

PROPERTY LEASE AGREEMENT

BY AND BETWEEN

THE CITY OF OCEANSIDE

AND

MANHEIM INVESTMENTS, INC.

ON CITY OWNED PROPERTY LOCATED AT

4691 CALLE JOVEN,

OCEANSIDE, CA 92057

DATED

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PROPERTY LEASE AGREEMENT

This PROPERTY LEASE AGREEMENT (“Agreement”) dated May 1, 2026 (“Effective Date”), is executed by and between the City of Oceanside, a municipal corporation (“CITY”) and Manheim Investments, Inc., a Nevada corporation (“LESSEE”), collectively referred to as (“Parties”).

RECITALS

WHEREAS, CITY is the lawful owner of certain real property, as more particularly described herein below; and

WHEREAS, CITY and LESSEE entered into that certain CPI Property Lease Agreement, dated May 24, 1996 for the City-owned property located at 4691 Calle Joven in Oceanside, California, which was amended by Amendment 1 dated December 23, 1998, Amendment 2 dated June 20, 2012, Amendment 3 dated November 6, 2013, and Amendment 4 dated June 1, 2021 (“Prior Lease”);

WHEREAS, CITY and LESSEE are desirous of entering into a new Agreement for the lease of the same property consisting of approximately 29 acres located at 4691 Calle Joven in Oceanside;

WHEREAS, the intentions of CITY and LESSEE are that this Agreement shall replace the Prior Lease in its entirety, leaving the Prior Lease, on the Effective Date of this Agreement, of no further force or effect. In the event of any conflict or inconsistency between this Agreement and the Prior Lease, this Agreement shall control.

NOW, THEREFORE, in consideration of the covenants, conditions and provisions contained herein, the Parties hereto mutually agree as follows:

AGREEMENT

SECTION 1: RECITALS

1.01 Incorporation of Recitals. The terms and provisions of the foregoing Recitals are incorporated herein, as though set forth in full herein.

SECTION 2: USES

2.01 Premises. CITY hereby leases to LESSEE and LESSEE leases from CITY, in accordance with the terms, conditions and covenants of this Agreement, all of that certain real property situated in the City of Oceanside, County of San Diego, State of California, commonly known as 4691 Calle Joven, Oceanside, California, containing

approximately 29.046 acres, as more particularly described in the legal description and survey shown in **Attachment "1"** attached hereto and by this reference made part of this Agreement, herein after called the "Premises".

2.02 Uses. It is expressly agreed that the Premises are leased to LESSEE solely and exclusively for the purpose of an auto auction, and/or vehicle storage, and for such other ancillary or incidental purposes as may be first approved in writing by the City Manager, which approval shall not be unreasonably withheld.

LESSEE covenants and agrees to actively and continuously use and operate the Premises for the above specified, limited and particular use, and to diligently pursue said purposes throughout the term hereof, except for failure to so use caused by reasons or events beyond the reasonable control of LESSEE, a change in zoning or other applicable law, loss of LESSEE's license to operate for the permitted use hereunder, and acts of God. Said active and continuous use and operation by LESSEE enhances the value of the public's asset; provides needed public services, additional employment and taxes; and also provides other intangible benefits to the general economy of the area. In the event that LESSEE fails to continuously use the Premises for said purposes, or uses the Premises for purposes not expressly authorized herein, LESSEE shall be deemed in default under the Agreement. LESSEE shall not use the Premises in any manner which disrupts the quiet enjoyment of surrounding property owners' use of their property.

2.03 Related Discretionary Actions. By the granting of this Agreement, neither the CITY nor the City Council is obligating itself to any other governmental agent, board, commission, or agency with regard to any other discretionary action relating to development or operation of the Premises. Discretionary action includes, but is not limited to rezoning, variances, conditional use permits, environmental clearances or any other governmental agency approvals that may be required for the development and operation of the Premises.

2.04 Quiet Possession. LESSEE, by paying the rent and performing the terms, conditions and covenants set forth herein, shall at all times during the term peaceably and quietly have, hold, and enjoy the Premises.

If CITY for any reason cannot deliver possession of the Premises to LESSEE at the commencement of the term (as hereinafter defined), or if during the term hereof, LESSEE is temporarily dispossessed through action or claim of a title superior to the CITY, then and in either of such events, this Agreement shall not be voidable nor shall CITY be liable to LESSEE for any loss or damage resulting therefrom, but there shall be determined and stated in writing by the CITY a proportionate reduction of the rate of rent for the period or periods during which LESSEE is prevented from having the quiet possession of all or a portion of the Premises. In the event that such dispossession causes an extraordinary economic burden on LESSEE, LESSEE shall have the option to terminate this Agreement by submitting to the CITY a **thirty (30) day** written notice together with its reasons for such termination ("Notice of Termination"). The CITY shall review the Notice of Termination and shall provide LESSEE with its written notice of

approval or disapproval thereof (if the CITY disapproves, such notice shall provide the reasons for such disapproval and the steps LESSEE may take to obtain approval) within **twenty-one (21) days** after receipt of LESSEE's Notice of Termination. Said approval shall not be unreasonably withheld or conditioned. If the CITY fails to provide LESSEE with timely written notice of disapproval of such termination, such termination shall be deemed approved by the CITY.

2.05 Reservation of Rights. CITY shall not unreasonably or substantially interfere with LESSEE's use of the Premises while LESSEE is in possession of the Premises; however, the CITY specifically retains the following rights:

a. **Subsurface Rights.** CITY hereby reserves all rights, title and interest in any and all subsurface natural gas, oil, minerals and water on or within the Premises.

b. **Easements.** CITY reserves the right to grant and use easements or to establish and use rights-of-way over, under, along and across the leased Premises for utilities, thoroughfares, or access as it deems advisable for the public good.

c. **Right to Enter.** CITY has the right to enter the Premises during business hours for the purpose of performing maintenance, inspections, repairs or improvements, or developing municipal resources and services; provided, however, CITY has the right to enter the Premises at any time to perform the activities described below in Paragraph 1.05d. These activities include, but are not limited to, activities related to the existing ground water well on the Premises.

d. **Activities Relating to Water Wells.** LESSEE acknowledges that CITY has **two (2)** existing water wells and an observation well located on the East and Northeast side of the Premises. The LESSEE acknowledges that the CITY will have access **twenty-four (24) hours** a day, **seven (7) days** of week to both well sites, one observation well and any associated pipeline infrastructure, provided the CITY shall, in each case, notify LESSEE at least **twenty-four (24) hours** in advance of any access of the Premises by CITY or its employees, agents or contractors, except in the case of an emergency, whereby advance to notification to LESSEE is not necessary. The current well sites utilize an underground drainage pipe to connect to LESSEE's drainage system in accordance with CITY's plans so that no water is discharged to the surface of the Premises. LESSEE shall allow access to the existing well sites by means of a gate that is installed in LESSEE's fence on the north side of the Premises. CITY reserves the right to conduct hydrogeological investigations and studies, at CITY's sole cost, for the purposes of siting future water wells. Such studies may involve the drilling of test wells, ground penetrating radar or similar, water sampling or other means to determine the most favorable location to locate the future wells. This list is not meant to be all inclusive of studies that may be conducted. CITY reserves the right to construct, at CITY's sole cost, **two (2)** additional water wells and up to **two (2)** observation wells, underground facilities, and appurtenances, at some future date. In so constructing the **two (2)** additional wells, CITY agrees to install, at CITY's sole cost, an underground drainage pipe to connect the **two (2)** additional wells to LESSEE's drainage system so that no water is discharged to

the surface of the Premises. CITY will provide LESSEE with a site plan for the additional wells, the locations of which shall be in an area on the Premises which is reasonably acceptable to LESSEE and which meets the needs of CITY. The wells will each be located in a concrete block enclosure to be constructed at CITY's sole cost. The size of each enclosure will not exceed **forty (40) feet by sixty (60) feet** and CITY shall use its best efforts to minimize the size of the enclosures. CITY agrees to provide LESSEE at least **six (6) months** prior written notice of CITY's intention to construct the wells and appurtenant facilities. CITY shall use its best efforts to provide further written notice of CITY's construction timing as construction plans develop so that LESSEE can be prepared to relocate its vehicles during the construction period. LESSEE agrees to provide CITY with clear access for the construction of said wells and appurtenances. CITY agrees to pay all costs of construction, repair, maintenance and inspection of the wells and appurtenances. Additionally, CITY shall at its cost, promptly restore and repair any of LESSEE's property improvements damaged or destroyed by CITY's activities hereunder. CITY also agrees to include the wells as part of its liability insurance coverage. CITY agrees to defend, indemnify, and hold harmless LESSEE and its officers, agents, and employees against all claims for damages to persons or property arising out of the conduct of CITY, its employees, agents, and contractors in connection with its rights reserved in this Paragraph 1.05.d. CITY's indemnification shall include any and all costs, expenses, attorneys' fees and liability incurred by LESSEE, its officers, agents, or employees in defending against such claims, whether the same proceed to judgment or not. CITY acknowledges that LESSEE has installed a security system and has retained security personnel at the Premises. CITY agrees to cooperate with LESSEE's security policies when gaining access to the Premises.

Except for the rights described in subparagraph (d) above, CITY will not reimburse LESSEE for damages, if any, to the permanent improvements located on the Premises resulting from the CITY exercising the rights reserved in this Agreement. CITY will pay the costs of the maintenance and repair of all CITY installations made pursuant to these reserved rights. CITY's use of the Premises is paramount to that of the LESSEE's use.

