



Staff Report

TO: Honorable Mayor and Members of the Town Council
FROM: Sean Rabé, Town Manager
DATE: December 8, 2020
RE: Loomis Library Building Purchase and Sale Agreement

Recommendation

Staff recommends the Town Council adopt the attached resolution approving a Purchase and Sale Agreement with Placer County for the Loomis Library building and authorize the Mayor to sign the agreement.

Issue Statement and Discussion

As the Council knows, Placer County announced the closure of the Loomis Branch Library in February 2014. That action led to significant public outcry and concern, which eventually culminated in the Town taking several actions intended to save the Town's library. Those actions included entering into a 10-year lease of the actual library building (June 2016) and the successful passage of a 1/4-cent sales tax measure, intended to fund the operation of the Library.

Beginning July, 2016, the Library was operated by the Friends of the Library, Loomis, through a Memorandum of Understanding that was eventually terminated in February 2019. At that point the Town transitioned the operation of the Library to Town staff, creating a new Library department and hiring fulltime staff. The Library has been operating as a Town department since then.

One of the primary issues identified in the 2019 Loomis Library and Community Learning Center's Strategic Plan was securing the ownership of the Library building itself. Upon adoption of the Strategic Plan by the Library Board of Directors and Town Council, Town Staff began working with Placer County on the potential purchase of the Library Building and property. The results of that work is now presented to Council for approval tonight in the form of a purchase and sale agreement for the building and property. The terms of the agreement have been negotiated and agreed to by both the Town and County.

Key provisions of the agreement are as follows:

- Purchase price is \$1
- The Town is responsible for preparing the documents required to effectuate the transfer of the property (survey, legal description, closing costs, etc.)
- The Town has a 60-day contingency period to review preliminary title reports, etc.
- Ownership of the parking lot will remain with the County, though a use agreement for the lot will be created that allows the Town to continue to use the lot. The agreement contains a provision that a signed agreement for the use of the lot is required to close escrow. The Town has not

received that agreement yet; however, we should receive it shortly (within the next two weeks or so)

- There is a provision that the Library property continue to be used solely for public purposes for a period of 10 years after close of escrow

None of these provisions concern Staff. If, for some reason, the County cannot continue to allow the Town to use the parking lot, there is adequate space around the back of the building to provide parking. As for the 10-year public use clause, the Town will be able to use the building for a public purpose. It should also be noted that when the Gates family donated the property to the County, that donation was to be used to provide a library within the Town.

This has been a long process, but one that has borne out an incredible opportunity for the Town to fully control its own Library. Staff strongly recommends the Council adopt the attached resolution approving the purchase and sale agreement.

CEQA Requirements

There are no CEQA implications associated with the recommended action.

Financial and/or Policy Implications

There will be some costs associated with preparing the documents required under the agreement. The Town has adequate funding for those in the Library Department's budget. There will also be ongoing costs associated with owning and operating the building, which will also be funded through the Library budget. Revenue for those activities comes through the 1/4-cent sales and use tax.

Attachments

- A. Resolution
- B. Purchase and Sale Agreement

TOWN OF LOOMIS

RESOLUTION 20 - ____

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOOMIS AUTHORIZING THE PURCHASE AND SALE AGREEMENT OF A CERTAIN PROPERTY

WHEREAS, the County of Placer ("County") is the owner of certain property located at 6050 Library Drive, Loomis, California (Assessor's Parcel Number 043-100-029-000), as shown in Exhibit A attached hereto and incorporated herein by reference ("Purchase Property"); and

WHEREAS, County previously operated the Loomis Branch Library on the Property, but was forced to close the branch for cost-saving purposes; and

WHEREAS, County leased the Property to the Town of Loomis ("Town") to allow Town to continue operation of the Property as the Loomis Library and Community Learning Center; and

WHEREAS, Town, through an operations contract with the Friends of the Library, Loomis, operated the Library from July 2016 to March 2019; and

WHEREAS, Town transitioned the operation of the Library to the Town as a Town department in March, and has continued operation of the Library with Town Staff since; and

WHEREAS, Town now desires to purchase said property to continue use as a Municipal Library; and

WHEREAS, The County is willing to sell said Purchase Property for One Dollar (\$1), subject to Material Terms for an Agreement for Purchase and Sale ("Purchase and Sale Agreement").

NOW THEREFORE, BE IT RESOLVED by the Town Council of the Town of Loomis that:

1. Sale of the Purchase Property in accordance with the terms of the Purchase and Sale Agreement is in conformity with the General Plan of the Town of Loomis; and
2. The Mayor and Town Manager (the "Designated Officers") are hereby authorized and directed, for and in the name of and on behalf of the Town, to:
 - a. Approve, execute, and deliver the Purchase and Sale Agreement in substantially the form presented to this meeting, which Purchase, and Sale Agreement is hereby approved, with such changes, insertions, revisions, corrections, or amendments as shall be approved by the Designated Officers; and
 - b. Execute and deliver any and all documents, to do any and all things and take any and all actions that may be necessary or advisable, in their discretion, in order to consummate the above transaction and implement the sale of the Property pursuant to this resolution and the Purchase and Sale Agreement.

PASSED AND ADOPTED this 8th day of December , 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jeff Duncan, Mayor

Attest:

APPROVED AS TO FORM:

Charleen Strock, Town Clerk

Jeffrey Mitchell, Town Attorney

**PURCHASE AND SALE AGREEMENT
LOOMIS LIBRARY PROPERTY**

By and Between

Town of Loomis, as Town

And

County of Placer, as County

**PURCHASE AND SALE AGREEMENT
LOOMIS LIBRARY PROPERTY**

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PURCHASE AND SALE AGREEMENT LOOMIS LIBRARY PROPERTY

THIS PURCHASE AND SALE AGREEMENT (this "**Agreement**"), dated as of _____ ("**Effective Date**"), is entered into by and between Town of Loomis, public body, corporate and politic ("**Town**"), and County of Placer, a political subdivision of the State of California ("**County**"). Town and County are hereinafter referred to individually as a ("**Party**") and collectively as the ("**Parties.**")

WHEREAS, County is the owner of that certain real property, referred to as the Loomis Library Property consisting of approximately 1.3 acres of developed land located in the Town of Loomis, CA described as Assessor's Parcel Number 043-100-029-000 located at 6050 Library Drive, Loomis, California ("**County Property**") located and as described in **Exhibit A** attached hereto; and

