

NOTES TO FACILITY DESIGN

Attached are the following items relative to the Fremont Auto Mall:

1. A layout sketch of my proposed facility
2. An elevation blueprint and lot layout of a multi-franchise facility currently under construction in the Fremont Auto Mall.
3. Letter from Catellus quoting lot prices, with plot map attached.
4. Facility cost estimates

The sketch of my proposed facility is a modification of the basic concept used in the blueprint design. The blueprint design is for a facility currently being constructed in the Fremont Auto Mall housing four vehicle lines. The design is identical to an existing GM-Import dual in Southern California.

My facility could be a model for state-of-the-art retailing. Independence of new vehicle sales combines with efficiency of common service, parts, and business operations to form a high volume, yet highly cost-effective operation. The design concept holds many advantages for General Motors and myself. Highlights of these advantages are as follows:

1. Divisional independence: Separate showrooms will be built for each vehicle line, allowing a totally different atmosphere for each, with uncompromised sales thrust. Buick Retail Environment Design concepts will be incorporated into the Buick showroom, and each other showroom will use its respective division's design guidelines. This project affords an excellent opportunity for each division to implement its state-of-the-art facility concepts.

A back hallway will join Buick and Cadillac showrooms, with a common Finance and Insurance office. A similar floor plan will be used for Pontiac and GMC. This design allows separate sales and management staff for each vehicle line, while providing for cross-selling during occasional bursts of traffic imbalance. However, the Buick and Cadillac group will be totally independent of the Pontiac and GMC Truck group, with no cross-selling between them.

2. Separate used vehicle facility with segregated GM Auction vehicles: This department will have its own sales and management staff, and will be operated as an independent profit center. This independence will eliminate the burden on the New Vehicle Managers, allowing them to concentrate entirely on their respective vehicle lines. This separate

used vehicle facility is made possible by the volume to be generated by the four vehicle lines, and would not be practical with only two lines.

GM Auction vehicles will be under the control of the Used Vehicle Manager, but will be displayed separately from both new and used vehicles. These vehicles will be treated as alternative vehicles for new or used vehicle purchasers. For used vehicle buyers, they will be presented as "a lot more car for a little more money." For new vehicle buyers, they will be presented only if a new vehicle cannot be sold due to a customer's budgetary limitations, or unwillingness to pay a minimal acceptable deal for a new vehicle.

3. Exclusive service lane for GM Goodwrench Quicklube and other quick-service items: This lane will allow us to become a full competitor to quick-service independents currently attracting business away from new car dealers. Retaining this currently lost business can only help build loyalty to our dealership and General Motors products, enhancing repurchase intentions. The lane will be for such quick-service items as lube and oil changes, tune-ups, smog certifications, etc., and will be intended for customers who wish to wait for their vehicle. Convenience and competitive prices will be stressed in our advertising. This lane is only practical with the volume to be generated by four vehicle lines.

4. Separate service write-up lanes: Each vehicle line will have its own service write-up lane and Service Advisor specialists. As with the showrooms, there would be occasional crossover between Buick and Cadillac, or Pontiac and GMC, but not between groups. Any available Service Advisor could wait on a quick-service customer.

5. Business management operations: Business management operations will be in the second story above the service write-up area, connecting the two showroom pods. Dealer's office, conference room, and additional parts storage will also be on this floor.

