

Recorded By and For the Benefit of,
And When Recorded Return to:

CITY OF LEMOORE
119 Fox Street
Lemoore, California 93245
ATTN: Nanci C.O. Lima, City Clerk

(Space Above for Recorder's Use)

DOCUMENTARY TRANSFER TAX: EXEMPT PURSUANT
TO REV. & TAX. CODE SECTION 11922

**AGREEMENT OF COVENANTS RUNNING WITH THE LAND
(416 N. LEMOORE AVENUE)**

Gary V. Burrows, Inc. ("Owner"), the City of Lemoore ("City" or "Lemoore") and the Lemoore Redevelopment Agency ("Agency") (collectively, the "Parties") enter into this Agreement of Covenants Running with the Land ("Agreement") effective as of May 3, 2011 (the "Effective Date").

RECITALS

WHEREAS, Owner, and Burrows and Castadio, Inc. (collectively, the "Burrows Corporations"), the City and the Agency have entered into a series of agreements to facilitate the relocation of the Burrows Corporations' petroleum products business ("business") from central Lemoore, including 416 N. Lemoore Avenue (the "Property"), to a more suitable location compatible with industrial uses outside of the central area of the City and to allow the expansion of the business of the Burrows Corporations through the combined use of 1200 S. 19th Avenue (the "card lock") and 1280 S. 19th Avenue purchased from the Agency at fair market value; and

WHEREAS, the Owner intends to retain ownership of the Property after relocation and expansion of the business of the Burrows Corporations; and

WHEREAS, the relocation of the business of the Burrows Corporations conducted at the Property will be completed and business operations of the Burrows Corporations will cease at the Property by no later than December 31, 2013.

TERMS, CONDITIONS & COVENANTS

NOW, THEREFORE, the Parties agree as follows:

1. Affirmative Covenants. The Owner covenants and affirms that it shall, by no later than December 31, 2013, except as to section h:
 - a. Cease its business operations at the Property.
 - b. Remove all tanks, plumbing and related fueling equipment from the Property.
 - c. Remove all structures except for the warehouse and fencing at the Property.
 - d. Store only nonhazardous materials in the warehouse at the Property.
 - e. Remove any vehicles and/or equipment from the Property.
 - f. Cease any storage and transportation of oil, grease and other petroleum products and any other hazardous materials at the Property.
 - g. Maintain the Property free of weeds, debris or litter, until developed as described in subsection h.
 - h. Develop the Property to a different and higher use, in compliance with the City's general plan and all other applicable local, state and federal laws at the time of development. The Owner shall have up to May 3, 2021 to submit planning documents to the City and to pursue with due diligence to complete the development of the Property to a different and higher use consistent with the City's planning and development requirements.
2. Restrictive Covenant. The Owner covenants and affirms that it shall not after December 31, 2013:
 - a. Use the Property for any petroleum products business or any similar or other business operations on the Property involving the storage, processing, handling, or transportation from the Property, of hazardous materials as defined under state and federal law.
3. Covenants to Run with the Land. The covenants described in sections 1 and 2 shall be deemed and construed as covenants running with the land. The term land shall mean the Property which bears a legal description attached herewith and incorporated herein by this reference as Exhibit A.
4. Condition Precedent to Recordation. The City or the Agency may record the Agreement and the Agreement shall be enforceable upon recordation on condition that the Loan Agreement for Property Acquisition (1600 Enterprise Drive, City of Lemoore) is

executed between the Owner, City and Agency and the property at 1280 S. 19th Avenue is transferred to Burrows & Castadio, Inc. pursuant to the Disposition and Development Agreement Joint Escrow Instructions and Covenants Running with the Land. Recordation of the Agreement shall be deemed satisfaction of this condition precedent.

5. Counterparts; Copies of Notarized Recorded Agreement. This Agreement may be executed in counterparts, each of which when executed and delivered will be deemed an original, and all of which together will constitute one instrument. Copies of the recorded Agreement shall have the same force and effect as the original of the recorded Agreement with original notarized signatures.
6. Binding Effect. This Agreement is binding on the heirs, successors and assigns of the Owner and shall accrue to the benefit of the City and the Agency and its successors and assigns.

Dated: _____, 2011

OWNER
GARY V. BURROWS, INC.

By: Brian Castadio
Its: President

Dated: _____, 2011

THE CITY OF LEMOORE

By: Jeff Briltz
Its: City Manager

Dated: _____, 2011

REDEVELOPMENT AGENCY OF
THE CITY OF LEMOORE

By: Jeff Briltz
Its: Executive Director

[ATTACH NOTARY ACKNOWLEDGMENTS]

EXHIBIT A

Legal Description

All that portion of Block 4 of Docker Tract, In the City of Lemoore, County of Kings, as per map recorded in In Book 1 at Page 43 and described as follows:

BEGINNING at the point of intersection of the East line of Lemoore Avenue with the Southerly line of the right of way of the Southern Pacific Railroad; thence North 79° 03' East along said Southerly right of way 252.91 feet; thence South 148.02 feet; thence North 89° 58' West 247.51 feet to a point in the East line of Lemoore Avenue; thence North along said East line of Lemoore Avenue, 100 feet to the point of beginning.

EXCEPTING therefrom all oil, gas and other hydrocarbons, geothermal resources, and all other minerals as previously reserved of record.

APN: 020-031-022-000