WHEREAS, Town leases the library building and a portion of the County Property from County pursuant to Lease Agreement Loomis Library CN028251 dated July 29, 2016, ("**Library Lease Agreement**"); and

WHEREAS, County desires to sell a portion of the County Property, including the library building, to Town, and Town desires to purchase that portion of County Property from County ("**Transferred Property**") as depicted in **Exhibit B** attached hereto in accordance with and upon the terms and conditions set forth in this Agreement; and

WHEREAS, County and Town will obtain pursuant to the terms of this Agreement a survey and legal description of the Transferred Property to be conveyed to Town; and

WHEREAS, the Parties desire that the Transferred Property be conveyed to Town pursuant to the terms of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Agreement to Sell and Purchase, Effective Date.** County agrees to sell the Transferred Property to Town, and Town agrees to purchase the Transferred Property from County, based on the terms and subject to the conditions set forth in this Agreement. The Effective Date of this Agreement is stated in the preamble and is the date upon which this Agreement is executed by both Town and County. For the purposes of this Agreement, the Transferred Property shall include all privileges and appurtenances pertaining to the Transferred Property, including all appurtenant rights, title and interest of the County in or to adjacent streets, alleys or right(s) of way that may exist on the date of transfer.

(A) **Restricted Use.** Town agrees to purchase the Transferred Property through a Grant Deed subject to a Use Deed Restriction for a term not less than ten (10) years from date of recording, restricting the use of the Transferred Property for public purposes. For the purposes of this Agreement, "public purpose" shall mean a publicly accessible building and

adjacent property, subject to reasonable rules and hours of operation, owned and operated by a public entity and providing services to the general public.

(B) **Shared Parking Lot and Use.** The parties agree and acknowledge that the County Property includes a parking lot (“**Parking Lot**”) that provides parking for both the library building and Loomis Veterans Memorial Hall on the adjacent County-owned parcel to the west (APN: 043-100-001-000). The Lease Agreement provides for cooperation between County and Town to ensure sufficient parking for both Town and County patrons. The Parties agree and acknowledge that ownership of the Parking Lot will remain with the County. The Parties agree to cooperate in the development and execution of a Parking Lot Use Agreement which will establish terms for shared parking, maintenance and use between the Parties. The Parties agree that the intent of the proposed Parking Lot Use Agreement is to provide both the library building and Loomis Veterans Memorial Hall access to shared parking during the period of the Town’s ownership of the Transferred Property, with the County remaining as the manager of the Parking Lot. County and Town will be jointly and equally responsible for the cost of care and maintenance of the Parking Lot.

(C) **Property Survey and Legal Description.**

Town shall contract and pay for the preparation of a survey and legal description of the Transferred Property as depicted in **Exhibit B**, including the western boundary along the eastern edge of the Parking Lot. The survey and legal description will be in a format acceptable for the recorded Grant Deed. County review and approval of the survey and legal description is required.

2. **Purchase Price.** The purchase price for the Transferred Property shall be One and No/100 Dollars (\$1.00) (“**Purchase Price**”).

3. **Close of Escrow.** Provided that all conditions to closing described in Sections 11, 12, 13 and 15 have been satisfied or waived by the applicable Party, the close of escrow for conveyance of the Transferred Property to Town (“**Close of Escrow**”) shall occur on a date mutually acceptable to the Parties, but not later than the date set forth in Section 8. At the Close of Escrow, County shall convey fee simple title to the Transferred Property to Town by Grant Deed (in a form acceptable to the Parties), subject to a Use Deed Restriction and to the following exceptions (collectively, the “**Permitted Exceptions**”) defined below, and shall cause the Escrow Agent’s title insurer to issue the “**Buyer’s Title Policy**” described in Section 6:

(A) Permitted Exceptions shall mean the items in the Preliminary Title Report for the Transferred Property to be issued by Title Company approved by Town and such additional matters as may be approved by the Town as set forth below.

(B) Without limiting the generality of the foregoing, County shall convey the Transferred Property to Town free and clear of all monetary liens and encumbrances (except those created by Town), including without limitation, liens relating to delinquent taxes and assessments, deeds of trust, and other security instruments.

4. **Escrow, Escrow Instructions.** The Parties shall open an escrow to consummate the purchase and sale of the Transferred Property pursuant to this Agreement at the office of

Placer Title Company, Escrow Officer to be Debbie Yue, located at 193 Fulweiler Avenue, Auburn, CA 95603 ("**Title Company**" or "**Escrow Officer**"). Upon the opening of escrow, the Parties shall deposit with the Escrow Officer an executed copy of this Agreement, which shall serve as the joint escrow instructions of Town and County for this transaction, together with such additional instructions consistent with the terms of this Agreement as may be executed by either or both Parties and delivered to the Escrow Officer.

5. **Payment of Purchase Price.** The Purchase Price shall be payable by Town to County and deposited into escrow before the Close of Escrow.

6. **Title Documents.** No later than Fourteen (14) business days following the Effective Date, County shall deliver to Town a preliminary report of title for the Transferred Property ("**Preliminary Report**"). Town shall approve or disapprove each title exception, as set forth in the Preliminary Report by written notice to County within Twenty (20) calendar days of receiving the Preliminary Report. Town's failure to provide written notice of objection to any exception listed in the Preliminary Report within such time period shall be deemed to be Town's approval of title to the Transferred Property.

If Town objects to any title exception, County shall use its best efforts to remove from title or otherwise satisfy each such exception no later than Twenty (20) calendar days after County receives Town's notice of disapproval and in a form that is reasonably satisfactory to Town. If necessary, County shall have until the Close of Escrow to remove those title exceptions which the County agrees to remove. If County, after commercially reasonable efforts to remove or have eliminated from title, is unable to remove or satisfy any title exception to the satisfaction of Town, Town shall have the option, in its sole discretion, to terminate this Agreement, or to accept title subject to such exception. If Town elects to terminate this Agreement, all funds and documents deposited into escrow by or on behalf of Town shall be returned to Town, and thereafter neither County nor Town shall have any further obligations hereunder except as expressly set forth herein.

