



BUICK MOTOR DIVISION, GENERAL MOTORS CORPORATION
39465 PASEO PADRE PARKWAY, G. M. BUILDING, SUITE 2900
FREMONT, CALIFORNIA
MAIL ADDRESS: P. O. BOX 23500, OAKLAND, CALIFORNIA 94623

December 10, 1979

Signer-Cram Buick, Inc.
C/O Mr. Donald R. Signer
6590 N.W. Niagara Drive
Corvallis, Oregon 97330

Gentlemen:

Pursuant to Section 3062 of the California Vehicle Code, Buick notified the California New Motor Vehicle Board and an appropriate Buick dealer of its intention to establish Dealer representation at a site located at 38619-23 Fremont Boulevard in Fremont, California.

This is to confirm that no protest has been filed by the Buick dealer so notified. Therefore, in reliance upon the representations contained in the "Application" and "Source of Funds Statement" dated October 5, 1979, submitted by Mr. Signer and the "Application" and "Source of Funds Statement" dated October 6, 1979, submitted by Mr. Cram, and other related documents which have been furnished us, you are hereby assured that Buick Motor Division, General Motors Corporation, (Buick) will, at the appropriate time, offer the current form of Dealer Sales and Service Agreement For Buick Motor Vehicles (Dealer Agreement) to the entity designated by you (Proposed Dealer) and approved by Buick. This Dealer Agreement will cover a Buick dealership point at Fremont, California and will name Mr. Donald R. Signer in Paragraph THIRD therein as "Dealer-Operator" and "Dealer-Owner" subject to the following terms and conditions:

1. The assurance contained herein will remain applicable for a period of one (1) year from the date of this letter and such period will be extended by Buick only if, at the expiration thereof, your new facilities are under construction or if Buick determines that additional time is needed as a result of circumstances beyond your reasonable control and you request an extension of time in writing.
2. At the approved site, the Proposed Dealer will arrange to provide, occupy and maintain complete dealership premises which are appropriate for automobile dealership purposes, will be satisfactory as to appearance and layout, are properly equipped for the conduct of Buick dealership operations, and are adequate in size to accommodate a current annual planning potential of 505 new Buick motor vehicles.
3. To be considered adequate in size for the conduct of Buick dealership operations, such dealership premises are to be substantially in accordance with the following recommended space guides which Buick currently expects will be set forth in the "Dealership Locations and Premises Addendum" intended to be executed, at the appropriate time, with the Proposed Dealer, namely:

<u>Departmental Allocation</u>	<u>Space Guides</u>	
	<u>Stalls</u>	<u>Sq. Ft.</u>
New Car Display	4	2,000
General Office	xx	2,500
Used Car Display	69	22,080
Parts	xx	4,550
Service-Mechanical & Body	25	*
-Reception	4	*
Parking & Vehicle Storage	119	33,250

Plus adequate parking for dealership employes, demonstrators and miscellaneous purposes.

These guide figures are based on 40 hours per week service department operations.

(*) As necessary to provide the number of stalls shown.

For your guidance, these space guides apply to Buick dealership operations only and, thus, do not take into consideration space needed, if any, to accommodate any other business activities that your dealership company may decide to conduct at the aforescribed site.

4. Buick will be available for consultation regarding the building plans previously submitted and, hereafter, substantial changes thereto will not be made without Buick's prior clearance.
5. The resulting annual rent equivalent expense (total of Accounts 80 through 85) for the contemplated complete premises, which you have advised you now expect to be leased by your company, should, under today's economic circumstances, not exceed approximately \$111,000 (\$220.00 per unit of planning potential) which amount is Buick's "current maximum rental guide" for this dealership point based on the aforementioned current planning potential.
6. All of the capital stock of the Proposed Dealer will be personally and directly owned by Donald R. Signer and Joseph E. Cram, provided that in any event the ownership is acceptable to Buick, and Donald R. Signer own, on a personal and direct basis, an unencumbered interest of at least twenty-five percent (25%) of either the total Net Worth or the Minimum Investment Amount established by Buick for this dealership point, whichever is greater.
7. Upon occupancy of the complete premises contemplated herein, your company will make available and maintain for its use in its Buick sales and service business an unencumbered amount of actual Net Working Capital of not less than \$275,000, it being specifically understood that this amount will not necessarily be the actual minimum Net Working Capital Standard amount that will be set forth in the separate Minimum Capital Standard Addendum to be executed with your company.

Additionally, your company will make available whatever amount may be needed to provide the fixed assets (including land and building if owned by your company) necessary to properly operate such business.

In the event your actual Net Working Capital at the time of occupancy does not exceed the then Minimum Net Working Capital Standard amount for this dealership point and, in the opinion of Buick, is inadequate for the effective and proper conduct by you of your Dealership Operations, then you will take all steps necessary to increase your actual net working capital to meet such minimum amount.

8. At the time the completed facilities contemplated herein are completed, your company will then be in a position to meet all of the other dealership operating requirements set forth in the Dealer Agreement and which have been discussed with Mr. Signer.
9. The Proposed Dealer shall obtain all requisite licenses and/or other approvals required from governmental bodies to conduct Buick dealership operations at the aforescribed dealership location, it being understood that Buick shall not be responsible or liable for the consequences of any delay in, or prohibition of, Buick's authorizing you to conduct dealership operations, if such delay or prohibition is imposed by intervening actions of others, such as regulatory governmental agencies or courts of law.
10. All expenses, commitments, obligations or liabilities that have been or may be incurred in the acquisition of the contemplated site and the erection of facilities thereon will be the sole responsibility of your company and Buick assumes no responsibility or liability in connection therewith.
11. We have been made aware that Donald R. Signer has been named as the Proposed Dealer-Operator in the Successor Addendum in effect with Signer Motors, Inc. at Corvallis, Oregon. Accordingly, Buick Motor Division has no objection to naming Mr. Donald R. Signer as the Dealer-Operator in Fremont, California. However, this approval is granted by Buick with the absolute understanding that Mr. Signer may only be named as Dealer-Operator at only one dealer location and only one dealership entity.

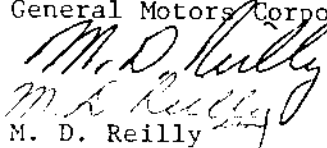
We are taking this opportunity to advise you that it is Buick's intent to relocate the dealer point now in Hayward to a site to be determined in the general vicinity of the community of Dublin. This proposed relocation will be initiated when the opportunity presents itself and Buick believes it to be the appropriate time.

Failure or inability of you or the Proposed Dealer Entity to comply with any of the conditions set forth herein shall release Buick from any obligation to execute a Buick Dealer Sales and Service Agreement with the Proposed Dealer Entity.

This Letter of Intent, and the assurances contained herein, shall remain open for your acceptance for a period of fifteen (15) days from this date and will at that time automatically terminate. If you should wish to accept this Letter of Intent, then please so indicate by signing the enclosed duplicate of this letter and returning such duplicate to the undersigned. This letter, so accepted, shall constitute the sole agreement between us with respect to all matters referred to herein.

Very truly yours,


BUICK MOTOR DIVISION
General Motors Corporation


M. D. Reilly
Zone Manager

MDR/jdk

Accepted this 17th day of
December, 1979.

SIGNER-CRAM BUICK, INC.

By 
Donald R. Signer, President

By _____
Joseph E. Cram, Vice President