I began to enthusiastically do so, but on platform issue number thirteen, it became obvious that Jim could not listen to any more truth or consequence. Eventually, I was invited to take a one (1) year absence due to perceived anger and animosity toward whomever or whatever. Within my rights as a franchise owner, I refused to do so, but I humbly offered to apologize at the next regional meeting...mind you, for the 'flavor' of my remarks, but not for the content. My offer was tabled and our two (2) hour meeting abruptly adjourned with no obvious outcome. Approximately, six (6) weeks later Jim Perkins either resigned or was forced out of his job. It is, perhaps, beyond coincidence that a lifelong journey such as mine, first, defined by

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IN THE UNITED STATES BANKRUPTCY COURT
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IN RE:	**General Motors Corporation, *et al***	§	**Chapter 11**
		§	**Case No. 1-09-50026 (REG)**
	Debtors.	§	**(Jointly Administered)**

WITNESS LIST, TRIAL EXHIBITS and DESIGNATION OF DEPOSITION TESTIMONY OF FORREST CHEVROLET-CADILLAC, INC., AND FORREST PONTIAC-BUICK-GMC TRUCK, INC.

TO THE HONORABLE ROBERT E. GERBER
UNITED STATES BANKRUPTCY JUDGE

NOW COME FORREST CHEVROLET-CADILLAC, INC., and FORREST PONTIAC-BUICK-GMC TRUCK, INC., hereinafter "FORREST", who file this their Witness List, Trial Exhibits, and Designation of Deposition Testimony regarding the Omnibus Motion of Debtors for Entry of Order Pursuant to 11 U.S.C. §§ 105 and 365 Authorizing (A) the Rejection of Executory Contracts and Unexpired Leases with Certain Domestic Dealers and (B) Granting Certain Related Relief, and in support would show as follows:.

I.
WITNESS LIST

1. Charles Michael Forrest.

The Affidavit of Charles Michael Forrest in Support of Limited Objection of Forrest Chevrolet-Cadillac, Inc., and Forrest Pontiac-Buick-GMC Truck, Inc., to Omnibus Motion of Debtors for Entry of Order Pursuant to 11 U.S.C. §§ 105 and 365 Authorizing (A) the Rejection of Executory Contracts and Unexpired Leases with Certain Domestic Dealers and (B) Granting Certain Related Relief has been filed in accordance with Case Management Order #1.

II.
TRIAL EXHIBITS

2. Attached hereto are the following documents FORREST intends to offer at the hearing on the Omnibus Motion of Debtors for Entry of Order Pursuant to 11 U.S.C. §§ 105 and 365 Authorizing (A) the Rejection of Executory Contracts and Unexpired Leases with Certain Domestic Dealers and (B) Granting Certain Related Relief:

a. Exclusive Use Agreement regarding Forrest Pontiac-Buick-GMC Truck, Inc., in Case No. 3-05-CV-0528-K; General Motors Corporation v. Forrest Chevrolet-Oldsmobile-Cadillac, Inc., and Forrest Pontiac-Buick-GMC Truck, Inc.; In the United States District Court for the Northern District of Texas, Dallas Division;

b. Exclusive Use Agreement regarding Forrest Chevrolet-Cadillac Inc., in Case No. 3-05-CV-0528-K; General Motors Corporation v. Forrest Chevrolet-Oldsmobile-Cadillac, Inc., and Forrest Pontiac-Buick-GMC Truck, Inc.; In the United States District Court for the Northern District of Texas, Dallas Division;

c. Letter dated July 7, 2008, from Debtor to Forrest Pontiac-Buick-GMC Truck, Inc.;

d. Letter dated July 7, 2008, from Debtor to Forrest Chevrolet-Cadillac, Inc.;

e. Letter dated May 14, 2009, from Debtor to Forrest Pontiac-Buick-GMC Truck, Inc.;

f. Letter dated May 14, 2009, from Debtor to Forrest Chevrolet-Cadillac, Inc.;

g Business Plan;

h. Letter dated June 1, 2009, from Debtor to Forrest Pontiac-Buick-GMC Truck,

Inc.;

i. Letter dated June 1, 2009, from Debtor to Forrest Chevrolet-Cadillac, Inc.;

j. Letter dated July 10, 2009, from Debtor to Forrest Pontiac-Buick-GMC Truck, Inc.;

k. Letter dated July 10, 2009, from Debtor to Forrest Chevrolet-Cadillac, Inc.;

l. Letter, with term sheet, dated July 15, 2008, to FORREST;

m. Offer letter/term sheet dated December 15, 2008, from Tommy Manuel; and

n. Offer letter/term sheet dated January 2009, from Matt Johnson.

III.
DESIGNATION OF DEPOSITION TESTIMONY

3. FORREST does not designate any deposition testimony as no depositions have been taken in regard to the Omnibus Motion of Debtors for Entry of Order Pursuant to 11 U.S.C. §§ 105 and 365 Authorizing (A) the Rejection of Executory Contracts and Unexpired Leases with Certain Domestic Dealers and (B) Granting Certain Related Relief.

Respectfully submitted,

JEFFREY S. DAVIS
Attorney at Law
1422 Berry Drive
Cleburne, Texas 76033
817/602-7999
FAX # 817/641-8829
jsdesqtx@yahoo.com

JEFFREY S. DAVIS
Texas Bar No. 00787334

Attorney for Forrest Chevrolet-Cadillac, Inc., and Forrest Pontiac-Buick-GMC Truck, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on the 28th day of July, 2009, a true and correct copy of the foregoing was served on all those parties receiving notice via the Court's Electronic Case Filing System (through ECF) and the parties below via U. S. Mail First Class, postage prepaid on the following parties:

Harvey Miller
Stephen Karotkin
Joseph H. Smolinsky
Weil Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153

Debtors
c/o General Motors Corporation
Attn: Lawrence S. Buonomo
300 Renaissance Center
Detroit, Michigan 48265

James L. Bromley
Cleary, Gottlieb, Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006

Michael J. Edelman
Michael L. Schein
Vedder Price, P.C.
1633 Broadway 47th FL
New York, NY 10019

John J. Rapisardi
Cadwalader Wickersham & Taft LLP
One World Financial Center
New York, NY 10281

Babette Ceccotti
Cohen Weiss and Simon LLP
330 W. 42nd Street
New York, NY 10036

Diana G. Adams
Office of U. S. Trustee
33 Whitehall Street, 21st Fl.
New York, NY 10004

David S. Jones
Matthew L. Schwartz
U. S. Attorney's Office
86 Chambers Street, 3rd Fl.
New York, NY 10007

Matthew Feldman
United States Department of the Treasury
1500 Pennsylvania Avenue NW
Room 2312
Washington, D.C. 20220

Kenneth H. Eckstein
Thomas Moers Mayer
Adam C. Rogoff
Gordon Z. Novod
Kramer, Levin, Naftalis & Frankel, L.L.P.
1177 Avenue of the Americas
New York, NY 10036

Daniel W. Sherrick
UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

The affected dealers as identified and listed on Exhibit "A" to Debtors' Motion.

JEFFREY S. DAVIS

an unprecedented purchasing opportunity on new GM vehicles.

"GM filed suit in a federal court in Dallas, Texas, in March, 2005, seeking to enforce a term sheet discussed by attorneys as a legal contract with respect to the negotiations for settlement on the termination of the Oldsmobile franchise. The suit was styled Case No. 3-05-CV-0528-K; General Motors Corporation v. Forrest Chevrolet-Oldsmobile-Cadillac, Inc., and Forrest Pontiac-Buick-GMC Truck, Inc.; In the United States District Court for the Northern District of Texas, Dallas Division. Said suit concerned the phase-out of Debtor's Oldsmobile line of vehicles. In said Case No. 3-05-CV-0528-K, a Transition and Release Agreement, two (2) Exclusive Use Agreements, and a Supplemental Settlement Agreement and Release. Attached hereto as Exhibits 'B' and 'C', respectively, are true and correct copies of the Exclusive Use Agreements. The Agreement, attached as Exhibit 'B' provides, in paragraphs 1.(e) and (f) for an exclusivity period of fifteen (15) years for Forrest Pontiac-Buick-GMC Truck, Inc, to sell Buick and Pontiac vehicles, and GMC Trucks at our place of business; while the Exclusive Use Agreement, attached as Exhibit 'C', provides, in paragraphs 1.(e) and (f) for an exclusivity period of fifteen (15) years for Forrest Chevrolet-Cadillac, Inc., to sell Chevrolet and Cadillac vehicles at our place of business. Specifically, paragraph 2 of both Exclusive Use Agreements state as follows:

> "Dealer hereby agrees that, at all times during the Exclusive Period it shall actively and continuously conduct Dealership Operations for the Existing Model Lines at the Dealership Premises in accordance with the terms of the Dealer Agreements. The Dealership Premises shall not be used for any purpose other than Dealership Operations for the Existing Model Lines (which prohibited use includes, but are not limited to, the sale, display, storage, and/or service of motor vehicles not covered by the Dealer Agreements other than as specifically contemplated by the term 'Dealership Operations' in the Dealer Agreements), during the Exclusivity Period without the prior written consent of GM, which consent may be granted or withheld in GM's sole discretion."

There is no provision in either Exclusive Use Agreements that exempts us from this provision in the event they are no longer operating their dealerships under a franchise agreement with GM.

"In August 2005, two months before the Oldsmobile mediation, we were confronted with a GMAC audit of 'car deal' payoffs, resulting in an immediate payment demand of $1.2 million dollars. (At that time GMAC was wholly owned by GM.) This assessment was based on three (3) day payoff requirements by their internal definitions, which I had never heard of, nor have I, to this day, ever seen in writing. Consequently, I have had to engage GMAC through legal representation for the past four (4) years. From early January 2006, through in or around July 2008, GMAC imposed five (5) punitive actions that are identified in a client alert sent to me by the Myers and Fuller law firm of Tallahassee, Florida, in November, 2008. Attached hereto as Exhibit 'D' is a true and correct copy of the document which is incorporated by reference herein as of set forth at length. Aside from two (2) prior demands by GMAC that we choose a new floor plan source, a third notice from their operations supervisor in March 2008 advised us that our line of credit would be suspended in late May 2008. As I had previously characterized their behavior as attempting to force the sale of our franchises, I was both shocked and enraged that they followed through on their threat. Thusly, our two (2) General Motors franchises, Forrest Chevrolet-Cadillac Inc., and Forrest Pontiac-Buick-GMC Inc, survived over a year with no ability to order new vehicles from the manufacturer. Predictably, the manufacturer has sent letters outlining violations of our obligation to furnish new product to their customer base.

