

SIGNER

BUICK·SUBARU·SAAB

March 19, 1990

Mr. C. A. Wolf
Zone Manager
Buick Motor Division
39465 Paseo Padre Parkway
Fremont, CA 94538

Dear Chris:

This letter is to clarify my request for assistance in arranging financing in the Fremont Auto Mart. My request is as follows:

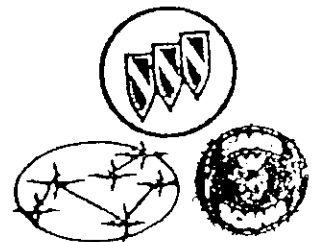
Provide 100% financing (or guarantee a loan made by GMAC) for my land purchase and construction. Loan is to include all associated costs and fees, including carrying costs prior to completion.

When the benefits of being in the Auto Mart and the consequences of not being there are weighed, it becomes very clear that a way must be found to effect the financing in a timely manner. Below I will outline rationale for Buick and/or Cadillac's assistance, and reasons why it is a good business decision for all parties concerned. The rationale also applies to Pontiac, GMC Truck, and Oldsmobile for their dealers.

Background of Auto Mart:

The Fremont Auto Mart was conceived in mid-1987 by Santa Fe Pacific, and land was offered to local dealers at below market values to attract all dealers. Santa Fe's motivation was that this "loss leader" sale would be helpful in their attempt to get the City of Fremont to rezone their 700 plus acre project. All dealers in town participated except the Chevrolet dealer and the Ford dealer. The Ford dealer had already purchased land for a new building, and moved into his new facility at I-880 and Stevenson Boulevard in September, 1988.

Over the past two years and nine months, the Fremont dealer group has had numerous meetings, representing hundreds of hours of each dealer's time. The dealers have each paid nearly \$100,000 in option fees, attorney's fees, and additional financial commitments in order to put the deal together and negotiate a below-market price and city financial assistance. The city assistance was negotiated by our representatives to bring the \$6.91 per square foot price down to \$5.50 per foot. At the March 13, 1990, City Council meeting, the Council voted unanimously to approve an arrangement that would bring the cost per square foot further down to approximately \$4.90 per square foot.



Mr. C. A. Wolf
March 19, 1990
Page 2

Originally, the \$6.91 price was to be good through 1988, as the sale was expected to be completed by that time. For a variety of reasons, the project has been delayed, but Santa Fe has agreed to hold the \$6.91 price, in spite of the property's escalating value. In December, 1989, the dealers' representative negotiated an amended agreement with Santa Fe, part of which ended the \$6.91 price on April 1, 1990. Also, only dealers closing the sale on that date would participate in the city financial assistance. After the March 12, 1990, meeting between the Fremont GM dealers and Zone Managers, dealer representative Jim Salter was able to negotiate a further extension of the \$6.91 closing deadline to June 1, 1990, which would also become the date for participation in the city assistance. Since that time, I understand that the escrow closing date has been further delayed to approximately July 16, 1990, but that participating dealers must make a commitment by May 1, 1990. However, I am not certain about these dates and they must be confirmed.

Benefits to dealership and General Motors of committing by May 1, 1990, and subsequent relocation into Auto Mart:

1. Additional new car sales. Sales of new cars in freeway access auto centers normally increase a minimum of 30%. Our nine-year monthly average retail sales is approximately 50 cars per month. Even figuring only 10 additional cars per month for Buick, and 10 additional for Cadillac, the increase would be 240 per year. For the dealership, this would mean a monthly gross profit increase of approximately \$45,000 including F & I. For General Motors, using a conservative \$4000 per car gross profit, that is approximately \$1,000,000 per year additional to the Corporation. When considering the other 3 GM franchises desiring relocation, that would total \$2,500,000 per year, or \$50,000,000 over 20 years, not counting future parts sales. Considering any improvement in the auto market in future years, as well as inflation, the difference could easily double this amount. While some of these sales may come from other GM dealers, they would most likely be lost to other Auto Mart dealers if we are not there.
2. Additional parts and service sales. It is my understanding that parts and service sales normally increase at least a similar 30% due to freeway convenience. This would mean an estimated \$40,000 per month in gross profit to the dealership. General Motors would sell an additional \$15,000 in parts per month at my dealership alone. It can be assumed that at least part of the additional sales would come from the mass merchandisers.
3. A bargain price on land. In May, 1989, an MAI appraisal was made on the property, with the appraised retail value of the finished lots at \$10.00 per square foot. It should be safe to assume that since then the value has risen an additional 5-10%. Our purchase price of the land includes \$2,000,000 of off-site improvements to be made by Santa Fe. It has been estimated that an additional \$600,000-\$800,000 must be spent by the dealer group to finish them, amounting to approximately \$.25 per square foot. Consequently, the dealers will be buying the land for approximately half price. This price compares to

Mr. C. A. Wolf
March 19, 1990
Page 3

Bay Area land prices of \$15 to \$40 per square foot for suitable dealership locations, even then without the drawing power of an auto center. One of the Fremont dealers has sold his Fremont Boulevard dealership property for \$20 per square foot, and the buyer bears the expense of tearing down the building.