It shall be a condition to the Close of Escrow that Title Company shall deliver to Town no later than Five (5) business days prior to the Close of Escrow, a title commitment for a California Land Title Association ("**CLTA**") Standard Coverage Policy ("**Title Policy**") (or at Town's election, an American Land Title Association ("**ALTA**") Extended Coverage Policy) to be issued by Title Company in the amount selected by the Town, for the benefit and protection of Town, showing fee simple title to the Transferred Property vested in Town, subject only to the Permitted Exceptions and the standard preprinted exceptions for the form of policy selected by Town, including such endorsements as may reasonably be requested by Town, and committing Title Company to issue the Title Policy to Town upon the Close of Escrow.

7. **Closing Documents and Funds.**

(A) **County.** By no later than One (1) business day prior to the Close of Escrow, County shall deposit into escrow all of the following:

- (i) Grant Deed subject to a Ten-Year Public Purpose Use Deed Restriction duly executed and acknowledged.
- (ii) County signed Parking Lot Use Agreement.
- (ii) County's certificate of non-foreign status (FIRPTA).
- (iii) County's California Form 593-W or County's affidavit that County is exempt from the withholding provisions of California Revenue and Taxation Code, and that neither Town nor Escrow Officer is required to withhold any amount from the Purchase Price pursuant to such provisions.
- (iv) Such additional duly executed instruments and documents as the Escrow Officer may reasonably require to consummate the transaction contemplated hereby.

(B) **Town.** By no later than One (1) business day prior to the Close of Escrow, Town shall deposit into escrow all of the following:

- (i) Immediately available funds in the amount equal to (a) the Purchase Price adjusted by any prorations between the Parties, and (b) funds in the amount necessary to pay closing costs as set forth in Section 9.
- (ii) Town signed Parking Lot Use Agreement.
- (iii) Such additional duly executed instruments and documents as the Escrow Officer may reasonably require to consummate the transaction contemplated hereby.

8. Close of Escrow. The Parties intend to close escrow within Sixty (60) calendar days following the expiration of the Contingency Period (defined in Section 13) provided that (a) all contingencies described in this Agreement have been satisfied, and (b) all of Town's and County's conditions to closing (described in Sections 11, 12, 13 and 15) have been satisfied or waived by the applicable Party, unless this Agreement is terminated pursuant to the terms hereof or extended by mutual agreement of the Parties. The Escrow Officer shall close escrow by:

(A) Causing the Grant Deed subject to a Ten-Year Public Purpose Use Deed Restriction to be recorded in the official records of Placer County, California.

(B) Issuing the Title Policy described in Section 6 and delivering same to Town.

(C) Delivering to County the monies constituting the Purchase Price less prorated amounts and charges to be paid by County.

(D) Delivering to Town a conformed copy of the recorded deed indicating recording information thereon. Possession of the Transferred Property shall be delivered to Town at the Close of Escrow.

9. Closing Costs. Town shall pay all recording fees related to the purchase and sale of the Transferred Property, and pay any transfer taxes. Town shall pay the cost of a CLTA Standard Coverage Policy. Town shall pay the cost of any additional premium for an ALTA Extended Coverage Policy, the cost of any ALTA survey, and the cost of any endorsements to the Title Policy requested by Town. Town shall pay the escrow fees and document preparation costs. County and Town shall each pay its own legal and consulting fees incurred with regard to this transaction.

10. Prorations. Property taxes and assessments shall be prorated as of the Close of Escrow on basis of a 30-day month.

11. Town's Conditions to Closing. The Close of Escrow and Town's obligation to purchase the Transferred Property are conditioned upon satisfaction (or Town's waiver, exercisable in Town's sole discretion) of each of the following:

(A) The performance by County of each obligation to be performed by County under this Agreement within the applicable time period, or the waiver by Town of such obligation.

(B) County's representations and warranties contained in this Agreement being true and correct as of the Effective Date and the Close of Escrow.

(C) The commitment by Title Company to issue and deliver the Title Policy in the form reasonably required by Town pursuant to Section 6, subject only to the Permitted Exceptions.

(D) Town's acceptance (or waiver) of all contingencies pursuant to Section 13.

(E) County's execution of the Parking Lot Use Agreement

12. Studies, Reports and Investigations. Within Fourteen (14) business days following the Effective Date, County shall deliver or make available to Town, which may include providing Town with electronic links, any materials and documents pertaining to the condition of the Transferred Property available and within County's possession or control ("**Transferred Property Documents**"). County makes no representation or warranty as to the accuracy or completeness of any of the Transferred Property Documents not prepared by County.

13. Town's Title Contingencies and Contingency Period.

(A) **Contingency Period.**

(i) During the period commencing on the Effective Date and ending on Sixty (60) calendar days thereafter ("**Contingency Period**") Town

may, at Town's expense, undertake an inspection, investigate and review of the Transferred Property and analysis of the Transferred Property Documents, including without limitation any additional reviews and analyses of the physical and environmental condition of the Transferred Property pursuant to Section 14 or the suitability, potable water and sewer capacity of the Transferred Property for Town's intended use that Town deems necessary. Town may consult with or retain civil engineers, contractors, soils and geologic engineers, architects and other specialists in its investigation, and may consult with or retain other consultants to determine if the Transferred Property is suitable for Town's intended use.

- (ii) Town will also review and accept the condition of title of the Transferred Property pursuant to Section 6 during the Contingency Period.

(B) **Other Matters; Document Inspections.** During the Contingency Period, Town may inspect, examine, survey and review any other matters concerning the Transferred Property, including without limitation, all Transferred Property Documents and the Transferred Property's conformity with all applicable laws and regulations.

(C) **Disapproval of Property Condition.** Should Town fail to approve the Transferred Property condition, or any matters related to the Transferred Property at any time prior to the end of the Contingency Period, Town shall have the right, exercisable by giving written notice to County, to cancel the escrow and terminate this Agreement. If Town elects to terminate this Agreement, all funds and documents deposited into Escrow by or on behalf of Town shall be returned to Town, and thereafter neither County nor Town shall have any further obligations hereunder except as expressly set forth herein.

(D) **Contingency Period Extension.** The Parties, for any reason they may so mutually agree, and only by agreement in writing, may further extend the Contingency Period beyond the times pursuant this Section 13.

