



DATE: April 2, 2008
TO: Honorable Mayor and City Councilmembers
FROM: Financial Services Department
SUBJECT: **APPROVAL OF AMENDMENT 2 TO THE TAXICAB FRANCHISE AGREEMENT WITH OCEANSIDE TRANSPORTATION SERVICES, LLC, DBA YELLOW CAB OF OCEANSIDE**

SYNOPSIS

Staff recommends that the City Council approve Amendment 2 to the franchise agreement with Yellow Cab of Oceanside to correct a clerical error. Amendment 2 will extend the term of the agreement from March 3, 2008, to March 3, 2009, to reflect the intent of the five-year agreement with minimum revenue to the City of \$1,960; and authorize the City Manager to execute the amendment.

BACKGROUND

In early 2004, due to a pending change of ownership for Yellow Cab, the City Council approved a new franchise agreement for thirty-two taxicabs. This agreement was intended to cover a five-year period which would have been from March of 2004 to March 2009. Amendment one to the agreement was approved by Council in June 2005 which increased the authorized number of taxicabs from thirty-two to sixty-five.

ANALYSIS

In March 2004 a public hearing was noticed and held regarding the granting of a five-year franchise agreement with Yellow Cab for the provision of taxicab services in the City of Oceanside. In reviewing the March 2004 agreement, it became apparent that, due to a clerical error, the section stating the term dates did not reflect the five-year period discussed in the staff report, at the hearing or in another section of the agreement. Approval of the proposed amendment will correct this clerical error in the agreement.

FISCAL IMPACT

During a one-year period the City will receive a \$100 administration fee plus \$60 per operational taxicab which would be a total of \$1,960 for thirty-one taxicabs.

INSURANCE REQUIREMENTS

The City's insurance requirements have been met and are in effect.

COMMISSION OR COMMITTEE REPORT

The Taxicab Committee recommends approval of Amendment 2.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council approve Amendment 2 to the franchise agreement with Yellow Cab of Oceanside to correct a clerical error. Amendment 2 will extend the term of the agreement from March 3, 2008, to March 3, 2009, to reflect the intent of the five-year agreement with minimum revenue to the City of \$1,960; and authorize the City Manager to execute the amendment.

PREPARED BY:



Sheri Brown
Revenue & Business Activity Manager

SUBMITTED BY:



Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager
Teri Ferro, Financial Services Director



Attachments/Exhibits:

1. Amendment 1 to the Franchise Agreement
2. Franchise Agreement

**AMENDMENT 2 TO CITY OF OCEANSIDE
TAXICAB FRANCHISE AGREEMENT
[Oceanside Transportation Services, LLC]**

This Amendment to the City of Oceanside Taxicab Franchise Agreement (hereinafter "Amendment") is made and entered into this _____ day of _____, 2008, by and between the City of Oceanside, a municipal corporation, hereinafter designated as "CITY" and Oceanside Transportation Services, LLC, hereinafter designated as "COMPANY".

RECITALS

WHEREAS, CITY and COMPANY are the parties to that certain Taxicab Franchise Agreement dated March 3, 2004, hereinafter referred to as the "Agreement", wherein COMPANY agreed to provide taxicab services within the City as set forth therein;

WHEREAS, the parties desire to amend the Agreement to extend the agreement for one additional year to provide for the intended five year agreement.

AMENDMENT

NOW, THEREFORE, as set forth herein, the parties hereto do mutually agree that the Agreement shall be amended as follows:

1. Page 1, Section 1. is amended as follows:

"The term of this franchise shall commence on March 3, 2004 and terminate on March 3, 2009."

3. This Amendment incorporates all of the terms and conditions of the March 3, 2004, Agreement and encompasses the understanding, rights, liabilities and obligations of the parties. In all other respects the March 3, 2004, Agreement identified above shall remain in full force and effect and is hereby ratified and reaffirmed.

SIGNATURES

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

IN WITNESS WHEREOF, the parties hereto being duly authorized on behalf of their respective entities to execute this Amendment , do hereby agree to the covenants contained in the Agreement, including this Amendment and have caused this Amendment to be executed by setting hereunto their signatures this _____ day of _____ 2008.

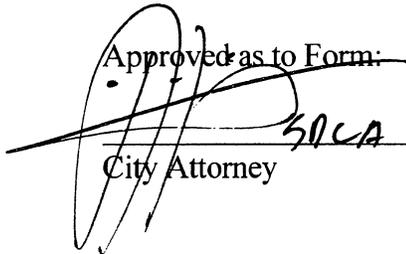
Oceanside Transportation Services, LLC.