Any dealer who buys after the initial closing can buy land in the Auto Mart for \$7.75 per square foot, plus an escalation factor of 2% per month. Furthermore, it would not participate in the city subsidy and would be off the main loop on a much less desirable cul-de-sac. If bought the first month after initial closing, the price on 4.8 acres would be \$627,000 higher, resulting in an increased rent factor of approximately \$8,000 per month, or \$133 per car based on 60 new cars. A dealer who buys land a year later will pay \$9.83 per square foot (including 2% per month escalation,) or \$1,030,000 more. This would result in an increased rent factor of approximately \$13,000 per month or \$217 per car based on 60 cars. This rent difference has vital consequences to the financial health of a dealer.

While my current rent factor is considerably less than the anticipated rent factor in the Auto Mart, the lease is subject to increases over the years, eventually exceeding the Auto Mart's rent factor. Ownership of the Auto Mart facility would lock in a rent factor and eliminate any risk of losing the facility. The city has discussed the possibility of eventually forcing any remaining dealers out of the existing area since they have provided the Auto Mart.

4. GM presence in Auto Mart with low risk. It is my understanding that General Motors and other manufacturers buy land through a land bank program to hold for a future dealer operator, often in a new Auto Center. Although Buick and Cadillac were not involved, I understand that the other divisions were considering buying land in a proposed Milpitas Auto Center, six miles from the Fremont site, at \$14 per foot. I am also aware of a Pontiac-GMC facility currently being constructed in Bellevue, Washington, that Pontiac has signed a lease for \$39,000 per month, escalating to \$60,000 in the 16th year. This site has 2.7 acres of usable land, and the building will be 23,000 square feet. As of last month, a dealer operator had not been found.

In these examples, as I understand in others, General Motors or its divisions must bear all the expense, do all the land acquisition and often the development work, then take the risk and expense of finding a dealer operator. Even then a rent subsidy may be necessary. I'm certain that if the deal the Fremont dealers have negotiated were offered to General Motors for a new point, the Corporation would snap it up without blinking. In our case, the dealers have done all the work, born all the expense, and are asking for no subsidy. A worst case scenario risk to General Motors or its divisions would be my default on the loan, at which time Buick and Cadillac would have a ready-made home for another dealer at a well below-market rent factor.

Mr. C. A. Wolf
March 19, 1990
Page 4

5. Avoid conspicuousness by its absence. The Auto Mart project has been highly visible in the Southern Alameda County area, having frequent articles written in the local newspaper. It is likely that it will have great press coverage throughout the Bay Area when it opens, as it will be the first auto center of this magnitude. The dealers plan extensive Auto Mart advertising as well, most likely on television. The name of Durham Road west of I-880 will be changed to Auto Mart Drive, resulting in Caltrans sign changes for approximately six miles in each direction on both I-880 and I-680. A large Auto Mart sign listing the makes of cars represented will be constructed at the Auto Mart Drive exit off I-880.

Nearly all makes of cars will be represented in the Auto Mart. The following makes will be represented: Lincoln-Mercury, Jeep-Eagle, Mazda, Toyota, Lexus, Nissan, Volvo, Hyundai, Suzuki, BMW, Acura, Volkswagen, Diahatsu, Chrysler-Plymouth, Honda, Mercedes, Porsche, and Rolls Royce. It is my understanding that dealers for these makes all have financing approval as of this date except Lincoln-Mercury (includes Jeep-Eagle,) who has tentative factory division financing awaiting final approval. It is also my understanding that Chrysler Credit will be financing facilities for Chrysler-Plymouth, Toyota, Lexus, BMW, Acura, Volkswagen, Diahatsu, and Honda, all of which are owned by one dealer principal. As you are aware, the dealers representing Pontiac, GMC Truck, and Oldsmobile (and Mitsubishi) also are requesting financing assistance.