SECTION 3: TERM

3.01 Commencement. This Agreement shall commence on May 1, 2026 (the Effective Date) and terminate on April 30, 2031.

3.02 Extension of Term. The LESSEE may request an extension of the term of this Agreement for the Premises for **two (2) consecutive five-year** terms under the terms and conditions of this Agreement, provided that the LESSEE is not in default or breach of any term, condition, or covenant of this Agreement.

The LESSEE may request not more than **two (2) separate and consecutive five-year** extensions of term by providing the CITY with its written request no later than **ninety (90) days** prior to the expiration of the term of this Agreement, provided that the LESSEE is not in default. The CITY's designee shall notify the LESSEE not later than **thirty (30)**

days after receipt of such request whether such request will be recommended to the CITY Council for approval. Recommendation by the CITY Manager does not constitute CITY approval of the extension request. The CITY Manager in his capacity as the CITY's authorized representative, shall, in his sole discretion, have the authority to deny any such request. Any such denial shall be sent to LESSEE not later than **thirty (30) days** from receipt of the request for extension.

The CITY Council, at its sole discretion, may approve or deny the extension of the term of this Agreement. In the event the CITY Council is unable to consider the extension request in sufficient time as to provide LESSEE with **thirty (30) days'** notice of termination in the case of denial, the Agreement shall be extended for a period sufficient to allow for such thirty-day notice of termination to be received by LESSEE no later than **thirty (30) days** prior to the expiration of the then current term of the Agreement.

3.03 Termination Provisions. No special termination options are available except those described elsewhere in this Agreement.

3.04 Holdover. Any holding over by LESSEE after expiration or termination shall not be considered as a renewal or extension of this Agreement. The occupancy of the Premises by LESSEE or by LESSEE's property after the expiration or termination of this Agreement constitutes a month-to-month tenancy, and all other terms and conditions of this Agreement, including rental adjustments, shall continue in full force and effect. In the event of any holding over, LESSEE shall pay the sum of:

a. Monthly Rent in the amount of the Monthly Rent then in effect during the preceding annual term for the extent of the holdover period.

b. In addition to the Monthly Rent, LESSEE shall, in the event of any holding over beyond **ninety (90) days**, pay an increase in the Monthly Rent equal to the product of the Monthly Rent times **five percent (5%)** per year for each year that this Agreement has been in effect.

3.05 Abandonment by Lessee. Even if LESSEE breaches the Agreement and/or abandons the Premises, this Agreement shall continue in effect for so long as CITY does not terminate this Agreement, and CITY may enforce all its rights and remedies hereunder, including but not limited to the right to recover the total Monthly Rent (as defined by Subsections 4.02.a and 4.02.b) as it becomes due, plus damages.

3.06 Quitclaim of Lessee's Interest. On termination of this Agreement for any reason, CITY shall provide LESSEE with and LESSEE shall deliver to CITY a quitclaim deed in recordable form quitclaiming all its rights in and to the Premises. LESSEE or its successor in interest shall deliver the same within **ten (10) business days** after receiving written demand therefor. CITY may record such deed only on the expiration or earlier termination of this Agreement. If LESSEE fails or refuses to deliver the required deed, the CITY may prepare and record a notice reciting LESSEE's failure to execute this provision, and the notice will be conclusive evidence of the termination of this Agreement

and all LESSEE's rights to the Premises.

3.07 Surrender of Premises. At the expiration or earlier termination of this Agreement, LESSEE shall surrender the Premises to CITY free and clear of all liens and encumbrances created by LESSEE, except those liens and encumbrances that existed on the date of the execution of this Agreement by CITY. The Premises, when surrendered by LESSEE, shall be in a safe and sanitary condition and shall be in as good or better condition as the condition at commencement of this Agreement, absent normal wear and tear.

3.08 Time is of Essence. Time is of the essence regarding all of the terms, covenants, conditions and provisions of this Agreement.

3.09 Business License. LESSEE agrees to obtain and maintain, at its sole cost and expense, a current business license issued from the CITY during the full term of this Agreement, provided such a license is required for LESSEE's operations under this Agreement.

SECTION 4: RENT

4.01 Time and Place of Payment. The LESSEE shall make all payments **monthly** in advance on or before the **first (1st) day** of each **calendar month**. Rent payments should be made payable to the **"City of Oceanside"** and delivered to: **City of Oceanside, Central Cashier, 300 N. Coast Highway, Oceanside, CA 92054**. The place and time of payment may be changed at any time by CITY upon **thirty (30) days** written notice to LESSEE. LESSEE assumes all risk of loss and responsibility for late payment charges. LESSEE agrees to pay CITY an additional **Thirty and No/100 dollars (\$30.00)** for any returned check which is not honored by the financial institution from which the check is drawn. In the event the commencement of this Agreement occurs after the **first (1st) day** of the month, the first month's Rent shall be prorated based on a 30-day proration formula.

4.02 Rent.

a. Initial Rent Amount. The initial annual rent amount shall be **One Million Two Thousand and No/100 Dollars (\$1,002,000.00)** ("Annual Rent"), which shall be payable monthly in advance at the rate of **Eighty-Three Thousand Five Hundred and No/100 Dollars (\$83,500.00)** per month for the **first (1st) year** of this Agreement ("Monthly Rent"), which shall commence on May 1, 2026.

b. Annual Rent Adjustment. The Annual Rent set forth in Subsection 3.02.a above shall be increased on May 1st, 2027, and annually thereafter. The Annual Rent shall be increased by **three and one-half percent (3.5%)** of the previous rent then in effect, as calculated and set forth in the schedule below. The Annual Rent shall be due and payable to the CITY in monthly installments as follows and referred to as the Monthly Rent or Rent for the purposes of this Agreement:

Year 1	May 01, 2026 – April 30, 2027	\$83,500
Year 2	May 01, 2027 – April 30, 2028	\$86,423
Year 3	May 01, 2028 – April 30, 2029	\$89,448
Year 4	May 01, 2029 – April 30, 2030	\$92,579
Year 5	May 01, 2030 – April 30, 2031	\$95,819

4.03 Delinquent Rent. If LESSEE fails to pay the Monthly Rent when due, LESSEE will pay in addition to the unpaid rents, **five percent (5%)** of the delinquent rent. If the rent is still unpaid at the end of **fifteen (15) days**, LESSEE shall pay an additional **five percent (5%)** (being a total of **ten percent (10%)**) which is hereby mutually agreed by the Parties to be appropriate to compensate CITY for loss resulting from rental delinquency, including lost interest, opportunities, legal costs, and the cost of servicing the delinquent account.

4.04 Rent for Extended Term. No later than **ninety (90) days** from the receipt of LESSEE'S written election to extend the term of this Agreement pursuant to Subsection 3.02, the City Manager shall, in writing, provide LESSEE with the CITY's calculated fair market rent which the CITY is willing to accept for the PREMISES. The fair market rental value shall be determined based upon the location of the PREMISES in an industrial zone in the City of Oceanside as vacant land available for industrial use. No later than **thirty (30) days** after the City Manager provides LESSEE with the CITY's fair market rental rate LESSEE shall provide CITY with its determination of acceptance or rejection of the CITY's calculated fair market rent. In the event the Parties cannot agree on the fair market rent, each party shall select an MAI appraiser, which appraisers shall select a third MAI appraiser who will make a determination of the fair market rent for the PREMISES, which rent shall be the recalculated rent for the PREMISES for the extended term. Provided, however, in no event shall the rental rate be less than that required during the preceding annual term. The CITY and LESSEE shall split the cost of the appraisal for the recalculated fair market rent, if required.

SECTION 5: INDEMNITY AND INSURANCE

5.01 Indemnity.

LESSEE shall defend, indemnify and hold harmless the CITY and its officers, agents and employees against all claims for damages to persons or property arising out of the conduct of the LESSEE or its employees, agents, or other in connection with its use and occupation of the PREMISES under this Agreement, except only for those claims arising from the sole negligence or sole willful conduct of the CITY, its officers, agents, or employees. LESSEE's indemnification shall include any and all costs, expenses, attorneys' fees and liability incurred by the CITY, its officers, agents, or employees in defending against such claims, whether the same proceed to judgement or not.

5.02 Insurance. Without limiting LESSEE's indemnification of the CITY Parties provided for herein, and prior to commencement of this Agreement, LESSEE shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of

insurance with the endorsements of the type, amounts, terms and conditions described in the **Insurance Requirements** attached hereto as **Attachment "2"** and incorporated herein by reference.

5.03 Accident Reports. LESSEE shall promptly, within **seventy-two (72) hours**, report to CITY any accident causing any serious property damage or any serious injury to persons on the Property. This report shall contain the names and addresses of the parties involved, a statement of circumstances, the date and hour of the accident, the names and addresses of any witnesses and other pertinent information.

SECTION 6: IMPROVEMENTS/ALTERATIONS/REPAIRS

6.01 Acceptance of Premises. LESSEE represents and warrants that it has independently inspected the Premises and made all tests, investigations, and observations necessary to satisfy itself of the condition of the Premises. LESSEE acknowledges it is relying solely on such independent inspection, tests, investigations, and observations in making this Agreement. LESSEE further acknowledges that the Premises are in the condition called for by this Agreement and that LESSEE does not hold CITY responsible for any defects in the Premises.

