



KAHN, SOARES & CONWAY, LLP
ATTORNEYS AT LAW

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July 17, 2013

Via US Mail and Fax (559) 924-9003

Jeff Laws, Acting City Manager
City of Lemoore
119 Fox Street
Lemoore, CA 93245

Re: Gary V. Burrow, Inc. and related entities

Dear Mr. Laws:

This letter will serve as a follow up to the conversation we had on July 16, 2013. At that time I advised that my client, Gary V. Burrows, Inc. ("Burrows") would respectfully request the City agree to subordinate the First Deed of Trust they currently hold on the Burrows' business property with a street address of 1600 Enterprise Drive, Lemoore, California.

As you are aware, the City and its former Redevelopment Agency has a Deed of Trust in its favor encumbering the property in the amount of \$1.2 million. Burrows is requesting the City agree to subordinate this Deed of Trust with the understanding Burrows could borrow up to \$1 million and have the same secured by a deed of trust in front of the City's current position.

As discussed, it is Burrows intention to utilize these monies to primarily expand its business base and, concomitantly, generate additional tax revenue for the City of Lemoore. Assuming the City consents to this request, Burrows will agree that it will report to the California State Board of Equalization a minimum of 90% of the local sales tax revenue created by Burrows' as being derived from their operations in the City of Lemoore, irrespective as to how large that amount actually is. This obligation will continue through July 1, 2036 which, of course, is the time frame identified in the original loan agreement between Burrows and the City of Lemoore.

You graciously agreed to place this matter on the council's agenda for August 6, 2013. Mr. Castadio and I will both appear at that time to answer any questions you or the council may have.

Jeff Laws, Acting City Manager
City of Lemoore
July 17, 2013
Page 2

I do wish to thank you and the City Council for their consideration of this request.

Very truly yours,

KAHN, SOARES & CONWAY, LLP

Richard C. Conway, Esq.

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Cc: Brian Castadio
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