AMENDMENT TO LOAN AGREEMENT
FOR PROPERTY ACQUISITION
(1600 Enterprise Drive, City of Lemoore)

This Amendment to Loan Agreement ("Amendment") is entered into effective this _____ day of _____, 2013 ("Effective Date") by and between the City of Lemoore ("City"), the Successor Agency to the Redevelopment Agency of the City of Lemoore ("Agency") and Gary V. Burrows, Inc. ("Burrows") (collectively, the "Parties") to amend that certain Loan Agreement between the Parties dated May 3, 2011 (the "Agreement").

RECITALS

WHEREAS, Burrows has requested that the City and Agency subordinate the original loan which is described in the Agreement in order for Burrows to obtain new financing which would allow Burrows to expand its existing business operations; and

WHEREAS, said business expansion will result in increased sales tax revenue generated in the City over and above the Annual Sales Tax Revenue estimates set forth in Exhibit B to the Agreement.

AGREEMENT

NOW, THEREFORE, the Parties agree as follows:

1. Amendment. Section 6 of the Agreement is amended and restated in its entirety, as follows:

> "6. Consideration for the Loan. In consideration for the loan and other consideration accruing to the Burrows Corporations under the Agreements, the Burrows Corporations (and their successors in interest) agree , for a period of 25 years commencing on the close of escrow for the purchase agreement or on July 1, 2012, whichever is earlier, and ending on July 1, 2036, agree not to relocate their respective businesses, as currently conducted in the City, to a location outside of the City, and further agree that the Burrows Corporations will report to the California State Board of Equalization a minimum of 90% of the local sales tax revenue created by the Burrows Corporations operations during said time frame as being derived from their operations in the City of Lemoore. The remaining local sales tax revenue, not to exceed 10%, may be generated by sales and reported to the California State Board of Equalization outside of the City due to sales by the Burrows Corporations to its clients outside of the City. All sales taxes shall be delivered to the California State Board of Equalization as required by law. If the Burrows Corporations desire to expand their customer base

resulting in less than the minimum of 90% of the sales tax revenue being derived in the City, such expansion could reduce the sales tax revenue anticipated to accrue to the City over the 25 year period of the Agreement as set forth on Exhibit B to the Agreement. Accordingly, if the Burrows Corporations, through their individual or collective operations, decide to expand their operations resulting in less than 90% of sales tax revenue being generated in the City, Burrows agrees to pay to the City the greater of (i) 90% of the actual annual sales tax revenue generated by the Burrows Corporations, or (ii) the anticipated sum for the applicable agreement year as described in the column entitled "Annual Sales Tax Revenue" set forth in Exhibit B, less any sales tax revenue paid which is attributable to the City for that agreement year. The amounts listed under "Annual Sales Tax Revenue" set forth in Exhibit B are intended as estimates and not limitations on the amounts receivable by the City."

2. All Other Terms Remain in Effect. Except as expressly set forth herein, all other terms of the Agreement shall remain unchanged and in full force and effect, including all terms defined in the Agreement unless otherwise defined in this Amendment, and the Agreement shall be interpreted so as to give full force and effect to this Amendment.

3. Counterparts. This Amendment may be executed in counterparts and a facsimile signature shall be sufficient to bind each of the Parties, subject to the terms set forth herein.

IN WITNESS WHEREOF, the have executed this First Amendment as of the date set forth above.

CITY OF LEMOORE

By: _____
Jeff Laws, Acting City Manager

ATTEST:

_____
City Clerk

LEMOORE SUCCESSOR AGENCY

By: _____
Jeff Laws, Acting City Manager

_____
City Clerk

GARY V. BURROWS, INC.

By: _____
Brian Castadio, President

BURROWS & CASTADIO, INC.

By: _____
Brian Castadio, President

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