6.02 Waste, Damage, or Destruction. LESSEE agrees to give notice to CITY of any fire or other damage that occurs on the Premises within **seventy-two (72) hours** of such fire or damage. LESSEE shall not commit or suffer to be committed any waste or injury or any public or private nuisance and shall keep the Premises clean and clear of refuse and obstructions, and dispose of all garbage, trash, and rubbish in a manner satisfactory to CITY. If the Premises shall be damaged by any cause which puts the Premises into a condition that is not decent, safe, healthy and sanitary, LESSEE agrees to make or cause to be made full repair of said damage and to restore the Premises to the condition that existed prior to said damage; or, at CITY's option, and upon receipt of written demand thereof, LESSEE agrees to clear and remove from the Premises all debris resulting from said damage and rebuild the Premises in accordance with plans and specifications previously submitted to CITY and approved in writing in order to replace in kind and scope the operation that existed prior to such damage. LESSEE shall be responsible for all costs incurred in the repair and restoration, or rebuilding of the Premises.

6.03 Maintenance. As part of the consideration for this Agreement, LESSEE agrees to assume full responsibility and cost for the operation, maintenance, including painting, and repair of the Premises, throughout the term of this Agreement and without expense to CITY. LESSEE will perform all maintenance, repairs and replacements necessary to maintain and preserve the Premises in a decent, safe and sanitary condition to CITY and in compliance with all applicable laws. LESSEE further agrees to provide approved containers for trash and garbage and to keep the Premises free and clear of rubbish and litter, or any other fire hazards. LESSEE waives all right to make repairs at the expense of CITY as provided in Section 1942 of the California Civil Code and all rights provided by Section 1941 of said code.

For the purpose of keeping the Premises in a good, safe, healthy and sanitary condition, CITY shall always have the right, but not the duty, to enter, view, inspect, determine the condition of, and protect its interests in, the Premises, within reasonable business hours. In the event that CITY finds that the Premises are not in a decent, safe, healthy, and sanitary condition, LESSEE must perform the necessary maintenance, repair or replacement work within **ten (10) days** after written notice from CITY. In the event LESSEE fails to perform such work, CITY shall have the right, upon written notice to LESSEE, to have any necessary maintenance work done at the expense of LESSEE, and LESSEE shall promptly pay any and all costs incurred by CITY in having such necessary maintenance work done, in order to keep said Premises in a decent, safe, healthy, and sanitary condition. LESSEE shall make payment no later than **ten (10) days** after CITY's written demand therefor. CITY shall not be required at any time to perform maintenance, or to make any improvements or repairs whatsoever, on or for the benefit of the Premises, except as otherwise provided herein. The rights reserved in this section shall not create any obligations or increase obligations for CITY elsewhere in this Agreement.

6.04 Improvements/Alterations. No improvements, structures, or installations shall be constructed on the Premises, and the Premises may not be altered by LESSEE without prior written approval by the CITY, which approval shall not be unreasonably withheld. Further, LESSEE agrees that major structural or architectural design alterations to approved improvements, structures, or installations may not be made on the Premises without prior written approval by the CITY and that such approval shall not be unreasonably withheld. This provision shall not relieve LESSEE of any obligation under this Agreement to maintain the Premises in a decent, safe, healthy, and sanitary condition, including structural repair and restoration of damaged or worn improvements. CITY shall not be obligated by this Agreement to make or assume any expense for any improvements or alterations.

6.05 Utilities. LESSEE agrees to obtain, if applicable, and pay for all utilities (including service and installation charges) in connection with the development, occupation, and operation of the Premises.

6.06 Liens. LESSEE shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to all or any portion of the Premises without the prior written consent of the CITY. LESSEE shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim on or with respect to all or any portion of the Premises for which LESSEE does not have the prior written consent of the CITY.

6.07 Taxes. LESSEE shall pay, before delinquency, all taxes, assessments, and fees assessed or levied upon LESSEE or the Premises, including the land, any buildings, structures, machines, equipment, appliances, or other improvements or property of any nature whatsoever erected, installed, or maintained by LESSEE or levied by reason of the business or other LESSEE activities related to the Premises, including

any licenses or permits.

LESSEE recognizes and agrees that this Agreement may create a possessory interest subject to property taxation, and that LESSEE may be subject to the payment of taxes levied on such interest, and that LESSEE shall pay all such possessory interest taxes.

6.08 Signs. LESSEE shall not erect or display any banners, pennants, flags, posters, signs, decorations, marquees, awnings, or similar devices or advertising without the prior written consent of the CITY, and any such device(s) shall conform to all City of Oceanside ordinances and regulations. If any such unauthorized item is found on the Premises, LESSEE shall remove the item at its expense within **twenty-four (24) hours** of written notice thereof by CITY, or CITY may thereupon remove the item at LESSEE's cost.

6.09 Ownership of Improvements.

a. Any and all improvements, trade fixtures, structures, and installations or additions to the Premises now existing or constructed on the Premises by LESSEE, excepting such fixtures which may be removed without causing damage to the Premises, shall at Agreement expiration or termination be deemed to be part of the Premises and shall become, at CITY's option, CITY's property, free of all liens and claims except as otherwise provided in this Agreement.

b. If CITY elects not to assume ownership of all or any improvements, trade fixtures, structures and installations, CITY shall so notify LESSEE in writing **thirty (30) days** prior to termination or **one hundred eighty (180) days** prior to expiration, and LESSEE shall remove all such improvements, structures and installations as directed by CITY at LESSEE's sole cost on or before Agreement expiration or termination. If LESSEE fails to remove any improvements, structures, and installations as directed, LESSEE agrees to pay CITY the full cost of any removal.

c. LESSEE owned machines, appliances, equipment (other than trade fixtures), and other items of personal property shall be removed by LESSEE by the date of the expiration or termination of this Agreement. Any said items which LESSEE fails to remove will be considered abandoned and become CITY's property free of all claims and liens, or CITY may, at its option, remove said items at LESSEE's expense.

d. If any removal of such trade fixtures or personal property by LESSEE results in damage to the remaining improvements on the Premises, LESSEE shall repair all such damage.

6.10 Eminent Domain. If all or part of the Premises is taken through condemnation proceedings or under threat of condemnation by any public authority with the power of eminent domain, the interests of CITY and LESSEE (or beneficiary or mortgagee) will be as follows:

a. **Total Taking.** In the event the entire Premises are taken, this Agreement

shall terminate on the date of the transfer of title or possession to the condemning authority, whichever first occurs.

b. **Partial Taking.** In the event of a partial taking, if, in the opinion of LESSEE, the remaining part of the Premises is unsuitable for the lease operation, this Agreement shall terminate on the date of the transfer of title or possession to the condemning authority, whichever first occurs.

In the event of a partial taking, if, in the opinion of LESSEE, the remainder of the Premises is suitable for continued lease operation, this Agreement shall terminate in regard to the portion taken on the date of the transfer of title or possession to the condemning authority, whichever first occurs, but shall continue for the portion not taken. The Rent shall be equitably reduced to reflect the portion of the Premises taken.

c. **Award.** All monies awarded in any such taking of the Premises shall belong to CITY, whether such taking results in diminution in value of the leasehold or the fee or both; provided, however, LESSEE shall be entitled to any award attributable to the taking of or damages to LESSEE'S then remaining leasehold interest in installations or improvements of LESSEE. CITY shall have no liability to LESSEE for any award not provided by the condemning authority.

d. **Transfer.** CITY has the right to transfer CITY's interests in the Premises in lieu of condemnation to any authority entitled to exercise the power of eminent domain. If a transfer occurs, LESSEE shall retain whatever interest it may have in the fair market value of any improvements placed by it on the Premises in accordance with this Agreement.

e. **No Inverse Condemnation.** The exercise of any CITY right under this Agreement shall not be interpreted as an exercise of the power of eminent domain and shall not impose any liability upon CITY for inverse condemnation so long as such rights do not unreasonably or substantially interfere with LESSEE'S operations.

6.11 Encumbrance. Upon receiving prior consent by City Manager, LESSEE may encumber its leasehold estate and its improvements thereon by deed of trust, mortgage, chattel mortgage or other security instrument to assure the payment of a promissory note or notes of LESSEE, upon the express condition that the net proceeds of such loan or loans be devoted exclusively for the purpose of developing and/or improving the Premises. However, a reasonable portion of the loan proceeds may be disbursed for payment of incidental costs of construction, including but not limited to the following: off-site improvements for service of the Premises; on-site improvements; escrow charges; premiums for hazard insurance, or other insurance or bonds required by CITY; title insurance premiums; reasonable loan costs such as discounts, interest and commission; and architectural, engineering and attorney's fees and such other normal expenses incidental to such construction.