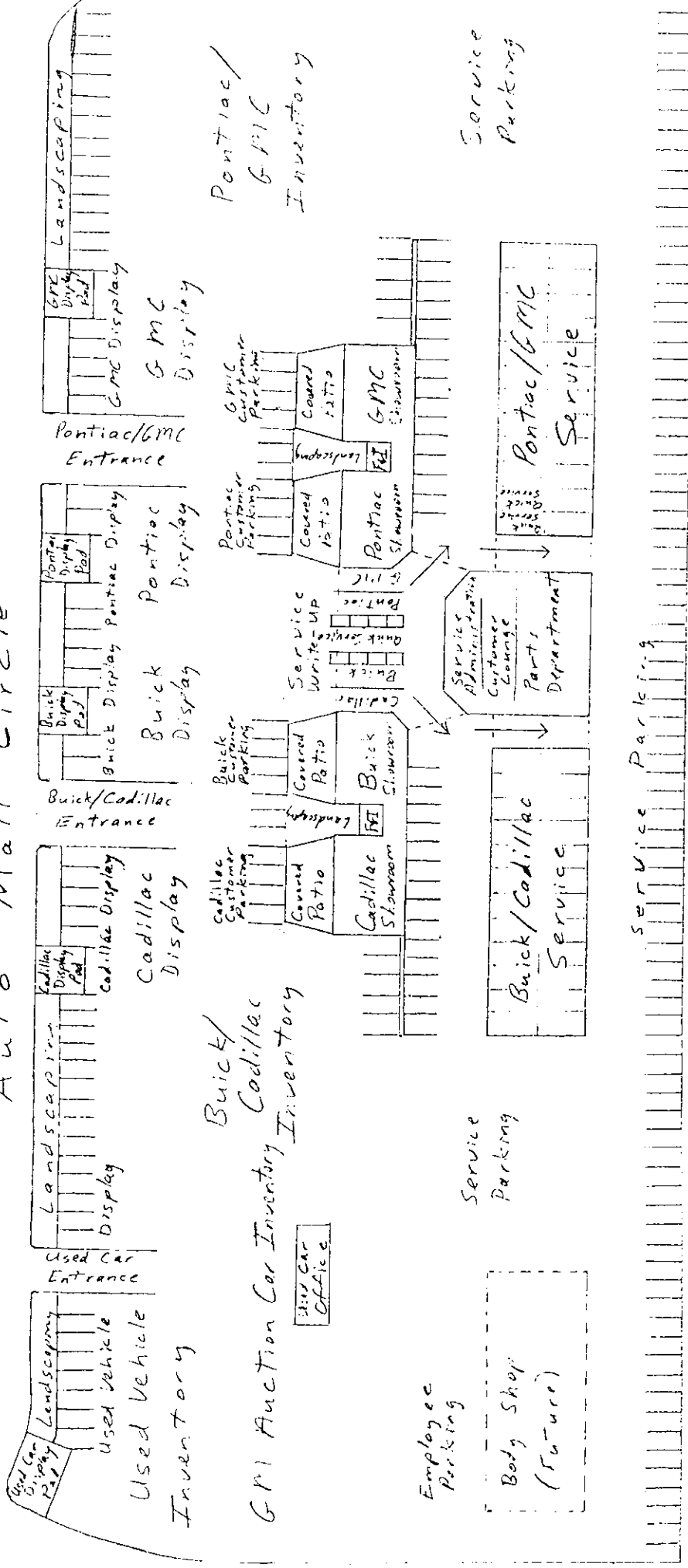
FACILITY COST ESTIMATES

The lots to be used for my proposed facility are lots 7 and 8. Based on the price quoted to me by Catellus on March 13, 1991, the total cost of land would be \$2,477,475, less the city subsidy of \$506,821, for a net cost of \$1,970,654.

The facility currently under construction at the Auto Mall is approximately 50,000 square feet, including canopies. Cost will be approximately \$2,500,000, including site development. The size of my proposed facility could be reduced approximately 15%, for a cost of \$2,125,000.

Total cost of my proposed project is estimated to be approximately \$4,400,000, including fees and carrying costs.

Auto Mall Circle



Scale 1"=50'

SIGNER CADILLAC SIGNER BUICK SIGNER PONTIAC/GMC

FREMONT AUTO MALL

C A T E L L U S



March 13, 1991

Fremont - Automall (General)

Mr. Don Signer
Signer Buick-Cadillac
38623 Fremont Blvd.
Fremont, CA 94536

Subject: Catellus Development Corporation's Automall in
Fremont, California

Dear Don:

I am currently marketing the property within the Fremont Automall; along with the attached print, the following is a summary of the terms under which I am willing to recommend to management a conveyance of the three subdivided lots:

<u>Lot</u>	<u>Acreage</u>	<u>Cash Price</u>	<u>Total</u>
4	4.90±	\$8.21 sqft	\$1,752,375
7	3.50	8.75	1,334,025
8	3.00	8.75	1,143,450

As a reminder, Lots 4, 7, and 8 come with a City of Fremont price subsidy of \$1.79 per sq.ft. (which is included in the above prices); therefore, the net price to you for any of these three lots will be reduced by the \$1.79 per sq.ft. subsidy.

The deposit in the amount of \$72,625.41 which you previously made and forfeited, will apply toward the sale price. All sales within the Automall are on an all-cash basis.

The prices outlined above are exclusive to you; they represent a discount from the asking price. If you are interested in pursuing a purchase of any of the lots, you should contact me no later than March 29, 1991. As discussed, I am pursuing lot sales with other auto dealers.; therefore, this letter may not be construed as an offer to sell, an option, or a right of first refusal. As a reminder, all sales require formal management approval; therefore, nothing stated above may be construed as a commitment to convey property.

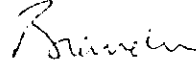
CATELLUS DEVELOPMENT CORPORATION

201 MISSION STREET, SUITE 250 • SAN FRANCISCO, CALIFORNIA 94105 • TEL 415 974-4585 FAX 415 974-4651

Mr. Don Signer
March 13, 1991
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If you have nay questions or comments concerning the Fremont Automall, feel free to contact me at the address above or at 974-4554.

