

LEMOORE
CALIFORNIA

OVERSIGHT BOARD FOR
SUCCESSOR AGENCY TO
THE FORMER LEMOORE
REDEVELOPMENT
AGENCY
COUNCIL CHAMBER
429 "C" STREET
January 23, 2014

AGENDA

REGULAR MEETING 9:00 a.m.

Please silence all electronic devices as a courtesy to those in attendance. Thank you.

1. Call to Order: A. Pledge of Allegiance B. Roll Call
2. Public Comment

Public Comment may be addressed to the Special Meeting Items listed below. In order to allow time for all public comments, each individual's comments are limited to five minutes. When addressing the Council, you are requested to come forward to the speaker's microphone, state your name and address, and then proceed with your presentation.

3. Approval – Minutes – Regular Meeting – September 26, 2013
4. Approval – Minutes – Special Meeting – December 4, 2013
5. Report and Recommendation – Amendment to Agreements between Gary V. Burrows, Inc., Burrows & Castadio, Inc., the City of Lemoore, and the Lemoore Successor Agency to the Lemoore Redevelopment Agency – Extension of Time for Relocation of Operations and Infrastructure from 416 N. Lemoore Avenue to Lemoore Industrial Park – Approval of Resolution 2014-01, Resolution 2014-02, Resolution 2014-03
6. Adjournment

Notice of ADA Compliance: If you or anyone in your party needs reasonable accommodation to attend, or participate in, any Oversight Board Meeting, please make arrangements by contacting City Hall at least 24 hours prior to the meeting by calling 924-6700, or by mail at 119 Fox Street, Lemoore, California 93245.

Any writings or documents provided to a majority of the Oversight Board regarding any item on this agenda will be made available for public inspection at the City Clerk's Counter at City Hall located at 119 Fox Street, Lemoore, CA during normal business hours. In addition, most documents will be posted on the City's website at www.lemoore.com.

CERTIFICATION OF POSTING

I, Mary J. Venegas, Board Clerk for the Oversight Board, do hereby declare that the foregoing agenda for the Oversight Board special meeting of January 23, 2014 was posted on the outside bulletin board located at City Hall, 119 Fox Street in accordance with applicable legal requirements on the 17th day of January 2014.

Mary J. Venegas, Board Clerk

WELCOME TO YOUR OVERSIGHT BOARD OF THE SUCCESSOR AGENCY MEETING

Whether you are attending this meeting because of general interest, or because a particular item of special interest is to be reviewed, your presence is an important means of helping to insure an informed public and responsible City Government.

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY

The purpose of the Oversight Board of the Successor Agency is to supervise and review the activities of the Successor Agency in administering the dissolution and wind down of the City of Lemoore's Redevelopment Agency. The Oversight Board has a fiduciary responsibility to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues.

CONDUCT AT PUBLIC MEETINGS

Your courtesy is requested to help our meeting run smoothly. If you'll be kind enough to follow these simple rules, we can make the best possible use of time. Please silence all electronic devices. Please refrain from public displays or outbursts such as unsolicited applause, comments, cheering, foul language, or obscenities. Any disruptive activities that substantially interfere with the ability of the Board to carry out its meeting or prevents/disrupts others from fully participating in the meeting will not be permitted and offenders will be requested to leave the meeting pursuant to Government Code § 54957.9.

PUBLIC COMMENTS

At an Oversight Board meeting, those who wish to be heard on matters on the agenda should indicate their desire to speak when the item is ready for discussion. If you wish to comment on an item which is not on the agenda, you may do so under "Public Comments". In order to allow time for all public comments, each individual's comments are limited to five minutes. Time shall not be shared/loaned from speaker to speaker. If you wish to request time on an upcoming Board Agenda to present a particular item or matter to the Board, you may contact the City Manager at any time before 12:00 noon on the Thursday immediately preceding the Board meeting to so request. If the matter is within the Board's jurisdiction, and the Board has not taken action or considered the item at a recent meeting, the City Manager may place the item on the Agenda. When addressing the Board, you are requested to come forward to the speaker's microphone, state your name and address, and then proceed with your presentation.

Minutes of the Regular Meeting of the
OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY
TO THE LEMOORE REDEVELOPMENT AGENCY
September 26, 2013

ATTENDANCE: Chair Murray; Vice Chair Verboon; Members Corl, Holwell, Rodarmel, Stoppenbrink; Acting City Manager Laws; City Avedisian; Finance Director Silva; Board Clerk Austin

ABSENT: Cavanagh

MEETING CALLED TO ORDER:

At 9:00 a.m. the meeting was called to order.

PUBLIC COMMENT:

There was no comment.

APPROVAL – Minutes – Special Meeting – May 9, 2013:

It was moved by Board Member Stoppenbrink, seconded by Vice Chair Verboon and carried that the Board approve the Minutes of May 9, 2013 as corrected.

Ayes: Stoppenbrink, Verboon, Corl, Holwell, Rodarmel

Absent: Cavanagh

APPROVAL – Amendment to Loan Agreement and Subordination of Deed of Trust – Gary V. Burrows, Inc. – 1600 Enterprise Drive, Lemoore – Resolution 2013-07:

It was moved by Vice Chair Verboon, seconded by Board Member Stoppenbrink and carried that the Board approve Resolution No. 2013-07 approving the Amendment to Loan Agreement and Subordination to Deed of Trust.

Ayes: Verboon, Stoppenbrink, Corl, Holwell, Rodarmel

Absent: Cavanagh

APPROVAL – Recognized Obligation Payment Schedule for January 1, 2014 through June 30, 2014 (ROPS 13-14B) – Resolution 2013-08:

It was moved by Vice Chair Verboon, seconded by Board Member Rodarmel and carried that the Board approve Resolution No. 2013-08 approving the Recognized Obligation Payment Schedule for the period January to June 2014 (ROPS 13-14B) as presented and direct the Successor Agency staff to submit it to the Department of Finance by October 1, 2013.

Ayes: Verboon, Rodarmel, Corl, Holwell, Stoppenbrink

Absent: Cavanagh

UPDATE – Finding of Completion – Approved June 7, 2013:

Project Manager Holwell reported that this item was for information only.

UPDATE – Transfer of Government Purpose Properties – Approved August 22, 2013:
Project Manager Holwell reported that this item was for information only.

APPROVAL – Long Range Property Management Plan (LRPMP) – Resolution 2013-09:
It was moved by Vice Chair Verboon, seconded by Board Member Stoppenbrink and carried that the Board approve Resolution No. 2013-09 approving the Long Range Property Management Plan and direct staff to present it to the State of California Department of Finance for approval.

Ayes: Verboon, Stoppenbrink, Corl, Holwell, Rodarmel
Absent: Cavanagh

ADJOURNMENT: At 9:32 a.m. the meeting adjourned.

Full digital audio recording is available.

Approved the 23rd day of January 2014.

John Murray, Chair

Attest:

Mary J. Venegas, City Clerk

Minutes of the Special Meeting of the
OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY
TO THE LEMOORE REDEVELOPMENT AGENCY
December 4, 2013

ATTENDANCE: Chair Murray; Vice Chair Verboon; Board Members Corl and Holwell; Finance Director Silva; Board Clerk Scarbrough

ABSENT: Board Members Cavanagh, Rodarmel and Stoppenbrink

MEETING CALLED TO ORDER:

At 3:00 p.m. the meeting was called to order.

PUBLIC COMMENT:

There was no comment.

REPORT AND RECOMMENDATION – Refunding the Series 1998 and 2003 Bonds:

Finance Director Silva explained the bond refund process and introduced Josh Cooperman of Cooperman and Associates, financial advisor to the City on this matter.

Mr. Cooperman answered questions regarding whether there would be a cost or monetary loss to the City by applying for the refund. There will be no cost.

It was moved by Vice Chairman Verboon, seconded by Board Member Corl, and carried that the Board approve the issuance of refunding the 1998 and 2003 bonds by the Successor Agency.

ADJOURNMENT: At 3:09 p.m. the meeting adjourned.

Full digital audio recording is available.

Approved the 23rd day of January 2014.

Attest:

John Murray, Chair

Mary J. Venegas, City Clerk

Mayor
William Siegel
Mayor Pro Tem
Lois Wynne
Council Members
John Gordon
Eddie Neal
Willard Rodarmel



**Office of the
City Manager**

119 Fox Street
Lemoore ♦ CA 93245
Phone ♦ (559) 924-6704
FAX ♦ (559) 924-9003

Staff Report

ITEM 5

To: Lemoore Oversight Board

From: Judy Holwell, Project Manager 

Date: January 16, 2013

Subject: Resolutions to Amend Agreements between Gary V. Burrows, Inc., Burrows & Castadio, Inc., the City of Lemoore and the Lemoore Successor Agency to the Lemoore Redevelopment Agency Granting Additional Time to Completely Relocate Operations and Infrastructure from 416 N. Lemoore Avenue to the Lemoore Industrial Park

Discussion:

On May 3, 2011, the City of Lemoore (City) and the Lemoore Redevelopment Agency (Agency) approved a loan agreement to Gary V. Burrows, Inc. (Burrows) to purchase property at 1600 Enterprise Drive. Also on that date, the City and the Agency entered into an agreement with Burrows pertaining to covenants running with the land at 416 N. Lemoore Avenue. Additionally on that date, the Agency entered into an agreement to sell approximately 4.61 acres of land at 1280 S. Lemoore Avenue to Burrows & Castadio (B&C). Within the terms of the aforementioned agreements, Burrows and B&C agreed to relocate operations and infrastructure from 416 N. Lemoore Avenue to the Lemoore Industrial Park no later than December 31, 2013. Attached is an email from Mr. Brian Castadio, President of Gary V. Burrows, Inc. and Burrows & Castadio, Inc., indicating that he is awaiting approvals from the California Air Resources Board (CARB) and is requesting a six to twelve-month extension on the relocation project.

Burrows has been diligent in relocating its business operations from 416 N. Lemoore Avenue, however, more time is needed in order to completely vacate the premises. It is recommended that the three agreements listed above, and also attached, be amended to allow an additional six months for the relocation. This item was approved by the Lemoore City Council and the Lemoore Successor Agency to the Lemoore Redevelopment Agency on January 7, 2014. Before this item can be finalized, however, it must be approved by resolution of the Lemoore Oversight Board and then submitted to the State of California Department of Finance for final approval. The resolutions and amendments are attached for your review.

