

JAMES W. McKEEHAN
Attorney

6612 Owens Drive
Pleasanton, CA 94588
(415) 463-1122

August 24, 1990

Tasha Incorporated
Attention: HANK TORIAN
4074 Eggers Drive, #G
Fremont, California 94536

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

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

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

Attention: DON SIGNER
38623 Fremont Boulevard
Fremont, California 94536

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

Gentlemen:

This will confirm the understandings that we reached at our meeting of August 23, 1990.

1. It was agreed that the Partnership would execute the contract with Guardian Builders. As a result of that agreement the contract has been executed by all the partners and I will deliver the executed copy to Guardian.
2. It was agreed that if Don Signer could not close escrow on August 31, 1990, that he would be extended the following option:
 - a. He would negotiate with Santa Fe an option agreement which would allow him to purchase the property at a later date.
 - b. On or before August 31, 1990, he would pay to the partnership the sum of \$46,786.00 which would cover his share of Parcel A, the City's fees, the design reimbursement and engineering costs that are shown on the accounting spread sheet I had previously provided to you.

August 24, 1990

Page 2

- c. He would not pay his prorata share due to Guardian (\$55,588.00). This amount would be deferred for as long as feasible. At such time as he closed escrow he would be obligated to pay the deferred amount plus interest at 12%. Obviously if he does not pay this deferred amount then at some point those who did acquire their properties and stayed in the partnership will have to pay their prorata share of his obligation.
 - d. If Don does not exercise the option and acquire the lot within the time frame permitted by the option he receives from Santa Fe, then he will not be entitled to any refund of moneys paid to the Partnership. Also, the Partnership will be entitled to purchase his interest in the partnership for the sum of One Dollar (\$1.00).
3. It was also agreed that Mark Hamilton would be extended the same conditions as have been extended to Don Signer, if Mark elects to go with an option instead of closing escrow.
 4. It was further agreed that if Mark Hamilton wanted to close escrow by changing lots and taking Don Signers lot, that the Partnership would have no opposition. This would then leave Don in the position of optioning Marks lot or one of the remaining lots.

You are all advised that you will be required to attend a signing on Wednesday, August 29, 1990 at 9:00 a.m. at the City Office Building on Liberty Street, the Centerville conference room. It will be necessary for you and your wives to be present at that time. Excepting for Don Signer and possibly Mark Hamilton if he takes an option, all other parties will be obligated to fund their prorata share of the Guardian Builder costs and all other costs that are in the spreadsheet that I have given you at the close of escrow. This means your money will have to be on deposit with the Title Company by Thursday, August 30, 1990.

So that the records reflect that what I have outlined above is what in fact has been agreed to by all of the partners, I would ask that you indicate your approval by executing below and then fax back to me at (415) 463-0832 an executed copy of this letter before 5:00 p.m. Monday, August 27, 1990. If you have any questions, please give me a call.

Sincerely,



James W. McKeehan

/jmm

August 24, 1990
Page 3

The above accurately reflects or understandings.

PARTNERS:

HENRY KHACHATURIAN

By: _____

MARK HAMILTON

By: _____

HANK PIEROTTI

By: _____

FRANK MEADS

By: _____

DON SIGNER

By: _____

TOM CLARIDGE

By: _____

KARL I. HAAS

By: _____

FREMONT AUTO MALL/LOT PURCHASES

LOT	GROSS ACREAGE	GROSS SQ. FT.	FRANCHISE/USE	BUYER/PARTIES	AUGUST '90 PURCHASE PRICE @ \$7.41 psf
1	5.500	239,585	Lincoln Mercury, Jeep Eagle	Mark Hamilton, Mary Hamilton	1,775,324.85
2	4.500	196,020	Buick, Cadillac, Saab, Subaru	Don Signer	1,452,508.20
3	3.646	158,810	Mazda	Frank Meads	1,176,782.10
4	5.020	218,680	Mitsubishi	Mitsubishi	1,620,418.80
5	3.097	134,910	Dodge	Chrysler Realty Corporation	999,683.10
6	6.298	274,325	---	N/A	
7	3.781	164,715	Toyota	Henry & Rita Khachaturian	1,220,538.15
8	3.127	136,220	Toyota	Henry & Rita Khachaturian	1,009,390.20
9	2.406	104,790	Lexus	Henry & Rita Khachaturian	776,493.90
10	2.310	100,625	Chrysler Plymouth	Henry & Rita Khachaturian	745,631.25
11	3.035	132,225	Acura	Henry & Rita Khachaturian	979,787.25
12	4.097	178,485	Honda	Henry & Rita Khachaturian	1,322,573.85
13	4.000	174,245	Mercedes, BMW, Porsche, Rolls	Thomas & Janice Claridge	1,291,155.45
14	11.500	500,940	Nissan, Hyundai, Volvo, Suzuki	Henry Pierotti, Karl I. Haas	3,711,965.40
A	.651	28,375	Gas Station	Fremont Auto Mart Partnership, a California general partnership	210,258.75
B	.000	-0-	Private internal street (included in gross area of lots 1-15)	Fremont Auto Mart Association, a California Non-profit corporation	-0-
					\$18,292,511.25
TOTAL:	48.553	(under contract on June 8, 1990)			
	3.097	(not yet under contract - Dodge - Lot 5)			
	<u>+5.020</u>	(not yet under contract - Mitsubishi - Lot 4)			
	56.670	(in LID)			
	<u>-.651</u>	Parcel A			
	56.019	(Acreage for subsidy note spread)			