14. Right of Entry; Insurance; Indemnity. Prior to Close of Escrow, Town and Town's employees, agents, consultants, and contractors (collectively, "Town's Representatives") shall have the right, upon reasonable notice to County, to enter upon the Transferred Property for the purpose of conducting such inspections, surveys, testing and examination (including without limitation soils, engineering and groundwater testing) of the Transferred Property as required by Town in the exercise of Town's reasonable judgment. Town's inspection, examination, survey and review of the Transferred Property shall be at Town's expense. Town shall obtain County's advance consent in writing to any proposed physical testing of the Transferred Property, which consent shall not be unreasonably conditioned, withheld or delayed. Town shall be responsible for obtaining all permits required for physical testing and all work shall be performed in compliance with all applicable laws and regulations. Town shall repair, restore and return the Transferred Property to its original condition and properly dispose of any generated material such as soil or water after such

physical testing, at Town's expense. Town shall schedule any such physical tests during normal business hours unless otherwise approved by County.

Town agrees to indemnify County and hold County harmless from and against all liability, loss, cost, damage and expense (including, without limitation, reasonable attorneys' fees and costs of litigation) resulting from Town's or Town's Representatives' entry upon the Transferred Property, except to the extent that such liability, loss, cost, damage or expense arises as a result of the negligence or other wrongful conduct of County or its agents or arises from the discovery of any latent conditions in the Transferred Property or the discovery of Hazardous Materials (defined in Section 17.1) in, on or under the Transferred Property that were not previously identified.

Prior to any entry onto the Transferred Property for site investigation or physical testing, Town and Town's contractors must provide proof of insurance as specified in Limited Right of Entry Insurance Requirements set forth in Exhibit C.

15. County's Conditions to Closing. The Close of Escrow and County's obligation to sell the Transferred Property pursuant to this Agreement are conditioned upon: (i) the performance by Town of each obligation to be performed by Town under this Agreement within the applicable time period, or waiver by County of such obligation; and (ii) Town's representations and warranties contained in this Agreement being true and correct as of the Effective Date and the Close of Escrow.

16. County's Representations and Warranties. County represents and warrants to Town that the statements set forth in this Section 16 are true and correct as of the Effective Date, and shall be true and correct as of the Close of Escrow. County shall notify Town of any facts that would cause any of County's representations contained in this Agreement to be untrue as of the Close of Escrow.

(A) **Authority; Due Execution; Enforceability.** County has the full right, power and authority to execute, deliver, and perform all obligations of County under this Agreement and all other instruments delivered or to be delivered by County prior to or concurrently with the Close of Escrow (collectively, the "**Documents**"), and the execution, delivery, and performance of this Agreement and the Documents by County have been duly authorized by all requisite actions. The persons executing this Agreement and the Documents on behalf of County have been duly authorized to do so. This Agreement and the Documents constitute valid and binding obligations of County, enforceable in accordance with their respective terms.

(B) **No Conflict.** County's execution, delivery and performance of its obligations under this Agreement and the Documents will not constitute a default or a breach under any contract, agreement or order to which County is a party, by which County is bound, or which affects the Transferred Property or any part thereof.

(C) **No Litigation or Other Proceeding.** No litigation or other proceeding (whether administrative or otherwise) is outstanding or has been threatened which would

prevent, hinder or delay the ability of County to perform its obligations under this Agreement or any Documents.

(D) **No Bankruptcy**. County is not the subject of a bankruptcy or insolvency proceeding.

(E) **Title**. This Agreement and the Documents are collectively sufficient to transfer all of County's rights, title and interest in and to the Transferred Property. To County's current actual knowledge, no person or entity has any right, title or interest in or to the Transferred Property or any portion thereof other than as set forth in the Title Report or disclosed in writing to Town.

(F) **Governmental Compliance**. Except as disclosed in writing to Town, County has not received any notice from any governmental authority of any threatened or pending violation of governmental regulations concerning the Transferred Property that have not previously been corrected.

(G) **Non-Foreign Certification**. County is not a "foreign person" for purposes of Section 1445 of the Internal Revenue Code of 1986, as amended, and any regulation promulgated thereunder, and County is not subject to withholding under California Revenue and Taxation Code Section 18662.

(H) **Agreements Affecting Property**. Except as disclosed in writing to Town, no oral or written contracts, licenses, rental agreements, leases or commitments regarding the maintenance or use of the Transferred Property or allowing any third party rights to use the Transferred Property are in force that will remain in effect as of the Close of Escrow.

17. **Hazardous Materials**.

17.1 **Definitions**.

(A) **Hazardous Materials**. As used in this Agreement, ("**Hazardous Materials**") means any chemical, compound, material, mixture, or substance that is now or may in the future be defined or listed in, or otherwise classified pursuant to any Environmental Laws (defined below) as a "hazardous substance", "hazardous material", "hazardous waste", "extremely hazardous waste", "infectious waste", "toxic substance", "toxic pollutant", or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, or toxicity. The term "Hazardous Materials" shall also include asbestos or asbestos-containing materials, radon, chrome and/or chromium, polychlorinated biphenyls, petroleum, petroleum products or by-products, petroleum components, oil, mineral spirits, natural gas, natural gas liquids, liquefied natural gas, and synthetic gas usable as fuel, perchlorate, and methyl tert butyl ether, whether or not defined as a hazardous waste or hazardous substance in the Environmental Laws.

(B) **"Environmental Laws"**. means any and all federal, state and local statutes, ordinances, orders, rules, regulations, guidance documents, judgments, governmental authorizations or directives, or any other requirements of governmental authorities, as may

presently exist, or as may be amended or supplemented, or hereafter enacted, relating to the presence, release, generation, use, handling, treatment, storage, transportation or disposal of Hazardous Materials, or the protection of the environment or human, plant or animal health, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. § 9601), the Hazardous Materials Transportation Act (49 U.S.C. § 1801 *et seq.*), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 *et seq.*), the Federal Water Pollution Control Act (33 U.S.C. § 1251 *et seq.*), the Clean Air Act (42 U.S.C. § 7401 *et seq.*), the Toxic Substances Control Act (15 U.S.C. § 2601 *et seq.*), the Oil Pollution Act (33 U.S.C. § 2701 *et seq.*), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 *et seq.*), the Porter-Cologne Water Quality Control Act (Cal. Water Code § 13000 *et seq.*), the Toxic Mold Protection Act (Cal. Health & Safety Code § 26100, *et seq.*), the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code § 25249.5 *et seq.*), the Hazardous Waste Control Act (Cal. Health & Safety Code § 25100 *et seq.*), the Hazardous Materials Release Response Plans & Inventory Act (Cal. Health & Safety Code § 25500 *et seq.*), and the Carpenter-Presley-Tanner Hazardous Substances Account Act (Cal. Health and Safety Code, Section 25300 *et seq.*).