Budget Impact:

None.

Recommendation:

It is recommended that the Lemoore Oversight Board approve by motion, the three actions listed below authorizing a six-month extension of time for the relocation activities at 416 N. Lemoore Avenue to the Lemoore Industrial Park to June 30, 2014.

- 1) Approve by Resolution No. 2014-01 Amendment No. 2 to Loan Agreement for Property Acquisition (1600 Enterprise Drive, City of Lemoore) extending the deadline to vacate 416 N. Lemoore Avenue to June 30, 2014.
- 2) Approve by Resolution No. 2014-02 Amendment No. 1 to Agreement of Covenants Running with the Land (416 N. Lemoore Avenue) extending the deadline to vacate 416 N. Lemoore Avenue to June 30, 2014.
- 3) Approve by Resolution No. 2014-03 Amendment No. 1 to Disposition and Development Agreement Joint Escrow Instructions and Covenants Running with the Land extending the deadline to vacate 416 N. Lemoore Avenue to June 30, 2014.

Janie Venegas

From: Laws, Jeff <Jeff.Laws@LemoorePD.com>
Sent: Friday, December 27, 2013 8:31 AM
To: Judy Holwell
Subject: FW: request/date/estension

Jeff R. Laws
City Manager
City of Lemoore
119 Fox Street
Lemoore, Ca. 93245

From: Brian Castadio [gvburrowsinc@att.net]
Sent: Thursday, December 12, 2013 2:49 PM
To: Laws, Jeff
Subject: request/date/estension

Hey Jeff, was wondering if we here at G.V. Burrows Inc., if it would be possible to extend the period left for vacancy of the 416 property, due to be abandoned by 12/31/2013. We would graciously ask for an extension of 6 months or quite possibly 1 full year, we've ran into a couple of hang-ups, one being the state "CARB" division where approvals are under consideration. To be blunt and short too the point, we need more time. Things are moving ahead, just slower than anticipated.

We will only have 3tanks in operation after the first of the year and hopefully some time in the near future we will be completely finished with the downtown site. Construction is almost complete, other than the electrical and the moving of the last 3 tanks at the downtown yard. Would hope this does not cause much pain, as I know it is of short notice, was wondering if this could be placed on one of your next agenda's. feel free to forward this e-mail to board, if they care to discuss anything , my door is open to answer any questions that might arise. More apt to just be waiting for approval from state "CARB" division.

Thanks,

Brian S. Castadio, pres.

Gary V. Burrows Inc.

RESOLUTION NO. 2014-01

RESOLUTION OF THE LEMOORE OVERSIGHT BOARD FOR THE LEMOORE SUCCESSOR AGENCY TO THE LEMOORE REDEVELOPMENT AGENCY APPROVING AMENDMENT NO. 2 TO THE LOAN AGREEMENT FOR PROPERTY ACQUISITION (1600 ENTERPRISE DRIVE, CITY OF LEMOORE) FOR AN EXTENSION OF TIME TO VACATE 416 N. LEMOORE AVENUE

WHEREAS, On May 3, 2011, the City of Lemoore (“City”), the Successor Agency to the Redevelopment Agency of the City of Lemoore (“Agency”) and Gary V. Burrows, Inc., (“Burrows”) entered into a Loan Agreement for Property Acquisition (1600 Enterprise Drive, City of Lemoore) (“Agreement”) for the purchase of property vacated by Western RV; and

WHEREAS, within the terms of the Agreement, Burrows agreed that by December 31, 2013, all of the Burrows Corporations’ business operations would be completely relocated and operational at their relocated and expanded sites and the following relocation activities would be completed regarding the Burrows site located at 416 N. Lemoore Avenue: (1) removal of all tanks, plumbing and related fueling equipment from the site; (2) removal of all structures except for the warehouse and fencing at the site; (3) storage only of nonhazardous materials in the warehouse at the site; (4) removal of any vehicles and/or equipment from the site; (5) the cessation of any storage and transportation of oil, grease and other petroleum products and any other hazardous materials at the site; and (6) maintaining the site free of weeds, debris or litter, until developed pursuant to covenants running with the land agreed upon by the Parties in a separate agreement recorded on the 416 N. Lemoore Avenue site; and

WHEREAS, Burrows has indicated that it is awaiting approvals from the state “CARB” division; and

WHEREAS, Burrows has requested that the City and the Agency grant a six to twelve-month extension pertaining to items 1 through 5 listed above; and

WHEREAS, on January 7, 2014, the Lemoore City Council, acting as the Successor Agency, unanimously approved a six-month extension of time to vacate the property located at 416 N. Lemoore Avenue, City of Lemoore, to June 30, 2014.

NOW, THEREFORE, THE LEMOORE OVERSIGHT BOARD FOR THE LEMOORE SUCCESSOR AGENCY TO THE LEMOORE REDEVELOPMENT AGENCY DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and incorporated herein by reference; and

SECTION 2. Hereby approves Amendment No. 2 granting the Extension of Time to Vacate 416 N. Lemoore Avenue attached as Exhibit “A”; and

SECTION 3. The Successor Agency and Oversight Board are hereby authorized and directed to transmit a copy of the approved Amendment No. 2 to the State of California Department of Finance and to take all other actions that are necessary to carry out the intent of this resolution.

///

PASSED, APPROVED, AND ADOPTED by the Lemoore Oversight Board for the Lemoore Successor Agency to the Lemoore Redevelopment Agency at a regular meeting this 23rd day of January 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

John F. Murray, Chairperson

ATTEST:

Mary J. Venegas, Board Clerk

CERTIFICATE

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss.
CITY OF LEMOORE)

I, MARY J. VENEGAS, Board Clerk of the Lemoore Oversight Board for the Lemoore Successor Agency to the Lemoore Redevelopment Agency, do hereby certify the forgoing Resolution of the Lemoore Oversight Board for the Lemoore Successor Agency to the Lemoore Redevelopment Agency was duly passed and adopted at a regular meeting of the Lemoore Oversight Board held on January 23, 2014.

DATED: January 23, 2014

Mary J. Venegas, Board Clerk

RESOLUTION NO. 2014-02

RESOLUTION OF THE LEMOORE OVERSIGHT BOARD FOR THE LEMOORE SUCCESSOR AGENCY TO THE LEMOORE REDEVELOPMENT AGENCY APPROVING AMENDMENT NO. 1 TO THE AGREEMENT OF COVENANTS RUNNING WITH THE LAND (416 N. LEMOORE AVENUE) FOR AN EXTENSION OF TIME TO VACATE 416 N. LEMOORE AVENUE

WHEREAS, On May 3, 2011, the City of Lemoore (“City”), the Successor Agency to the Redevelopment Agency of the City of Lemoore (“Agency”), and Gary V. Burrows, Inc., (“Burrows”) entered into an Agreement of Covenants Running with the Land (416 N. Lemoore Avenue) (“Agreement”); and

WHEREAS, Burrows agreed that no later than December 31, 2013, it would perform the following, 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. (Planning documents to be submitted to City by May 3, 2021.); and

WHEREAS, Burrows has indicated that it is awaiting approvals from the state “CARB” division; and

WHEREAS, Burrows has requested that the City and the Agency grant a six to twelve-month extension pertaining to items a through f above; and

WHEREAS, on January 7, 2014, the Lemoore City Council, acting as the Successor Agency, unanimously approved a six-month extension of time to vacate the property located at 416 N. Lemoore Avenue, City of Lemoore, to June 30, 2014.

NOW, THEREFORE, THE LEMOORE OVERSIGHT BOARD FOR THE LEMOORE SUCCESSOR AGENCY TO THE LEMOORE REDEVELOPMENT AGENCY DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and incorporated herein by reference; and

SECTION 2. Hereby approves Amendment No. 1 for the Extension of Time to Vacate 416 N. Lemoore Avenue attached as Exhibit "A"; and

SECTION 3. The Successor Agency and Oversight Board are hereby authorized and directed to transmit a copy of the approved Amendment No. 1 to the State of California Department of Finance and to take all other actions that are necessary to carry out the intent of this resolution.

///

PASSED, APPROVED, AND ADOPTED by the Lemoore Oversight Board for the Lemoore Successor Agency to the Lemoore Redevelopment Agency at a regular meeting this 23rd day of January 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

John F. Murray, Chairperson

ATTEST:

Mary J. Venegas, Board Clerk

CERTIFICATE

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss.
CITY OF LEMOORE)

I, MARY J. VENEGAS, Board Clerk of the Lemoore Oversight Board for the Lemoore Successor Agency to the Lemoore Redevelopment Agency, do hereby certify the forgoing Resolution of the Lemoore Oversight Board for the Lemoore Successor Agency to the Lemoore Redevelopment Agency was duly passed and adopted at a regular meeting of the Lemoore Oversight Board held on January 23, 2014.

DATED: January 23, 2014

Mary J. Venegas, Board Clerk

RESOLUTION NO. 2014-03

RESOLUTION OF THE LEMOORE OVERSIGHT BOARD FOR THE LEMOORE SUCCESSOR AGENCY TO THE LEMOORE REDEVELOPMENT AGENCY APPROVING AMENDMENT NO. 1 TO THE DISPOSITION AND DEVELOPMENT AGREEMENT JOINT ESCROW INSTRUCTIONS AND COVENANTS RUNNING WITH THE LAND FOR EXTENSION OF TIME TO VACATE 416 N. LEMOORE AVENUE

WHEREAS, On May 3, 2011, the Successor Agency to the Lemoore Redevelopment Agency (“Agency”), and Burrows & Castadio, Inc., (“B&C”) entered into an Disposition and Development Agreement Joint Escrow Instructions and Covenants Running with the Land (“Agreement”); and

WHEREAS, THE PROJECT, as described in EXHIBIT B to the Agreement, identifies the specific benefits of the project, including the complete relocation of the Gary V. Burrows, Inc. operation at 416 N. Lemoore Avenue to the Lemoore Industrial Park by December 31, 2013; and

WHEREAS, Burrows has indicated that it is awaiting approvals from the state “CARB” division; and

WHEREAS, Burrows has requested that the Agency grant a six to twelve-month extension for the complete relocation of Gary V. Burrows, Inc. operation from 416 N. Lemoore Avenue to the Lemoore Industrial Park; and

WHEREAS, on January 7, 2014, the Lemoore City Council, acting as the Successor Agency, unanimously approved a six-month extension of time to vacate the property located at 416 N. Lemoore Avenue, City of Lemoore, to June 30, 2014.