"The hostile action of GMAC in confronting dealership personnel and emphasizing its presence in dealer's facility caused the departure of four key employees in the first ten (10) days of its presence a said facility

"During the past fourteen (14) years, since 1994, our family has been exposed to a myriad of methods of General Motors Corporation to destabilize our franchises and force us out of business. The initial strategy was to alter the sales outcome in our primary area of responsibility by allowing the relocation of our closest Chevrolet competitor, Lynn Smith Chevrolet in Burleson, Texas, in 1994. In

or around 1998-1999, General Motors attempted to starve our stores of new product allocations. Lastly, in December 2005, following a significant influx of new product resulting from the 'price-fixing' madness, *visa vi* GM Employee Pricing. of June 2005, GM attempted to flood my dealerships with new product. GMAC, the other side of the two-headed dragon, acted aggressively against our stores when we had accumulated approximately $16.0 million of new vehicle inventory. Steve Evans, who inherited his father's 30 year old franchise, R.O. Evans Pontiac-Buick-GMC in Dallas, Texas, in 1988, is a former victim of this multifaceted strategy of General Motors. Mr. Evans contacted me in 2005, warning me of such a diabolical possibility. He was very concerned at the time that the same thing that happened to him and his family would happen to me and my family. And it did. GMAC issued a notice in March, 2008, that the floor plan lines of Forrest Chevrolet-Cadillac and Forrest Pontiac-Buick-GMC would be suspended on May 22, 2008. This was actually the third notice of this kind since the end of 2005, leading to the current death spiral of our family's fifty (50) year journey as a General Motor's dealer. On July 7, 2008, Debtors sent to FORREST a letter which outlined purported breaches of the franchise agreements, namely, arising from the loss of the floor plan. Attached hereto as Exhibits 'E' and 'F', respectively, are a true and correct copies of the letters. Of interest, the letter references that Debtor can terminate the franchise agreements if FORREST fails the remedy the breach. However, DEBTOR never chose to terminate the franchise agreements, until this Motion was filed, over one (1) year later.

"On May 14, 2009, Gem sent to both dealerships a letter which stated, in part, that GM did not anticipate its contractual relationship to continue with either dealership past October 2010, being the date the current franchise agreements between both dealerships and GM terminate. However, GM provided us the opportunity to submit any information to it concerning the matters addressed in the letter. I did just that as, on May 31, 2009, I sent to GM, via facsimile, a Business Plan outlining why we should continue to be franchised dealers of GM. Attached hereto as Exhibit 'G' is a true and correct

copy of the Business Plan which is incorporated by reference as if set forth at length. However, the Business Plan fell on deaf ears and blind eyes as, on June 1, 2009, the same day GM filed voluntary petitions for relief under the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* , GM sent to both dealerships a letter which was accompanied by a non-negotiable Wind-Down Agreement. We were given a deadline of June 12, 2009, to accept the Wind-Down Agreement.

"According to the June 1, 2009, letter from GM, unless we accepted the terms of the Wind-Down Agreement, as dictated solely by GM, which agreement, in part provides that neither dealership could order any new vehicles and that we waived all legal claims we may have against GM, then GM would assign the agreement to the 'New GM'.; otherwise, GM will seek to reject the franchise agreements in this Court. The 'take it or leave it' ultimatum presented us with a classic Hobson's choice: lose the protections of Texas law, or lose your business; and irony notwithstanding, the Wind-Down Agreement contains an express provision by which we 'acknowledge[d] that [our] decisions and actions are entirely voluntary and free from any duress.' Knowing and understanding the possible consequence of not signing the 'no-duress' clause would be that we would lose our businesses, we decided not to execute the Wind-Down Agreements.

"Previously, by letter dated July 15, 2008, GM offered to purchase both of our dealerships, with the real property to be leased, and with Goodwill valued, by GM, at $1.25 million. Attached hereto as Exhibit 'H' is a true and correct copy of the letter and term sheet which are incorporated by reference herein as if set forth at length. Significantly, this offer came at a time when our floor plan was suspended by GMAC.

"Other recent offers to purchase the both of our dealerships and/or assets have been received:

December 15, 2008: Tommy Manuel offered to purchase the dealerships' inventories and other assets, plus pay an additional $3.6 million for the land and facility located at 2406 North

Main, Cleburne, Texas, being the Chevrolet-Cadillac dealership. Attached hereto as Exhibit 'I' is a true and correct copy of the offer letter which is incorporated by reference herein as if set forth at length; and

January 2009: Matt Johnson offered to purchase and the dealership inventories, other assets, and pay $4.0 million for the land and facility located at 2406 North Main, Cleburne, Texas, and pay an additional $800,000.00, for the Goodwill of the business with the right to use the Forrest name. Attached hereto as Exhibit 'J' is a true and correct copy of the offer letter which is incorporated by reference herein as if set forth at length.

The departure of both Forrest Pontiac-Buick-GMC Truck, Inc., and Forrest Chevrolet-Cadillac, Inc., from the Cleburne, Texas, market area will leave that area with both a Chrysler-Dodge-Jeep dealer and a Ford dealer. There are currently no dealers offering a foreign brand vehicle in the Cleburne, Texas, market area. However, we have been offered a franchise with Eurospeed, USA, a Chinese automobile manufacturer, which dealership would include the offering of two (2) electric automobiles, al well as various models of ATV's and scooters. The franchise would be located at the current location of our dealerships.

"How did we experience the current catastrophic failure of our two GM franchises? To summarize our experiences, we represent one of the all-time 'train wrecks' of a family dealership operation by a manufacturer. For the past fourteen (14) years we have logically sought approval to economize the overhead of Forrest Pontiac-Buick-GMC, presenting several common sense rearrangements that would have allowed dealership profitability to be the first priority. Instead, GM elected to repeatedly 'stonewall' our efforts to do so, allowing only the construction of a new Pontiac-Buick-GMC dealership. Since that time, while trying to deal with traumatic consequences of daily depression, mood swings, and suicidal thoughts, I foolishly aligned my thinking with the strategy of a

former Chevrolet dealer, named Eddie McGinnis, in Fort Worth, Texas, to pursue the sale of our store. While momentarily my mother was induced to leverage three million dollars against our recent Pontiac-Buick-GMC development in mid-August 2008, I have managed to 'catch my breath' in the face of approximately nine (9) months of demands from various creditors. My 79 year old mother, my 60 year old brother (and his family of four), and I are all completely dependent on an estimated 50 to 60 thousand dollars of monthly income from our operations. I am understandably very disturbed, sick to my stomach, and 'mad as a hornet.'

"We currently have one (1) new vehicle remaining in inventory on our 17 acre tract and have only emergency cash with which to continue operating. In this 'pressure-cooker', our family's approximate real estate and business-related assets are being diminished to a 'fire sale' value. In mid-July of this year, as dealer principal of the two franchises, I had to reverse a 56 year pathway of progress in managing the continuation of our 50-year heritage, realizing that a final attempt to secure a real estate/floor plan loan, even based on asset value, might be forsaken.

"The following actions of GM and/or its financial arm (wholly owned until ***, 2006, and a 49% owner thereafter), being GMAC, have aided and assisted to place Forrest Pontiac-Buick-GMC and Forrest Chevrolet-Cadillac in the current position they are in, the bankruptcy proceedings notwithstanding:

"1. Suspension of Forrest Chevrolet-Cadillac, Inc.'s, dealer floor plan agreement by GMAC on May 26, 2008;

"2. Suspension of Forrest Pontiac-Buick-GMC, Inc.'s, dealer floor plan agreement by GMAC on May 26, 200;

"3. Violations by GMAC of both Forrest Chevrolet-Cadillac, Inc., and Forrest Pontiac-Buick-GMC, Inc., floor plan agreements, from 1990-current 2009, by utilizing the following tactics:

a. Imposing high-risk interest rates unrelated to agreed interest rate formula;

b. Imposing unreasonable inventory retirement guidelines when such inventory was originally purchased without repayment restrictions;

c. Demanding substantial additions to dealer working capital which contradict the original capital formula;

d. Demand that additional dealership and shareholder assets and accounts be designated as lender collateral; and

e. Demand that cash collateral accounts be established;

"4. Massive over shipment of new vehicle inventory from July, 2005 to December, 2005, precipitated by GM's willingness to endorse an allocation methodology known as 'TURN-and-EARN';

"5. Inducement to build the new Forrest Pontiac-Buick-GMC automobile dealership by refusing multiple requests to relocate and blend Forrest Pontiac-Buick-GMC, Inc,. formally located at 2145 North Main Street, Cleburne, Texas, onto the primary, and more than adequate, historical real estate site of Forrest Chevrolet-Cadillac at 2400 N. Main, Cleburne, Texas. The first denial of a Forrest family business plan to make a blended move was from 1994-1996. This plan was blocked, at the very least, by former Pontiac zone manager Jeff Fernandez. The second denial of a Forrest family business plan to make a blended move was from fall, 2001-winter 2004. Two zone managers of General Motor's business-control entities Chevrolets' Keith Best, and Pontiacs' Rick

Beets, 'stonewalled' our emergency request to relocate Forrest Pontiac-Buick-GMC, Inc., to the real estate site of Forrest Chevrolet-Cadillac. My mother and I refused to embellish the onerous language of a new lease agreement demanded by tenant trustee Tom Pernell, Jr., thusly causing our leasehold to default to a 30-day, month-to month basis. Caught in the crossfire of arguments between the two business-control entities for more than a year, we finally decided to begin site excavation on an adjacent piece of property that we owned, knowing that General Motor's preference was to have a stand-alone facility on its own piece of property. At the time that we finally received an official written authority to build a new dealership, in approximately late January/early February 2004, we had already invested over $1.0 million in the preparatory phase of the development. As the dealership development, that originally was bid at about $2.0 million by Larry Sandlin of M.T. Building Corp., on a cost plus basis, approached completion, the out-of-pocket cost to Forrest Chevrolet-Cadillac Co., Inc. to build the sister facility reached approximately $3.2 million;

"6. Based upon information and belief, tortuous interference with my contractual relationship with General Motors by the Jeff England Motor Co., and numerous new car dealers as co-conspirators, based upon information and belief to be Durant Chevrolet in Granbury, Texas, and Lynn Smith Chevrolet in Burleson, Texas, in the time frame summer of 2000 until the present day;

"7. Discrimination by GM in denying our new vehicle franchises appropriate and sustaining levels of new vehicle inventory in its willingness to endorse an allocation

methodology known as 'TURN-and-EARN' in the time frame 1994-1999;

"8. Inducement by GM to resolve its ill-advised termination of the Oldsmobile brand through the systematic pursuit of confidential side agreements, designed in large part to usurp and/or bypass the scrutiny of state franchise laws and impose irreconcilable, punitive actions toward us, its' franchise holders, in the time frame from December, 2000 until November, 2005;

"9. Expansion of our (so called) area of primary sales responsibility into the vicinity of Alvarado, Texas, thereby raising our standard of required sales performance, but with no logical explanation, and under protest by me as dealer-operator in the time frame of approximately 1999; and

"10. Relocation of the Lynn Smith Chevrolet franchise in Burleson, Texas in 1994, effectively altering its allocation methodology toward new vehicle shipments under the definition of metro versus non-metro status and causing preferential treatment toward that dealership that harmed Forrest Chevrolet-Geo-Oldsmobile-Cadillac.

