

# SIGNER

BUICK·SUBARU·SAAB

April 11, 1990

Mr. E. H. Mertz  
General Manager  
Buick Motor Division  
902 E. Hamilton Ave.  
Flint, MI 48550

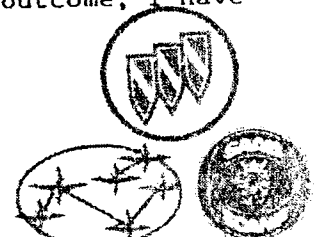
Dear Ed:

I write this letter to request your assistance in my obtaining immediate funding for a local auto center project. It is a project that has been in development for nearly three years, and has now finally reached a deadline situation. Due to the fact that nearly all makes will be represented, non-participants face certain deterioration, if not extinction. Consequently, I have no real choice but to participate in the center (to be named "Fremont Auto Mart.") This virtual forced participation, combined with my losses over the past two years, have caused what amounts to an emergency need for assistance. I have investigated Motors Holding, but must regretfully reject this alternative, as I am seeking real estate financing rather than a business partner.

As you may be aware, Fremont is a suburb of 170,000 in the San Francisco Bay Area, the fourth largest metropolitan area in the United States, with a population of 5.9 Million. It is located at the southern end of the East Bay, approximately 45 minutes from San Francisco, 30 minutes from Oakland, and 25 minutes from San Jose. A map is enclosed showing Fremont's location and that of other Buick and Cadillac dealers (I have a Cadillac franchise Letter of Intent for the Auto Mart.) Fremont is the home of the San Francisco General Motors Zone Offices, and the NUMMI (GM-Toyota) plant.

I have enclosed a copy of a market share chart of the Bay Area retail market for the first half of 1989, which is the latest I have available. The chart indicates Buick's 2.5% share, and GM's 15.9% share, which is nearly matched by Honda alone and Ford Division alone. This underscores Buick and Cadillac's urgent need to be in a competitive location.

GMAC has agreed to finance the project with 15% down, which, due to my losses over the past two years, is not possible for me. Other lenders I have investigated have similar requirements. The total cost of the land and building will be \$2.7 to \$3.0 Million, including all fees and carrying costs. In an effort to assist me, GMAC approached Buick Zone Manager Chris Wolf and Cadillac Zone Manager Frank Liebgott for assistance. Chris, in conjunction with Knox Ramsey, spearheaded a massive effort to fulfill my request, beginning in early January. I also discussed the Auto Mart with Bob Coletta at the March 8 Round Table meeting. A copy of a follow-up letter to Chris on March 19 detailing the Auto Mart is enclosed. Despite valiant efforts by Chris and Knox, as well as Frank Liebgott, Chris and Knox told me on March 28th that they were unsuccessful. Regardless of the outcome, I have great praise and appreciation for their dedicated efforts.



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I feel my request for Buick and/or Cadillac's assistance in the Auto Mart project is reasonable. First, as stated earlier, I am faced with a forced situation. I did not choose to have the Auto Mart, but due to circumstances, have no viable choice. Second, until now Cadillac has required the Auto Mart, which has faced many delays. If the Auto Mart had been on schedule, or, simpler yet, had never been conceived, I most likely would have been selling Cadillacs at least a year ago in my current location and, due to substantially improved profitability, would have no need to request assistance.

While I greatly appreciate Cadillac's selection of me as their dealer, the Auto Mart delay has indirectly caused a delay in installing Cadillac in my current facility. Most GM dealers in the Bay Area are now dualled, some with new points awarded to existing dealers. None of these are in auto centers, and most are in facilities inferior to my current one. It appears that Buick and Cadillac have delayed giving me Cadillac in my current facility to be sure of my commitment to the Auto Mart. But the reality is I have been 100% committed both in time and money all along, and have kept both Zone Managers in continuous awareness of the Auto Mart status. This has been a long, grueling, process, generating a large file of my six years of discussions with Cadillac, and two file drawers of Auto Mart materials. I'm certainly happy to be getting Cadillac next month, but the capital that could have been generated with an earlier start can never be made up.