NOW, THEREFORE, THE LEMOORE OVERSIGHT BOARD FOR THE LEMOORE SUCCESSOR AGENCY TO THE LEMOORE REDEVELOPMENT AGENCY DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and incorporated herein by reference; and

SECTION 2. Hereby approves Amendment No. 1 for the Extension of Time to Vacate 416 N. Lemoore Avenue attached as Exhibit “A”; and

SECTION 3. The Successor Agency and Oversight Board are hereby authorized and directed to transmit a copy of the approved Amendment No. 1 to the State of California Department of Finance and to take all other actions that are necessary to carry out the intent of this resolution.

///

PASSED, APPROVED, AND ADOPTED by the Lemoore Oversight Board for the Lemoore Successor Agency to the Lemoore Redevelopment Agency at a regular meeting this 23rd day of January 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

John F. Murray, Chairperson

ATTEST:

Mary J. Venegas, Board Clerk

CERTIFICATE

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss.
CITY OF LEMOORE)

I, MARY J. VENEGAS, Board Clerk of the Lemoore Oversight Board for the Lemoore Successor Agency to the Lemoore Redevelopment Agency, do hereby certify the forgoing Resolution of the Lemoore Oversight Board for the Lemoore Successor Agency to the Lemoore Redevelopment Agency was duly passed and adopted at a regular meeting of the Lemoore Oversight Board held on January 23, 2014.

DATED: January 23, 2014

Mary J. Venegas, Board Clerk

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

City of Lemoore
119 Fox Street
Lemoore, CA 93245

SPACE ABOVE THIS LINE FOR RECORDER'S USE
No recording or filing fee required. This document exempt
from fee pursuant to California Government Code §§ 6103, 27383

**AMENDMENT NO. 1 TO AGREEMENT OF COVENANTS
RUNNING WITH THE LAND (416 N. LEMOORE AVENUE)
FOR EXTENSION OF TIME TO VACATE PROPERTY**

This Amendment No. 1 to Agreement of Covenants Running with the Land (“Amendment”) is entered into as of January 7, 2014 (“Effective Date”), by and between the City of Lemoore (“City”), the Successor Agency to the Lemoore Redevelopment Agency (“Agency”) and Gary V. Burrows, Inc. (“Burrows”) (collectively, the “Parties”) to amend that certain Agreement of Covenants Running with the Land between the Parties dated May 3, 2011 (“Agreement”).

RECITALS

WHEREAS, Burrows agreed that no later than December 31, 2013, it would perform the following, 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. (Planning documents to be submitted to City by May 3, 2021.)

WHEREAS, Burrows has indicated that it is awaiting approvals from the state “CARB” division.

WHEREAS, Burrows has requested that the City and the Agency grant a six to twelve-month extension pertaining to items a through f above.

AGREEMENT

NOW, THEREFORE, the Parties agree as follows:

1. Amendment. The Agreement is amended and restated in its entirety, as follows:

“Section 1. Affirmative Covenants. The Owner covenants and affirms that it shall, by no later than June 30, 2014, 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.

Section 2. Restrictive Covenant. The Owner covenants and affirms that it shall not after June 30, 2014:

- 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.”

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 Parties have executed this Amendment No. 1 as of the date set forth above.

CITY OF LEMOORE

LEMOORE SUCCESSOR AGENCY

By: _____
Jeff Laws, City Manager

By: _____
Jeff Laws, City Manager

ATTEST:

City Clerk

City Clerk

GARY V. BURROWS, INC.

By: _____
Brian Castadio, President

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

City of Lemoore
119 Fox Street
Lemoore, CA 93245

SPACE ABOVE THIS LINE FOR RECORDER'S USE
No recording or filing fee required. This document exempt
from fee pursuant to California Government Code §§ 6103, 27383

**AMENDMENT NO. 1 TO DISPOSITION AND DEVELOPMENT AGREEMENT
JOINT ESCROW INSTRUCTIONS AND COVENANTS RUNNING WITH THE LAND
FOR EXTENSION OF TIME TO VACATE 416 N. LEMOORE AVENUE**

This Amendment No. 1 to Disposition and Development Agreement Joint Escrow Instructions and Covenants Running with the Land (“Amendment”) is entered into as of January 7, 2014 (“Effective Date”), by and between the Successor Agency to the Lemoore Redevelopment Agency (“Agency”) and Burrows & Castadio, Inc. (“B&C”) (collectively, the “Parties”) to amend that certain Disposition and Development Agreement Joint Escrow Instructions and Covenants Running with the Land between the Parties dated May 3, 2011 (“Agreement”).

RECITALS

WHEREAS, THE PROJECT, as described in EXHIBIT B to the Agreement, identifies the specific benefits of the project, including the complete relocation of the Gary V. Burrows, Inc. operation at 416 N. Lemoore Avenue to the Lemoore Industrial Park by December 31, 2013.

WHEREAS, Burrows has indicated that it is awaiting approvals from the state “CARB” division.

WHEREAS, Burrows has requested that the Agency grant a six to twelve-month extension for the complete relocation of Gary V. Burrows, Inc. operation from 416 N. Lemoore Avenue to the Lemoore Industrial Park.

AGREEMENT

NOW, THEREFORE, the Parties agree as follows:

1. Amendment. The Agreement is amended and restated in its entirety, as follows:

“EXHIBIT B. THE PROJECT. Benefit of the Project. The anticipated benefits of the Project to the Lemoore Redevelopment Agency for the sales of two parcels totaling approximately 4.61 acres at 1280 S. 19th Avenue (the “Property”) to Burrows & Castadio, Inc., are described as follows:

1. Complete relocation of Gary V. Burrows, Inc. operation to the Lemoore Industrial Park by June 30, 2014.
2. Elimination of potential life threatening safety hazards that exist at the current Gary V. Burrows, Inc. site at 416 N. Lemoore Avenue by relocating the flammable bulk petroleum products to the Property.
3. Expansion of adjoining cardlock fueling station owned by Burrows & Castadio, Inc.
4. Creation of approximately ten (ten) new employment opportunities in the City of Lemoore.
5. Assessed value of 4.61 acres after completion of proposed development is estimated at \$2,500,000 by year 15 of this Agreement.
6. Generation of approximately 10-15 percent additional sales tax revenue to the City General Fund by the Project and the relocation benefits accruing to the Developer's business.
7. Alleviation of potential traffic hazards associated with fuel trucks crossing four lanes of traffic at current Gary V. Burrows, Inc. site.
8. Elimination of two blighted parcels in the Lemoore Industrial Park.”

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 Parties have executed this Amendment No. 1 as of the date set forth above.

LEMOORE SUCCESSOR AGENCY

By: _____
 Jeff Laws, City Manager

ATTEST:

 City Clerk

BURROWS & CASTADIO, INC.

By: _____
 Brian Castadio, President/Secretary

**AMENDMENT NO. 2 TO LOAN AGREEMENT FOR PROPERTY ACQUISITION
(1600 Enterprise Drive, City of Lemoore)
FOR EXTENSION OF TIME TO VACATE 416 N. LEMOORE AVENUE**

This Amendment No. 2 to Loan Agreement for Property Acquisition (“Amendment”) is entered into as of January 7, 2014 (“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 for Property Acquisition between the Parties dated May 3, 2011 (“Agreement”).

RECITALS

WHEREAS, within the terms of the Agreement, Burrows agreed that by December 31, 2013, all of the Burrows Corporations’ business operations would be completely relocated and operational at their relocated and expanded sites and the following relocation activities would be completed regarding the Burrows site located at 416 N. Lemoore Avenue: (1) removal of all tanks, plumbing and related fueling equipment from the site; (2) removal of all structures except for the warehouse and fencing at the site; (3) storage only of nonhazardous materials in the warehouse at the site; (4) removal of any vehicles and/or equipment from the site; (5) the cessation of any storage and transportation of oil, grease and other petroleum products and any other hazardous materials at the site; and (6) maintaining the site free of weeds, debris or litter, until developed pursuant to covenants running with the land agreed upon by the Parties in a separate agreement recorded on the 416 N. Lemoore Avenue site.

WHEREAS, Burrows has indicated that it is awaiting approvals from the state “CARB” division.

WHEREAS, Burrows has requested that the City and the Agency grant a six to twelve-month extension pertaining to items 1 through 5 listed above.

AGREEMENT

NOW, THEREFORE, the Parties agree as follows:

1. Amendment. The Agreement is amended and restated in its entirety, as follows:

“Section 10. Relocation of Burrows from Central Lemoore Area. Within one year of the close of escrow and transfer of title of the site to Burrows, Burrows will commence relocation of its business operations out of the central Lemoore area where it is currently located at 416 N. Lemoore Avenue and 40 E Street. The portion of business operations relocated to the site shall be consistent with any CC&Rs recorded on the site. The remaining business operations will be relocated to adjacent sites in close proximity to the Western RV site including the properties located at 1200 S. 19th Avenue and 1280 S. 19th Avenue. All of the Burrows Corporations’ business operations shall be completely relocated and operational at their relocated and expanded sites no later than June 30, 2014. Also by June 30, 2014, the following relocation activities shall be completed regarding the Burrows site located at 416 N. Lemoore Avenue: (1) removal of all tanks, plumbing and related fueling equipment from the site; (2) removal of all structures except for the warehouse and fencing at the site; (3) storage

only of nonhazardous materials in the warehouse at the site; (4) removal of any vehicles and/or equipment from the site; (5) the cessation of any storage and transportation of oil, grease and other petroleum products and any other hazardous materials at the site; and (6) maintaining the site free of weeds, debris or litter, until developed pursuant to covenants running with the land agreed upon by the Parties in a separate agreement recorded on the 416 N. Lemoore Avenue site.”

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 Parties have executed this Amendment No. 2 as of the date set forth above.

CITY OF LEMOORE

LEMOORE SUCCESSOR AGENCY

By: _____
Jeff Laws, City Manager

By: _____
Jeff Laws, City Manager

ATTEST:

City Clerk

City Clerk

GARY V. BURROWS, INC.

BURROWS & CASTADIO, INC.