"With, at a minimum, a fair and honest approach and dealing between GM, or 'New GM', and Forrest Pontiac-Buick-GMC Truck, Inc., and Forrest Chevrolet-Cadillac, Inc., and a commitment by GM, or 'New GM', to fairly allocate vehicles, the dealerships can return to profitability and can help GM or 'New GM' return to profitability."

Further affiant sayeth not.

Charles Michael Forrest

CHARLES MICHAEL FORREST,
Affiant

SUBSCRIBED and SWORN to before me by Charles Michael Forrest, Vice-President of Forrest Pontiac-Buick-GMC Truck, Inc., and Forrest Chevrolet-Cadillac, Inc., on July 29, 2009.

BARBARA A. BULLARD
Notary Public, State of Texas
My Commission Expires
April 22, 2012

Barbara A. Bullard

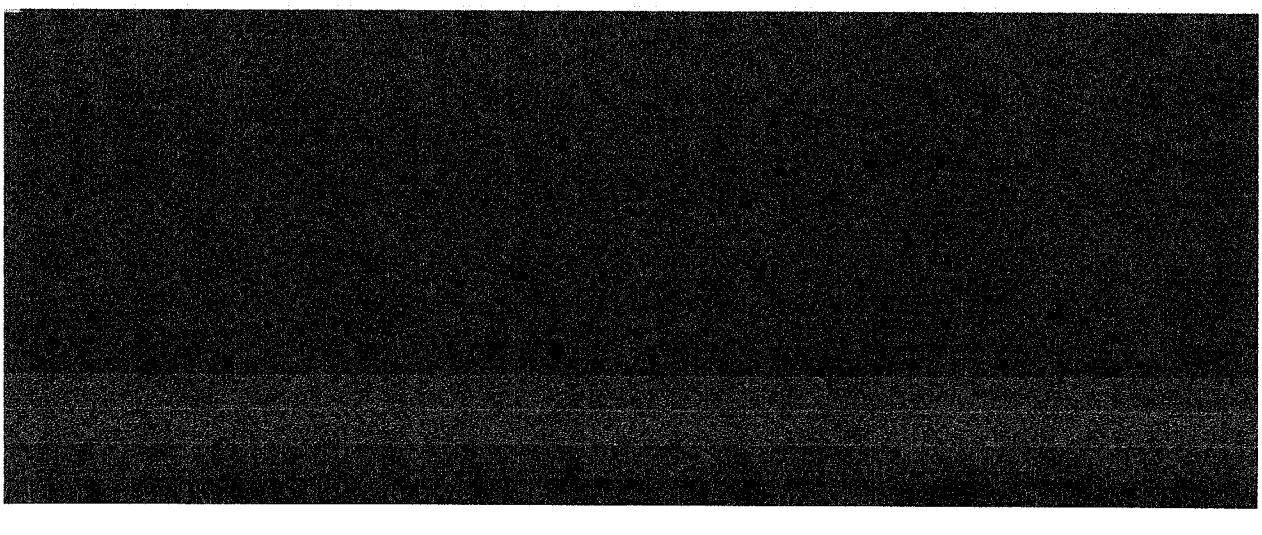

EXHIBIT A

EXHIBIT A

November 11, 1995

Dear Fellow Dealers,

After my father's 45 years of total commitment to Chevrolet and General Motors (35 years as a dealer) and my own lifetime involvement in molding and bettering the fruits of his labor, I now find myself, at the pinnacle of my career, to be totally disgusted with the status of the General Motors bureaucracy and many unprincipled policies that seem to govern it.

When afforded some time to reflect on the nature of the challenges ahead of us in the coming years, I have concluded that many of the manufacturer's policies and initiatives are directly interfering in out ability at the franchise level to implement progressive and thoughtful changes that could enhance our mutual success.

During the past several years, I have made extensive efforts to inform a number of people of my concerns. The various parties I have contacted include district sales and service reps, branch managers, regional managers, TADA officials, and dealer council representatives. The lack of recognition of many of the following issues prompts me to invite your participation in voicing any concerns that you may have. The following is a partial list of my concerns:

The "turn-and-earn" vehicle allocation system -- this is singularly the most destructive force affecting the attitude and perspective of the entire dealer body.

Among many insidious side effects are the promotion of a very cannibalistic dealer-to-dealer sales battleground, obscene product concentrations in pockets of "manipulate-the-system-any-way-you-can" opportunists, new vehicle profit degradation in order to feed the product "earn cycle", incredible wastes of dealer advertising dollars to overstate one's marketplace (that can claim no sanctuary in today's world), and the focus of jealousy, suspicion, anger, and resentment by all those involved in a system driven largely by intimidation, favoritism, and manipulation.

The proliferation (and careless release) of our vehicle invoice data (via disc transfers and simple reproductions of privileged cost data) to unintended parties.

No one in America should be privileged to know or possess the invoice data of our new vehicles except the dealer - yes, not even GM employees! This is a legal right afforded us in our franchise agreement, and therefore deserves the respect and obligation of the manufacturer to protect it!

Marketing dollars extracted from dealer invoices and foolishly poured into the media to help promote less-than-desirable products while product designs are, in many cases, following the industry by two to three years. [i.e., all Cadillacs, all Oldsmobiles (save Aurora), now even the Chevrolet Pickup!]

The capital investment required to move all products to the head of the industry should have no compromise. No amount of advertising dollars can save a deficient product in today's world! In the atmosphere of retailing, styling will always prevail!

The daily deluge of DCS communications and the ongoing change in programs that prohibit the pursuit of salesmanship and F&I competency.

The tendency of the manufacturer to constantly invade our pricing, financing, and advertising domain is very alarming!

The cavalier encouragement of divisional cross-selling policies with regard to program cars after January 1 of each year.

This policy condemns the definition of exclusivity in dealership franchising and totally misrepresents the boundaries of the products we represent.

The misguided conclusion that all programs and processes have logical similarities, no matter what size dealership or what type of marketplace.

The corporation consistently fails to recognize and understand distinctions between the needs of dealers and their marketplaces in four categories: metropolitan, suburban, single city, and rural.

The lack of a coherent and responsible paint defect policy.

Most customers expect paint to stay on a new vehicle for ten years. No matter whether it starts flaking off at one year or five years, either the paint or the process itself is defective.

Offering tier-structure return-reserve cash advances on GM parts inventories.

This strategy invites the dominance and adversarial role of large volume dealerships in the parts pricing competition between larger and smaller franchises.

Customer confusion about divisional loaner car policies with regard to warranty issues.

Customers become entrapped in the "overnight use question" to the detriment of CSI.

Inconsistencies in the Customer Assistance Network that, more often than not, aggravate the customer to heightened levels of frustration and anger!

This merry-go-round effect traps the customer and the dealer in a needless loop [in vain attempts to resolve complaints] and creates a consumer "time bomb!"

The Technical Assistance Networks for the divisions have communication links that are problematic, time-consuming, and provide very little effective diagnostic assistance.

More often than not, intense efforts by dealer personnel tend to resolve difficult diagnostic problems internally [at the dealership level] to the exclusion of the T.A.N. Network!

The visual remake of the franchise image.

While continuity and consistency have some marketing substance, the IMAGE 2000 program perhaps applies best to new facilities. Remodeling approaches to existing facilities need much more flexibility in the adaptation concepts and opportunities to allow localized vendors to participate.

Receiving model-by-model measures of effectiveness in a dealer's area of influence to define legal "paragraph-three worthiness" of our future dealer candidates, and indeed, the very existence of many franchises.

In many cases, the allocation process itself has defined limits of efficiency in a marketplace.

The lack of recognition of the used car department as a critical factor in compelling the new car business.

Used car managers desperately need and deserve certified credentials to perform the daily appraisal practices demanded of them. Attempts at new vehicle repricing formulations have no validation without the complimentary respect of used car appraisal certifications.

The continuing partisan gamesmanship of one GM division toward another - the lack of a NAO purpose and vision!

The competition will surely outduel a GM mindset that is always preoccupied with a sense that it competes primarily with itself.

The proliferation of consultant- driven programs and decision processes.

In a grander sense, dealer principals must wonder whether capable corporate leadership can even formulate it's own opinions and strategies. . . or whether the lack of leadership now mandates that GM purchase its wisdom from outside consultants!

Customer survey processes that reflect theoretical conclusions and sterile responses to questions.

These "research analyst" approaches evoke few elements of the human range of emotions in gathering supposedly relevant feedback.

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The pursuit of Saturn concepts to redefine how retailers should do business is the ultimate insult to a dealer body whose livelihood has depended for decades on satisfying customers.

A shameful misrepresentation of the dealer body through the dealer council process.

Indeed, many problems at the heart of the retail environment can only be articulated by dealership management and personnel!

Not only has the historical significance of this body's outcomes rendered it ineffective, it (the dealer council) actually serves to filter away many ideas predicated on common sense. Dealer participation in this process is almost nonexistent.

As a franchise dealer, I view myself as the primary customer of General Motors, just as my employees perceive themselves as "customers" of my family. I would hope that future policies of General Motors would reflect basic character traits that are sorely missing from many of today's schools, the media, our government, our corporations, and indeed, the society at large.

The virtuous qualities of leadership that need to reshape General Motors now and in the future can only be discovered in a foundation of ethics and principles. I have frankly seen very little of either in my adult career.

I would only hope that in the period of time I remain as a franchise dealer that I might someday regain the pride that my father had in the 50's and 60's!

Respectfully,

Michael Forrest

Michael Forrest
"Excluded by rules" Candidate for the National Dealer Council
Forrest Chevrolet Geo Oldsmobile Cadillac - Cleburne, Texas

After an initial congratulatory response from Detroit for demonstrating a willingness to serve on the National Dealer Council, I was notified from the Dallas Zone office that there is a 3-year requirement as a "paragraph three" dealer-operator to qualify as a candidate. Since I had prepared this referendum on some issues, I am pleased to forward it to you as a "thought stimulator" in any conversations you may have with other dealers, factory personnel, and potential candidates for the council. Good luck and good selling!