It seems it would not be good for General Motors' image to be the only manufacturer not represented, especially in the shadow of a former General Motors plant now producing Toyotas, and the zone offices for half the Western United States. GM's absence would be a further target for "GM bashing." GM has already suffered more than its share of this abuse, and now that Buick and Cadillac have turned the corner in styling and quality (and resulting sales) it is imperative we "put our money where our mouth is," and show our confidence in the future. I have great confidence that we are on a solid, while perhaps slow, uptrend in a tough market, and have committed all my resources to our joint success.

A good business decision for Buick and/or Cadillac to assist:

The dealers are buying the property for approximately half price. If we were paying full price of \$10 per square foot and putting 15% down, lenders would be more than happy to finance \$8.50 per foot, which is 73% more than we are paying. Even the city assistance of approximately \$2.01 is 29% of the purchase price of \$6.91. I feel that the approximately \$100,000 invested to date should be considered down payment, as this investment was necessary to negotiate the low price. The \$100,000 represents approximately 10% of the land purchase price. Also, consideration should be given to "sweat equity" for the hundreds of hours I and the other dealers have put in to negotiate the deal.

Mr. C. A. Wolf
March 19, 1990
Page 5

The Auto Mart, especially at the price we are receiving, is possibly the best opportunity I or the divisions could ask for. Unfortunately, it is coming at the worst possible time. While neither I nor the other GM dealers asked for it, the fact is that when originally presented, the dealers reacted favorably and I have been forced to participate in spite of the timing. The other dealers have had little or no problem obtaining financing, as they have recently had very good years. If the Auto Mart project had occurred five years ago, the opposite may have been true, and five years from now it may be true again. But, it is a once-in-a-lifetime opportunity that we must find a way to make happen.

I have approached banks about financing the project, but they have no interest given my recent financial statements. GMAC has indicated that they would finance the project with the divisions' guarantee. I have submitted forecasts with Cadillac added which I feel to be very realistic in today's tough market, indicating at least a \$40,000 per month net profit improvement from our recent performance without Cadillac. While the forecasts submitted are very conservative, even so they make the project more than viable. Ironically, my Cadillac letter of intent requires the Auto Mart, and the Auto Mart financing requires the profits that would have been generated by selling Cadillacs with the Buicks. If we had started selling Cadillacs a year ago, I most likely would not be asking for special assistance, as the profit trend would have been favorable and I would probably have had the required down payment.

As I assume you are aware, Frank Liebgott told me that we would have Cadillac in the current facility within two months, with conditions relating to the Auto Mart. I certainly appreciate this and am relieved the waiting is nearly over at long last. I am confident we can do a good job for Buick and Cadillac in our current facility. But...we can do better in the Auto Mart.

Chris, I have my entire 18-year career invested in Buick, and have suffered along with Buick's sales decline over the last few years, but have hung in there, committing seven days a week and now all my resources in order to survive. I certainly would not have gone through all that I have unless I had the faith that a turnaround would eventually occur and that I would receive the Cadillac franchise after my many years of ongoing discussions. While it has taken longer than I had anticipated for both the turnaround and to get Cadillac, both are now taking place and I am extremely optimistic about the future of my dealership.

The Auto Mart is an integral part of my optimism. I certainly would prefer that the purchase of the property could take place a year from now, but unfortunately, that is not an option. The Fremont dealer incentive program is about to expire and does not carry Lee Iacocca's retroactive guarantee. I urge you and the division to look at the big picture--a relatively small amount of risk guaranteeing the loan in return for affordable representation in the largest auto center in Northern California, and sustaining the career

Mr. C. A. Wolf
March 19, 1990
Page 6

of a loyal Buick dealer. Since I have been unsuccessful in getting the Cadillac franchise earlier to generate profits to effect the financing, it is my sincerest hope that I will be successful in obtaining the desired assistance this time.

As always, I wish to express my appreciation for your continued interest and pursuit of a solution. In order to leave 30 days to finalize personal arrangements on the project prior to the May 1, 1990, commitment deadline, I look forward to a successful conclusion to this issue by March 30, 1990.

Sincerely,



Donald R. Signer

cc: Mr. Frank J. Liebgott
Mr. W. K. Ramsey
Mr. Ray Harris

SIGNER

BUICK·SUBARU·SAAB

April 11, 1990

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

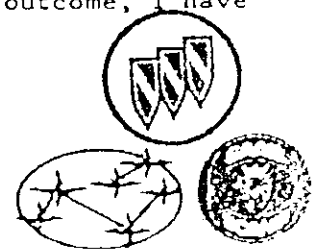
Dear Ed:

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.



Mr. E. H. Mertz
April 10, 1990
Page 2

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 dualed, 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.