By: _____
Brian Castadio, President

By: _____
Brian Castadio, President

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

~~WE HEREBY CERTIFY~~ THAT THIS IS A FULL,
TRUE AND CORRECT COPY OF THE ORIGINAL
DOCUMENT AS THE SAME APPEARS IN THE
OFFICE OF THE COUNTY RECORDER OF
Kings COUNTY, STATE OF
CALIFORNIA, RECORDED ON 5-1-11
IN BOOK _____ OF OFFICIAL RECORDS
AT PAGE _____ SERIAL NO. 1120618
CHICAGO TITLE
BY [Signature]

(Space Above for Recorder's Use)

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

**DISPOSITION AND DEVELOPMENT AGREEMENT
JOINT ESCROW INSTRUCTIONS
AND COVENANTS RUNNING WITH THE LAND**

The Lemoore Redevelopment Agency, a public body, corporate and politic ("Seller" or "Agency"), and Burrows & Castadio, Inc. ("Buyer", "Developer" or "B&C") (collectively, the "Parties") enter into this Disposition and Development Agreement Joint Escrow Instructions and Covenants Running with the Land ("Agreement") effective as of May 3, 2011 (the "Effective Date").

RECITALS

WHEREAS, Seller owns certain real property within the County of Kings, City of Lemoore, more particularly described on Exhibit "A" (the "Property") bearing a street address of 1280 S. 19th Avenue; and

WHEREAS, Buyer owns a fueling facility ("card lock") located at 1200 S. 19th Avenue which is directly adjacent to the Property; and

WHEREAS, Buyer's purchase of the Property will allow B&C to expand its petroleum products business ("business") through the combined use of the card lock and the Property; and

WHEREAS, Buyer desires to purchase the Property at fair market value for the expanded use and development of B&C's business operations, and Seller is willing to sell the Property to Developer, on the terms and conditions set forth in this Agreement.

TERMS, CONDITIONS & COVENANTS

NOW, THEREFORE, the Parties agree as follows:

1. **Purchase and Sale.** Seller agrees to sell the Property, as is, to Developer, and Developer agrees to purchase the Property from Seller, subject to the terms of this Agreement.
2. **Conditions Precedent.** Escrow closing and Developer's obligation to purchase the Property

are subject to the satisfaction of the conditions precedent described below. Each condition must be satisfied or Developer or Seller, who is the beneficiary of the condition precedent, must waive it in writing within the time provided. If no time is stated, then the condition must be satisfied within a reasonable time. If any condition is not timely satisfied, Developer or Seller may waive the condition, for which it is the beneficiary, and close escrow or it may terminate this Agreement by giving Seller or the Developer, as applicable, and the Title Company (defined below) 10 days written notice. After expiration of the 10 days, this Agreement and any escrow will terminate. In such event, the Title Company, described below, shall return any documents and money (except to the extent the deposit is non-refundable) deposited into escrow to the depositor, after deducting any escrow cancellation fee paid by the Agency, and the Buyer will have no further obligation to Seller.

- 2.1 **Developer's due diligence contingency.** Inasmuch as Buyer is purchasing the Property as is, the Agency grants a period of up to thirty (30) days from the Effective Date (the "Due Diligence Period") the right to the Buyer, or its agents, to conduct due diligence or feasibility studies at the Property. Buyer shall notify Agency upon 24 hours oral or written notice, to enter onto the Property and conduct tests or investigations, if all the following occur; (a) Developer conducts tests or investigations at its sole cost and expense; (b) the tests or investigations do not unreasonably interfere with Seller's possession; and (c) Developer indemnifies and holds Seller harmless from any costs or liability resulting from the tests or investigations and, if the escrow is canceled for a reason that is not the fault of Seller, for any damage to the Property resulting from conducting the tests or investigations. The Due Diligence Period shall be conducted during the escrow and may be shortened or waived by the Buyer in Buyer's discretion.
 - 2.2 **Completion of purchase agreement for improvements before close of escrow.** The Agency and Gary V. Burrows, Inc. ("Burrows") have entered into a separate agreement entitled "Purchase Agreement for Improvements" effective March 25, 2011 relating to 40 E Street. Buyer agrees that escrow as described in this Agreement shall not close until Burrows completes the obligations with regard to 40 E Street. Completion of the obligations with respect to 40 E Street shall be completed by Burrows within 180 days from the Effective Date of this Agreement.
 - 2.3 **Execution of the loan agreement.** The Loan Agreement shall have been executed by the Agency, City of Lemoore, and Burrows.
 - 2.4 **Exclusivity.** Seller agrees that it shall not consider any other potential buyer or use of the Property unless the Agreement is terminated.
3. **Purchase Price.** The total purchase price for the Property shall be \$75,000 ("Purchase Price") which approximates Sixteen Thousand, Two Hundred and Sixty-Nine Dollars (\$16,269) per acre for approximately 4.61 acres, payable in cash in lawful money of the United States of America. The Buyer shall pay the total Purchase Price into escrow, in cash, in time to meet the Title Company's requirements for close of escrow. The Purchase Price is the fair market value of the Property.

4. **Use and Development of the Property; Covenants Running with the Land.** (a) Developer has represented to Seller that the expanded use and development of the Property is for the purposes as described in Exhibit "B" (the "Project") incorporated herein by this reference. Seller has agreed to sell the Property to Developer on the basis of these representations and Developer is hereby obligated to own, operate and develop the Property and the Project in accordance therewith. The Project will be completed in two phases within the time period as set forth in Exhibit "B."

(b) Nothing herein shall relieve Developer of its obligations to (i) apply for such approvals as may be necessary under the Lemoore Municipal Code for said proposed uses of the Property and for the development of the Project, (ii) pay such fees and charges, including but not limited to development impact fees, as are normally charged by the City of Lemoore for such uses and for the development of the Project, and (iii) own, operate and maintain the Property and the Project continuously in a neat, clean, presentable and reasonably odor-free condition and in accordance with all applicable City, County, State and Federal rules, laws and policies. The Parties agree that the provisions, fees, and policies of the City of Lemoore and of the Lemoore Municipal Code, including but not limited to building codes, in effect on the date this Agreement is signed shall be those that shall apply to the Project.

(c) To avoid speculation in connection with the sale of the Property by Seller to Developer and Developer's subsequent use thereof, the parties agree that (i) Buyer shall build and complete the Project pursuant to Exhibit B, and (ii) unless approved in writing by the Seller upon a showing of good cause, the Developer shall not sell or contract to sell the Property until the Project is fully built and complete and a certificate of occupancy therefore has been issued by the City of Lemoore building official. Seller shall not unreasonably withhold or delay approval of a proposed sale of the Property. However, Seller may condition approval on receiving evidence, satisfactory to Seller, that the purchaser is qualified and capable to complete development of the Property as required by this Agreement, and on the purchaser expressly agreeing, in a form acceptable to Seller, to comply with all covenants, conditions and obligations of this Agreement.

(d) The obligations of this section 4, including Exhibit B, shall be covenants or conditions running with the land, the breach of which shall cause the fee title (the Property herein) to revert to the Agency as a right of reverter through a "Power of Termination" pursuant to sections 885.010 through 885.060 of the California Civil Code and shall be exercised and enforced as provided therein.

(e) The duties and rights and obligations of the parties under this paragraph 4 shall survive the close of escrow and shall bind their heirs, successors and assigns.

(f) Developer shall be responsible to build the Project, including all on site and offsite improvements, as may be necessary and convenient, or which may be required during the site plan review process, all at Developer's sole expense.

(g) The Developer shall comply with the California Environmental Quality Act ("CEQA") and all laws and regulations pertaining to the storage and use of hazardous

materials, including required permits, as defined under state and federal law. The Parties acknowledge that the Project meets the requirements of an in-fill development pursuant to section 15332 of the CEQA Guidelines.

5. **Seller's Warranties.** Seller represents and warrants that: (a) except for any easements of record as disclosed by a preliminary title report for the Property as a matter of public record, Seller owns the Property, free and clear of all liens, licenses, claims, encumbrances, easements, encroachments on the Property from adjacent properties, encroachments from the Property onto adjacent properties, and any rights of way, other than those disclosed by the public record; (b) Seller has no knowledge of any pending litigation involving the Property, (c) Seller has no knowledge of any violations of, or notices concerning defects or noncompliance with, any code, statute, regulation, ordinance, judicial order, or judicial holding concerning the Property; and (d) Seller has no knowledge of any person in lawful possession of the Property except the Agency. Seller makes no other warranties pertaining to the Property except those listed in this paragraph 5.
6. **Opening Escrow.** Within ten (10) business days after the Effective Date of this Agreement (defined above), the Parties will deposit this Agreement in escrow with Chicago Title Company ("Title Company"), 1460 West 7th Street, Hanford, CA 93230, Attn: Claudia Cornwall, Escrow Officer, phone (559) 584-3381, fax (559) 584-2978, Escrow No. 41006019-CCC (the "Escrow"). Deposit of this Agreement into escrow shall be deemed the opening date of escrow.
 - 6.1 **Agreement as joint escrow instructions.** This Agreement, when signed by both Parties and deposited with the Title Company will serve as the joint escrow instructions of the Parties. Developer and Seller agree to sign any other form instructions required by the Title Company to complete this transaction and close escrow.
 - 6.2 **Deposits into escrow.** Developer and Seller will deposit all instruments, documents, money, and other items with the Title Company that are (i) identified in this Agreement or (ii) required by the Title Company to effect the Closing on the date specified below. Seller will deposit a recordable grant deed after the Effective Date and before the closing. The grant deed will contain those covenants, conditions and restrictions required by the California Redevelopment Law.
 - 6.3 **Title.** Seller will convey title of the Property to Developer pursuant to the warranties in section 5. The Escrow Officer, through the Title Officer of the Title Company, shall issue a pro forma CLTA policy of title for review by the Parties. Based on a preliminary title report effective April 6, 2011 issued by Chicago Title Company (Title No. 11-41006019-JAH), Seller agrees that printed exceptions 8 and 9 relating to a purchase agreement between the City of Lemoore and Richard Gress and Carolyn Gress, may be removed as title exceptions. The City Manager, or his authorized designee, shall have the authority to execute any and all documents necessary so that these exceptions are not shown on the Policy of Title Insurance

issued to Buyer.