17.2 Disclosure. Section 25359.7 of the California Health and Safety Code requires owners of non-residential real property who know, or have reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath the real property to provide written notice of such to a buyer of the real property. County is not aware of any release of hazardous substance on or beneath the Property. Town (a) acknowledges Town's receipt of the foregoing notice given pursuant to Section 25359.7 of the California Health and Safety Code, and (b) after receiving advice of Town's legal counsel, waives any and all rights Town may have to assert that County has not complied with the requirements of Section 25359.7 of the California Health and Safety Code. The representations, warranties and agreements set forth in this section shall survive the consummation of the transactions contemplated hereby.

17.3 No Additional Representations. Town acknowledges and agrees that, except as expressly provided in this Agreement, County has not made, does not make, and specifically disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, of, as to, concerning, or with respect to: (i) the size and dimensions of the Transferred Property; (ii) the suitability of the Transferred Property for Town's intended use, including availability and adequacy of water, sewage, fire protection, and utilities; (iii) matters relating to title to the Transferred Property; (iv) compliance of the Transferred Property with governmental laws, statutes, rules, regulations, ordinances, or restrictions or requirements concerning the Transferred Property, (iv) natural hazards, including flood plain issues, currently or potentially concerning or affecting the Transferred Property; or (v) the physical, economic and environmental condition of the Transferred Property.

17.4 AS-IS Purchase. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, TOWN SPECIFICALLY ACKNOWLEDGES AND AGREES THAT COUNTY IS SELLING AND TOWN IS PURCHASING THE TRANSFERRED PROPERTY ON AN "AS-IS WITH ALL FAULTS" BASIS, THAT NO PATENT OR LATENT DEFECTS ON THE

TRANSFERRED PROPERTY WHETHER KNOWN NOW OR DISCOVERED LATER SHALL AFFECT THIS AGREEMENT, AND THAT OTHER THAN AS EXPRESSLY PROVIDED IN SECTIONS 16 AND 17, TOWN IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM COUNTY OR COUNTY'S REPRESENTATIVES AS TO ANY MATTERS CONCERNING THE TRANSFERRED PROPERTY.

Town's Initials

17.5 Release by Town. Town, on behalf of itself and its successors and assigns hereby waives, releases, remises, acquits and forever discharges County, its elected and appointed officials, employees, agents, and any other person acting on behalf of County, from any and all claims, actions, causes of action, legal or administrative proceedings, demands, rights, damages, costs, expenses and compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with:

- (A) The physical condition of the Transferred Property.
- (B) The condition of title to the Transferred Property.
- (C) The presence on, under or about the Transferred Property of any Hazardous Material.
- (D) The Transferred Property's compliance with any applicable federal, state or local law, rule or regulation.
- (E) Any other aspect of the Transferred Property.

However, this release does not apply to County's breach of any of the representations and warranties of County set forth in this Agreement or to claims arising from or attributable to a material matter actually known to County (excluding constructive notice), and (a) not disclosed to Town, and (b) not discovered by Town prior to the Close of Escrow. In connection with foregoing waiver and release, Town expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR EXPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM OR HER MUST HAVE MATERIALLY AFFECTED THE SETTLEMENT WITH THE DEBTOR."

Town's Initials

This Section 17.5 shall survive the Close of Escrow and the termination of this Agreement.

18. County's Covenants. County covenants that from the Effective Date and through the Close of Escrow, County:

(A) Shall not create or permit any liens, encumbrances, or easements to be placed on the Property, other than Permitted Exceptions.

(B) Shall not enter into or renew, replace or modify any agreement regarding the use, sale, rental, management, repair, improvement, or any other matter affecting the Transferred Property that would be binding on Town or the Transferred Property after the Close of Escrow absent the prior written consent of Town.

(C) Shall maintain the Transferred Property in its condition as of the Effective Date, ordinary wear and tear excepted, and shall manage the Transferred Property substantially in accordance with County's established practices.

(D) Shall make no material alteration to the Transferred Property without Town's prior written consent.

(E) Shall immediately notify Town if County becomes aware of a factual basis for any condemnation, environmental proceeding, special assessment proceeding, zoning action, land use or other litigation or proceeding against County or the Transferred Property that could detrimentally affect the Transferred Property or the use, ownership, development, sale or value of the Transferred Property.

19. Town's Representations, Warranties and Covenants. Town represents, warrants and covenants that this Agreement and all other documents delivered in connection herewith, prior to or at the Close of Escrow:

(A) Have been duly authorized, executed, and delivered by Town.

(B) Are binding obligations of Town.

(C) Do not violate the provisions of any agreement to which Town is a party.

Town further represents and warrants that the persons who have executed this Agreement on behalf of Town have been duly authorized to do so, that Town has the legal right to enter into this Agreement and to perform all of its terms and conditions, and that Agreement is enforceable against Town in accordance with its terms. Town further represents and warrants that (a) Town's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which Town is a party or by which Town is bound, (b) no litigation or other proceeding (whether administrative or otherwise) is outstanding or has been threatened which would prevent, hinder or delay the ability of Town to perform its obligations under this Agreement, and (c) Town is not the subject of a bankruptcy or insolvency proceeding.

20. Condemnation. If, prior to the Close of Escrow, any portion of the Transferred Property shall be condemned or becomes the subject of any pending or threatened condemnation action, County shall promptly notify Town thereof. If the condemnation or the pending or threatened condemnation action relates to all, or in Town's reasonable opinion, a significant portion of the Transferred Property (where "significant portion" means more than Five percent (5%) of the area of the Transferred Property, any loss of parking, any loss of access, or which causes the Transferred Property not to comply with applicable law), Town shall have the right to terminate this Agreement on written notice to County delivered within Ten (10) business days after receipt of County's notice. Town's failure to deliver such notice within such time period shall constitute Town's election to acquire the Transferred Property. In the event Town elects to terminate this Agreement, all funds and documents deposited into escrow by or on behalf of Town shall be returned to Town, and all rights and obligations hereunder shall terminate except such rights and obligations that expressly survive termination of this Agreement. If Town does not elect to terminate this Agreement, then it shall remain in full force and effect, regardless of such condemnation or threatened or pending action, and County shall assign to Town all of its rights, if any, as owner of the condemned portion of the Transferred Property, to any condemnation award and all claims in connection therewith, and Town shall have the right during the pendency of this Agreement to participate with County in the condemnation proceeding, and after the Close of Escrow, the sole right to negotiate and otherwise deal with the condemning authority in respect of such matter.