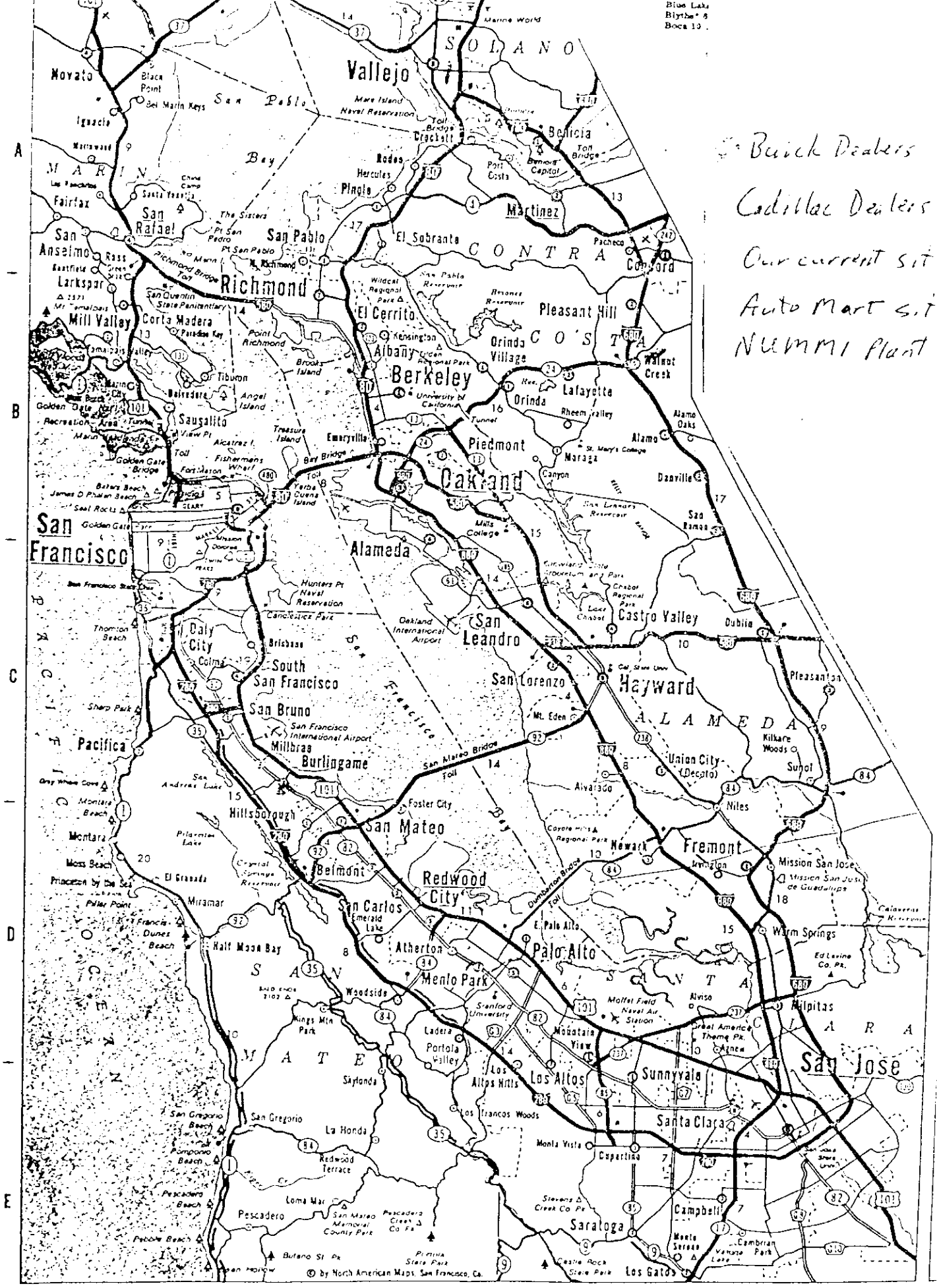
It is only after being unsuccessful at the above-named levels of management that I now appeal to you, as I still have not solved my financing problem for the Auto Mart. Accordingly, I would like to come to Flint and have an hour of your time to discuss the project. Due to the rapidly approaching deadline, 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

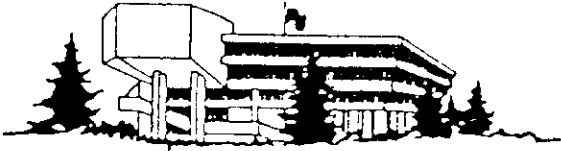
cc. Mr. R. E. Coletta
Mr. W. K. Ramsey
Mr. C. A. Wolf
Mr. F. J. Liebgott
encl.