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EXCLUSIVE USE AGREEMENT

THIS EXCLUSIVE USE AGREEMENT (this "Agreement") is made and entered into as of this 4 day of November, 2005, by and between FORREST CHEVROLET-~~OLDSMOBILE~~-CADILLAC, INC. ("Dealer"), and GENERAL MOTORS CORPORATION ("GM").

RECITALS

A. Dealer currently operates a Chevrolet and Cadillac sales and service facility at 2400 N. Main Street, Cleburne, Texas, pursuant to the Dealer Agreements (as defined herein).

B. Dealer and GM are parties to a Supplemental Settlement Agreement and Release of even date herewith (the "Settlement Agreement").

C. Pursuant to the Settlement Agreement, Dealer (i) terminated its Dealer Sales and Service Agreement with respect to Oldsmobile products, and (ii) agreed to conduct GM-exclusive motor vehicle dealership operations at the Dealership Premises (as defined herein) on the terms and conditions contained herein, intending to be bound by the terms hereof.

COVENANTS

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Definitions. For purposes of this Agreement, the following capitalized terms shall have the meanings set forth in this Section 1:

(a) "Dealer Agreements." The Dealer Sales and Service Agreements entered into by and between Dealer and GM for the Existing Model Lines, and any amendments, modifications or replacements of such agreements.

(b) "Dealership Operations." As defined in the Dealer Agreements.

(c) "Dealership Premises." The location(s) approved from time to time for the conduct of Dealership Operations for the Existing Model Lines pursuant to the terms of the Dealer Agreements.

(d) "Effective Date." The date set forth in the introductory paragraph of this Agreement.

(e) "Exclusivity Period." The period commencing on the Effective Date and continuing for a period of ~~twenty-five (25)~~ FIFTEEN (15) years thereafter.

(f) "Existing Model Lines." The Chevrolet and Cadillac products sold at the Dealership Premises in accordance with the Dealer Agreements.

2. Exclusive Use. Dealer hereby agrees that, at all times during the Exclusivity Period, it shall actively and continuously conduct Dealership Operations for the Existing Model Lines at the Dealership Premises in accordance with the terms of the Dealer Agreements. The Dealership Premises

shall not be used for any purpose other than Dealership Operations for the Existing Model Lines (which prohibited uses include, but are not limited to, the sale, display, storage, and/or service of motor vehicles not covered by the Dealer Agreements other than as specifically contemplated by the term "Dealership Operations" in the Dealer Agreements), during the Exclusivity Period without the prior written consent of GM, which consent may be granted or withheld in GM's sole discretion.

3. Consideration. Dealer hereby acknowledges and agrees that payments and other covenants and agreements by GM set forth in the Settlement Agreement are fair and adequate consideration for Dealer's execution of and performance under this Agreement, the Settlement Agreement and any other documents executed by either party in connection with the Settlement Agreement (the "Related Agreements").

4. Default and Breach. Each of the following shall constitute a breach of this Agreement:

(a) Dealer's failure to actively and continuously conduct Dealership Operations for the Existing Model Lines at the Dealership Premises at all times during the Exclusivity Period;

(b) use of the Dealership Premises, or any part thereof, at any time during the Exclusivity Period, for any purpose other than Dealership Operations for the Existing Model Lines;

(c) subject to Section 5(d) below, the termination at any time during the Exclusivity Period of any of the Dealer Agreements, for any reason whatsoever (including, but not limited to, the termination in connection with the sale by Dealer of any of its assets or operations relating to Dealership Operations);

(d) subject to Section 5(d) below, any action or inaction by Dealer which results in the discontinuation of Dealership Operations for any of the Existing Model Lines at the Dealership Premises (by, for example, but not by way of limitation, the sale by Dealer of its assets or operations relating to any of the Dealer Agreements or the relocation by Dealer of its operations under any of the Dealer Agreements) at any time during the Exclusivity Period; and

(e) Dealer's failure at any time during the Exclusivity Period to perform any other of its obligations as set forth herein, in the Settlement Agreement, or any Related Agreement.

5. Remedies.

(a) In the event of a breach hereunder, GM shall have any or all of the following remedies, at GM's election:

(i) Dealer shall, within three (3) days ~~after receipt of a written notice from GM advising of such breach, pay liquidated damages for the Brand-Related Losses~~ (defined below) to GM as follows: ~~(A) for a breach occurring during the time period commencing on the Effective Date and ending on the tenth (10th) anniversary of the Effective Date, Dealer shall pay GM the sum of One Million Four Hundred Twenty Five Thousand and No/100 Dollars ($1,425,000); (B) for a breach occurring during the time period commencing the day after the tenth (10th) anniversary of the Effective Date and ending on the twentieth (20th) anniversary of the Effective Date, Dealer shall pay GM the sum of Nine Hundred Fifty Thousand and No/100 Dollars ($950,000); and (C) for a breach occurring during the time period commencing the day after the twentieth (20th) anniversary of the Effective Date and ending on the expiration of the Exclusivity Period.~~

OF ARBITRATOR'S AWARD HEREUNDER, IF ANY, PAY THE FOLLOWING

CMJ

based on the following terms:

IF THE DATE OF BREACH IS WITHIN ONE YEAR OF EXECUTION OF THIS AGREEMENT, 200% OF THE AMOUNT PAID ($500,000/2). THIS AMOUNT WILL BE REDUCED BY 1/15TH EACH YEAR FOR THE BALANCE OF THE AGREEMENT. FOR EXAMPLE, IF A BREACH OCCURS IN YEAR 15 AFTER EXECUTION THE AMOUNT WILL BE $33 >>>

CMJ

~~Dealer shall pay GM the sum of Four Hundred Seventy Five and No/100 Dollars ($475,000) (each, respectively, the "Damages").~~ Dealer acknowledges that, if Dealer breaches this Agreement, GM shall suffer substantial damages, including, without limitation, loss of reputation, diminution of brand value, loss of opportunities, and loss of market channeling (collectively, the "Brand-Related Losses"). Dealer acknowledges that the determination of the exact amount of such damages would be difficult or impossible. Dealer and GM acknowledge and agree that the Damages are a reasonable estimate of the liquidated damage amount for the Brand-Related Losses in light of all relevant facts now available to the parties hereto and are not a penalty.

CMJ

~~(ii) To the maximum extent permitted by law, GM shall be entitled to all of its remedies at law, including payment for actual damages beyond the Brand-Related Losses such as, without limitation, lost profits, attorney fees, and relocation costs, and all of its remedies in equity, including, but not limited to, the right to specific performance.~~

delete all

CMJ

CMJ

Following the Arbitrator's Award

(b) In lieu of having Dealer pay any damages pursuant to Section 5(a) above, GM may elect to apply such amount towards payment of any amount due Dealer in the event GM exercises its right of first refusal pursuant to Article 12.3 of the Dealer Agreements.

(c) In the event Dealer fails to pay any damages as required by Section 5(a) above, Dealer authorizes GM to charge the full amount thereof against Dealer's account maintained in the GM Dealer Payment System.

(d) Notwithstanding anything to the contrary in this Agreement, it shall not be a breach of this Agreement, and Dealer will have no obligation to pay any damages to GM described in Section 5(a) above, if the termination of all of the Dealer Agreements occurs as a result of all of the following:

(i) Dealer proposes to sell or otherwise transfer its assets related to Dealership Operations for all of the Existing Model Lines to a third party, which proposal (A) provides for the continuation of exclusive Dealership Operations for all of the Existing Model Lines at the Dealership Premises, or (B) provides for the relocation of Dealership Operations for all of the Existing Model Lines to a new location to be used exclusively for such Dealership Operations, and GM expressly advises Dealer in writing that such location is satisfactory to satisfy the requirements of this Section 5(d);

(ii) the transferee assumes, pursuant to a written agreement acceptable to GM, Dealer's remaining obligations under this Agreement, including, without limitation, those with respect to the unexpired portion of the Exclusivity Period;

(iii) the transferee demonstrates to GM's satisfaction the financial ability to assume Dealer's financial obligations herein;

(iv) the change of ownership or transfer proposal is otherwise approved by GM; and

(v) the transferee and GM enter into Dealer Sales and Service Agreements in the then-current form for Dealership Operations for all of the Existing Model Lines at the location identified in Section 5(d) above.

(c) No failure on the part of GM to exercise, and no delay in exercising, any right under this Agreement, the Settlement Agreement, or any Related Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any further or other exercise thereof or the exercise of any other right. The remedies provided under this Agreement, the Settlement Agreement, or any Related Agreement are cumulative, are not exclusive of any remedies provided by law, and may be exercised singly, collectively, or successively.

6. Indemnity. Dealer shall indemnify, defend and hold GM, its Affiliates and their respective members, partners, venturers, stockholders, officers, directors, employees, agents, spouses, legal representatives, successors and assigns (the "Indemnified Parties") harmless, from and against any and all claims, demands, fines, penalties, suits, causes of action, liabilities, losses, damages, costs of settlement, and expenses (including, without limitation, reasonable attorneys' fees and costs) that may be imposed upon or incurred by the Indemnified Parties, or any of them, arising from, relating to, or caused by Dealer's breach of this Agreement or Dealer's execution or delivery of or performance under this Agreement. "Affiliate" means, with respect to any Person (as defined below), any Person that controls, is controlled by or is under common control with such Person, together with its and their respective partners, venturers, directors, officers, stockholders, agents, employees and spouses. "Person" means an individual, partnership, limited liability company, association, corporation or other entity. A Person shall be presumed to have control when it possesses the power, directly or indirectly, to direct, or cause the direction of, the management or policies of another Person, whether through ownership of voting securities, by contract, or otherwise.

7. Due Authority. Dealer and the individual(s) executing this Agreement on behalf of Dealer hereby jointly and severally represent and warrant to GM that this Agreement has been duly authorized by Dealer and that all necessary corporate action has been taken and all necessary corporate approvals have been obtained in connection with the execution and delivery of and performance under this Agreement.

8. Confidentiality. Dealer hereby agrees that, without the prior written consent of GM, it shall not, except as required by law, disclose to any person (other than its agents or employees having a need to know such information in the conduct of their duties for Dealer, which agents or employees shall be bound by a similar undertaking of confidentiality) the terms or conditions of this Agreement or any facts relating hereto or to the underlying transactions.