- 6.4 **Title and closing costs.** Seller will pay any costs of clearing and conveying title in the condition described in Section 6.3, above. Seller will pay the costs of a CLTA owner's title policy insuring Developer's title in the condition described in Section 6.3. Seller and Buyer will each pay one-half the escrow fees, and the costs to record the grant deed including all notary fees, transfer taxes, and deed preparation. Developer and Seller will pay any other costs according to the custom in Kings County. If Buyer desires an ALTA owner's policy of title, Buyer shall pay any difference between the CLTA and the ALTA policies.
- 6.5 **Closing.** The escrow will be considered closed ("Closing" or "Close" or the "Closing Date") on the date that the Title Company records the grant deed. Subject to the condition described in section 2.2 above for the "Closing Date", the escrow will be in condition to close when any conditions to close are satisfied or waived, the Title Company is prepared to issue the title policy described herein, and the Title Company is otherwise able to record the grant deed. If escrow does not close at that time, Seller may demand that escrow terminate, then Developer, within the 30 days, may either (a) deposit the purchase price into escrow, in which case the Title Company will Close escrow, or (b) agree to the demand, in which case the Title Company will terminate the escrow and return all funds, except for the non-refundable portion of the deposit, and all documents, less any escrow termination fee, and this Agreement will be of no further effect except as herein provided. In order to comply with section 2.2, the Escrow Officer shall not close escrow until a written acknowledgment is received from the Agency of satisfaction of the conditions described in 2.2. Notwithstanding any other provision of this Agreement, escrow shall close on or before 210 days after May 3, 2011 (the Effective Date) or the opening date of escrow, whichever is later.
- 6.6 **Disbursements.** At Closing, the Title Company shall disburse the Purchase Price, less Buyer's costs pursuant to section 6.4. Escrow Officer shall prepare an estimated closing statement to the Parties before Close.
- 6.7 **Prorations.** The Title Company will prorate the following between Seller and Developer as of the Closing Date, based on a 30-day month: real property taxes, if any, and special assessments, if any.
- 6.8 **Risk of loss re improvements.** Any loss or damage to the Property or any improvements on it before Closing is at Seller's risk. Following the Closing, Developer will be responsible for insuring all structures and personal property owned or used by Developer against loss or damage.
- 6.9 **Broker.** Seller has not engaged a broker or real estate agent for this transaction. Seller is unaware of any real estate broker or agent representing Buyer with regard to the Property. However, to the extent Buyer has engaged a broker or real estate agent

for this transaction, Buyer is solely responsible for any broker commission.

7. **Delivery of Possession.** Seller shall deliver possession at Closing.
8. **Compliance with Laws; Nondiscrimination in Employment and Nondiscrimination in Covenants.** Seller shall comply with the following as required by the Community Redevelopment Law (H&S 33000 et seq.):
 - 8.1 **Compliance with laws.** The Developer shall carry out the design, construction and operation of the Developer Improvements in conformity with all applicable laws, including all applicable state labor standards, the City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the City Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. Section 12101, et seq., California Government Code Section 4450, et seq., California Government Code Section 11135, et seq., and the Unruh Civil Rights Act, Civil Code Section 51, et seq.
 - 8.2 **Nondiscrimination in employment.** Developer certifies and agrees that all persons employed or applying for employment by it, its affiliates, subsidiaries, or holding companies, and all subcontractors, bidders and vendors, are and will be treated equally by it without regard to, or because of race, color, religion, ancestry, national origin, sex, age, pregnancy, childbirth or related medical condition, medical condition (cancer related) or physical or mental disability, and in compliance with Title VII of the Civil Rights Act of 1964, 42 U.S.C. Section 2000, et seq., the Federal Equal Pay Act of 1963, 29 U.S.C. Section 206(d), the Age Discrimination in Employment Act of 1967, 29 U.S.C. Section 621, et seq., the Immigration Reform and Control Act of 1986, 8 U.S.C. Section 1324b, et seq., 42 U.S.C. Section 1981, the California Fair Employment and Housing Act, California Government Code Section 12900, et seq., the California Equal Pay Law, California Labor Code Section 1197.5, California Government Code Section 11135, the Americans with Disabilities Act, 42 U.S.C. Section 12101, et seq., and all other anti-discrimination laws and regulations of the United States and the State of California as they now exist or may hereafter be amended.
 - 8.3 **Nondiscrimination covenants.** Although Developer does not intend to relocate his business operations outside of the City of Lemoore, pursuant to, and in order to comply with, the statutory mandates and requirements of section 33436 of the Health & Safety Code, the Developer covenants by and for itself and any successors in interest to the Property that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Developer itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the

selection, location, number, use or occupancy of tenants, lessees, subtenants, subleases or vendees of the Property. The foregoing covenants shall run with the land.

The Developer shall refrain from restricting the rental, sale or lease of the Property on the basis of race, color, religion, sex, marital status, ancestry or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(1) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, subleases or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

(2) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subleases, subtenants, or vendees in the premises herein leased.""

(3) In contracts: "There shall be no discrimination against or segregation of, any person, or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the transferee

himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, subleases or vendees of the premises."

9. **Miscellaneous Provisions.**

- 9.1 **Further assurances.** Each party will sign and deliver further documents and take any further actions required to complete the purchase and sale described herein.
- 9.2 **Notices.** All notices and other communications required or permitted under this Agreement shall be in writing and duly given on the date of service, if (a) served personally on the person to receive the notice; (b) delivered by depositing the notice or communication in the U. S. mail, postage prepaid, and addressed to the relevant party at the address set forth below; (c) by express or priority mail with proof of delivery; or (d) by facsimile which provides a transmission confirmation showing the date and time transmitted.

To Seller:
Lemoore Redevelopment Agency
119 Fox Street
Lemoore, CA 93245
FAX No. (559) 924-9003
Attn: Executive Director

To Developer:
Burrows & Castadio, Inc.
P.O. Box 546
Lemoore, CA 93245
FAX No. (559) 924-9316
Attn: Brian Castadio, President

- 9.3 **Entire agreement.** This Agreement is the entire agreement between the Parties regarding the purchase, sale and development of the Property, and supersedes all prior discussions, negotiations, commitments or understanding, written or oral. This Agreement supersedes any previous letter agreement relating to the Property. The Parties have entered into other agreements in addition to this Agreement which remain unaffected by the subject matter of this Agreement.
- 9.4 **Amendment or cancellation.** Developer and Seller may amend or cancel this Agreement only by mutual written consent of the Parties.
- 9.5 **Successors and assigns.** This Agreement is binding upon and shall inure to the benefit of each Party, and each Party's heirs, successors, assigns, transferees, agents,

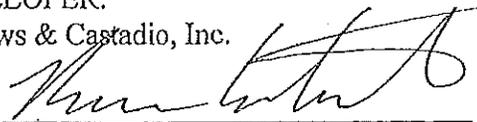
employees or representatives.

- 9.6 **Time of the essence.** Time is of the essence of each term in this Agreement.
- 9.7 **Governing law.** This Agreement and the legal relations between the parties shall be governed by and construed according to California law. Venue for the filing of any action to enforce or interpret this Agreement or any rights and duties hereunder shall be in Kings County, California.
- 9.8 **Headings.** The section headings in this Agreement are for convenience only. In the event there is any inconsistency between the headings and text of the Agreement, the provisions of the text shall govern.
- 9.9 **Waiver.** Any party's waiver of a breach of any provision herein will not be a continuing waiver or a waiver of any subsequent breach of that or any other provision of this Agreement.
- 9.10 **Severability.** The provisions of this Agreement are severable. The invalidity or unenforceability of any provision in this Agreement will not affect the other provisions.
- 9.11 **Interpretation.** This Agreement is the result of the combined efforts of the Parties. If any provision of this Agreement is found to be ambiguous whether or not a defined term, the ambiguity will not be resolved by construing this Agreement in favor or against any Party, but by construing the terms according to their generally accepted meaning.
- 9.12 **Counterparts; copies of signatures.** 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 signatures shall have the same force and effect as original signatures.
- 9.13 **Ratification.** The Agreement shall be enforceable upon execution by the Parties and ratification by the Agency subsequent to a public hearing duly noticed pursuant to California law.

DEVELOPER:

Burrows & Castadio, Inc.

By

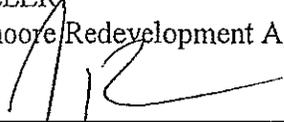


Brian Castadio, President/Secretary

SELLER:

Lemoore Redevelopment Agency

By



Jeff Britz, Executive Director

[ATTACH NOTARY ACKNOWLEDGMENT]

EXHIBIT "A"

THE PROPERTY

LEGAL DESCRIPTION

Section 15 Township 19 Range 20

Portion of SW $\frac{1}{4}$ of NW $\frac{1}{4}$ SEC 15/19/20.

Parcel 2 and Parcel 3 of Parcel Map 13-06 Recorded 08-11-92, in Volume 13, at Page 06, of Kings County Records, Map Ownership Document, Recorded 08-11-92, as Document Number 9214744.

APN 024-052-078 (2.01 Acre Parcel, approximately) and
APN 024-052-079 (2.60 Acre Parcel, approximately)

EXHIBIT "B"

THE PROJECT

The projects are to be completed by B&C as defined below and are collectively referred to as the "Project":

Phase 1 - 5 Years from the Effective Date (May 3, 2011)

1. Expand Burrows & Castadio, Inc. cardlock facility located at 1200 S. 19th Avenue by 20,000 sq. ft. to the south property line and landscape, approximately one (1) acre.
2. Rent excess property for truck parking to companies who would rather have trucks secured with fencing.
3. Add 4-5 new diesel fuel dispensers.

Phase 2 - 10 Years from the Effective Date (May 3, 2011)

1. Build 1,000,000 gallon diesel fuel tank and supporting containment on approximately one (1) acre.
2. Build two (2) large truck washing bays and four (4) smaller car washing bays on approximately one (1) acre.
3. Remainder of property will be developed to maintain drainage and onsite separator pond for storm drainage control.

Benefits of the Project

The anticipated benefits of the Project to the Lemoore Redevelopment Agency for the sale of two parcels totaling approximately 4.61 acres at 1280 S. 19th Avenue (the "Property") to Burrows & Castadio, Inc., are described as follows:

1. Complete relocation of Gary V. Burrows, Inc. operation to the Lemoore Industrial Park by December 13, 2013.
2. Elimination of potential life threatening safety hazards that exists at the current Gary V. Burrows, Inc. site at 416 N. Lemoore Avenue by relocating the flammable bulk petroleum products to the Property.
3. Expansion of adjoining cardlock fueling station owned by Burrows & Castadio, Inc.
4. Creation of approximately ten (10) new employment opportunities in the City of Lemoore.
5. Assessed value of 4.61 acres after completion of proposed development is estimated at \$2,500,000 by year 15 of this Agreement.

