

C A T E L L U S



February 21, 1992

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

Dear Don:

Pursuant to our discussions earlier this week, I have prepared an outline of a build-to-suit transaction for your dealership facility in the Fremont Auto Mall. The relevant business parameters are as follows:

Facility: A 26,000 square foot building situated on 3.5 acres of land. Actual design and layout will conform to your specific requirements.

Lease Term: Twenty (20) years to commence upon completion in approximately November 1993.

Monthly Rent Schedule: Initial five (5) years - \$28,600 per month. Rent will be adjusted every five (5) years thereafter according to the cumulative change in the CPI for the San Francisco-Oakland area.

Expenses Structure: Triple net. Tenant to be responsible for all expenses, including real estate taxes, insurance, repairs and maintenance.

Cost Allowance:	Hard Construction Cost	-	\$1,248,000
	Soft Costs	-	\$ 534,000

Soft costs include architectural and engineering fees, legal and title charges, governmental permit and utility fees, financing fees and interest charges, and other miscellaneous costs.

Purchase Option: The facility may be purchased outright after five (5) years at a fixed price of \$2,950,000. In the event that this option is not exercised, a second opportunity will be provided after ten (10) years at fair market value.

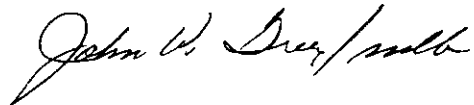
CATELLUS DEVELOPMENT CORPORATION

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Don, as I indicated in our conversation, this concept has not been approved by my bosses yet. This letter is meant to give you the outline of what this type of deal would look like. If you have any questions, please feel free to call me directly.

Sincerely,

A handwritten signature in cursive script, appearing to read "John W. Greer/mlb".

John W. Greer
Director of Development

JWG/mlb
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