SECTION 7: GENERAL PROVISIONS

7.01 Notices. All notices, demands, requests, consents or other communications which this Agreement contemplates or authorizes, or requires or permits either party to give to the other, shall be in writing and shall be personally delivered or mailed to the respective party as follows:

To CITY:

City of Oceanside
Property Management
300 North Coast Highway
Oceanside, CA 92054
Attention: Real Estate Manager
(760) 435-5014
vgutierrez@oceansideca.org

To LESSEE:

Manheim Investments, Inc.
c/o Cox Enterprises, Inc.
6205 Peachtree Dunwoody Road
Atlanta, GA 30328
Attention: Director of Real Estate

Sheley, Hall & Williams, P.C.
303 Peachtree Street, Suite 4440
Atlanta, Georgia 30308
Attention: David L. Lester, Esq.

a. Any party may change its address by notice to the other Parties as provided herein. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent.

b. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered, sent by overnight mail (Federal Express or the like) or sent by certified mail, postage prepaid, return receipt requested, delivered or sent by email and shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if sent by overnight mail, the business day following its deposit in such overnight mail facility, (iii) if mailed, **four (4) business days** after the date of posting by the United States post office with postage prepaid, and (iv) if given by email, when a return confirmation email from recipient is received with date and time shown within email.

7.02 City Approval. The City Manager shall be the CITY's authorized

representative in the interpretation and enforcement of this Agreement, including but not limited to approving proposed improvements, structures, alterations and installations provided in this Agreement. For the purposes of directing LESSEE in accordance with this Agreement, which does not result in a change to this Agreement, the City Manager delegates authority to the City Real Estate Manager. The Real Estate Manager may delegate authority in connection with this Agreement to the Real Estate Manager's designee(s).

7.03 Nondiscrimination. LESSEE agrees not to discriminate in any manner against any person or persons on account of race, marital status, sex, religious creed, color, ancestry, national origin, age, physical disability, mental disability, medical condition or sexual orientation in LESSEE'S use of the Premises.

7.04 Equal Opportunity. LESSEE agrees to abide by CITY's Equal Opportunity Policy as it exists or is amended to the extent that the program is applicable to this Agreement. A copy of the program effective as of the date of this Agreement is on file with the CITY Clerk's Office and CITY agrees to provide a copy of the policy/program applicable to this Agreement together with delivery to LESSEE of the fully executed Agreement.

7.05 Entire Agreement. This Agreement comprises the entire integrated understanding between CITY and LESSEE concerning the use and occupation of the Premises and supersedes all prior negotiations, representations, or agreements. Each party has relied on its own examination of the Premises, advice from its own attorneys, and the warranties, representations, and covenants of the Agreement itself.

7.06 Interpretation of the Agreement. The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. The Agreement does not limit any other rights or remedies available to either party.

The LESSEE shall be responsible for complying with all Local, State, and Federal laws whether or not said laws are expressly stated or referred to herein.

Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions which are otherwise lawful shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

7.07 Agreement Modification. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the Parties hereto.

7.08 Waiver. Any CITY waiver of a default is not a waiver of any other default. Any waiver of a default must be in writing and be executed by the CITY in order to

constitute a valid and binding waiver. CITY delay or failure to exercise a remedy or right is not a waiver of that or any other remedy or right under this Agreement. The use of one remedy or right for any default does not waive the use of another remedy or right for the same default or for another or later default. CITY's acceptance of any rents is not a waiver of any default preceding the Rent payment. CITY and LESSEE specifically agree that the property constituting the Premises is CITY-owned and held in trust for the benefit of the citizens of the City of Oceanside and that any failure by the CITY Manager or CITY staff to discover a default or take prompt action to require the cure of any default shall not result in an equitable estoppel, but CITY shall at all times, subject to applicable statute of limitations, have the legal right to require the cure of any default when and as such defaults are discovered or when and as the City Council directs the City Manager to take action or require the cure of any default after such default is brought to the attention of the City Council by the City Manager or by any concerned citizen.

7.09 Attorney's Fees. In the event a suit is commenced by CITY against LESSEE to enforce payment of Rent due, or to enforce any of the terms and conditions hereof, or in case CITY shall commence summary action under the laws of the State of California relating to the unlawful detention of property, for forfeit of this Agreement and the possession of the Premises, provided CITY effects a recovery, the non-prevailing party shall pay the other party all costs expended in any action, together with a reasonable attorney's fee to be fixed by the Court.

7.10 Assignment and Subletting – No Encumbrance. This Agreement and any portion thereof shall not be assigned, transferred, or sublet, nor shall any of the LESSEE's duties be delegated, without the express written consent of CITY, which shall not be unreasonably withheld or conditioned. Any attempt to assign or delegate this Agreement without the express written consent of CITY shall be void and of no force or effect. Consent by CITY to one assignment, transfer, sublease, or delegation shall not be deemed to be consent to any subsequent assignment, transfer, sublease, or delegation.

7.11 Defaults and Termination. It is mutually understood and agreed that if any default be made in the payment of rental herein provided or in the performance of the covenants, conditions, or agreements herein (any covenant or agreement shall be construed and considered as a condition); or should LESSEE fail to fulfill in any manner the uses and purposes for which the Premises are leased as stated in this Agreement, and such default is not cured within **five (5) days** after written notice thereof if default is in the submittal of Rent as required in this Agreement; or **thirty (30) days** after written notice thereof if default is in the performance of the use provisions set forth in Section 2.02 of this Agreement; or **thirty (30) days** after written notice thereof if default is in the performance of any other covenant, condition or agreement (any covenant or agreement shall be construed and considered as a condition), CITY shall have the right to immediately terminate this Agreement; and that in the event of such termination, LESSEE shall have no further rights hereunder and LESSEE shall thereupon forthwith remove from the Premises and shall have no further right to claim thereto, and CITY shall immediately thereupon, without recourse to the courts, have the right to reenter and take possession

of the Premises. CITY shall further have all other rights and remedies as provided by law, including without limitation the right to recover damages from LESSEE in the amount necessary to compensate CITY for all the detriment proximately caused by the LESSEE's failure to perform its obligations under the Agreement or which in the ordinary course of things would be likely to result therefrom.

In the event of the termination of this Agreement pursuant to the provisions of this section, CITY shall have any rights to which it would be entitled in the event of the expiration or sooner termination of this Agreement under the provisions of Section 5.11 of this Agreement.

7.12 Bankruptcy. In the event LESSEE becomes insolvent, makes an assignment for the benefit of creditors, becomes the subject of a bankruptcy proceeding, reorganization, arrangement, insolvency, receivership, liquidation, or dissolution proceedings, or in the event of any judicial sale of LESSEE's interest under this Agreement, CITY shall have the right to declare this Agreement in default.

The conditions of this section shall not be applicable or binding on LESSEE or the beneficiary in any deed of trust, mortgage, or other security instrument on the demised Premises which is of record with CITY and has been consented to by resolution of the City Council, or to said beneficiary's successors in interest consented to by resolution of the City Council, as long as there remains monies to be paid by LESSEE to such beneficiary under the terms of such deed of trust; provided that such beneficiary or its successors in interest, continuously pay to CITY all rent due or coming due under the provisions of this Agreement and the Premises are continuously and actively used in accordance with Section 2.02 of this Agreement.

7.13 Section Headings. The Table of Contents and the section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision thereof.

7.14 Gender/Singular/Plural. The neuter gender includes the feminine and masculine, the masculine includes the feminine and neuter, and the feminine includes the masculine and neuter, and each includes corporation, partnership, or other legal entity when the context so requires. The singular number includes the plural whenever the context so requires.

7.15 Waiver of Trial by Jury. CITY and LESSEE hereby mutually waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other in any matter whatsoever arising out of or in any way connected with this Agreement, the relationship of the CITY and the LESSEE, LESSEE's use or occupancy of the Premises, and/or claim of injury or damage.

7.16 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and shall be binding upon any party executing the same and all of which together shall constitute one and the same

document.

SECTION 8: SPECIAL PROVISIONS

8.01 Standards of Operation. LESSEE agrees that it shall operate and manage the services and facilities offered upon or from the Premises in a professional manner.

8.02 Hours of Operation. LESSEE agrees that it shall conduct business on the Premises to conform to the published hours and days of operation as established, and in the best interest of the public, to an extent fair and reasonable to LESSEE, unless otherwise approved in writing by the CITY.

8.03 Manner of Providing Service. LESSEE shall provide an experienced and well qualified "on-site" supervisor to oversee all operations conducted by LESSEE on the Premises. Said supervisor shall be empowered with authority to act on behalf of LESSEE in response to reasonable requests from CITY to perform maintenance, repairs, and replacements on the Premises in accordance with this Agreement. LESSEE shall require its employees to at all times while on the Premises conduct themselves in a professional manner, and to conform to all laws, rules, regulations and requirements, as well as all rules and regulations as hereafter may be promulgated, or put into operation by the CITY. LESSEE shall maintain a staff in adequate size and number, to CITY's reasonable satisfaction, to effectively operate, maintain and administer all services offered and facilities, if any, located on the Premises, to an extent fair and reasonable to LESSEE.

8.04 Continued Occupancy. LESSEE covenants and agrees to, and it is the intent of this Agreement that the LESSEE shall, continuously and uninterruptedly during the term of the Agreement, occupy and use the Premises for the purposes hereinabove specified, except while Premises are untenable by reason of fire, flood, or other unavoidable casualty, and, in that event, CITY shall be promptly notified by LESSEE.

8.05 Hazardous Substances. No goods, merchandise or material shall be kept, stored or sold in or on the Premises which are in any way explosive or hazardous; and no offensive or dangerous trade, business or occupation shall be carried on therein or thereon, and nothing shall be done on said Premises, which will cause an increase in the rate of or cause a suspension or cancellation of the insurance upon said or other premises and the improvements thereon.