6. Generation of approximately 10-15 percent additional sales tax revenue to the City General Fund by the Project and the relocation benefits accruing to the Developer's business.
7. Alleviation of potential traffic hazards associated with fuel trucks crossing four lanes of traffic at current Gary V. Burrows, Inc. site.
8. Elimination of two blighted parcels in the Lemoore Industrial park.

Notary Acknowledgement for
Disposition and Development Agreement
Joint Escrow Instructions and Covenants Running with the Land

STATE OF CALIFORNIA)
) ss.
COUNTY OF KINGS)

On May 6, 2011, before me, Kristina L. Williams,
Notary Public, personally appeared **Brian Castadio**, who proved to me on the basis of
satisfactory evidence to be the person whose name is subscribed to the within
instrument and acknowledged to me that he executed the same in his authorized
capacity, and that by his signature on the instrument the person, or the entity upon
behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Kristina L. Williams (Seal)

Notary Acknowledgement for
Disposition and Development Agreement
Joint Escrow Instructions and Covenants Running with the Land

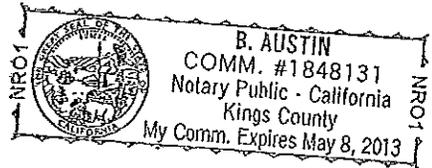
STATE OF CALIFORNIA)
) ss.
COUNTY OF KINGS)

On May 13, 2011, before me, B. Austin,
Notary Public, personally appeared **Jeff Britz**, who proved to me on the basis of
satisfactory evidence to be the person whose name is subscribed to the within
instrument and acknowledged to me that he executed the same in his authorized
capacity, and that by his signature on the instrument the person, or the entity upon
behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)



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

~~WE HEREBY CERTIFY~~ THAT THIS IS A FULL,
TRUE AND CORRECT COPY OF THE ORIGINAL
DOCUMENT AS THE SAME APPEARS IN THE
OFFICE OF THE COUNTY RECORDER OF
Kings COUNTY, STATE OF
CALIFORNIA, RECORDED ON 5-1-11
IN BOOK _____ OF OFFICIAL RECORDS
AT PAGE _____ SERIAL NO. 1120618
CHICAGO TITLE
BY C. Lima

(Space Above for Recorder's Use)

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

**DISPOSITION AND DEVELOPMENT AGREEMENT
JOINT ESCROW INSTRUCTIONS
AND COVENANTS RUNNING WITH THE LAND**

The Lemoore Redevelopment Agency, a public body, corporate and politic ("Seller" or "Agency"), and Burrows & Castadio, Inc. ("Buyer", "Developer" or "B&C") (collectively, the "Parties") enter into this Disposition and Development Agreement Joint Escrow Instructions and Covenants Running with the Land ("Agreement") effective as of May 3, 2011 (the "Effective Date").

RECITALS

WHEREAS, Seller owns certain real property within the County of Kings, City of Lemoore, more particularly described on Exhibit "A" (the "Property") bearing a street address of 1280 S. 19th Avenue; and

WHEREAS, Buyer owns a fueling facility ("card lock") located at 1200 S. 19th Avenue which is directly adjacent to the Property; and

WHEREAS, Buyer's purchase of the Property will allow B&C to expand its petroleum products business ("business") through the combined use of the card lock and the Property; and

WHEREAS, Buyer desires to purchase the Property at fair market value for the expanded use and development of B&C's business operations, and Seller is willing to sell the Property to Developer, on the terms and conditions set forth in this Agreement.

TERMS, CONDITIONS & COVENANTS

NOW, THEREFORE, the Parties agree as follows:

1. **Purchase and Sale.** Seller agrees to sell the Property, as is, to Developer, and Developer agrees to purchase the Property from Seller, subject to the terms of this Agreement.
2. **Conditions Precedent.** Escrow closing and Developer's obligation to purchase the Property

are subject to the satisfaction of the conditions precedent described below. Each condition must be satisfied or Developer or Seller, who is the beneficiary of the condition precedent, must waive it in writing within the time provided. If no time is stated, then the condition must be satisfied within a reasonable time. If any condition is not timely satisfied, Developer or Seller may waive the condition, for which it is the beneficiary, and close escrow or it may terminate this Agreement by giving Seller or the Developer, as applicable, and the Title Company (defined below) 10 days written notice. After expiration of the 10 days, this Agreement and any escrow will terminate. In such event, the Title Company, described below, shall return any documents and money (except to the extent the deposit is non-refundable) deposited into escrow to the depositor, after deducting any escrow cancellation fee paid by the Agency, and the Buyer will have no further obligation to Seller.

- 2.1 **Developer's due diligence contingency.** Inasmuch as Buyer is purchasing the Property as is, the Agency grants a period of up to thirty (30) days from the Effective Date (the "Due Diligence Period") the right to the Buyer, or its agents, to conduct due diligence or feasibility studies at the Property. Buyer shall notify Agency upon 24 hours oral or written notice, to enter onto the Property and conduct tests or investigations, if all the following occur; (a) Developer conducts tests or investigations at its sole cost and expense; (b) the tests or investigations do not unreasonably interfere with Seller's possession; and (c) Developer indemnifies and holds Seller harmless from any costs or liability resulting from the tests or investigations and, if the escrow is canceled for a reason that is not the fault of Seller, for any damage to the Property resulting from conducting the tests or investigations. The Due Diligence Period shall be conducted during the escrow and may be shortened or waived by the Buyer in Buyer's discretion.
 - 2.2 **Completion of purchase agreement for improvements before close of escrow.** The Agency and Gary V. Burrows, Inc. ("Burrows") have entered into a separate agreement entitled "Purchase Agreement for Improvements" effective March 25, 2011 relating to 40 E Street. Buyer agrees that escrow as described in this Agreement shall not close until Burrows completes the obligations with regard to 40 E Street. Completion of the obligations with respect to 40 E Street shall be completed by Burrows within 180 days from the Effective Date of this Agreement.
 - 2.3 **Execution of the loan agreement.** The Loan Agreement shall have been executed by the Agency, City of Lemoore, and Burrows.
 - 2.4 **Exclusivity.** Seller agrees that it shall not consider any other potential buyer or use of the Property unless the Agreement is terminated.
3. **Purchase Price.** The total purchase price for the Property shall be \$75,000 ("Purchase Price") which approximates Sixteen Thousand, Two Hundred and Sixty-Nine Dollars (\$16,269) per acre for approximately 4.61 acres, payable in cash in lawful money of the United States of America. The Buyer shall pay the total Purchase Price into escrow, in cash, in time to meet the Title Company's requirements for close of escrow. The Purchase Price is the fair market value of the Property.

4. **Use and Development of the Property; Covenants Running with the Land.** (a) Developer has represented to Seller that the expanded use and development of the Property is for the purposes as described in Exhibit "B" (the "Project") incorporated herein by this reference. Seller has agreed to sell the Property to Developer on the basis of these representations and Developer is hereby obligated to own, operate and develop the Property and the Project in accordance therewith. The Project will be completed in two phases within the time period as set forth in Exhibit "B."

(b) Nothing herein shall relieve Developer of its obligations to (i) apply for such approvals as may be necessary under the Lemoore Municipal Code for said proposed uses of the Property and for the development of the Project, (ii) pay such fees and charges, including but not limited to development impact fees, as are normally charged by the City of Lemoore for such uses and for the development of the Project, and (iii) own, operate and maintain the Property and the Project continuously in a neat, clean, presentable and reasonably odor-free condition and in accordance with all applicable City, County, State and Federal rules, laws and policies. The Parties agree that the provisions, fees, and policies of the City of Lemoore and of the Lemoore Municipal Code, including but not limited to building codes, in effect on the date this Agreement is signed shall be those that shall apply to the Project.

(c) To avoid speculation in connection with the sale of the Property by Seller to Developer and Developer's subsequent use thereof, the parties agree that (i) Buyer shall build and complete the Project pursuant to Exhibit B, and (ii) unless approved in writing by the Seller upon a showing of good cause, the Developer shall not sell or contract to sell the Property until the Project is fully built and complete and a certificate of occupancy therefore has been issued by the City of Lemoore building official. Seller shall not unreasonably withhold or delay approval of a proposed sale of the Property. However, Seller may condition approval on receiving evidence, satisfactory to Seller, that the purchaser is qualified and capable to complete development of the Property as required by this Agreement, and on the purchaser expressly agreeing, in a form acceptable to Seller, to comply with all covenants, conditions and obligations of this Agreement.

(d) The obligations of this section 4, including Exhibit B, shall be covenants or conditions running with the land, the breach of which shall cause the fee title (the Property herein) to revert to the Agency as a right of reverter through a "Power of Termination" pursuant to sections 885.010 through 885.060 of the California Civil Code and shall be exercised and enforced as provided therein.

(e) The duties and rights and obligations of the parties under this paragraph 4 shall survive the close of escrow and shall bind their heirs, successors and assigns.

(f) Developer shall be responsible to build the Project, including all on site and offsite improvements, as may be necessary and convenient, or which may be required during the site plan review process, all at Developer's sole expense.

(g) The Developer shall comply with the California Environmental Quality Act ("CEQA") and all laws and regulations pertaining to the storage and use of hazardous

materials, including required permits, as defined under state and federal law. The Parties acknowledge that the Project meets the requirements of an in-fill development pursuant to section 15332 of the CEQA Guidelines.