Buick Dealers
Cadillac Dealers
Our current sit
Auto Mart sit
NUMMI Plant

PLACES OF INTEREST
PARTIAL LIST

- | | | | | |
|------------------------------|------|---------------------------------------|------|------------------|
| Disneyland | S-14 | Lava Beds National Monument | A-11 | Salton |
| Great America Park | D-4 | Lick Observatory | J-11 | San Jo |



City of Fremont

Assistant City Manager
39700 Civic Center Drive
P.O. Box 5006
Fremont, California 94537

Telephone (415) 790 - 6740
Facsimile (415) 791 - 4200

Donald Signer
Signer Buick-Cadillac
38623 Fremont Boulevard
Fremont, CA 94536

September 6, 1990

Dear Don:

I am sorry you were unable to close for property in the Fremont Auto Mall. Reaching this point has been difficult, frustrating, and time-consuming for everyone. But each of the dealers, Catellus and the City obviously share a vision of the Fremont Auto Mall as the biggest, best and most successful in Northern California. I know we are all prepared to work together to make that vision a reality. I am confident you will be part of that reality.

By comparison with the past two years, the process of constructing streets and buildings should be easy. Nevertheless, there will be many details to be worked out. The City intends to continue the weekly Auto Mall coordinating meetings as long as they are beneficial. Staff of the Community Development, Building and Safety, and Public Works Departments will continue to work closely with you through completion of construction. Once construction is well underway, staff of the Finance Department will begin regular communication with you regarding the assessments on Auto Mall parcels and the collection and use of sales taxes generated by the Auto Mall.

In my experience, the spirit of cooperation which characterized negotiations during recent months was extraordinary. I am confident such cooperation will continue, because all parties want the Auto Mall to succeed. We also share a sense of pride in what has been and will be accomplished.

From this point forward, most of your work with the City to "make it happen" will be with technical staff in the departments named above. However, you should feel free to call me if you have any questions or concerns as the Auto Mall moves ahead.

I have very much enjoyed working with you on this important and exciting project.

Sincerely,

ROGER C. ANDERMAN
Assistant City Manager

RCA/ljs



SIGNER

BUICK • CADILLAC

October 17, 1990

Mr. F. J. Liebgott
Zone Manager
Cadillac Motor Car Division
P. O. Box 23850
Oakland, CA 94623

Dear Frank:

This letter is to request Cadillac's assistance in obtaining financing for the Fremont Auto Mall. As you know, the participating dealers closed on their properties on August 31, while I was unable to close on my property due to inability to obtain financing. Although I lost my original lot due to this inability, Catellus (formerly Santa Fe) has agreed to honor the original price on a remaining lot if closed by November 30. If this can be arranged, I can receive credit for my investment to date. The enclosed letter dated October 16, 1990 defines the terms. In addition to the deposit of \$72,625.41 referred to in the letter, I have paid approximately \$100,000 toward the development of the project and the dealer partnership.

Enclosed are letters to Chris Wolf and Ed Mertz of Buick requesting financing assistance in March and April, 1990. In the letters I stressed that the Auto Mall would become a reality, and would have participation by all dealers in Fremont, except General Motors if we dealers did not receive assistance. The predicted outcome is now a reality. Construction on the mall infrastructure began on October 9, 1990, and is scheduled for completion on April 4, 1991. A copy of the Time Line is enclosed. Facilities for some of the franchises will be built concurrently with the infrastructure, while most of the remaining facilities will be built shortly after the April completion.

Attached is a list of franchises to be located in the mall, and the franchises remaining in their old locations. You will note that General Motors is conspicuously absent from the mall. It should also be noted that GM's retail market share dropped further to 13.0% of the market in the second half of 1989.

The primary reason for my financing difficulty was losses that had occurred only recently. When considering assistance for Auto Mall assistance, I feel it is important to consider the profit history of my dealership. We were profitable every year from when we opened in November, 1980, up to and including 1987. I added Subaru and Saab in March, 1988, in an attempt to help offset severely declining Buick sales. Losses began that month and continued until May, 1990, our last full month with the imports. The addition of Cadillac in late June contributed to a June profit of \$1,213.