No machinery or apparatus shall be used or operated on or about the Premises which will in any way injure the Premises or improvements thereon, or adjacent or other premises, or improvements thereon, or to persons; provided, however, that nothing contained in this section shall preclude LESSEE from bringing, keeping or using on or about the Premises such materials, supplies, equipment and machinery as are appropriate or customary in carrying on its said business, or from carrying on its business in all usual respects.

Open flame burning, gasoline, or other fuel storage is expressly prohibited without prior written consent of the CITY.

8.06 Permits. LESSEE shall comply with applicable codes; including, but not limited to, obtaining all required building, engineering, and grading permits.

8.07 Improvement Costs. LESSEE shall solely be responsible for funding the improvements to be made in or upon the Premises by LESSEE.

8.08 No Agency, Partnership, or Joint Venture. Nothing contained in this Agreement shall be deemed or construed by the Parties, or any third party, as creating the relationships of principal and agent, partnership, or joint venture by the Parties. It is understood and agreed that no provision contained in this Agreement or any acts of the Parties shall be deemed to create any relationship other than the relationship of landlord and tenant.

8.09 Improvement Plans. All plans for the improvement of the PREMISES by LESSEE shall comply with applicable codes and ordinances and shall be obtained and provided at LESSEE's sole cost and expense.

8.10 Memorandum of Lease Agreement. CITY and LESSEE agree the Agreement shall not be recorded but that the Parties shall execute a Memorandum of Lease Agreement to be recorded. The form of this Memorandum of Lease Agreement is as shown on **Attachment "3"**, attached hereto and incorporated herein by this reference, and shall be recorded in the Official Records of the County of San Diego.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

SECTION 9: SIGNATURES

9.01 Signature Page. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the LESSEE and the CITY.

IN WITNESS WHEREOF the Parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Agreement to be executed by setting hereunto their signatures on the day and year respectively written herein below.

CITY

CITY OF OCEANSIDE
a municipal corporation

APPROVED AS TO FORM

By: _____
Jonathan Borrego
City Manager

By: *Robert Hamilton, C. 1967.*
City Attorney

Date: _____

LESSEE

MANHEIM INVESTMENTS, INC.
a Nevada corporation

By: *Anne Lofye*
Anne Lofye

Title: Vice President - Real Estate

Date: 3/24/2024



Melanie Cole
3-24-2026

NOTARY ACKNOWLEDGMENTS OF LESSEE'S SIGNATURE MUST BE ATTACHED

**ATTACHMENT "1"
PREMISES**

**EXHIBIT "A-1"
LEGAL DESCRIPTION OF PREMISES**

APN: 257-060-49 & 157-080-55

VESTING: CITY OF OCEANSIDE

THAT PORTION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER AND THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 11 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN AS DESCRIBED IN EXHIBIT 'C' TO AGREEMENT TO LEASE, LEASE AMENDMENT NO. 1 TO CPI LEASE DATED MAY 24, 1996 BETWEEN THE CITY OF OCEANSIDE, AS LESSOR AND ADT AUTOMOTIVE, INC., DOING BUSINESS AS SAN DIEGO AUTO AUCTION, INC., AS LESSEE, ON FILE WITH THE CITY OF OCEANSIDE DEPARTMENT OF PROPERTY MANAGEMENT, AND THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 11 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN AS SHOWN ON RECORD OF SURVEY 6684 RECORDED MAY 24, 1966 AS FILE NO. 86648, ALL IN THE CITY OF OCEANSIDE, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 4;

THENCE ALONG THE WESTERLY LINE OF SAID NORTHEAST QUARTER OF THE SOUTHWEST QUARTER NORTH 00°37'57" WEST 14.00 FEET TO A POINT ON THE CENTERLINE OF NORTH RIVER ROAD PER ROAD SURVEY NO. 935, SAID POINT BEING ON A NON-TANGENT 2000.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY, A RADIAL FROM SAID POINT BEARS NORTH 04°56'13" WEST;

THENCE EASTERLY ALONG SAID CENTERLINE AND SAID CURVE THROUGH A CENTRAL ANGLE OF 12°19'29" A DISTANCE OF 430.21 FEET;

THENCE LEAVING SAID CENTERLINE, RADIAL TO SAID CURVE, SOUTH 17°15'42" EAST 52.00 FEET TO A POINT ON A NON-TANGENT 2052.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY, BEING THE TRUE POINT OF BEGINNING, A RADIAL FROM SAID POINT BEARS NORTH 17°15'42" WEST, SAID CURVE BEING CONCENTRIC TO SAID CENTERLINE;

THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11°10'32" A DISTANCE OF 400.24 FEET TO A LINE PARALLEL WITH AND DISTANT 52.00 FEET SOUTHEASTERLY OF SAID CENTERLINE;

THENCE ALONG SAID PARALLEL LINE NORTH 61°33'46" EAST 882.38 FEET;

THENCE LEAVING SAID PARALLEL LINE NORTH 71°06'38" EAST 19.44 FEET TO THE BEGINNING OF A 56.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY;

THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 9°32'52" A DISTANCE OF 9.33 FEET TO A LINE PARALLEL WITH AND DISTANT 56.00 FEET SOUTHEASTERLY OF SAID CENTERLINE;

THENCE ALONG SAID PARALLEL LINE NORTH 61°33'46" EAST 281.22 FEET TO A POINT ON A NON-TANGENT 42.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY, A RADIAL FROM SAID POINT BEARS SOUTH 10°37'08" WEST;

THENCE LEAVING SAID PARALLEL LINE, SOUTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 45°21'39" A DISTANCE OF 33.25 FEET;

THENCE SOUTH 34°01'13" EAST 47.99 FEET TO THE BEGINNING OF A 131.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY;

THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13°03'57" A DISTANCE OF 29.87 FEET;

THENCE SOUTH 47°05'10" EAST 429.37 FEET TO A LINE PARALLEL WITH AND DISTANT 26.50 FEET NORTHWESTERLY OF THE NORTHWESTERLY BOUNDARY OF RECORD OF SURVEY NO. 15161, RECORDED APRIL 12, 1996 AS FILE NO. 1996-182505 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY;

THENCE ALONG SAID PARALLEL LINE THE FOLLOWING COURSES:

SOUTH 27°09'22" WEST 578.25 FEET TO A POINT ON A NON-TANGENT 2302.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY, A RADIAL FROM SAID POINT BEARS NORTH 62°18'25" WEST;

THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 23°05'25" A DISTANCE OF 927.71 FEET;

THENCE NON-TANGENT TO SAID CURVE SOUTH 46°27'23" WEST 19.96 FEET;

THENCE SOUTH 58°52'23" WEST 55.44 FEET TO THE WESTERLY LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4;

THENCE LEAVING SAID PARALLEL LINE, ALONG SAID WESTERLY LINE NORTH 00°48'52" WEST 647.60 FEET TO THE SOUTHWEST CORNER OF PARCEL 1 DESCRIBED IN GRANT DEED TO AA PROPERTY HOLDINGS, INC., RECORDED JUNE 10, 1996 AS DOCUMENT NO. 1996-0287643 OF OFFICIAL RECORDS OF SAID COUNTY;

THENCE LEAVING SAID WESTERLY LINE, ALONG THE SOUTHERLY LINE OF SAID PARCEL 1 NORTH 89°57'06" EAST 400.04 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL 1;

THENCE ALONG THE EASTERLY LINE OF SAID PARCEL 1 NORTH 00°48'52" WEST 217.82 FEET TO THE SOUTH LINE OF SAID NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4;

THENCE LEAVING SAID EASTERLY LINE ALONG SAID SOUTH LINE SOUTH 89°57'06" WEST 400.04 FEET TO THE SOUTHEAST CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 4;

THENCE LEAVING SAID SOUTH LINE, ALONG THE EAST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 4 NORTH 00°37'19" WEST 10.00 FEET TO A LINE PARALLEL WITH AND DISTANT 10.00 FEET NORTHERLY OF THE SOUTH LINE OF SAID NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 4;

THENCE LEAVING SAID EAST LINE, ALONG SAID PARALLEL LINE NORTH 89°30'05" WEST 872.36 FEET TO THE SOUTHEAST CORNER OF LAND DESCRIBED IN GRANT DEED TO KAWANO, INC., RECORDED JANUARY 16, 1969 AS FILE NO. 9358 OF OFFICIAL RECORDS OF SAID COUNTY;

THENCE LEAVING SAID PARALLEL LINE, ALONG THE EAST LINE OF SAID LAND DESCRIBED IN GRANT DEED TO KAWANO, INC. NORTH 17°15'06" WEST (NORTH 17°15'42" WEST RECORD PER SAID LEASE AMENDMENT NO. 1 TO CPI LEASE DATED MAY 24, 1996) 42.85 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 23.337 ACRES MORE OR LESS.