Very truly yours,

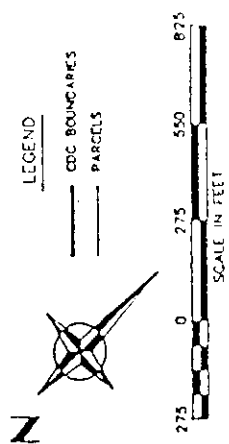
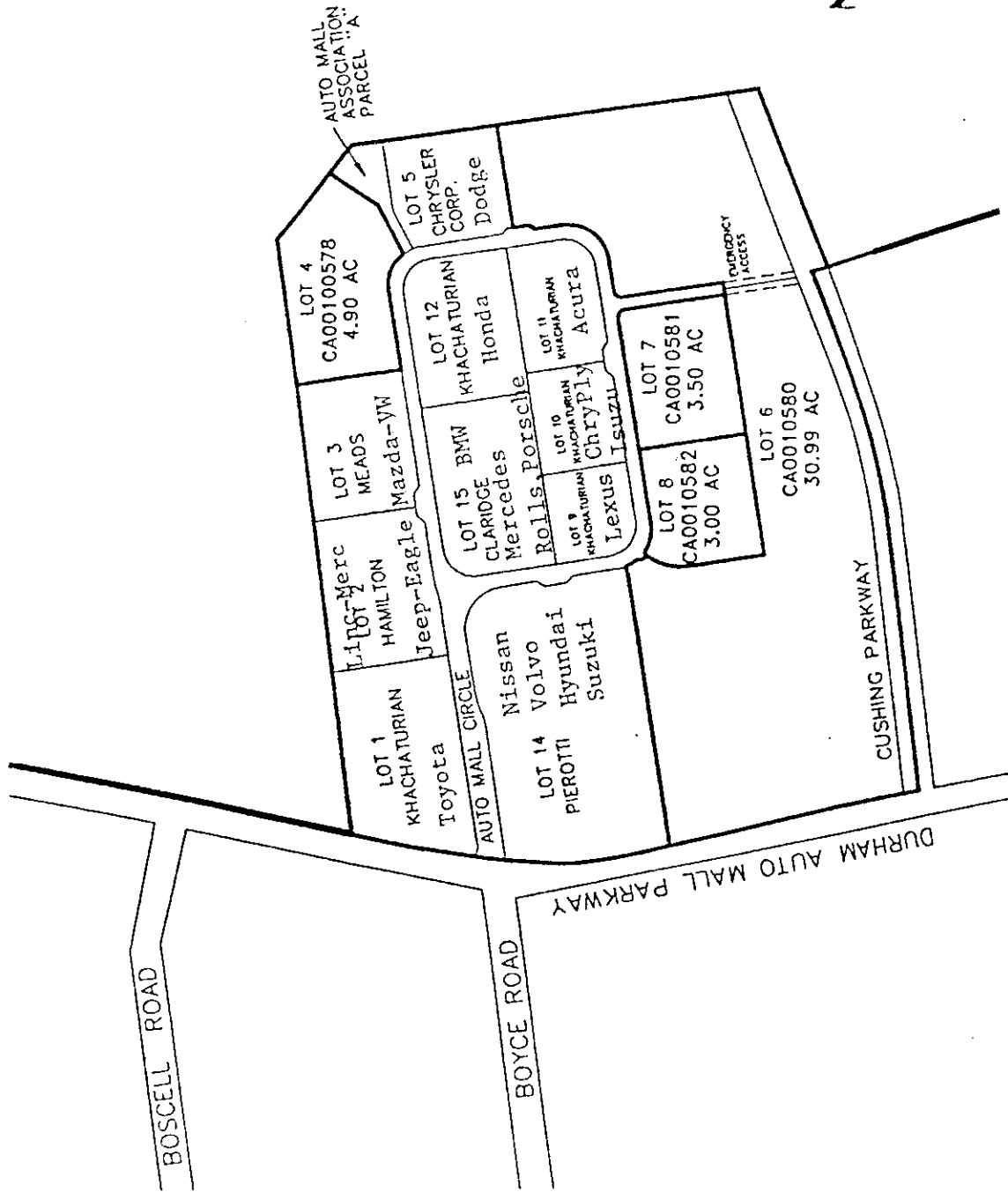


Brandon J. Mark
Regional Sales Manager
Sales & Land Management

Attachment

cc: Bill Matheson
Mark Crutcher

WPPBJM523



Fremont Shores
(Fremont Auto Mall)

FREMONT
ALAMEDA COUNTY
CALIFORNIA

CATELLUS DEVELOPMENT CORPORATION
201 Mission Street, Suite 200

DRAFT