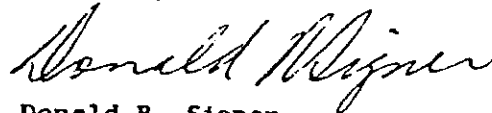
Mr. F. J. Liebgott
October 17, 1990
Page 2

I have attached a copy of the forecast I submitted to Buick, Cadillac, and GMAC in March, showing the addition of Cadillac. As you can see, the results of our first three months with Cadillac have met or exceeded forecast in nearly every category. The profitability was achieved in spite of a monthly average loss of \$14,917 in fixed operations. To reverse this loss, last week I was able to bring back our former Service Director, who had resigned in March, 1989, due to concerns about the then negative trends of the dealership. During his previous tenure with the dealership, his Parts and Service Departments had been consistently profitable. With this addition and anticipated future Cadillac sales and service growth, I anticipate monthly profitability of \$50,000 to \$75,000, which would be consistent with my March forecast.

In summary, I feel that I have shown that my predictions have become reality. My warnings that there would be a large Auto Mall without General Motors have come true. As you know, the Auto Mall project has caused these last three years to be emotionally draining, and it was terribly disappointing to lose it all in the end. It is my sincere hope that we can take advantage of this last chance opportunity to salvage my investment in the Auto Mall, and be in the location necessary to be competitive in the future. As you are aware, we must move quickly.

Frank, I am extremely pleased and appreciative that you and Jere Kitzmiller are taking this initiative to assist me in this endeavor. Please feel free to contact me for any additional information.

Sincerely,



Donald R. Signer

cc: Mr. C. A. Wolf
Enclosures

FREMONT FRANCHISE LOCATIONS

To relocate in Auto Mall:

(Property has been purchased)

Acura
BMW
Chrysler-Plymouth
Dodge
Honda
Hyundai
Isuzu
Jeep-Eagle
Lexus
Lincoln-Mercury
Mazda
Mercedes
Nissan
Porsche
Rolls Royce
Suzuki
Toyota
Volkswagen
Volvo

Not relocating:

Buick
Cadillac
Chevrolet
GMC Truck
Mitsubishi
Oldsmobile
Pontiac

FREMONT AUTO MALL PARTNERSHIP
6612 OWENS DRIVE
PLEASANTON CALIFORNIA 94588

August 29, 1990

Mr. Don Signer
38623 Fremont Boulevard
Fremont, CA 94536

Dear Don:

This will reflect the understanding that has been reached between the Partnership and yourself concerning your acquisition of property in the Fremont Auto Mall. The understanding is as follows:

1. That you will not close on your lot by the time previously agreed to (i.e. August 31, 1990). Rather, you are going to seek to purchase property in the Mall at a later date. This procedure has been approved by the Auto Mall Partnership subject to the conditions of this letter.
2. On or before August 31, 1990, you will pay to the Partnership by paying to James W. McKeehan, Trustee, the sum of \$46,786.00 which will cover your share of the Parcel A acquisition, City fees, engineering and design reimbursement. These costs are outlined in the spreadsheet previously provided to you by Mr. McKeehan. This money is non-refundable under any circumstance and will be used to pay debts previously incurred by the Partnership.
3. Your pro rata share of the Guardian Builders obligation which is estimated at \$55,588.00 will be deferred. At such time as you exercise your option, you will be required to pay to the Partnership the deferred sum, plus interest on that sum from August 31, 1990 to the date you pay it at the rate of twelve percent (12%) per annum. In the interim, if the money is needed to pay Partnership obligations, the remaining partners will pay pro rata their portion of your obligation. At such time as you would repay the Partnership, that money would be used to repay to the partners the money they had advanced plus interest.
4. If you do not exercise your option and acquire the lot within the Auto Mall within twenty-four (24) months from this date, all money paid to the Partnership will be non-refundable and you agree that the remaining partners can purchase your share in the Partnership for the sum of One Dollar (\$1.00). You understand that if you did not agree to transfer your partnership interest for the sum of One Dollar (\$1.00) to the remaining partners that the remaining partners would not agree to the modifications of the Partnership

Agreements as reflected above, namely, a delayed closing and the potential payment of your obligations by other partners.

5. If you do not acquire a Parcel within the Mall, your liability will be limited to the money actually paid to the Partnership as of August 31, 1990.

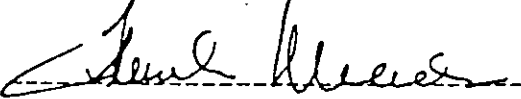
If you are in agreement with the above provisions, please execute where indicated below and return the original of this letter to James W. McKeehan. If you have any questions, please feel free to discuss them with either Mr. McKeehan or other partners.