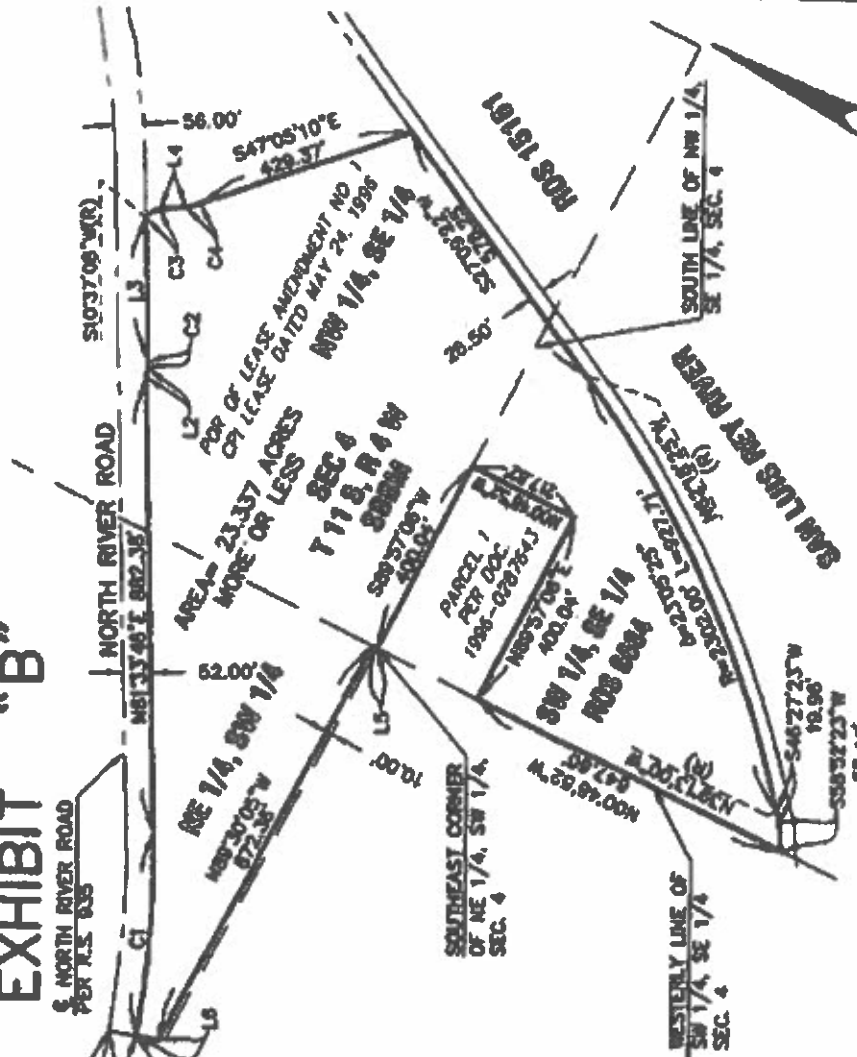
ATTACHED HERETO AND MADE A PART HEREOF IS A PLAT LABELED EXHIBIT "B".

THIS REAL PROPERTY DESCRIPTION HAS BEEN PREPARED BY ME, OR UNDER MY DIRECTION, IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYORS ACT.

MICHAEL L. SCHLUMPBERGER, PLS 7790

DATE

EXHIBIT "B"



NOTE: DATA SHOWN HEREON IS BASED ON RECORD INFORMATION. SCALE: 1"=300'

CITY OF OCEANSIDE	
LEASE PARCEL 2	
MARCH 12, 2012	SHEET 1 OF 1



P.O.C. SOUTHWEST CORNER OF NE 1/4, SW 1/4, SEC. 4
 N00°37'57"W 14.00'
 I.P.O.B.
 S 103°09'W(R)
 AREA = 23.337 ACRES MORE OR LESS
 FOR OF LEASE AMENDMENT NO. 1 BY CH. LEASE DATED MAY 24, 1996
 NE 1/4, SW 1/4, SEC. 4
 SW 1/4, SE 1/4, SEC. 4
 SOUTHWEST CORNER OF NE 1/4, SW 1/4, SEC. 4
 SOUTHWEST CORNER OF NE 1/4, SW 1/4, SEC. 4
 SOUTHWEST CORNER OF NE 1/4, SW 1/4, SEC. 4
 SOUTHWEST CORNER OF NE 1/4, SW 1/4, SEC. 4

COURSE DATA

- L1 S17°15'42"(R) 52.00'
- L2 N77°06'36"E 19.44'
- L3 N61°33'48"E 201.22'
- L4 S34°01'37"E 47.98'
- L5 N00°37'19"W 10.00'
- L6 N17°15'06"W 42.85'
- C1 Δ-11°10'32" R=2052.00' L=400.24'
- C2 Δ-8°32'52" R=56.00' L=8.33'
- C3 Δ-45°21'39" R=42.00' L=33.25'
- C4 Δ-13°03'57" R=131.00' L=28.87'

THIS PLAT WAS PREPARED BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYOR'S ACT.

MICHAEL L. SCHUMPFINGER, PLS 7790

Right-Of-Way Engineering Services, Inc.
 615 S. Tremont Street - Oceanside, CA 92064
 (760) 637-3700 FAX (760) 637-2701
 File Name: Auto Auction Leases.dwg
 Job No. 1109-0047-01

EXHIBIT "B-1"
LEGAL DESCRIPTION OF 5.7 ACRE PARCEL

APN: 157-060-49

VESTING: CITY OF OCEANSIDE

THAT PORTION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 11 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF OCEANSIDE, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, DESCRIBED IN EXHIBIT 'C' TO AGREEMENT TO LEASE, LEASE AMENDMENT NO. 1 TO CPI LEASE DATED MAY 24, 1996 BETWEEN THE CITY OF OCEANSIDE, AS LESSOR AND ADT AUTOMOTIVE, INC., DOING BUSINESS AS SAN DIEGO AUTO AUCTION, INC., AS LESSEE, ON FILE WITH THE CITY OF OCEANSIDE DEPARTMENT OF PROPERTY MANAGEMENT, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 4;

THENCE ALONG THE WESTERLY LINE OF SAID NORTHEAST QUARTER OF THE SOUTHWEST QUARTER NORTH 00°37'57" WEST 14.00 FEET TO A POINT ON THE CENTERLINE OF NORTH RIVER ROAD PER ROAD SURVEY NO. 935, SAID POINT BEING ON A NON-TANGENT 2000.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY, A RADIAL FROM SAID POINT BEARS NORTH 04°56'13" WEST;

THENCE EASTERLY ALONG SAID CENTERLINE AND SAID CURVE THROUGH A CENTRAL ANGLE OF 12°19'29" A DISTANCE OF 430.21 FEET;

THENCE LEAVING SAID CENTERLINE, RADIAL TO SAID CURVE, SOUTH 17°15'42" EAST 52.00 FEET TO A POINT ON A NON-TANGENT 2052.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY, A RADIAL FROM SAID POINT BEARS NORTH 17°15'42" WEST, SAID CURVE BEING CONCENTRIC TO SAID CENTERLINE;

THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11°10'32" A DISTANCE OF 400.24 FEET TO A LINE PARALLEL WITH AND DISTANT 52.00 FEET SOUTHEASTERLY OF SAID CENTERLINE;

THENCE ALONG SAID PARALLEL LINE NORTH 61°33'46" EAST 882.38 FEET;

THENCE LEAVING SAID PARALLEL LINE NORTH 71°06'38" EAST 19.44 FEET TO THE BEGINNING OF A 56.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY;

THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 9°32'52" A DISTANCE OF 9.33 FEET TO A LINE PARALLEL WITH AND DISTANT 56.00 FEET SOUTHEASTLY OF SAID CENTERLINE;

THENCE ALONG SAID PARALLEL LINE NORTH 61°33'46" EAST 281.22 FEET TO THE TRUE POINT OF BEGINNING AND A POINT ON A NON-TANGENT 42.00 FOOT RADIUS CURVE,

CONCAVE SOUTHWESTERLY, A RADIAL FROM SAID POINT BEARS SOUTH 10°37'08" WEST;

THENCE LEAVING SAID PARALLEL LINE, SOUTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 45°21'39" A DISTANCE OF 33.25 FEET;

THENCE SOUTH 34°01'13" EAST 47.99 FEET TO THE BEGINNING OF A 131.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY;

THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13°03'57" A DISTANCE OF 29.87 FEET;

THENCE SOUTH 47°05'10" EAST 429.37 FEET TO A LINE PARALLEL WITH AND DISTANT 26.50 FEET NORTHWESTERLY OF THE NORTHWESTERLY BOUNDARY OF RECORD OF SURVEY NO. 15161, RECORDED APRIL 12, 1996 AS FILE NO. 1996-182505 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY;

THENCE PARALLEL TO AND CONCENTRIC WITH AND 26.50 FEET NORTHWESTERLY OF SAID NORTHWESTERLY BOUNDARY THE FOLLOWING COURSES:

NORTH 27°09'22" EAST 84.59 FEET;

THENCE NORTH 26°54'25" EAST 315.11 FEET;

THENCE NORTH 26°35'09" EAST 210.75 FEET;

THENCE NORTH 21°25'50" EAST 48.74 FEET;

THENCE NORTH 11°01'55" EAST 39.12 FEET TO A POINT ON A NON-TANGENT 69.10 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY, A RADIAL FROM SAID POINT BEARS SOUTH 80°06'03" EAST;

THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 26°19'36" A DISTANCE OF 31.75 FEET TO THE BEGINNING OF A REVERSE 185.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY;

THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13°13'13" A DISTANCE OF 42.69 FEET TO THE NORTHEASTERLY LINE OF SAID LEASE AMENDMENT NO. 1 TO CPI LEASE DATED MAY 24, 1996;