5. **Seller's Warranties.** Seller represents and warrants that: (a) except for any easements of record as disclosed by a preliminary title report for the Property as a matter of public record, Seller owns the Property, free and clear of all liens, licenses, claims, encumbrances, easements, encroachments on the Property from adjacent properties, encroachments from the Property onto adjacent properties, and any rights of way, other than those disclosed by the public record; (b) Seller has no knowledge of any pending litigation involving the Property, (c) Seller has no knowledge of any violations of, or notices concerning defects or noncompliance with, any code, statute, regulation, ordinance, judicial order, or judicial holding concerning the Property; and (d) Seller has no knowledge of any person in lawful possession of the Property except the Agency. Seller makes no other warranties pertaining to the Property except those listed in this paragraph 5.
6. **Opening Escrow.** Within ten (10) business days after the Effective Date of this Agreement (defined above), the Parties will deposit this Agreement in escrow with Chicago Title Company ("Title Company"), 1460 West 7th Street, Hanford, CA 93230, Attn: Claudia Cornwall, Escrow Officer, phone (559) 584-3381, fax (559) 584-2978, Escrow No. 41006019-CCC (the "Escrow"). Deposit of this Agreement into escrow shall be deemed the opening date of escrow.
 - 6.1 **Agreement as joint escrow instructions.** This Agreement, when signed by both Parties and deposited with the Title Company will serve as the joint escrow instructions of the Parties. Developer and Seller agree to sign any other form instructions required by the Title Company to complete this transaction and close escrow.
 - 6.2 **Deposits into escrow.** Developer and Seller will deposit all instruments, documents, money, and other items with the Title Company that are (i) identified in this Agreement or (ii) required by the Title Company to effect the Closing on the date specified below. Seller will deposit a recordable grant deed after the Effective Date and before the closing. The grant deed will contain those covenants, conditions and restrictions required by the California Redevelopment Law.
 - 6.3 **Title.** Seller will convey title of the Property to Developer pursuant to the warranties in section 5. The Escrow Officer, through the Title Officer of the Title Company, shall issue a pro forma CLTA policy of title for review by the Parties. Based on a preliminary title report effective April 6, 2011 issued by Chicago Title Company (Title No. 11-41006019-JAH), Seller agrees that printed exceptions 8 and 9 relating to a purchase agreement between the City of Lemoore and Richard Gress and Carolyn Gress, may be removed as title exceptions. The City Manager, or his authorized designee, shall have the authority to execute any and all documents necessary so that these exceptions are not shown on the Policy of Title Insurance

issued to Buyer.

- 6.4 **Title and closing costs.** Seller will pay any costs of clearing and conveying title in the condition described in Section 6.3, above. Seller will pay the costs of a CLTA owner's title policy insuring Developer's title in the condition described in Section 6.3. Seller and Buyer will each pay one-half the escrow fees, and the costs to record the grant deed including all notary fees, transfer taxes, and deed preparation. Developer and Seller will pay any other costs according to the custom in Kings County. If Buyer desires an ALTA owner's policy of title, Buyer shall pay any difference between the CLTA and the ALTA policies.
- 6.5 **Closing.** The escrow will be considered closed ("Closing" or "Close" or the "Closing Date") on the date that the Title Company records the grant deed. Subject to the condition described in section 2.2 above for the "Closing Date", the escrow will be in condition to close when any conditions to close are satisfied or waived, the Title Company is prepared to issue the title policy described herein, and the Title Company is otherwise able to record the grant deed. If escrow does not close at that time, Seller may demand that escrow terminate, then Developer, within the 30 days, may either (a) deposit the purchase price into escrow, in which case the Title Company will Close escrow, or (b) agree to the demand, in which case the Title Company will terminate the escrow and return all funds, except for the non-refundable portion of the deposit, and all documents, less any escrow termination fee, and this Agreement will be of no further effect except as herein provided. In order to comply with section 2.2, the Escrow Officer shall not close escrow until a written acknowledgment is received from the Agency of satisfaction of the conditions described in 2.2. Notwithstanding any other provision of this Agreement, escrow shall close on or before 210 days after May 3, 2011 (the Effective Date) or the opening date of escrow, whichever is later.
- 6.6 **Disbursements.** At Closing, the Title Company shall disburse the Purchase Price, less Buyer's costs pursuant to section 6.4. Escrow Officer shall prepare an estimated closing statement to the Parties before Close.
- 6.7 **Prorations.** The Title Company will prorate the following between Seller and Developer as of the Closing Date, based on a 30-day month: real property taxes, if any, and special assessments, if any.
- 6.8 **Risk of loss re improvements.** Any loss or damage to the Property or any improvements on it before Closing is at Seller's risk. Following the Closing, Developer will be responsible for insuring all structures and personal property owned or used by Developer against loss or damage.
- 6.9 **Broker.** Seller has not engaged a broker or real estate agent for this transaction. Seller is unaware of any real estate broker or agent representing Buyer with regard to the Property. However, to the extent Buyer has engaged a broker or real estate agent

for this transaction, Buyer is solely responsible for any broker commission.

7. **Delivery of Possession.** Seller shall deliver possession at Closing.
8. **Compliance with Laws; Nondiscrimination in Employment and Nondiscrimination in Covenants.** Seller shall comply with the following as required by the Community Redevelopment Law (H&S 33000 et seq.):
 - 8.1 **Compliance with laws.** The Developer shall carry out the design, construction and operation of the Developer Improvements in conformity with all applicable laws, including all applicable state labor standards, the City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the City Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. Section 12101, et seq., California Government Code Section 4450, et seq., California Government Code Section 11135, et seq., and the Unruh Civil Rights Act, Civil Code Section 51, et seq.
 - 8.2 **Nondiscrimination in employment.** Developer certifies and agrees that all persons employed or applying for employment by it, its affiliates, subsidiaries, or holding companies, and all subcontractors, bidders and vendors, are and will be treated equally by it without regard to, or because of race, color, religion, ancestry, national origin, sex, age, pregnancy, childbirth or related medical condition, medical condition (cancer related) or physical or mental disability, and in compliance with Title VII of the Civil Rights Act of 1964, 42 U.S.C. Section 2000, et seq., the Federal Equal Pay Act of 1963, 29 U.S.C. Section 206(d), the Age Discrimination in Employment Act of 1967, 29 U.S.C. Section 621, et seq., the Immigration Reform and Control Act of 1986, 8 U.S.C. Section 1324b, et seq., 42 U.S.C. Section 1981, the California Fair Employment and Housing Act, California Government Code Section 12900, et seq., the California Equal Pay Law, California Labor Code Section 1197.5, California Government Code Section 11135, the Americans with Disabilities Act, 42 U.S.C. Section 12101, et seq., and all other anti-discrimination laws and regulations of the United States and the State of California as they now exist or may hereafter be amended.
 - 8.3 **Nondiscrimination covenants.** Although Developer does not intend to relocate his business operations outside of the City of Lemoore, pursuant to, and in order to comply with, the statutory mandates and requirements of section 33436 of the Health & Safety Code, the Developer covenants by and for itself and any successors in interest to the Property that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Developer itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the

selection, location, number, use or occupancy of tenants, lessees, subtenants, subleases or vendees of the Property. The foregoing covenants shall run with the land.

The Developer shall refrain from restricting the rental, sale or lease of the Property on the basis of race, color, religion, sex, marital status, ancestry or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(1) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, subleases or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

(2) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subleases, subtenants, or vendees in the premises herein leased.""

(3) In contracts: "There shall be no discrimination against or segregation of, any person, or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the transferee

himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, subleases or vendees of the premises."

9. **Miscellaneous Provisions.**

- 9.1 **Further assurances.** Each party will sign and deliver further documents and take any further actions required to complete the purchase and sale described herein.
- 9.2 **Notices.** All notices and other communications required or permitted under this Agreement shall be in writing and duly given on the date of service, if (a) served personally on the person to receive the notice; (b) delivered by depositing the notice or communication in the U. S. mail, postage prepaid, and addressed to the relevant party at the address set forth below; (c) by express or priority mail with proof of delivery; or (d) by facsimile which provides a transmission confirmation showing the date and time transmitted.

To Seller:
Lemoore Redevelopment Agency
119 Fox Street
Lemoore, CA 93245
FAX No. (559) 924-9003
Attn: Executive Director

To Developer:
Burrows & Castadio, Inc.
P.O. Box 546
Lemoore, CA 93245
FAX No. (559) 924-9316
Attn: Brian Castadio, President

- 9.3 **Entire agreement.** This Agreement is the entire agreement between the Parties regarding the purchase, sale and development of the Property, and supersedes all prior discussions, negotiations, commitments or understanding, written or oral. This Agreement supersedes any previous letter agreement relating to the Property. The Parties have entered into other agreements in addition to this Agreement which remain unaffected by the subject matter of this Agreement.
- 9.4 **Amendment or cancellation.** Developer and Seller may amend or cancel this Agreement only by mutual written consent of the Parties.
- 9.5 **Successors and assigns.** This Agreement is binding upon and shall inure to the benefit of each Party, and each Party's heirs, successors, assigns, transferees, agents,

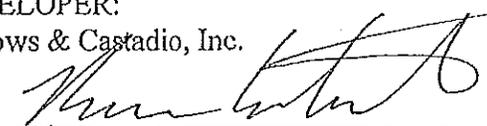
employees or representatives.

- 9.6 **Time of the essence.** Time is of the essence of each term in this Agreement.
- 9.7 **Governing law.** This Agreement and the legal relations between the parties shall be governed by and construed according to California law. Venue for the filing of any action to enforce or interpret this Agreement or any rights and duties hereunder shall be in Kings County, California.
- 9.8 **Headings.** The section headings in this Agreement are for convenience only. In the event there is any inconsistency between the headings and text of the Agreement, the provisions of the text shall govern.
- 9.9 **Waiver.** Any party's waiver of a breach of any provision herein will not be a continuing waiver or a waiver of any subsequent breach of that or any other provision of this Agreement.
- 9.10 **Severability.** The provisions of this Agreement are severable. The invalidity or unenforceability of any provision in this Agreement will not affect the other provisions.
- 9.11 **Interpretation.** This Agreement is the result of the combined efforts of the Parties. If any provision of this Agreement is found to be ambiguous whether or not a defined term, the ambiguity will not be resolved by construing this Agreement in favor or against any Party, but by construing the terms according to their generally accepted meaning.
- 9.12 **Counterparts; copies of signatures.** 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 signatures shall have the same force and effect as original signatures.
- 9.13 **Ratification.** The Agreement shall be enforceable upon execution by the Parties and ratification by the Agency subsequent to a public hearing duly noticed pursuant to California law.

DEVELOPER:

Burrows & Castadio, Inc.