Sincerely,

FREMONT AUTO MALL PARTNERSHIP



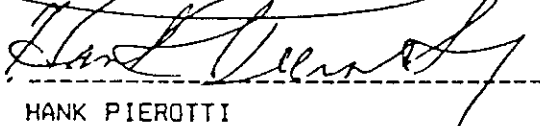
HENRY KHACHATURIAN



FRANK MEADS



MARK HAMILTON



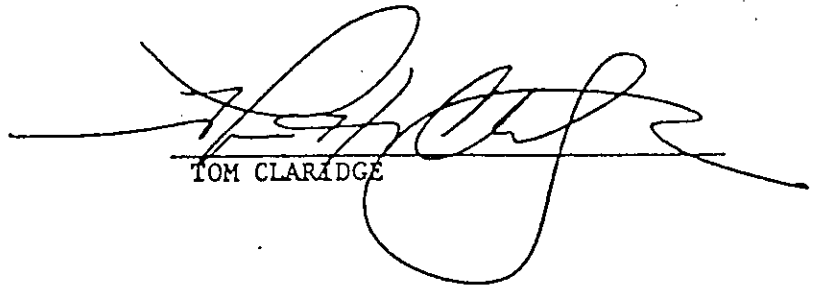
HANK PIEROTTI

KARL HASS

The above terms and conditions are accepted.



DON SIGNER



TOM CLARIDGE

C A T E L L U S



October 16, 1990

Fremont - Automall

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

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

Dear Mr. Signer:

As Regional Sales Manager, the Automall is within my area of responsibility. I have been discussing with Bill Matheson your proposed acquisition of one of the lots within the Automall. The following outline should clarify your most recent conversation with Bill:

Property: 4.90 acres identified as Lot 4 on the attached print.

Cash Sale Price: \$1,581,620 (based on \$7.41 per sq.ft. firm).

Finance Price: \$1,752,375 (based on \$8.21 per sq.ft. firm).

Notes on Prices: (A) These prices include the City of Fremont price subsidy of \$1.79 per sq.ft.; therefore, the net price to Signer Buick-Cadillac will be reduced by the \$1.79 per sq.ft. subsidy.

(B) In addition to the Prices listed above, Signer Buick-Cadillac will also pay a fee of 14% for the carry of the Sale Price between August 31, 1990 and the Closing Date.

Finance Terms: (A) 25% down due at close of escrow;

(B) Interest at the rate of 14% per annum;

CATELLUS DEVELOPMENT CORPORATION

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

Mr. Don Signer
October 16, 1990
Page 2

- (C) Loan will be amortized over 20 years;
- (D) Principle and accrued interest payments will be due monthly;
- (E) Balance due two years from close of escrow.

Deposit: Previously made and forfeited deposit in the amount of \$72,625.41 will apply to the Sale Price.

Closing Date: On or before November 30, 1990

It is our intention that the pricing structure for Lot 4, and all property within the Automall, will be significantly increased for any transaction which closes escrow after November 30, 1990.

Nothing contained in this letter may be construed as a commitment to convey property as all sales require formal management approval.

If you are interested in pursuing this proposal, please feel free to contact me at the address listed above or telephone (415) 974-4554.

Very truly yours,



Brandon J. Mark
Regional Sales Manager
Sales & Land Management

Attachment

cc: Mr. William Craig Matheson
Vice President
Sales & Land Management

WPPBJM299

PARCEL MAP 5970

A SUBDIVISION OF PARCEL 1 OF PARCEL MAP 5527
CITY OF FREMONT
ALAMEDA COUNTY CALIFORNIA
SCALE: 1" = 200'
APRIL 1990



BASIS OF BEARINGS

The bearing N 87° 27' 51" E of the monument line of Durham Road is shown on the right of Map Record Map L.I.D. No. 16 Book 73 of Maps of pages 15 & 16 Alameda County Records.

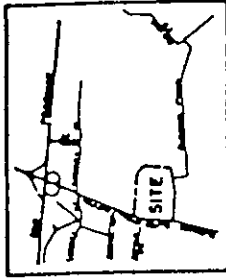
SOILS NOTE

A soils report was prepared for this subdivision by the firm of Earth Systems Consultants dated May 1988 and entitled "Geotechnical Feasibility Study Fremont Shores Local Improvement District No. 22 Fremont, California for Santa Fe Pacific Realty Corporation San Francisco California" and addendum dated September 8, 1989 File No. CR-075-CC.