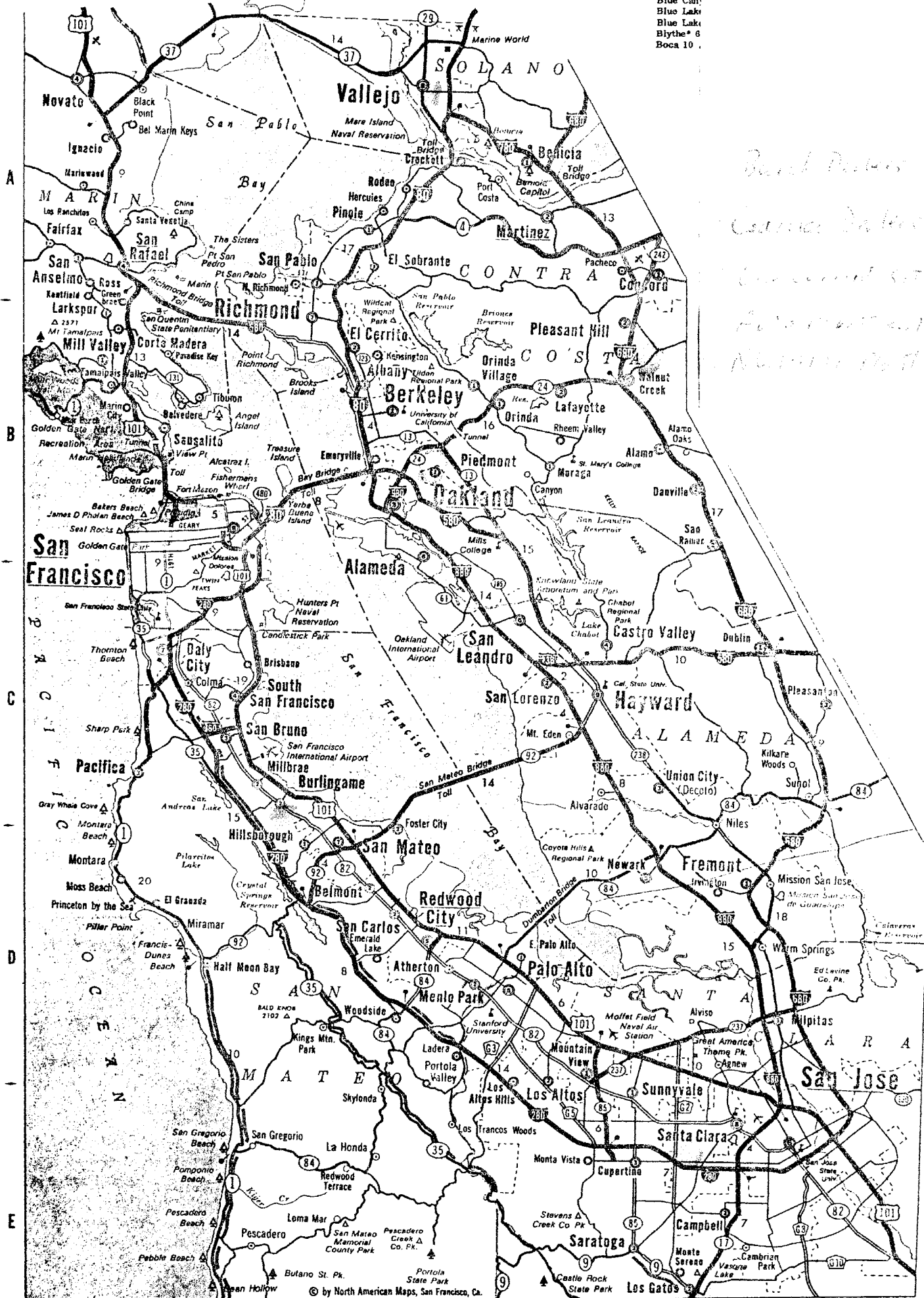
It is only after being unsuccessful at the above-named levels of management that I now appeal to you, as I still have not solved my financing problem for the Auto Mart. Accordingly, I would like to come to Flint and have an hour of your time to discuss the project. Due to the rapidly approaching deadline, I would like to make this meeting no later than April 20.

Positive action on this window of opportunity is critical to our mutual success. As Bud Moore stated in the April 2 edition of Automotive News, "...we can't afford to make mistakes. Mistakes will kill us." I look forward to hearing from you to arrange a suitable meeting time.

Sincerely,

  
Donald R. Signer

cc. Mr. R. E. Coletta  
Mr. W. K. Ramsey  
Mr. C. A. Wolf  
Mr. F. J. Liebgott  
encl.



Burlington  
Carmel  
Carmel  
Alameda  
Alameda

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