THENCE LEAVING SAID 26.50 FOOT PARALLEL AND CONCENTRIC LINE, NON-TANGENT TO SAID CURVE, ALONG SAID NORTHEASTERLY LINE NORTH 61°04'04" WEST 187.10 FEET TO A POINT ON A NON-TANGENT 2052.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY, A RADIAL FROM SAID POINT BEARS NORTH 45°44'20" WEST, SAID CURVE BEING CONCENTRIC TO SAID CENTERLINE OF NORTH RIVER ROAD;

THENCE LEAVING SAID NORTHEASTERLY LINE, SOUTHWESTERLY ALONG SAID CONCENTRIC CURVE, THROUGH A CENTRAL ANGLE OF 8°59'34" A DISTANCE OF 322.07 FEET;

THENCE NON-TANGENT TO SAID CURVE SOUTH 44°01'27" WEST 19.20 FEET TO THE BEGINNING OF A 56.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY;

THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 10°01'48" A DISTANCE OF 9.80 FEET TO THE BEGINNING OF A COMPOUND 2056.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY, SAID CURVE BEING CONCENTRIC TO SAID CENTERLINE OF NORTH RIVER ROAD;

THENCE SOUTHWESTERLY ALONG SAID CONCENTRIC CURVE THROUGH A CENTRAL ANGLE OF 7°30'31" A DISTANCE OF 269.44 FEET TO A LINE PARALLEL WITH AND DISTANT 56.00 FEET SOUTHEASTERLY OF SAID CENTERLINE;

THENCE ALONG SAID PARALLEL LINE SOUTH 61°33'46" WEST 76.99 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 5.709 ACRES MORE OR LESS.

ATTACHED HERETO AND MADE A PART HEREOF IS A PLAT LABELED EXHIBIT "B".

THIS REAL PROPERTY DESCRIPTION HAS BEEN PREPARED BY ME, OR UNDER MY DIRECTION, IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYORS ACT.

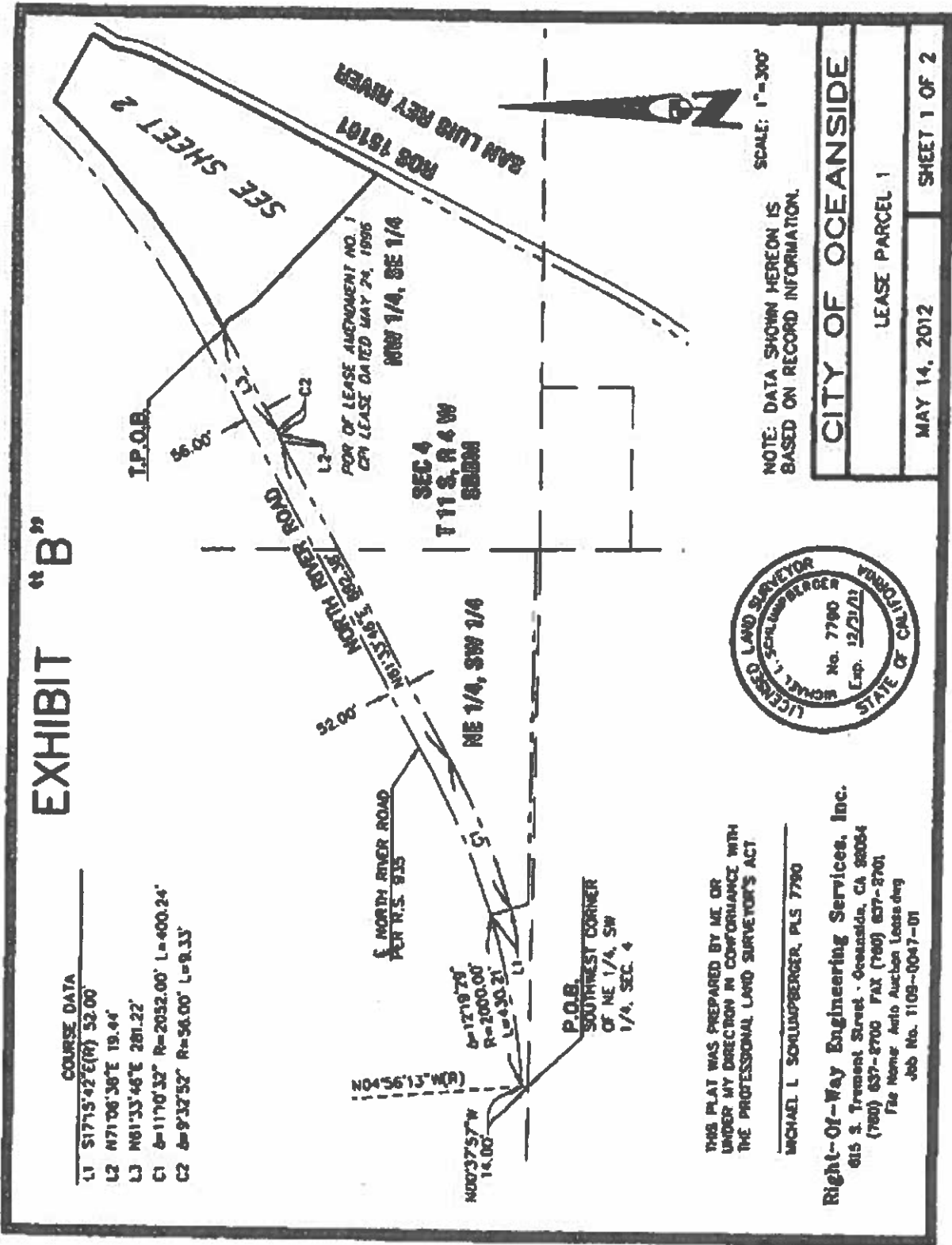
MICHAEL L. SCHLUMPBERGER, PLS 7790

DATE

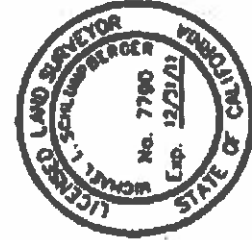
EXHIBIT "B"

COURSE DATA

L1	S17°15'42"E (R)	52.00'
L2	N71°00'38"E	19.44'
L3	N61°33'46"E	201.22'
C1	6-11°10'32"	R=2052.00' L=400.24'
C2	6-9°32'52"	R=56.00' L=9.33'



NOTE: DATA SHOWN HEREON IS BASED ON RECORD INFORMATION.

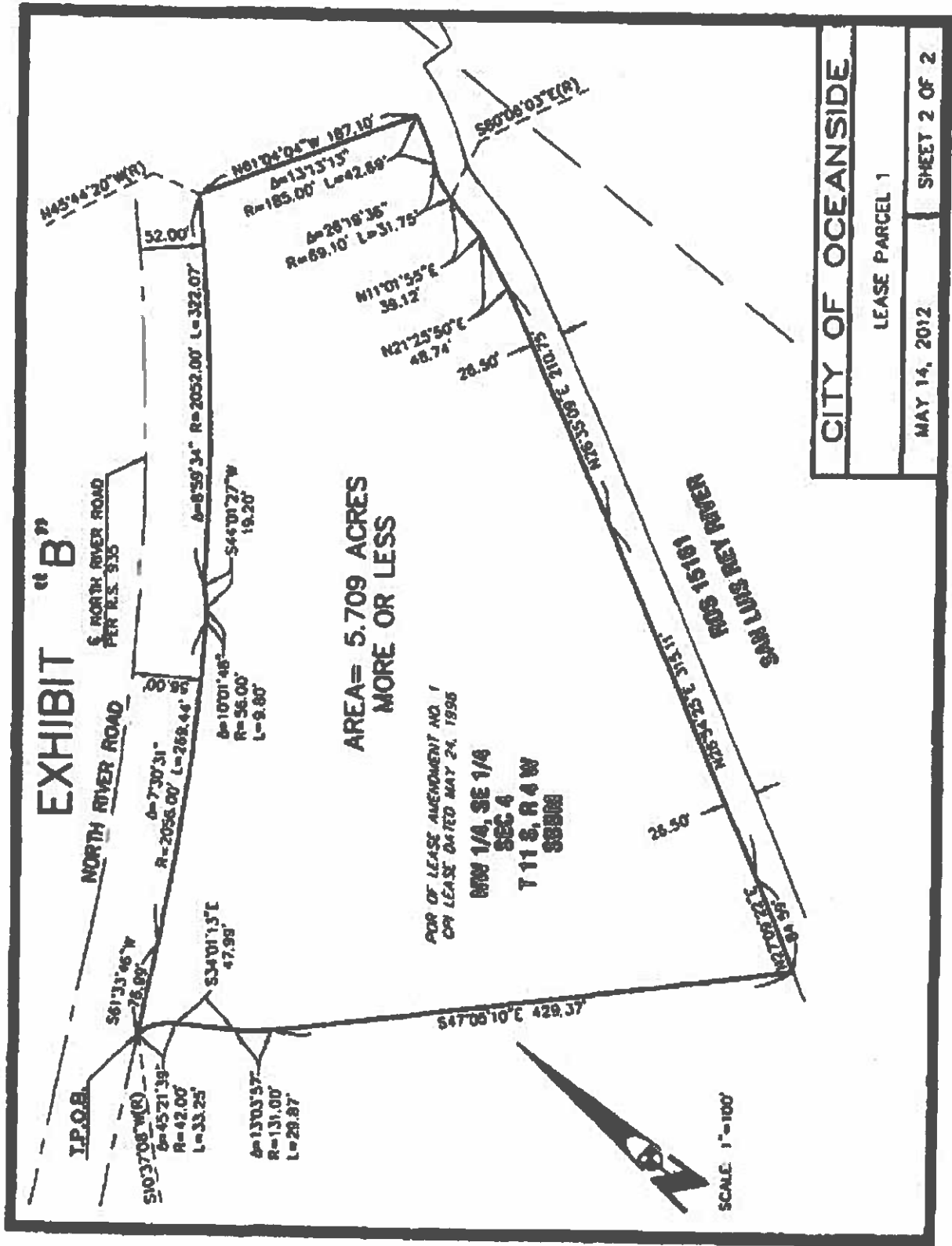


THIS PLAT WAS PREPARED BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYOR'S ACT.