NOTE AND LEGEND

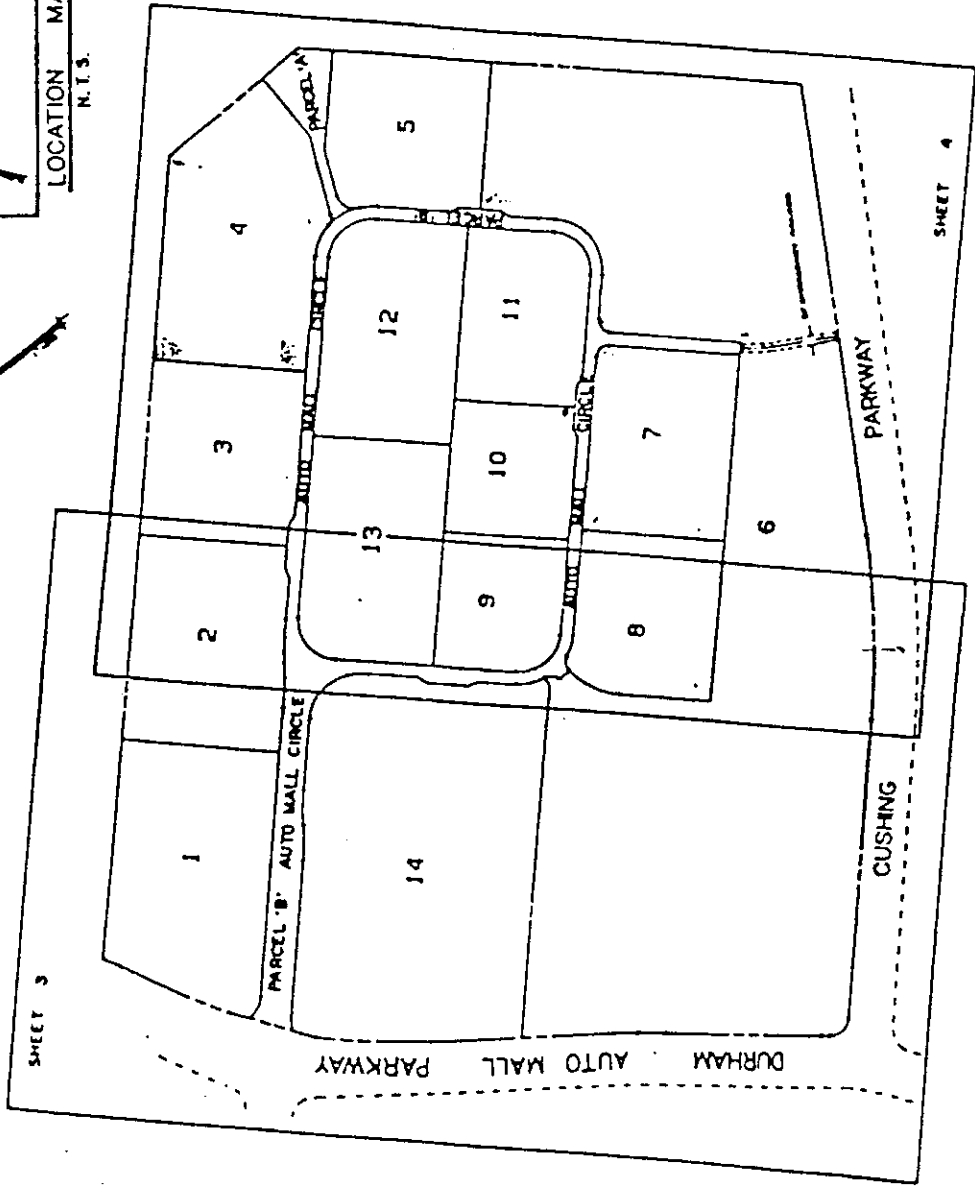
- Indicates Private Street Monument Set
- ▲ Indicates an Angle Point
- Indicates 4" Iron Pipe with 1.5 Silt of Record
- PSDE Indicates Private Storm Drain Easement
- Indicates Boundary Line
- Indicates Parcel Line
- Indicates Monument Line or Centerline of Easement
- PLU Indicates Public Utility Easement
- WLE Indicates Water Line Easement
- EVLE Indicates Emergency Vehicle Access Easement
- PS Indicates Private Street
- LE Indicates Landscaping Easement
- ||||| Indicates Non-Access
- Indicates Standard City Monument found unless noted otherwise
- SSE Indicates Sanitary Sewer Easement

The heavy broken line indicates the boundary of land subdivided by this map. The area within the boundary is 88.00 acres. All distances and dimensions are shown in feet and decimals thereof.



LOCATION MAP
N.T.S.

NOTES: 1. Building setback and locations to be per City of Fremont Approved Planned District P-08-18.
2. Entire property encumbered by a non-exclusive drainage easement to Arada's Fremont Developers Series No. 00-111099. Said easement to be quitclaimed upon installation of and acceptance by the City of Fremont of permanent drainage facilities.



MACKAY & SOMPS