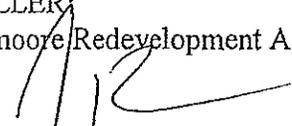
By


Brian Castadio, President/Secretary

SELLER:

Lemoore Redevelopment Agency

By


Jeff Britz, Executive Director

[ATTACH NOTARY ACKNOWLEDGMENT]

EXHIBIT "A"

THE PROPERTY

LEGAL DESCRIPTION

Section 15 Township 19 Range 20

Portion of SW $\frac{1}{4}$ of NW $\frac{1}{4}$ SEC 15/19/20.

Parcel 2 and Parcel 3 of Parcel Map 13-06 Recorded 08-11-92, in Volume 13, at Page 06, of Kings County Records, Map Ownership Document, Recorded 08-11-92, as Document Number 9214744.

APN 024-052-078 (2.01 Acre Parcel, approximately) and
APN 024-052-079 (2.60 Acre Parcel, approximately)

EXHIBIT "B"

THE PROJECT

The projects are to be completed by B&C as defined below and are collectively referred to as the "Project":

Phase 1 - 5 Years from the Effective Date (May 3, 2011)

1. Expand Burrows & Castadio, Inc. cardlock facility located at 1200 S. 19th Avenue by 20,000 sq. ft. to the south property line and landscape, approximately one (1) acre.
2. Rent excess property for truck parking to companies who would rather have trucks secured with fencing.
3. Add 4-5 new diesel fuel dispensers.

Phase 2 - 10 Years from the Effective Date (May 3, 2011)

1. Build 1,000,000 gallon diesel fuel tank and supporting containment on approximately one (1) acre.
2. Build two (2) large truck washing bays and four (4) smaller car washing bays on approximately one (1) acre.
3. Remainder of property will be developed to maintain drainage and onsite separator pond for storm drainage control.

Benefits of the Project

The anticipated benefits of the Project to the Lemoore Redevelopment Agency for the sale of two parcels totaling approximately 4.61 acres at 1280 S. 19th Avenue (the "Property") to Burrows & Castadio, Inc., are described as follows:

1. Complete relocation of Gary V. Burrows, Inc. operation to the Lemoore Industrial Park by December 13, 2013.
2. Elimination of potential life threatening safety hazards that exists at the current Gary V. Burrows, Inc. site at 416 N. Lemoore Avenue by relocating the flammable bulk petroleum products to the Property.
3. Expansion of adjoining cardlock fueling station owned by Burrows & Castadio, Inc.
4. Creation of approximately ten (10) new employment opportunities in the City of Lemoore.
5. Assessed value of 4.61 acres after completion of proposed development is estimated at \$2,500,000 by year 15 of this Agreement.

6. Generation of approximately 10-15 percent additional sales tax revenue to the City General Fund by the Project and the relocation benefits accruing to the Developer's business.
7. Alleviation of potential traffic hazards associated with fuel trucks crossing four lanes of traffic at current Gary V. Burrows, Inc. site.
8. Elimination of two blighted parcels in the Lemoore Industrial park.

Notary Acknowledgement for
Disposition and Development Agreement
Joint Escrow Instructions and Covenants Running with the Land

STATE OF CALIFORNIA)
) ss.
COUNTY OF KINGS)

On May 6, 2011, before me, Kristina L. Williams,
Notary Public, personally appeared **Brian Castadio**, who proved to me on the basis of
satisfactory evidence to be the person whose name is subscribed to the within
instrument and acknowledged to me that he executed the same in his authorized
capacity, and that by his signature on the instrument the person, or the entity upon
behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Kristina L. Williams (Seal)

Notary Acknowledgement for
Disposition and Development Agreement
Joint Escrow Instructions and Covenants Running with the Land

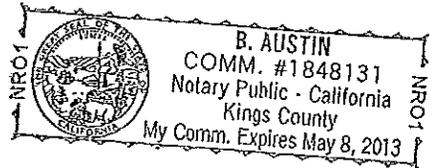
STATE OF CALIFORNIA)
) ss.
COUNTY OF KINGS)

On May 13, 2011, before me, B. Austin,
Notary Public, personally appeared **Jeff Britz**, who proved to me on the basis of
satisfactory evidence to be the person whose name is subscribed to the within
instrument and acknowledged to me that he executed the same in his authorized
capacity, and that by his signature on the instrument the person, or the entity upon
behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)



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

WE HEREBY CERTIFY THAT THIS IS A FULL,
TRUE AND CORRECT COPY OF THE ORIGINAL
DOCUMENT AS THE SAME APPEARS IN THE
OFFICE OF THE COUNTY RECORDER OF
Kings COUNTY, STATE OF
CALIFORNIA, RECORDED ON 12-1-11
IN BOOK _____ OF OFFICIAL RECORDS
AT PAGE _____ SERIAL NO. 1120619

CHICAGO TITLE

By [Signature]

(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:

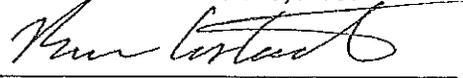
1. Affirmative Covenants. The Owner covenants and affirms that it shall, by no later than December 31, 2013, except as to section h:
 - a. Cease its business operations at the Property.
 - b. Remove all tanks, plumbing and related fueling equipment from the Property.
 - c. Remove all structures except 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: 5-6-, 2011

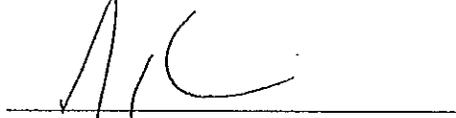
OWNER
GARY V. BURROWS, INC.



By: Brian Castadio
Its: President

Dated: 5-13, 2011

THE CITY OF LEMOORE



By: Jeff Britz
Its: City Manager

Dated: 5-13, 2011

REDEVELOPMENT AGENCY OF
THE CITY OF LEMOORE



By: Jeff Britz
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 $79^{\circ} 03'$ East along said Southerly right of way 252.91 feet; thence South 148.02 feet; thence North $89^{\circ} 58'$ 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

Notary Acknowledgement for
Agreement of Covenants Running with the Land
(416 N. Lemoore Avenue)

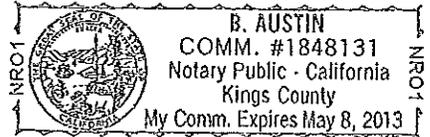
STATE OF CALIFORNIA)
) ss.
COUNTY OF KINGS)

On May 13, 2011, before me, B. Austin,
Notary Public, personally appeared **Jeff Britz**, who proved to me on the basis of
satisfactory evidence to be the person whose name is subscribed to the within
instrument and acknowledged to me that he executed the same in his authorized
capacities, and that by his signatures on the instrument the person, or the entity upon
behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)





Chicago Title Company

1460 West Seventh Street, #102, Hanford, CA 93230
559 584-3381 • FAX 559 584-2978

ESCROW NO.: 11-41006019-CCC
LOCATE NO.: CACTI7754-7754-4410-0041006019
TITLE NO.: 11-41006019-JAH
PROPERTY ADDRESS:
1280 Soth 19th Ave., Lemoore, CA 93245

OWNER'S AFFIDAVIT (Commercial)

State of California)
County of Kings) ss:

The undersigned Jeff Britz, being duly sworn according to law, deposes and says as follows:

IF ANY STATEMENT BELOW IS NOT TRUE, PLEASE EXPLAIN IN THE SPACE PROVIDED, OR ON A SEPARATE SHEET

1. That Deponent is a Executive Director of Lemoore Redevelopment Agency ("Company"), a public body, corporate and politic and that Deponent has personal knowledge of the facts that are sworn to in this affidavit, and is fully authorized and qualified to make this affidavit.
2. That Company is the owner of the premises described in the Preliminary Report/Commitments listed in Exhibit A ("Property").
3. That there has been no work performed on or equipment or materials delivered to the Property for the construction of works of improvement during the last 4 months, except:
4. That there are no unpaid bills incurred by the Affiant for work performed upon or materials delivered to the Property for the construction of works of improvement upon said property, except:
5. That there are no unrecorded tenancies, leases or other occupancies on the Property except as listed below, and that if any such unrecorded leases, tenancies or other occupancies are listed below, they contain no options to purchase, rights of renewal, or other unusual provisions, except:
6. That no other person has possession or any right to possession of the Property or any interest therein, including oil, gas or other minerals.
7. That there are no financing statements, chattel mortgages, conditional bills of sale or retention of title agreements affecting any fixtures located on the Property.

8. That there are no unrecorded easements or claims of easement; no disputes, discrepancies or encroachments affecting a setback or boundary line; and no contracts, options or rights to purchase other than in the transaction for which this Affidavit is given.
9. That there are no unrecorded judgments, liens, mortgages or other claims against the Property.
10. That no proceeding in bankruptcy has ever been instituted by or against the owner (and if a partnership, against the general partner(s) thereof), nor has the owner ever made an assignment for the benefit of creditors.
11. That there is no action or proceeding relating to the Property in any State or Federal Court in the United States nor any State or Federal Judgment or any Federal Lien of any kind or nature whatever which now constitutes a lien or charge upon the Property.

This Affidavit is given to induce CHICAGO TITLE INSURANCE COMPANY to issue its policies of title insurance including endorsements knowing full well that it will be relying upon the accuracy of the same.

The undersigned further agrees to indemnify CHICAGO TITLE INSURANCE COMPANY against any loss occasioned by the existence of any of the matters listed above which are known to the undersigned and not disclosed by this Affidavit and any cost, expense or liability, including attorney fees, arising from the enforcement of this indemnification.

Lemoore Redevelopment Agency

By: _____
Jeff Britz, Executive Director

Date: _____

State of California

County of _____

Subscribed and sworn to (or affirmed) before me on this _____ day of _____,
20_____, by _____

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature _____ (Seal)

Handwritten signatures and notes:
- A large signature, possibly "Jeff Britz", with an arrow pointing to the "Signature" line.
- The word "Seal" written in parentheses above the signature line.
- The word "copy" written vertically at the bottom left.
- Other illegible handwritten marks and initials.

Escrow No.: 11-41006019-CCC
Locate No.: CACTI7754-7754-4410-0041006019
Title No.: 11-41006019-JAH

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF KINGS, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Parcels 2 and 3 of the Parcel Map recorded August 11, 1992, in Book 13, page 6 of Parcel Maps, Kings County Records, being a portion of the West half of Section 15, Township 19 South, Range 20 East, Mount Diablo Base and Meridian , according to the official plat thereof.

APN: 024-052-078 & 024-052-079