

PONTIAC



Zone Office

December 5, 1988

Mr. Rich DiGiulio  
DiGiulio Pontiac-GMC, Inc.  
4411 Peralta Blvd.  
Fremont, Ca. 94536

Dear Rich:

You have previously written advising us of your plan to relocate your dealership facility from 4411 Peralta Boulevard, Fremont, California, to the proposed auto mall located in South Fremont on the Southwest corner of Durham Road and Christy Street. You have also requested approval by Pontiac of this relocation.

Pontiac Division and General Motors Corporation have been in the process of analyzing market factors in the San Francisco Section II Area of Primary Responsibility. This study was conducted by Divisional and Corporate personnel and includes thorough reviews of trends and changes in demographic and economic conditions, as well as analysis of automotive registrations and planning potentials for the total marketing area and each dealer location. Initially, it has been determined that additional Pontiac dealer representation is appropriate in the San Francisco MDA.

After reviewing current and projected data, as well as the market representation Pontiac feels it needs to adequately serve its customers in the East Bay Area, we do not feel it is in the best interest of you, Pontiac, or Pontiac customers to relocate to the above-stated location. Our mutual goal is to properly serve our retail consumers and we feel your present location satisfies that mission.

In the event other dealerships in the Fremont area relocate to the South Fremont area, it would probably be in the best interest of you and Pontiac to do the same. However such a relocation and the necessary investment could only be made with the full understanding and acknowledgment that it is likely that Pontiac may decide, at some point in the future, to establish representation in Milpitas, and/or other areas north of Fremont. Because this additional representation appears to be important to Pontiac's marketing plans for the San Francisco, Section II area, we will request, in connection with any future relocation, that you execute a letter acknowledging Pontiac's intentions in Milpitas and confirming that you understand those plans and have

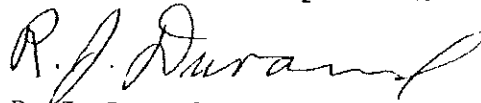
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taken them into account in your relocation plans and investment decisions. If you believe that additional representation in Milpitas would impact your relocation plans, you should factor this possibility into any future requests for relocation approval.

Should you have any questions, please feel free to call me.

Yours very truly,

PONTIAC DIVISION  
General Motors Corporation



R. J. Durand  
Zone Manager

RJD:ee

cc: Mr. W. R. Stark, GMC Truck  
Mr. Guy Finello