21. Default by County. In the event the Close of Escrow and the transactions contemplated hereby do not occur as provided herein by reason of the default of County, Town may elect, as its sole and exclusive remedy, to (i) terminate this Agreement, or (ii) enforce specific performance of County's obligation to convey the Transferred Property, without adjustment to, or credit against, the Purchase Price. Town shall be deemed to have elected to terminate this Agreement (as provided in clause (i) above) if Town fails to deliver to County written notice of its intent to file a cause of action for specific performance against County on or before Ten (10) calendar days after written notice of termination from County or Ten (10) calendar days after the originally scheduled date for Close of Escrow, whichever shall occur first, or having given County notice, fails to file a lawsuit asserting such cause of action within thirty (30) calendar days after the originally scheduled date for Close of Escrow.

22. Miscellaneous Provisions.

22.1 Notices. Except as otherwise specified in this Agreement, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other parties in accordance with this section. All such notices shall be sent by: (i) personal delivery, in which case notice is effective upon delivery; (ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt; or (iii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service.

Town: Town of Loomis

3665 Taylor Road
Loomis, CA 95650
Telephone: (916) 652-1840
Facsimile: (916) 652-1847

With copies to:

Kronick, Moskovitz, Tiedemann & Girard
400 Capitol Mall, 27th Floor
Sacramento, CA 95814
Telephone: (916) 321-4500
Facsimile: (916) 321-4555
Attn.: Jeffrey Mitchell

County: Placer County
11476 C Avenue
Auburn, CA 95603
Telephone: (530) 889-4062
Facsimile: (530) 886-4964

With copies to:

County of Placer
Office of County Counsel
175 Fulweiler Avenue
Auburn, CA 95603
Telephone: (530) 889-4044
Facsimile: (530) 889-4069

22.2 Brokers. Each Party represents and warrants to the other that no person or entity can properly claim a right to a real estate commission, brokerage fee, finder's fee, or other compensation with respect to the transaction contemplated by this Agreement. Each Party agrees to defend, indemnify and hold harmless the other Party from any claims, expenses, costs or liabilities arising in connection with a breach of this warranty and representation. The terms of this section shall survive the expiration or earlier termination of this Agreement.

22.3 Assignment of Property. Town shall not have the right to assign or otherwise transfer its rights under this Agreement, in whole or in part, without the prior written consent of County, which shall be at the sole discretion of County.

22.4 Governing Law; Venue. This Agreement is executed and intended to be performed in the State of California, and the laws of California shall govern its interpretation and effect. Any legal proceedings on this Agreement shall be brought under the jurisdiction of the Superior Court of the County of Placer, State of California. Each Party waives any federal court removal and/or original jurisdiction rights it may have.

22.5 Entire Agreement. This Agreement, including **Exhibits A through C** attached hereto and incorporated herein by this reference, contains the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior written or oral agreements, understandings, representations or statements between the Parties with respect to the subject matter hereof.

22.6 Severability. If any term, provision, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged thereby.

22.7 Waivers; Modification. No waiver of any breach of any covenant or provision of this Agreement shall be deemed a waiver of any other covenant or provision hereof, and no waiver shall be valid unless in writing and executed by the waiving Party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act, and no extension shall be valid unless in writing and executed by the waiving Party. This Agreement may be amended or modified only by a written instrument executed by the Parties.

22.8 Successors. This Agreement shall bind and inure to the benefit of the respective heirs, personal representatives, successors and assignees of the Parties.

22.9 Provisions Not Merged with Deeds. All provisions of this Agreement that expressly state that they shall survive the Close of Escrow and the termination of this Agreement, shall do so, and Town and County intend that the indemnities provided in **Section 14**, and the agreements and release provided in **Sections 17.4 and 17.5**, will survive the termination of this Agreement, the Close of Escrow and the transfer of the Property to Town.

22.10 Captions, Construction. The section headings used herein are solely for convenience and shall not be used to interpret this Agreement. The Parties acknowledge that this Agreement is the product of negotiation and compromise on the part of both Parties, and the Parties agree, that since both Parties have participated in the negotiation and drafting of this Agreement, this Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

22.11 Reserved.

22.12 No Third Party Beneficiaries. Nothing in this Agreement is intended to or shall confer upon any person, other than the Parties and their respective successors and assigns, any rights or remedies hereunder.

22.13 Parties Not Co-Ventures. Nothing in this Agreement is intended to or shall establish the Town and County as partners, co-venturers, or principal and agent with one another.

22.14 Non-Liability of Officials, Employees and Agents. No official, employee or agent of County shall be personally liable to Town or its successors in interest in the event of any default or breach by County or for any amount which may become due to Town or its successors in interest pursuant to this Agreement. No official, employee or agent of Town shall be personally liable to County or its successors in interest in the event of any default or breach by Town or for any amount which may become due to County or its successors in interest pursuant to this Agreement.

22.15 Time of the Essence. Time is of the essence for each condition, term, obligation and provision of this Agreement.

22.16 Time for Performance. When the time for performance of any obligation under this Agreement is to be measured from another event, such time period shall include the day of the other event. If the day of the time for performance is not a regular business day, then the time for such performance shall be by the regular business day following such day.

22.17 Escrow Cancellation Charges. If the escrow fails to close by reason other than default by County, then Town shall pay all escrow or other Title Company charges.

22.18 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.

22.19 Public Disclosure. The Parties acknowledge that each Party is a public entity subject to the Ralph M. Brown Act and the Public Records Act (Cal Govt. Code Sec. 54950 et seq and Cal Govt. Code Sec. 6250 et seq, respectively; (collectively the "**Acts**")). Each Party acknowledges the Purchase Price and other terms and conditions of this Agreement are subject to public disclosure as part of a Board open session meeting consideration of this transaction. The Parties further acknowledges that this Agreement and related transaction documents may be subject to public disclosure under the Acts.

