

February 24, 2006



Mr. Don Signer  
Signer Buick, Cadillac  
39639 Balentine Drive  
Newark, CA 94560

Dear Don:

Thank you for your letter of February 21<sup>st</sup>. I realize that you took a substantial amount of time articulating your concerns from our January 25<sup>th</sup> meeting and believe your letter deserves a thorough reply.

GM is investing heavily in our products and brands to improve our position in the market. Part of this strategy includes developing the strongest dealer network possible. As you know from your years of experience, having the right location and facility, in addition to the right operator, is critical to our mutual success. In the Newark and Fremont markets, the retail synergy (including automotive) has clearly switched to Pacific Commons and the Fremont Auto Mall. In your letter, you acknowledge the "the superiority of the Fremont Auto Mall". Further, it would appear that much of the success in Fremont has been directly related to the decline in the Newark locations as the automotive customer has migrated to Pacific Commons. I disagree that GM, or anyone else, is to blame for our current Newark dealership locations. The unfortunate fact is that the market conditions have changed and the GM dealerships are no longer in the preferred location. Even more troubling is the likelihood of additional (non-GM) dealers leaving Newark in the near future.

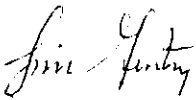
As I stated to you during our meeting, GM is gauging dealer interest in relocating to a site directly across from the entrance to the Fremont Auto Mall. We believe this site offers a key competitive advantage for automotive retailing. Our goal is to properly align our brands and position our dealers to be successful in the future. At the present time, our dealer locations in Newark do not offer this advantage. I realize the economics of the property are significantly higher than Newark. As I stated during our meeting GM would be willing to provide financial assistance subject to properly channeling our brands and establishing new facilities at the site we discussed. This support would be limited to assistance at the new location and would not include disposition of your existing land and facility. I also feel it is necessary to remind you that the decision to locate in Newark was based upon relevant market factors at that time. Additionally, during your time in Newark you were able to successfully buy out Motors Holding and continue operation as a private capital dealer. Finally, under your Dealer Sales and Service Agreement you currently have (and have had) the option to propose relocation to GM at any time. In summary, I disagree your calculations indicating any "losses" or "costs" associated with the decision to locate in Newark.

Based upon my meetings with the other GM dealers in Newark, I believe there is significant interest in relocating to Fremont. Feedback on the specific site was extremely positive, even though the economics are challenging.

From your letter, it is clear that you have decided not to pursue relocation of the Buick or Cadillac brands to Fremont. For GM, our goal remains unchanged – to properly align our brands in the right location. Based upon the remaining dealer interest and the superior location of the proposed site, please be advised that GM intends to pursue relocating our remaining brands to the Fremont location.

If, for any reason, you would like to discuss the relocation or realignment of your Buick or Cadillac brands further, please contact me directly.

Sincerely,

A handwritten signature in black ink that reads "Jim Gentry". The signature is written in a cursive style with a large, stylized "J" and "G".

Jim Gentry  
Regional Operations Manager  
Dealer Network Planning and Investments