9. Informed and Voluntary Acts. Dealer has reviewed this Agreement with its legal, tax, or other advisors, and is fully aware of all of its rights and alternatives. In executing this Agreement, Dealer acknowledges that its decisions and actions are entirely voluntary and free from any mental, physical, or economic duress. Nothing set forth in this Agreement shall be construed as amending, modifying, or superseding any of the Dealer Agreements or GM's rights or remedies therein.

10. Effectiveness. This Agreement, and any offers made by GM to Dealer with respect to the implementation of GM's marketing channel strategy in Dealer's metropolitan area, shall be deemed withdrawn and shall be null and void and of no further force or effect unless this Agreement is executed fully and properly by Dealer and is returned to GM on or before 10/4, 2005. This Agreement shall be deemed executed on the date on which it has been fully and properly executed by both parties, which date shall be entered in the introductory paragraph of this Agreement.

11. Disputes - Arbitration.

(a) Subject to the following provisions of this Section 11, GM and Dealer agree to submit to final and binding arbitration, upon either party's written notice, any and all claims, disputes, and controversies between them arising under or relating to this Agreement and its negotiation, execution, administration, modification, extension or enforcement (collectively, "Claims"). Such arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA") at an AAA regional office nearest the Dealership Premises.

(b) GM and Dealer agree that the dispute resolution process outlined in this section shall be the exclusive mechanism for resolving any Claims. All arbitration awards are binding and non-appealable except as otherwise provided in the United States Arbitration Act (9 U.S.C. § 1, *et seq.*). Any court with jurisdiction may enter judgment upon the award rendered by the arbitrator, and the parties agree to be bound by such award.

(c) Arbitration hereunder shall take place before one (1) arbitrator. The arbitrator shall be neutral and an attorney actively engaged in the practice of business law for at least ten (10) years or a retired judge of a state appellate court or a federal district or appellate court. The AAA shall submit a list of persons meeting the criteria outlined above for such arbitrator, and the parties mutually shall agree upon the arbitrator in the manner established by the AAA. If the parties are unable or fail to agree upon the arbitrator, the AAA shall select the arbitrator.

(d) The arbitrator shall have the discretion to order a prehearing exchange of information by the parties, including, without limitation, production of requested documents, an exchange of summaries of proposed witness testimony, and depositions of parties, all of which shall occur within sixty (60) days after the appointment of the arbitrator.

(e) Dealer and GM will share equally in all administrative expenses, including, but not limited to, travel, lodging and meals of the arbitrator, rental of meeting and hearing rooms, any expenses for transcribing or recording the arbitration proceedings, and any other reasonable expenses relating to the arbitration process. Dealer and GM shall be responsible for their own costs and expenses including, but not limited to, attorneys' fees and expert witness fees.

12. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the state of Michigan.

[Signature Page Follows]

IN WITNESS WHEREOF, GM and Dealer have executed this Agreement through their duly authorized representatives as of the day and year first above written.

GENERAL MOTORS CORPORATION, a Delaware corporation, acting through its Dealer Network Development Group

By: S. M. Sprague by [illegible]
M.L. Heisel, Finance Director, or
S.M. Sprague, Finance Manager

By: C. F. Seaburg by [illegible]
C.F. Seaburg, Regional Director, or
D.T. Bott, Regional Manager

FORREST CHEVROLET-OLDSMOBILE-CADILLAC, INC.

By: Charles Michael Forrest
Name: Charles Michael Forrest
Title: V-P

EXHIBIT D

EXHIBIT D

Myers & Fuller, P.A.
ATTORNEYS AT LAW

Robert A. Bass**
Robert C. Byerts
Joshua J. Logan
Shawn D. Mercer*
W. Douglas Moody, Jr.
Richard N. Sox, Jr.
Frank X. Trainor, III*

Founding Partners:
Daniel E. Myers
Loula M. Fuller

**Also admitted in Washington D.C.
*Only admitted in North Carolina

Respond to: Tallahassee Office

CLIENT ALERT

ANSWERS FOR DEALERS IN THIS VOLITALE FLOORPLAN FINANCING ENVIRONMENT

October 28, 2008

The Stakes

Our firm has received numerous client inquiries from across the country concerning the trending conduct of traditional floorplan lenders. We have been working with dealers on an increasing basis over the last several months to define the scope of this problem and provide answers.

If access to wholesale financing credit is suspended or conditioned with new dealer related economic burdens, the remaining life span of the average dealership can be measured in weeks. Most dealers have never been in a position where the availability of wholesale credit is threatened and this Alert is intended to serve as a quick-study primer to enable dealers to identify serious floorplan issues as they arise.

This Alert was prompted by the increasingly negative conduct being exhibited by floorplan lenders. Chief among the recent actions which we have addressed or have been reported to us is canceling floorplan lines, imposing high-risk interest rates unrelated to the agreed interest rate formula; imposing unreasonable inventory retirement guidelines when such inventory was originally purchased without repayment restrictions; demanding substantial additions to dealer working capital which contradict the original available capital formula; and, demanding that additional dealership and shareholder assets and accounts be designated as lender collateral and that cash collateral accounts be established.

The floorplan modifications discussed in this Alert did not originate because such lenders have experienced an unusually high default rate on dealership floorplan lines. The likely cause is internal to the lender's balance sheets which show small amounts of cash on hand in relation to asset portfolios littered with illiquid derivative financial instruments. Although the Treasury is in the initial stages of a plan to immediately infuse the banking system with 250 billion dollars to jump start the credit markets it will take several weeks to see any tangible results. However, non-bank floorplan lenders must still seek private funding from secondary sources and presently there is little interest to lend in these secondary markets. Finally, the loss or conversion (to holding companies) of the world's leading investment banks bodes ill for private companies seeking funding in amounts which no single bank can handle.

Responding to New Floorplan Demands

Floorplan lenders are engaging in more aggressive auditing practices as justification for adversely modifying the wholesale lending arrangements of many dealers. As noted, lenders are now routinely increasing floorplan interest rates and buy rates on retail paper, demanding immediate contributions to working capital, and enhancing the asset array subject to collateral demands including required establishment of cash collateral accounts, and demanding the systematic retirement of debt associated with moderately aged inventory.

Based on our experience, it can be assumed that every floorplan lender will claim the right to amend its wholesale financing arrangement at will. Every lender will describe a dealer's obligation to pay as due on demand rather than after a "sale." Finally, every lender will claim the right to employ self-help remedies if for any reason the lender feels insecure about its loans or collateral.

We have in the past, and continue today to vigorously oppose this construction of a lender's authority. Generally, floorplan lenders do not possess unfettered authority and unbridled discretion in dealing with borrowers. However, since the standards which govern a specific lending relationship are often determined by course of conduct, there is no single all encompassing rule that can be applied robotically to define a dealer's rights or a lender's authority.

Regardless of the observation above, by no means should a dealer assume that a lender is authorized to unilaterally modify a floorplan lending relationship subject to a written wholesale security agreement. Any such attempted modification or demand must be evaluated with respect to the written agreement and the course of conduct between the floorplan lender and affected dealer.

In the event a dealer is subject to such a modification, the decision to seek the advice of counsel should be tempered with a determination as to whether your dealership can practically comply with a proposed modification. If compliance does not entail the loss of a right, assumption of an increased financial burden, or contribution of unimpaired assets as collateral, your business judgment should first be applied to the issue and any professional advice sought should be short, sweet, and inexpensive.

Conversely, if the proposed modification cannot be practically satisfied, is costly now or over time, or grants the lender access to new sources of collateral or guaranty, before you give your consent you may wish to seek a formal evaluation of the proposed demand or modification.

Demands for Immediate Payment of All Monies Loaned

Our experience thus far indicates that there is little uniformity in the risk assessment methods being employed by floorplan lenders. This has resulted in the immediate demand for full payment of all sums outstanding on the floorplan line by some lenders.

Lately, we have regularly been asked what rights a dealer has if a wholesale lender demands that a dealer's outstanding floorplan balance be paid immediately or within a small number of days. Subject to the specifics of a particular wholesale lending agreement, we have consistently taken the position that unless a dealer is in actual default of the repayment there is no valid basis to demand immediate full payment.

Unless the dealer has converted sales proceeds to other obligations and is truly out-of-trust or has committed some other material act of default, there are a number of strong arguments that payment of the balance cannot be demanded simply because the floorplan lender has changed its mind.

If a dealer either cannot practically satisfy or rejects a lender's demand for immediate full payment, the lender's options are to (1) use a self-help remedy by seizing all vehicles in which the lender has a security interest *so long as* the dealer has no objection; (2) petition a court for an order directing the local sheriff to seize all vehicles, parts, equipment and the like in which the lender has a security interest (in this instance, the dealer is at a minimum, entitled to a post-seizure hearing wherein the lender generally is required to prove the amount due and the dealer's default); and (3) depending on what other collateral rights a dealer has granted a lender by agreement, lender's may sweep cash from dealer's open accounts and related bank accounts. The dealer must then sue to retrieve such funds.

It is important to understand that lenders have been demanding that dealers agree to sign documents which give the lender the right to sweep funds, credits, hold-back money, and the like from dealership accounts. These agreements generally authorize the lender to sign any documents in the dealership's name which are needed to access such accounts.

Now, more than ever, dealers must review every new or modified agreement or document which a lender demands a dealer to accept. If any questions arise as to the meaning of such agreements or documents, professional advice should be promptly sought as the dealer may be granting authority or access to assets which would otherwise be protected from the lender's reach.

Guarantors

In recent months, our firm has been involved with numerous dealer principals and shareholders of dealerships being harassed or sued by a lender to make payment under the terms of Guaranty of a dealership's debts. In certain instances, lenders are demanding that every officer, shareholder and spouses of such officers and shareholders in closely-held dealership corporations sign a Guaranty in favor of the lender. If either you or your spouse have not yet signed any such Guaranty - we strongly recommend that you refuse such a request.

Lenders will often pursue the personal Guarantors of a dealership's unpaid obligations. As important as the debt repayment, the lender will also demand that the Guarantor pay for all related losses to the debt and for all attorney's fees and costs involved in the collection process. The collection of a small debt will often result in fees and costs which far exceed the actual debt.

Although we have been successful at blocking such guaranty-related legal actions, it is a difficult and expensive process to undergo. Instead, avoid such an experience by simply refusing to execute such documents.

For those individuals who have already signed some form of a Guaranty – we recommend that you locate such documents and review them immediately. If any uncertainty exists as to the terms of the Guaranty seek professional guidance and remember that in most situations, a Guaranty can be cancelled with proper notice to the lender which will at least remove responsibility for debt going forward.