22.20 Governmental Review. Town acknowledges that the decision by County to enter into this Agreement is made by County of Placer in its role as the owner of the Transferred Property.

22.21 Cooperation. County shall cooperate fully in providing Town with appropriate information in a timely fashion.

22.22 Contracts. Upon the Close of Escrow, County will terminate all contracts for the management, operation and maintenance of the Transferred Property. Town will be responsible for any services required.

22.23. Lease Agreement Termination. Upon the Close of Escrow, the Lease Agreement shall terminate and be of no further force or effect.

IN WITNESS WHEREOF, the Parties have executed this Purchase and Sale Agreement as of the date first written above.

COUNTY:

By: _____

Print Name: _____

Title: _____

Date: _____

TOWN:

By: _____

Print Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

By: _____
County Counsel

APPROVED AS TO FORM:

By: _____
Town Counsel

EXHIBITS

Exhibit A: Legal Description of County Property

Exhibit B: Transferred Property Map

Exhibit C: Limited Right of Entry Insurance Requirements

EXHIBIT A

LEGAL DESCRIPTION OF COUNTY PROPERTY

LEGAL DESCRIPTION

APN: 043-100-029-000

A portion of the West ½ of the Northwest ¼ of Section 10, Township 11 North, Range 7 East, M.D.B.G.M. County of Placer, State of California, described as follows:

COMMENCING at the West ¼ corner of said Section 10, as said ¼ corner is shown in Book 5 Surveys Page 113, Official Records of Placer County;

THENCE along the West line of said Section 10, North 00° 43' 14" West, 1017.17 feet to the TRUE POINT OF BEGINNING, said point also being a point on a nontangent curve from which the radial point bears South 31° 06' 02" East;

THENCE along said curve, concave to the South, having a radius of 225.00 feet, a central angle of 70° 32' 43", an arc length of 277.03 feet to a point of reverse curvature;

THENCE along a curve to the left, concave to the Northeast, having a radius of 197.50 feet, a central angle of 39° 26' 45", an arc length of 135.97 feet;

THENCE North 89° 59' 56" East, 55.23 feet;

THENCE South 00° 00' 04" East, 251.50 feet, more or less, to a point on the South boundary of that parcel of land recorded in that certain Quit Claim Deed to Earl E. Gates and Adele Gates, recorded June 22, 1940 in Volume 405 Page 189, said Official Records;

THENCE along said boundary the following two (2) courses, (1) South 88° 16' 44" West, 250.59 feet, more or less, to a point which bears South 00° 35' 21" East 180.17 feet, more or less, from the Northeast corner of that certain parcel conveyed to Lindsley K. Nelthorpe by deed dated February 28, 1923, recorded March 28, 1923, in Book 209 Deeds at page 130, executed by Belle Carrington Ferguson and Alice Carrington Davis; (2) thence North 00° 35' 21" West and continuing partly along the Easterly boundary of said property conveyed to Lindsley K. Nelthorpe for a distance of 180.17 feet, more or less, to the Northeast corner of said property conveyed to Lindsley K. Nelthorpe, said corner also being the Southeast corner of that parcel of land conveyed to the County of Placer recorded in Volume 512 Page 254, said Official Records;

THENCE along the East and North lines of said property conveyed to the County of Placer the following two (2) courses, (1) North 00° 35' 21" West, 103.84 feet to the Northeast corner thereof, (2) South 88° 16' 40" West, 130.00 feet to the Northwest corner thereof, said corner being a point on the Westerly boundary of said parcel recorded in Volume 405 Page 189;

THENCE along said Westerly boundary, North 52° 51' 32" West, 70.94 feet to the point of beginning.

EXCEPTING THEREFROM the Northerly 55.00 feet, said Northerly 55.00 feet to be measured at right angles to and parallel with the Northerly line of the above described parcel.

Basis of bearing is the California Coordinate System Zone II.

