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June 30 1988

DiGiulio Pontiac GMC, Inc.  
Attention: RICH DIGIULIO  
4411 Peralta Boulevard  
Fremont, California 94536

Claridges Limited  
Attention: TOM CLARIDGE  
4300 Peralta Boulevard  
Fremont, California 94536

Tasha, Inc.  
Attention: HANK TORIAN  
4074 Eggers Drive, Suite G  
Fremont, California 94536

Fremont Mazda  
Attention: FRANK MEADS  
4450 Peralta Boulevard  
Fremont, California 94536

Moran Properties  
Attention: JIM MORAN  
4343 Peralta Boulevard  
Fremont, California 94536

Pierotti Motors, Inc.  
Attention: Henry Pierotti  
35018 Fremont Boulevard  
Fremont, California 94536

Don Signer Buick, Inc.  
Attention: DON SIGNER  
38623 Fremont Boulevard  
Fremont, California 94536

Fremont Lincoln-Mercury  
Attention: MARK HAMILTON  
36761 Fremont Boulevard  
Fremont, California 94536

Fremont Ford  
Attention: DEE BARNES  
3909 Thornton Avenue  
Fremont, California 94536

PERSONAL & CONFIDENTIAL

RE: Auto Mall/Santa Fe

Gentlemen:

For the past two weeks, I have been talking with the City and Santa Fe on almost a daily basis. As of Tuesday of this week, I was advised by both the City and Santa Fe that they have essentially come to an agreement which will permit Santa Fe to develop residential housing on their property. Obviously, the Auto Mall is an essential ingredient in that agreement.

As you know, if the residential is approved, the cost of the property is \$5.50 a square foot. I have talked with Kent McClain, Fremont City Manager, and he has agreed that upon my return from vacation on July 18th, he and I will sit down and begin discussions concerning what type of financial assistance the City will provide to the Auto Mall. At the present time, it would appear

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that the City is inclined toward discussing the use of redevelopment funds for the installation of infrastructure. If the cost of infrastructure can be deducted from the \$5.50 per foot price and paid for by redevelopment funds there would be a substantial financial benefit to the dealers.

I have discussed these matters with Don Signer and Hank Torian but was unable to call each of you because of the press of business. If you have any questions, you might call Don or Hank and talk with them. I return from vacation on July 18th and intend to schedule meetings with the City and Santa Fe upon my return.

It is important that you keep the contents of this letter confidential. If you have any questions, I'd be happy to discuss them with you upon my return.

Sincerely,

McKEEHAN, BERNARD & WOOD

A handwritten signature in black ink, appearing to read 'J. McKeehan', written over a horizontal line.

By  
JAMES W. McKEEHAN

JWM/ymf