Floorplan Lender Bankruptcy

Our firm has been directly involved in several of the largest motor vehicle related bankruptcies ever filed. In advising dealer-principals, shareholders, or dealership-creditors as the case may be, we have seen little of any good come of a bankruptcy filing. Pre-bankruptcy planning is the best defense to bankruptcy.

Rumors are rampant that certain wholesale lenders may at some point in the near future seek bankruptcy protection. Dealers have asked what happens if such lender holds their floorplan account or

dealership cash deposits such as the GMAC Credit Balance Account. These are difficult questions because the answer depends on the type of bankruptcy protection sought and whether or not the debtor's (bankrupt lender) internal management will be left to run the company or some third party Corporate Restructuring Officer is appointed by a bankruptcy judge to oversee the on-going affairs of the debtor.

Depending on the circumstances, floorplan operations could technically continue if this activity is profitable and the debtor can locate a person(s) who will extend credit to the debtor. As noted, floorplan lenders achieve their profits by utilizing the interest spread between money it borrows and the money loaned to the floorplan customer. Accordingly, access to ready credit is the most essential asset a floorplan lender requires to operate. In reality, given that certain existing floorplan lenders are experiencing substantial problems in accessing ready credit, it is unlikely such operations would continue after a bankruptcy filing.

Many lenders, under a variety of labels, are holding dealership funds in what amounts to a cash collateral account. Whatever the name of such accounts (i.e., Credit Balance Account or Cash Management Account) these funds are generally not F.D.I.C. insured and may be designated as part of the Debtor's estate in a bankruptcy. The dealer-owner of the funds will be entitled to make a claim for the same as an unsecured creditor, but this offers little or no real protection.

Every dealer-principal, shareholder, or dealership who has funds on deposit with a floorplan lender regardless of what the fund account is called should review the agreement(s) or terms under which such funds are deposited with a lender. These collateral or offset accounts may provide for repayment of the deposit upon written demand. Moreover, even if such accounts become subject to a bankruptcy proceeding, there may be practical self-help strategies for obtaining some equivalent of repayment. Again, this all depends on the agreement and the related facts and circumstances.

A number of dealers have opted to remove all funds possible from these offset accounts. The removal of these funds is generally subject to certain minimum balance and notice requirements. The agreement governing the offset account should be carefully reviewed before taking any action in this regard.

Out-of-Trust on Floorplan Line

It is important to understand what the phrase "out-of-trust" means when used by a floorplan lender. The phrase can mean that a dealer has "sold" a vehicle and the consumer financing entity has yet to make payment to the dealer on so-called "contracts in transit." It may mean that the lender considers any vehicle not in physical inventory on the dealership premises is deemed "sold" and the lender demands immediate payment. This can occur with dealers who make many sales through spot deliveries and lender changes the definition of "sale" in mid-stream. Finally, there is the real out-of-trust situation which occurs when a dealer receives payment for the vehicle sale and then commits the payment proceeds to pay other dealership obligations such as salaries. All of the above are serious situations which can result in drastic, but avoidable, economic consequences.

Dealers accused of being out-of-trust should never concede the issue, fold their tents, and await the shocking bill that will inevitably follow such an approach. Consenting to an out-of-trust accusation means absolute default and allows the lender to either manage the dealer's sales operations going forward or seize and sell the dealer's new and used vehicle inventory.

Such a seizure will automatically destroy the un-liquidated equity the dealer has in used car inventory. Operationally, the floorplan lender will collect the vehicles, assign them to an auction house, and collect 50 cents on the dollar or worse. The dealer and the guarantor(s) are then charged for the

payment deficiency and all fees and costs associated with the collection, storage, transport, and sale of the seized inventory. As noted, the fees and costs alone are sufficient to destroy even the well-heeled guarantor.

At a minimum, the dealer should consider objecting to a seizure if a valid defense may exist. As noted above, in most instances, objecting to a voluntary seizure forces the lender to seek a judicial seizure order, which ensures that the dealer will receive a hearing on the issue of the seizure. The law also generally provides for an award of damages if the seizure ultimately proves to be unlawful.

In contrast, if a dealer voluntarily submits to a seizure it is likely that the issue of whether the seizure is lawful and dealership damages are irrevocably waived. In such an event, claiming the dealer's consent to seizure was made under duress will offer little chance of success.

Moreover, objecting to a voluntary seizure offers the opportunity to negotiate a forbearance agreement. A forbearance agreement can take many forms, but in the end it can act as a resolution of the out-of-trust dispute. If the appropriate economic and legal issues are presented to the lender, then such forbearance agreements can provide for continued lender-financing of dealership operations. However, great care should be taken in the drafting of any such forbearance agreement. In many cases, the initial terms a lender will offer are worse than simply suffering the vehicle seizure and auction sale.

Conclusion

We hope that this Alert proves valuable. Since the automotive credit market has been subject to sudden change we determined that this was our only means of proactively providing our clients with information to at least pause and consider the next move in dealing with a floorplan lender. The foregoing information is provided for informational purposes only and is not to be construed as legal advice. Questions related to the issues addressed herein should be directed to your dealer lawyer.

Myers & Fuller, P.A.
ATTORNEYS AT LAW

Robert A. Bass**
Robert C. Byerts
Joshua J. Logan
Shawn D. Mercer*
W. Douglas Moody, Jr.
Richard N. Sox, Jr.
Frank X. Trainor, III*

Founding Partners:
Daniel E. Myers
Loula M. Fuller

**Also admitted in Washington D.C.
*Only admitted in North Carolina

Respond to: Tallahassee Office

DEALER ALERT
BANKRUPTCY CONSIDERATIONS
November 20, 2008

As a follow up to our last Dealer Alert concerning floorplan financing issues, we have received a number of calls regarding the possibility of a Chapter 11 bankruptcy as protection for dealers in these very difficult times in our industry. Myers & Fuller, P.A. attorneys have advised dealers in a number of bankruptcy matters. A Chapter 11 filing is the mechanism which would likely be used by a dealership corporation to seek bankruptcy protection where its debts exceed its assets.

Whether a bankruptcy filing is right for your dealership must be determined on a case-by-case basis. With that said, our experience in working with dealers in bankruptcy proceedings is that bankruptcy may be beneficial in certain instances where dealers are 1) having their floorplan financing summarily terminated; or 2) being terminated by the manufacturer as a result of the loss of floorplan financing or some other default such as inadequate working capital.

A bankruptcy filing may be of assistance to a dealership which is having its floorplan line shutoff with a demand to pay the balance within a short period of time. If the dealership cannot find a replacement floorplan lender, the existing lender may attempt to come in and take possession of the vehicle inventory as its loan collateral. The lender will sell the vehicle inventory at auction for something much less than the dealer owes on each unit. As in most cases, if the dealer has a personal guaranty in place on the floorplan loan then the dealer is personally liable for the deficit created by the "fire sale" of those vehicles. A bankruptcy proceeding in some cases can serve the purpose of a more controlled sale of the dealership's vehicle inventory (or perhaps the business as a whole) in order to maximize sale proceeds and minimize any deficit on existing financial obligations.

We have also advised dealers in bankruptcy proceedings where the franchise was being summarily terminated by the manufacturer as a result of a lack of adequate working capital and, in many cases, in conjunction with the loss of floorplan financing. In these cases, bankruptcy proceedings may permit the dealer to stay the termination in order to allow the dealer to find a buyer for the franchise. Although in these difficult times obtaining historic prices for franchises, in particular domestic franchises, may not be possible. However, it is better to receive *some* value for the franchise than to simply turn it back in to the manufacturer.

In addition to having legal counsel who understands floorplanning and franchise issues advising you in bankruptcy, it is important to have experienced legal counsel involved *immediately* upon receipt of a notice from your floorplan lender of a change in the relationship as well as receipt of any similar notice from your manufacturer. In many cases, involving experienced counsel from the beginning will allow for an orderly workout of the situation which will, in some cases, obviate the need for a bankruptcy proceeding.

The foregoing information is provided for educational purposes only and is not to be construed or interpreted as legal advice.

EXHIBIT E

EXHIBIT E

CERTIFIED MAIL – 7001 2510 0000 2547 5399
RETURN RECEIPT REQUESTED

PERSONAL & CONFIDENTIAL

General Motors Corporation
Dealer Contractual Group
Mail Code 482-A06-C66
100 GM Renaissance Center
Detroit, MI 48265-1000

July 7, 2008

Forrest Pontiac-Buick-GMC Truck, Inc
PO Box 37
Cleburne, TX 76033-0037

Attention: Mr. Charles M. Forrest, Vice President

This letter is written by General Motors Corporation ("GM") regarding the General Motors Dealer Sales and Service Agreements ("Agreements") in effect with Forrest Pontiac-Buick-GMC Truck, Inc.

It has come to the attention of GM that Forrest Pontiac-Buick-GMC Truck, Inc has lost its floor plan financing. This loss of floor plan is a violation of Article 10 of the Dealer Agreement.

Article 10 provides in relevant part:

Article 10.2

"To avoid damage to goodwill which could result if Dealer is financially unable to fulfill its commitments Dealer agrees to have and maintain a separate line of credit from a creditworthy financial institution reasonably acceptable to General Motors and available to finance the Dealer's purchase of new vehicles in conformance with the policies and procedures established by General Motors. The amount of the line of credit shall be sufficient for Dealer to meet it's obligations under Article 6.4."

Based on our records Forrest Pontiac-Buick-GMC Truck, Inc has not ordered a vehicle since May 22, 2008, and has sold only 18 vehicles since May 22, 2008 and currently there are 93 new Pontiacs (19), Buick (15), GMC (59) in stock. The lack of a separate line of credit for flooring of new vehicles has impaired the dealership's ability to order and stock a selection of product for display and sale to potential customers. When customers do not find the necessary selection on hand, or do not have the ability to special order a vehicle they desire, there is unacceptable "damage to goodwill" with the consumers in Forrest Pontiac-Buick-GMC Truck, Inc's, Area of Primary Responsibility.

This violation of Article 10.2 is addressed in Article 13 of the Dealer Agreement. Article 13 provides in relevant part:

Article 13.1

"The following acts or events, which are within the control of Dealer or originate from action taken by Dealer or its management or owners, are material breaches of this Agreement. If General Motors learns that any of the acts or events has occurred, it may notify the Dealer in writing. If notified, Dealer will be given the opportunity to respond in writing within 30 days of receipt of the notice, explaining or correcting the situation to General Motors satisfaction."

Article 13.1.11

"Failure of Dealer to maintain the line of credit required by Article 10."