MICHAEL L. SORLUMBERGER, PLS 7790

Right-Of-Way Engineering Services, Inc.
 615 S. Tremont Street · Oceanside, CA 92054
 (760) 637-8700 FAX (760) 637-8701
 File Name: Ario Auction Leases.dwg
 Job No. 1109-0047-01

CITY OF OCEANSIDE	
LEASE PARCEL 1	
MAY 14, 2012	SHEET 1 OF 2



ATTACHMENT "2"
INSURANCE REQUIREMENTS

1. **Provision of Insurance.** Without limiting LESSEE's indemnification of the CITY Parties, LESSEE shall procure and maintain for the duration of the Term of this Agreement, policies of insurance against claims for injuries to persons or damages to property which may arise from or in conjunction with LESSEE's operation and use of the Premises, with the endorsements described herein, of the type, in the amounts, terms and conditions described below, in a form satisfactory to CITY. The costs of such insurance and endorsements shall be borne by LESSEE. LESSEE agrees to provide CITY with certificates of insurance and endorsements in accordance with the requirements set forth herein. If LESSEE uses existing coverage to comply and that coverage does not meet these requirements, LESSEE agrees to amend, supplement or endorse the existing coverage.

2. **Acceptable Insurers.** All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' A. M. Best's rating of no less than A: VIII in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City Attorneys' Office.

3. **Insurance Coverage Requirements.**

A. **Commercial General Liability Insurance (CGL).**

Including products and completed operations, property damage, bodily injury, and personal and advertising injury with the following minimum limits:

Combined Single Limit Per Occurrence no less than **\$2,000,000**

With General Aggregate limits no less than **\$4,000,000**

LESSEE shall maintain commercial general liability insurance, and if necessary, umbrella liability insurance, with coverage at least as broad as provided by Insurance Services Office form CG 00 01, in an amount not less than **two million dollars (\$2,000,000) per occurrence, four million dollars (\$4,000,000) general aggregate.** The policy shall cover liability arising from Premises, operations, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract) with no endorsement or modification limiting the scope of coverage for liability assumed under a contract.

B. **Automobile Liability Insurance.**

(Only applicable if LESSEE uses automobiles in connection with LESSEE's operations at the Premises)

Combined Single Limit **\$1,000,000**

LESSEE shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of LESSEE arising out of LESSEE's use of the Premises under this Agreement or in connection with work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rental vehicles, in an amount not less than **one million dollars (\$1,000,000) combined single limit** each accident.

C. **Workers' Compensation Insurance.** Statutory Limits

Employers Liability Insurance Per Accident

For bodily injury or disease not less than **\$1,000,000**

D. **Umbrella or Excess Insurance Policy.**

LESSEE may use Umbrella or Excess Policies to provide the liability limits as required in this Agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, indemnity, and defense requirements. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage as least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until LESSEE's primary and excess liability policies are exhausted.

4. **Endorsements Required to Be Provided to City.** Separate endorsements to the insurance reference above shall be required as follows:

A. **Additional Insured.**

The CITY Parties are to be covered as additional insureds on each of the liability policies required in this **Attachment "2"** including all CGL, and, if applicable, all Excess or Umbrella liability.

- B. **Waiver of Subrogation.** LESSEE hereby grants to CITY a waiver of any right to subrogation which any insurer of LESSEE may acquire against the CITY by virtue of the payment of any loss under such insurance. LESSEE agrees to obtain any endorsement that may be necessary to effect these waivers of subrogation, but this provision applies regardless of whether or not the CITY has received the required endorsements.
- C. **Primary and Non-Contributory.** For any claims related to this Agreement, the LESSEE's insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 12 19 as to the CITY Parties. Any insurance maintained by the CITY, its officers, officials, employees, agents or volunteers shall be excess of LESSEE's insurance and shall not contribute with it.
- D. **Notice of Cancellation.** All policies shall provide CITY with **thirty (30) calendar days'** notice of cancellation (except for nonpayment for which **ten (10) calendar days'** notice is required) or nonrenewal of coverage for each required coverage.
5. **Additional Agreements Between the Parties.** The Parties hereby agree to the following:
- A. **Evidence of Insurance.** LESSEE shall provide certificates of insurance to CITY as evidence of the insurance coverage required herein, along with hard copies of the required endorsements specified above. Insurance certificates and endorsements must be approved by the City Attorneys' Office (or City's Risk Manager) prior to the Effective Date of this Agreement. Current certification of insurance and endorsements will be kept on file with CITY during the term of this Agreement
- B. **City's Right to Revise Requirements.** CITY reserves the right at any time during the term of this Agreement to, within reason, change the amounts and types of insurance required by giving LESSEE **sixty (60) calendar days'** advance written notice of such change.
- C. **Requirements Not Limiting.** Requirements of specific coverage features or limits contained in this **Attachment "2"** are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.

- D. **City Remedies for Non-Compliance.** If LESSEE fails to provide and maintain insurance as required in this Agreement, then CITY shall have the right, but not the obligation, to purchase such insurance, to terminate this Agreement, or to suspend LESSEE's right to proceed until proper evidence of insurance is provided.
- E. **Timely Notice of Claims.** LESSEE shall give CITY prompt and timely notice of claims made or instituted that arise out of or result from LESSEE's operations or performance under this Agreement, and that involve or may involve coverage under any of the required liability policies. CITY assumes no obligation or liability by such notice, and has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.
- F. **Lessee's Insurance.** LESSEE may also procure and maintain, at its own cost and expense, any additional kinds of insurance which, in its own judgment, may be necessary for its proper protection and prosecution of its operations and work.
- G. **Accident Reporting.** LESSEE shall, within **seventy-two (72) hours** after occurrence, report to CITY any accident causing property damage or any serious injury to persons on the Premises. This report shall contain the names and addresses of the parties involved, a statement of the circumstances, the date and hour, the names and addresses of any witnesses and other pertinent information.
- H. **Enforcement of Agreement Provisions.** LESSEE acknowledges and agrees that any actual or alleged failure on the part of CITY to inform LESSEE on non-compliance with any requirement imposes no additional obligations on CITY nor does it waive any rights hereunder.

ATTACHMENT "3"
MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("Memorandum") is made as of _____, 2026, by and between the CITY OF OCEANSIDE, a municipal corporation ("CITY") and Manheim Investments, Inc., a Nevada corporation ("LESSEE").

CITY and LESSEE have entered into that certain Property Lease Agreement with an Effective Date as of May 1, 2026, ("Agreement"), pursuant to which CITY has leased to LESSEE, and LESSEE has leased from CITY, that certain property located in the City of Oceanside, County of San Diego, State of California and more particularly described in Attachment "1", which is attached and incorporated by this reference, all subject to the terms and covenants set forth in the Agreement. The purpose of this Memorandum is to give notice of the existence of the Agreement and the provisions thereof, including without limitation provisions providing for the expiration date of the Lease term on April 30, 2031, and for **two (2) consecutive five (5) year extension options** to renew, if requested and approved by Council [if applicable]. To the extent that any provision of this Memorandum conflicts with any provision of the Agreement, the Agreement shall control. All previous leases and amendments prior to the Effective Date, shall be of no further force and effect as of May 1, 2026.

IN WITNESS WHEREOF, the parties hereto for themselves, their heirs, executors, administrators, successors and assigns do hereby agree to the above, as of the day and year first written above.

"CITY"

"LESSEE"

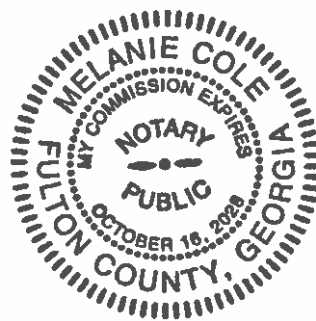
CITY OF OCEANSIDE,
a municipal corporation


MANHEIM INVESTMENTS, INC.
a Nevada corporation

By: _____
Jonathan Borrego
City Manager

By: 
Anne Lofye

Title: Vice President - Real Estate




3-24-2026

ASSISTANT SECRETARY'S CERTIFICATE

I, Deborah M. Lucy, the duly elected and acting Assistant Secretary of Manheim Investments, Inc., a Nevada corporation (the "Company") do hereby state that pursuant to the Company's signing authority policy, Anne Lofye, in her capacity as SVP of Corporate Services & Sustainability, is duly authorized to sign on behalf of the Company, the Property Lease Agreement with the City of Oceanside, as Lessor, for property located at 4691 Calle Joven, Oceanside, California.

IN WITNESS WHEREOF, I have signed this certificate effective the 23rd day of March, 2026.



Deborah M. Lucy, Assistant Secretary