EXHIBIT B

TRANSFERRED PROPERTY MAP

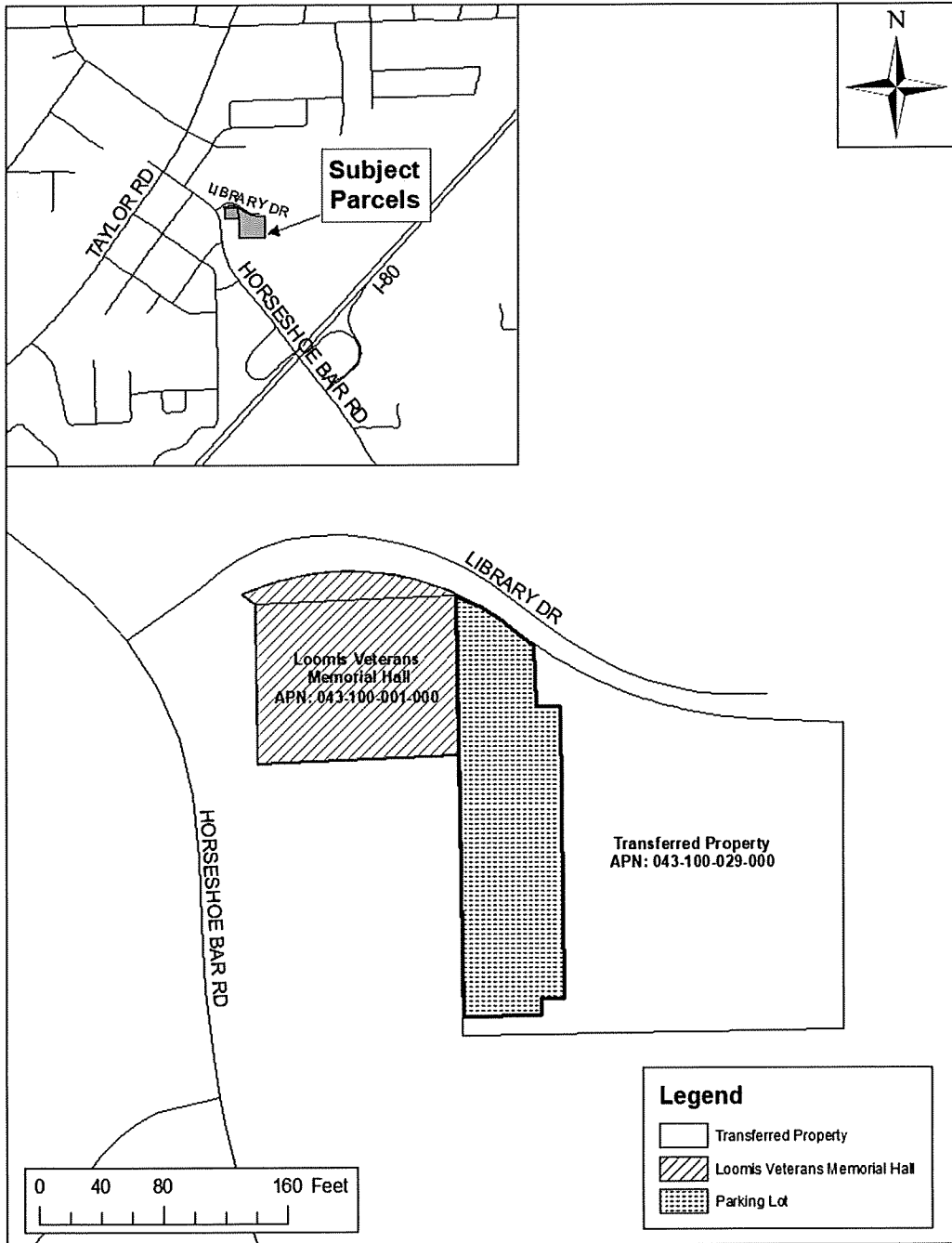


EXHIBIT C

LIMITED RIGHT OF ENTRY INSURANCE REQUIREMENTS

Insurance: Town of Loomis (Buyer) and any Contractors shall file with PLACER COUNTY concurrently herewith a letter of self-insurance or a Certificate of Insurance, with companies acceptable to PLACER COUNTY, with a Best's Rating of no less than A-VII showing the following coverage:

A. Workers' Compensation and Employers' Liability Insurance

- 1) Workers' Compensation Insurance shall be provided as required by any applicable law or applicable law or regulation. Employers' liability insurance shall be provided in amounts not less than one million dollars (\$1,000,000) each accident for bodily injury by accident, one million dollars (\$1,000,000) policy limit for bodily injury by disease, and one million dollars (\$1,000,000) each employee for bodily injury by disease.
- 2) If there is an exposure of injury to Buyer's employees under the U.S. Longshoremen's and Harbor Workers' Compensation Act, the Jones Act, or under laws, regulations, or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.
- 3) Each Workers' Compensation policy shall be endorsed with the following specific language:

Cancellation Notice - "This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to the County of Placer.

Waiver of Subrogation - The workers' compensation policy shall be endorsed to state that the workers' compensation carrier waives its rights of subrogation against the County, its officers, directors, officials, employees, agents, or volunteers which might arise by reason of payment under such policy in connection with performance under this agreement by Buyer. Buyer shall require all subcontractors to maintain adequate Workers' Compensation insurance. Certificates of Workers' Compensation shall be filed forthwith with the PLACER COUNTY upon demand.

B. General Liability Insurance

- 1) Comprehensive General Liability or Commercial Liability insurance shall be provided covering all operations by, or on behalf of Buyer, covering bodily injury liability and property damage liability for the limits of liability indicated below and including coverage for:
 - a) Products and completed operations
 - b) Contractual liability insuring the obligations assumed by Buyer in this Agreement;and

- c) Broad form property damage (including completed operations).

Except with respect to bodily injury and property damage included within the products and completed operations hazards, the aggregate limits, where applicable, shall apply separately to Buyer's work under the agreement.

- 2) One of the following forms is required:
 - a) Comprehensive General Liability;
 - b) Commercial General Liability (Occurrence); or
 - c) Commercial General Liability (Claims Made).
- 3) If Buyer carries a Comprehensive General Liability policy, the limits of liability shall not be less than a Combined Single Limit for bodily injury, property damage, and Personal Injury Liability of:
 - a) One million dollars (\$1,000,000) each occurrence;
 - b) Two million dollars (\$2,000,000) aggregate.
- 4) If Buyer carries a Commercial General Liability (Occurrence) policy:
 - a) The limits of liability shall not be less than:
 - i) One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage);
 - ii) One million dollars (\$1,000,000) for Products-Completed Operations; and
 - iii) Two million dollars (\$2,000,000) General Aggregate.
 - b) If the policy does not have an endorsement providing that the General Aggregate Limit applies separately to this contract, or if defense costs are included in the aggregate limits, then the required aggregate limits shall be two million dollars (\$2,000,000).
- 5) Special Claims Made Policy Form Provisions: Buyer shall not provide a Commercial General Liability (Claims Made) policy without the express prior written consent of PLACER COUNTY, which consent, if given, shall be subject to the following conditions:
 - a) The limits of liability shall not be less than:
 - i) One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage);
 - ii) One million dollars (\$1,000,000) aggregate for Products-Completed Operations;
 - iii) Two million dollars (\$2,000,000) General Aggregate.
 - b) The insurance coverage provided by Buyer shall contain language providing coverage up to one (1) year following the completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims-made policy.

6) Conformity of Coverages: If more than one policy is used to meet the required coverages, such as separate umbrella policy, such policies shall be consistent with all other applicable policies used to meet these minimum requirements. For example, all policies shall be Occurrence Liability policies or all shall be Claims-Made Liability policies, if approved by PLACER COUNTY as noted above. In no cases shall the types of policies be different.

C. Endorsements: Each Comprehensive or General Liability policy shall be endorsed with the following specific language:

- 1) "County of Placer, its officers, agents, employees and volunteers, are to be covered as insureds for all liability arising out of operations by or on behalf of the named insured in the performance of this Agreement."
- 2) "The insurance provided by Buyer, including any excess liability or umbrella form coverage, is primary coverage to the County of Placer with respect to any insurance or self-insurance programs maintained by the County of Placer, and no insurance or self-insurance program maintained by the County of Placer shall be called upon to contribute to a loss."
- 3) "This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to the County of Placer."

D. Automobile Liability Insurance

- 1) Automobile Liability Insurance shall be provided covering bodily injury and property damage in an amount no less than one million dollars (\$1,000,000) combined single limit for each occurrence.
- 2) Covered vehicles shall include owned, non-owned, and hired automobiles/trucks.