Based on this breach of the Dealer Agreement,GM is providing Forrest Pontiac-Buick-GMC Truck, Inc with thirty (30) days from its receipt of this letter to correct this breach, or otherwise explain this breach, to GM's satisfaction. If Forrest Pontiac-Buick-GMC Truck, Inc fails to do so, GM may elect to terminate the Dealer Agreements and cease all business relationships with the dealership.

Please be assured that in the meantime, GM will continue to conduct business with Forrest Pontiac-Buick-GMC Truck, Inc according to the Dealer Agreements, and will expect the dealership to likewise fulfill its responsibilities and obligations under its Dealer Agreements.

Very truly yours,

Felipe Herrera

Felipe Herrera
Zone Manager
General Motors Corporation

c: Dealer Business Planning Group
Vanessa Demench, Dealer Accounting (vanessa.demenech@gm.com)

EXHIBIT F

EXHIBIT F

General Motors Corporation
Dealer Contractual Group
Mail Code 482-A06-C66
100 GM Renaissance Center
Detroit, MI 48265-1000

CERTIFIED MAIL – 7001 2510 0000 2547 5382
RETURN RECEIPT REQUESTED

PERSONAL & CONFIDENTIAL

July 7, 2008

Forrest Chevrolet-Cadillac, Inc
PO Box 37
Cleburne, TX 76033-0037

Attention: Mr. Charles M. Forrest, Vice President

This letter is written by General Motors Corporation ("GM") regarding the General Motors Dealer Sales and Service Agreements ("Agreements") in effect with Forrest Chevrolet-Cadillac, Inc.

It has come to the attention of GM that Forrest Chevrolet-Cadillac, Inc has lost its floor plan financing. This loss of floor plan is a violation of Article 10 of the Dealer Agreement.

Article 10 provides in relevant part:

Article 10.2

"To avoid damage to goodwill which could result if Dealer is financially unable to fulfill its commitments Dealer agrees to have and maintain a separate line of credit from a creditworthy financial institution reasonably acceptable to General Motors and available to finance the Dealer's purchase of new vehicles in conformance with the policies and procedures established by General Motors. The amount of the line of credit shall be sufficient for Dealer to meet it's obligations under Article 6.4."

Based on our records Forrest Chevrolet-Cadillac, Inc, has not ordered a vehicle since May 22, 2008, and has sold only 28 vehicles since May 22, 2008 and currently there are 143 new Chevrolet (119), Cadillac (24), vehicles in stock. The lack of a separate line of credit for flooring of new vehicles has impaired the dealership's ability to order and stock a selection of product for display and sale to potential customers. When customers do not find the necessary selection on hand, or do not have the ability to special order a vehicle they desire, there is unacceptable "damage to goodwill" with the consumers in Forrest Chevrolet-Cadillac, Inc's Area of Primary Responsibility.

This violation of Article 10.2 is addressed in Article 13 of the Dealer Agreement. Article 13 provides in relevant part:

Article 13.1

"The following acts or events, which are within the control of Dealer or originate from action taken by Dealer or its management or owners, are material breaches of this Agreement. If General Motors learns that any of the acts or events has occurred, it may notify the Dealer in writing. If notified, Dealer will be given the opportunity to respond in writing within 30 days of receipt of the notice, explaining or correcting the situation to General Motors satisfaction."

Article 13.1.11

"Failure of Dealer to maintain the line of credit required by Article 10."

Based on this breach of the Dealer Agreement,GM is providing Forrest Pontiac-Buick-GMC Truck, Inc with thirty (30) days from its receipt of this letter to correct this breach, or otherwise explain this breach, to GM's satisfaction. If Forrest Pontiac-Buick-GMC Truck, Inc fails to do so, GM may elect to terminate the Dealer Agreements and cease all business relationships with the dealership.

Please be assured that in the meantime, GM will continue to conduct business with Forrest Pontiac-Buick-GMC Truck, Inc according to the Dealer Agreements, and will expect the dealership to likewise fulfill its responsibilities and obligations under its Dealer Agreements.

Very truly yours,

Felipe Herrera

Felipe Herrera
Zone Manager
General Motors Corporation

c: Dealer Business Planning Group
Vanessa Demench, Dealer Accounting (vanessa.demenech@gm.com)

EXHIBIT G

EXHIBIT G

BUSINESS PLAN

Forrest Auto Park to consolidate (and replace) the separate corporations of Forrest Chevrolet-Cadillac, Inc. and Forrest Pontiac-Buick- GMC, Inc.

Over the past nineteen years, a plethora of prejudicial events have adversely affected our historical performance with reference to sales effectiveness, sales volume, CSI performance, capitalization, profitability, location, facilities, dueling patterns, etc. The following list represents a sample of such events.....

Agenda:

ADVERSE FACTORS:

*Disallowance of our family's business consolidation plans from 1994-1996, 2001-2003, and 2006-2009.

*The unfair competitive effect on our marketplace with the relocation of Lynn Smith Chevrolet in approximately 1994.

*The alteration of our own area of responsibility through an expansion into the Alvarado, Texas, area in recent years.

*The coerced building of a new Pontiac-Buick-GMC dealership (2001-present).

*The extreme effects of "Turn and Earn" product allocation methods over a lifetime of operations; in the early years, adverse manifestations often reflected the "starvation" of certain products. In the later years, particularly after June 2005, there was a "fatal deluge" of products that invited the participation of the GMAC finance arm as the "other side of the two-headed dragon".

*The illegal, immoral, and unethical suspension of out GMAC floor plan on May 26, 2008.

*The arrogant, envious, and greedy behavior of a former used car manager of our operations who opportunistically solicited the co-operation of many well-known new car dealers to broker new vehicle sales into our known new car dealers to broker new vehicle sales into our sales area of responsibility.

POSITIVE FACTORS:

*Facility – We have built and continue to operate our new Forrest Autopark facility (2005-2009) at 2408 N. Main in Cleburne, Texas.

*Floor Plan – We will utilize the $4.8 million valuation of the original real estate site of Forrest Chevrolet-Cadillac to secure a line of credit to execute our own floor plan.

*Capitalization – We will utilize approximately $2 million of fixed assets (comprised of furniture, fixtures, equipment, parts, inventory, special tools, wreckers, computers, etc.) as security for our working capital. (Though, to date, we have not been given the minimum amount required as a capital standard).

*Profitability – Given the mayhem that is unfolding in the marketplace with GM's bankruptcy announcement, we, Forrest Autopark, will avoid financial destabilization of our new car inventory value by #1: having paid off our GMAC balance; #2: replenishing our inventories at 50 cents on the dollar, by buying up distressed dealership inventories. This strategy will allow us to achieve gross profits on most new and used vehicle sales at 200-300% of industry norm for a three to six month period, For example, we can begin selling 50 cars and trucks a months, but make as much gross as if selling 125-150 cars and trucks per month. This "once-in-a-lifetime" opportunity will allow us instantaneous profitability, rather than having to "ramp up" for six months to regain our momentum.

*Marketplace -- obviously viable with a growing population and diversifying demographic.

*Location – Excellent! A heavily traveled 30,000 plus vehicles a day on Hwy 174, anticipating the extension of Hwy 121, direct from the heart of the metroplex to be completed in two years or less.

My attributes that GM dealers must have to be a successful part of the dealer network going forward……..

I have been in and around the automobile business since I was "knee-high to a grapefruit" and started walking….in 1955!
I swept the car lot, washed cars, stocked parts, delivered parts, filed and worked in the office, etc. 'til I graduated from Cleburne High School in 1970. While I was in high school, I was and all-around achiever, proving to be successful both as an athlete and as a scholar. The highlight of my sports career was to be named second-team all-district as a defensive back in football. I also alternated as a slot-back on offense. I performed above average on the basketball court and I participated in the 100 yard dash, the 440, the sprint relay team and finished third in the district in broad jump my senior year. In other words, I am as competitive as anyone out there. In the classroom, along with being in the National Honor Society and being a lieutenant governor in Key Club, I graduated as salutatorian of my high school class. In fact, my overzealous interest in my high girlfriend, Donna Cannon (Miss CHS), surely cost me the valedictorian spot by .05 of a point! I started selling cars in the off-season when I was preparing for my senior year in high school. I continued sell cars in the summers during my four-plus years at the University of Texas. Graduating with 160 plus hours and an Industrial Management degree, I came full time into the dealership in 1974. We also had just been informed that my dad might expect to survive about 90 days after he had just lost a kidney to cancer! The Good Lord kept him around for another 23 years! Utilizing my computer skills from many varied course studies in mechanical engineering and business management, to indulge our accounting operations, I became familiar with the entire GM Standardized

Accounting System and served as our in-house computer guru from 1977 through 1990. During this span of time, I also spent extensive time in our parts operations, our body shop operations, and our service operation. But realizing that nothing happens 'till somebody sells something, I began to assimilate the knowledge to write "WONDERMENT", my sales training manual. For approximately 18 years, from 1987 through 2005, I taught one to two-hour sales training sessions on Saturday morning. Indeed, for an intense period for two years (1992-1994), I taught one-hour sales sessions **everyday**! I ceased this level of activity when I wrote "WONDERMENT", MY 100 PAGE GUIDE TO SUCCESSFUL SELLING. Because of my highly diversified educational background and the advantage of my strongest vocational aptitude in the area of teaching, I was able and willing to complement my sales training guide with a 150 question exam. I administered my exam to approximately twenty sales people in our organization five years ago over a two-month period of time. Even as they used the template I created on the front-and-back side of a single sheep of paper, identifying sixty or so individual things about a customer in a five-year evolution of time (1987-1992), their average scores were in the thirties. This exercise required a major use of the Bell Curve to "exonerate my professionals". As I applied the majesty of blending art with science, I achieved the highest closing ratios in the history of the automobile business.....at 65%!! This achievement of such a dramatic success ratio caused me to scoff at the typical braggadocio of industry standard 15-20% closing ratios, preferring to call them what they really are....80-85% FAILURE RATES.
The most important attributes I possess are passion and experience. Neither can be compromised or substituted. Rather than seek the comfort zone of "20 Groups" since my father passed away a dozen years ago, I have engaged the challenges of life, both personally and professionally, as they have come directly at me. I am confident no dealer has ever "walked in my shoes" and still been "standing for the EIGHT COUNT". If you dare to doubt my will to succeed, my courage to face adversity, or the basic tenets of my belief system, I invite you to simply examine the following profiles of my father, my mother, my brother, and me....and the journey of our family over a lifetime! As Albert Einstein said, "Great spirits have always encountered violent opposition from mediocre minds."

