

SUMPF & COMPANY, INC.

Memorandum

Date: May 13, 2009

To: Dan Keen

From: Mark Sumpf

Re: Potential Assistance of Chevrolet Relocation

Thank you again for giving me the opportunity to assist in analyzing your automotive retail base in Concord.

I have had opportunity to review all of the data provide to date regarding the Saturn/Chevrolet proposal from Inder Dosanjh.

Based on that and the follow up meetings and calls with Alex, Inder and Tom Young, I have a very good sense of their ability to perform and likelihood of succeeding with a new Chevrolet point at the Saturn site. Some of the reasons are as follows:

1. If GM is truly going to give Inder the Chevrolet franchise to operate amidst the massive terminations, they are more likely to terminate the competitors in the immediate PMA. Clearly, this means a greater chance of future success despite the GM bankruptcy and current economic climate.
2. I have spoken to some reliable sources to understand the judgment criteria. Based on that CARG should become dominate in the market making them a safer bet for your money.
3. It is O K if Saturn doesn't survive short term. CARG would still have the rights to it should it come back in a different form.
4. Fitzpatrick Chevrolet's carryover service business will help CARG immensely in their first few months of operation.

It is for the above reasons I believe that a \$250,000 facilities improvement loan is warranted. In the long run I think it helps preserve the Chevrolet name in Concord thus retaining the current sales tax base with a reasonable expectation of both an increase in that sales tax and repayment of the loan.

The only concerns I may have are as follows:

1. Securitization of the loan by the real estate based on the current appraisal Alex has shared with me. After discussion with Alex I am told perhaps this will be handled with a personal guaranty.
2. Although a high quality problem, should CARG be very successful in increasing sales volume, the Saturn site would prove to be woefully inefficient and become functionally obsolete for the brand within 24-36 months and require a move.

I trust the above thoughts on the matter will help you and staff in making your final decision. Should you have any further questions regarding this matter, please don't hesitate to contact me.

Regards

Mark Sumpf

