



VIA FACSIMILE (415) 463-0832

August 27, 1990

Jim McKeehan, Esq.
c/o Signature Properties
6612 Owens Drive
Pleasanton, CA 94588

Dear Jim:

Let me respond to Mark Hamilton's and Don Signor's requests for an option, which you presented last Saturday. Catellus is not particularly interested in granting options. If a dealer is not prepared to close for cash or under the seller-financing terms we have offered, our feeling is that the dealer should wait until he is ready, and then approach us.

however, has a very unique situation. Currently, I take away his franchise if he does not commit the Auto Mall. In recognition of Don's unusual circumstances, we offer him the following:

- 1) Option Term: September 1, 1990 through June 30, 1991
- 2) Option Price: \$8.21 through November 30, 1990
2% per month price escalation starting December 1, 1990
- 3) Option Consideration:
 - a) Advance Option Payment of \$90,000 on signing of Option; non-refundable and non-applicable to the sale price except as provided under Paragraph 4 below
 - b) Monthly payment of \$18,000, deducted from the Advance Option Payment for the next 5 months; non-refundable and non-applicable to the sale price, except as provided under Paragraph 4 below.

CATELLUS DEVELOPMENT CORPORATION

301 MISSION STREET, 30TH FLOOR • SAN FRANCISCO, CALIFORNIA 94105 • TEL 415 974-4500 FAX 415 974-4613

974-4500

4) Special

Provisions:

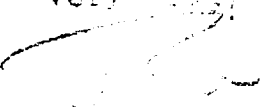
a) At Don's request made on or before November 15, 1990, he may convert his Option to a purchase for cash or under the Catellus financing package. Close of escrow would occur on or before November 30, 1990. In such a situation, Don's \$72,625.41 initial deposit and \$90,000 Advance Option Payment would all be credited against a \$7.41/sq ft purchase price.

b) If a bonafide purchaser desires to buy Don's lot during the option term, and after giving Don thirty (30) days notice to afford Don the opportunity to buy the lot, Catellus reserves the right to move Don's option to another parcel of similar size.

I am sure you will advise Don that there is no guarantee that the City will provide a subsidy for his lot should it be under an option to purchase.

We look forward to hearing from you.

Very truly yours,


C. Matheson
Vice President
Sales and Land Management

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cc: Mark Crutcher
Larry Vollintine
Sam Farb

The letter dated August 27, 1990, from Bill Matheson of Catellus to Jim McKeehan, was faxed to Signer Buick-Cadillac at that time. It was printed on thermal fax paper, so part of the text has faded over time. The second paragraph reads as follows:

“Don Signor [Signer], however, has a very unique situation. Apparently, Cadillac will take away his franchise if he does not commit himself to the Auto Mall. In recognition of Don’s unusual circumstances, we offer him the following:”

Jim McKeenan, Esq.
c/o Signature Properties
6612 Owens Drive
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however, has a very unique situation. Apparently, I take away his franchise if he does not commit the Auto Mall. In recognition of Don's unusual case, we offer him the following:

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