To General Motors:

We the willing (Michael Forrest and Crew)
Led by the unknowing (General Motors)
Have done so much
With so little
For so long
That we can now
Do anything
With Nothing

Michael Forrest

EXHIBIT H

EXHIBIT H

GM MOTORS HOLDING

July 15, 2008

Mr Michael Forrest
Forrest Chevrolet Cadillac, Inc.
2400 N. Main Street
Cleburne TX

&

Forrest Pontiac Buick GMC Truck, Inc.
2408 N. Main Street
Cleburne TX

Dear Mr. Forrest:

Attached please find conditional term sheets for the purchase of certain assets of the above named corporate entities. As noted these term sheets are meant to provide a basic understanding of key purchase provisions.

As we discussed, GM and Dealer understand and acknowledge that all discussions and negotiations are to be considered preliminary and that no agreement between the parties shall be deemed to exist or bind either party unless and until final written documents incorporating the full agreement of the parties have been prepared, have received all the necessary management approvals, and have been executed by authorized representatives of the parties. In order to be binding and effective on GM, any agreement must be in writing and executed by the DNPI Regional Director or the DND Regional Manager, and by the DNPI Finance Director.

Per your request, I have also provided copies of these documents to Mr. Eddie McGinnis as your agent. Please feel free or have Mr. McGinnis contact me should there be any questions.

Sincerely

W. J. Reineck
Business Development Manager

EXHIBIT I

EXHIBIT I

December 15, 2008

Mrs. Martha Forrest
Mr. Michael Forrest
2400 North Main Street
Cleburne, Texas 76033

RE: LETTER OF INTENT TO PURCHASE
FORREST CHEVROLET – CADILLAC – BUICK – PONTIAC – GMC TRUCKS

Dear Mrs. Forrest and Michael;

Please accept this as a formal offer to purchase the assets of Forrest Chevrolet - Cadillac, Inc. and Forrest Buick – Pontiac & GMC, Inc. under the following terms and conditions.

1) All new vehicle inventory of 2008 and 2009 Chevrolet-Cadillac-Buick-Pontiac and GMC model cars and trucks shall be purchased at the dealer invoice cost of such vehicles less any holdback, less any advertising allowances, less any interest credits, less any incentives that are due and payable on said vehicles plus any additional equipment currently installed at dealer cost less any deductible items that have been removed from said vehicle.

Demonstrators of new 2008 and 2009 General Motors model cars and trucks with odometer reading of 6000 miles or less, shall be purchased as new vehicles at a price as determined above. Any vehicle that has more than 6000 miles but less than 7500 miles would have a penalty of thirty cents (.30) per mile for every mile above 6000. Any vehicle in excess of 7500 miles shall be purchased as a used vehicle.

2) All new, returnable, non obsolete Genuine GM parts and accessories shall be purchased at the price listed in the most current price publication net of any discounts received or to be received by the Seller.

All new, returnable, non-obsolete Jobber parts and accessories shall be purchased at Seller's verifiable cost net of any discounts received or to be received by Seller.

Seller shall assign the "return rights" to Buyer.

Buyer is not obligated to purchase any obsolete, used, damaged or remanufactured inventory. Physical inventory verifications shall be ascertained as soon as practical during the "Management Agreement". Expenses associated with the performance of physical inventory verifications shall be borne equally between the Buyer and Seller.

3) Used vehicles shall be purchased at a mutually agreed price by Buyer and Seller. If the value is not agreed upon, Seller shall retain the vehicles.

4) Furniture and fixtures shall be purchased at an Appraised Valuation. The cost of the appraisal shall be borne equally by Buyer and Seller.

5) Existing leases shall be assumed by Buyer on equipment necessary to operate the business.

6) Buyer shall purchase from Seller the Real Property located at 2406 North Main Street in Cleburne, Texas for $3,600,000.

7) This entire transaction is subject to Buyer being approved by the General Motors Divisions, General Motors Acceptance Corporation, approval of financing on said real property and obtaining a Dealer License in the state of Texas.

8) Broker (Eddie McGinnis) shall be paid his fee at Closing pursuant to a separate agreement between Broker and Seller.

9) Upon execution of this Letter Of Intent to Purchase, Buyer will originate a Buy-Sell agreement for execution and close on real estate as soon as possible following approval by General Motors.

10) An Asset Purchase Agreement will be completed with thirty (30) days from the date this Intent to Purchase is signed by Buyer and Seller.

11) Following the date of execution hereof, at specific times to be determined by Seller in its sole discretion, Seller shall afford to the Buyer and its authorized representatives, free and full access to the properties, books and records of the dealership during normal business hours in order to permit the buyer to make such investigation of the business, properties and operations of the dealership as the Buyer may deem necessary or desirable. Until consummation of the transaction contemplated hereby, the Buyer will hold in confidence all information obtained with respect to the dealership and, except as required by law, will reveal such information to any person other than those to whom it may be necessary in order to finance or consummate the transaction. In the event the transaction contemplated hereby is no consummated, any information furnished to, or obtained by or through any party hereto as a result of its investigations or otherwise in connection with the transaction contemplated hereby, shall be treated as confidential information to the extent it is not otherwise public or generally available to the public. In the event the transaction is not consummated, all such information and all copies thereof shall be returned upon request.

12) Seller agrees that prior to the earlier of the termination of this letter agreement or March 1, 2009, neither Seller nor its Principals will enter into any arrangement or negotiate or otherwise deal with any person or entity for the purpose of any such sale or disposition other than the Buyer.

13) Buyer shall purchase from Seller the plat of land located north of the "Pontiac" dealership, which consists of three (3) acres (more or less) for $2.25 per square foot. The

square footage will be determined from a survey, the cost of which will be borne by the seller.

14) This Letter of Intent is contingent on approval from General Motors allowing the five franchises to be combined using the "Pontiac" facility.

BUYER:

TOMMY MANUEL — December , 2008 Date

SELLER:

MRS. MARTHA FORREST — December , 2008 Date

MICHAEL FORREST — December , 2008 Date

EXHIBIT J

EXHIBIT J

Mrs. Martha Forrest
Mr. Michael Forrest
2400 North Main Street
Cleburne, Texas 76033

RE: LETTER OF INTENT TO PURCHASE
FORREST CHEVROLET – CADILLAC – BUICK – PONTIAC – GMC TRUCKS

Dear Mrs. Forrest and Michael;

Please accept this as a formal offer to purchase the assets of Forrest Chevrolet - Cadillac, Inc. and Forrest Buick – Pontiac & GMC, Inc. under the following terms and conditions.

1) All new vehicle inventory of 2008 and 2009 Chevrolet-Cadillac-Buick-Pontiac and GMC model cars and trucks shall be purchased at the dealer invoice cost of such vehicles less any holdback, less any advertising allowances, less any interest credits, less any incentives that are due and payable on said vehicles plus any additional equipment currently installed at dealer cost less any deductible items that have been removed from said vehicle.

Demonstrators of new 2008 and 2009 General Motors model cars and trucks with odometer reading of 6000 miles or less, shall be purchased as new vehicles at a price as determined above. Any vehicle that has more than 6000 miles but less than 7500 miles would have a penalty of thirty cents (.30) per mile for every mile above 6000. Any vehicle in excess of 7500 miles shall be purchased as a used vehicle.

2) All new, returnable, non obsolete Genuine GM parts and accessories shall be purchased at the price listed in the most current price publication net of any discounts received or to be received by the Seller.

All new, returnable, non-obsolete Jobber parts and accessories shall be purchased at Seller's verifiable cost net of any discounts received or to be received by Seller.

Seller shall assign the "return rights" to Buyer.

Buyer is not obligated to purchase any obsolete, used, damaged or remanufactured inventory. Physical inventory verifications shall be ascertained as soon as practical during the "Management Agreement". Expenses associated with the performance of physical inventory verifications shall be borne equally between the Buyer and Seller.

3) Used vehicles shall not be included in the Buy Sell Agreement.

4) Furniture, fixtures and fixed assets shall be purchased at an Appraised Valuation. The cost of the appraisal shall be borne equally by Buyer and Seller.

5) Existing leases shall be assumed by Buyer on equipment necessary to operate the business.

6) Buyer shall purchase from Seller the Real Property located at 2406 North Main Street in Cleburne, Texas for $4,000,000

7) Buyer shall pay seller $800,000 for the goodwill of the business.

8) Buyer agrees to pay $206,625 for the Fixed Assets of the body shop subject to inspection.

9) This entire transaction is subject to Buyer being approved by the General Motors Divisions, General Motors Acceptance Corporation, approval of financing on said real property and obtaining a Dealer License in the state of Texas.

10) Broker (Eddie McGinnis) shall be paid his fee at Closing pursuant to a separate agreement between Broker and Seller.

11) Upon execution of this Letter Of Intent to Purchase, Buyer will originate a Buy-Sell agreement for execution and close on real estate as soon as possible following approval by General Motors.

12) An Asset Purchase Agreement will be completed with thirty (30) days from the date this Intent to Purchase is signed by Buyer and Seller.

13) Following the date of execution hereof, at specific times to be determined by Seller in its sole discretion, Seller shall afford to the Buyer and its authorized representatives, free and full access to the properties, books and records of the dealership during normal business hours in order to permit the buyer to make such investigation of the business, properties and operations of the dealership as the Buyer may deem necessary or desirable. Until consummation of the transaction contemplated hereby, the Buyer will hold in confidence all information obtained with respect to the dealership and, except as required by law, will reveal such information to any person other than those to whom it may be necessary in order to finance or consummate the transaction. In the event the transaction contemplated hereby is no consummated, any information furnished to, or obtained by or through any party hereto as a result of its investigations or otherwise in connection with the transaction contemplated hereby, shall be treated as confidential information to the extent it is not otherwise public or generally available to the public. In the event the transaction is not consummated, all such information and all copies thereof shall be returned upon request.

14) Seller agrees that prior to the earlier of the termination of this letter agreement or March 1, 2009, neither Seller nor its Principals will enter into any arrangement or negotiate or otherwise deal with any person or entity for the purpose of any such sale or disposition other than the Buyer.

15) Buyer has the "Right of First Refusal" regarding the sell of the two plus acres located north of the Buick, Pontiac & GMC facility.

16) Buyer reserves the right to retain the "Forrest" name to be used in sales, service and marketing purposes.

17) This Letter of Intent is contingent on approval from General Motors allowing the five franchises to be combined using the "Pontiac" facility.

BUYER:

Matt Johnson — January , 2009 Date

SELLER:

MRS. MARTHA FORREST — January , 2009 Date

MICHAEL FORREST — January , 2009 Date