

C A T E L L U S



October 23, 1991

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

Dear Don:

This letter will confirm the basic business terms under which Catellus is prepared to facilitate your location at the Fremont Auto Mall. We would propose a long-term ground lease with an interim term option to purchase. While Catellus would prefer an unsubordinated position, we recognize that subordination may be necessary in order for you to obtain third party financing for your improvements. Therefore, Catellus will provide a subordinated position under the following conditions:

- A. Lot Area: Lot 7, roughly 3.5 acres.
- B. Annual Rent Payments: \$1.145 per square foot of land area. Annual rent payments to be increased every five (5) years based upon the cumulative change in the C.P.I. for the San Francisco Bay Area. Rent would commence roughly upon completion of your facility.
- C. Site & Building Approval: Catellus reserves the right to review and approve site and building design in order to insure optimum potential for secondary use, if necessary.
- D. Interim Purchase Price: \$8.80 per square foot, escalating 4% annually beginning in the third year of the lease. The purchase option would have a length of five (5) years.
- E. Contingencies: The terms above are contingent upon 1) approval of Catellus' mixed-use Pacific Greens project, 2) your sound financial position at the time of lease execution and/or proper credit enhancement if necessary, and 3) adequate third party financing to provide for the completion of your facility under terms consistent with standard real estate lending practices.

CATELLUS DEVELOPMENT CORPORATION

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

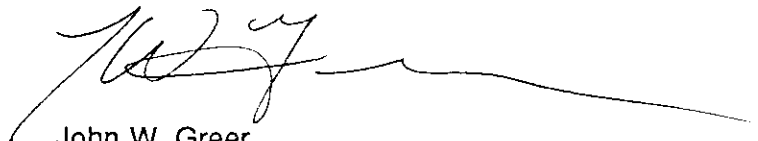
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F. Non-binding Proposal:

This proposal reflects our current understanding of the discussions we have had regarding the proposed transaction. We expect that any lease we may negotiate will be generally consistent with this proposal. This proposal does not constitute an offer or create any legal rights or obligations between Tenant and Catellus Development Corporation. All legal rights and obligations between us will come into existence if, and only if, a definitive agreement setting forth such legal rights and obligations is signed and delivered by both parties. Please be advised that all prospective lease transactions are subject to approval by senior management within ten (10) days of execution.

Don, I hope that I have answered all of your particular concerns. If you have any questions, please do not hesitate to call me directly.

Sincerely,

A handwritten signature in black ink, appearing to read 'John W. Greer', with a long horizontal line extending to the right.

John W. Greer
Director of Development

JWG/mlb
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cc: Mark Crutcher