City of Oceanside


By: Anthony Palmeri
Title: President

Peter Weiss
City Manager


By: David Koscielak
Title: Secretary

~~Approved as to Form:~~

City Attorney

NOTARY ACKNOWLEDGEMENTS MUST BE ATTACHED

AMENDMENT 2 TO CITY OF OCEANSIDE TAXICAB FRANCHISE AGREEMENT
[Oceanside Transportation Services, LLC]

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Diego }

On 3/6/2008 before me, Ann Marie Comalli, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Anthony Palmeri
Name(s) of Signer(s)

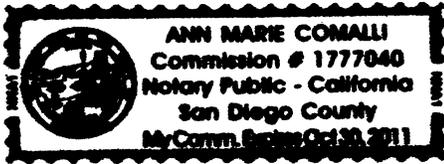
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is subscribed to the within instrument and acknowledged to me that he she they executed the same in his her their authorized capacity (ies), and that by his her their signature (s) on the instrument the person (s), or the entity upon behalf of which the person (s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above



OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

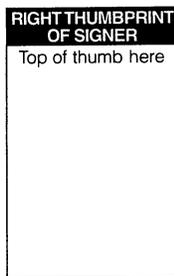
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

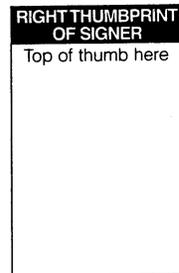
Signer Is Representing: _____



Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Diego }

On March 6, 2008 before me, Sharon Geraty, Notary Public,
Date Here Insert Name and Title of the Officer

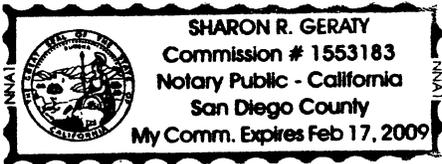
personally appeared David Koscielak
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature [Handwritten Signature]
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

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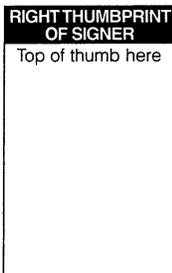
Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

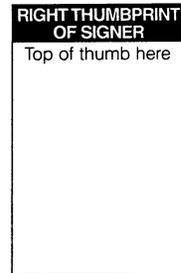
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

FRANCHISE AGREEMENT

OCEANSIDE TRANSPORTATION SERVICES, LLC

THIS AGREEMENT is entered into this 3rd day of March 2004, by the CITY OF OCEANSIDE, a municipal corporation (hereinafter "City"), and Oceanside Transportation Services, LLC, DBA, Yellow Cab of Oceanside (hereinafter "Yellow Cab").

WHEREAS, YELLOW CAB has filed a petition to operate a taxicab service in the City of Oceanside pursuant to the provisions of Chapter 35 of the Oceanside City Code; and

WHEREAS, Yellow Cab has agreed to purchase the assets and operations with Transit Capital Corporation, DBA Yellow Cab of Oceanside; and

WHEREAS, the City Council held a public hearing pursuant to the Oceanside City Code, and considered all facts relevant to the granting of a franchise; and

WHEREAS, the City Council determined that public convenience and necessity require the granting of this franchise to YELLOW CAB,

NOW, THEREFORE, the City Council of the City of Oceanside hereby revokes and terminates the franchise agreement with Transit Capital Corporation and grants to YELLOW CAB, a franchise to operate a taxicab service in the City of Oceanside pursuant to the following rules, regulations, covenants and conditions:

1. **TERM:**

The term of this franchise shall commence on March 3, 2004 and terminate on March 3, 2008.

2. **SCOPE:**

There is hereby granted to the Company permission to operate twenty-eight (28) taxicabs within the City during the period of the franchise. In addition, there is permission to operate an additional six (6) taxicabs within the City provided that these six (6) taxicabs are not housed within City limits while operations are located at 321 North Tremont Street. The Company shall pay to the City an annual \$100.00 administrative fee and an annual fee per cab in the amount of \$60.00 which is due and payable on or before the first day of each year of franchise operation pursuant to this agreement. There shall be no refunds or proration of this

1 fee after payment. The Company may be granted the right to operate additional taxicabs upon
2 convenience and necessity, pursuant to the provision of Chapter 35 of the Oceanside City Code.

3 3. **FRANCHISE FEE:**

4 The Company has paid to the City the sum of FIVE HUNDRED DOLLARS (\$500.00)
5 for the issuance of this franchise.

6 4. **INSURANCE:**

7 The Company shall maintain in full force and effect bodily injury and property damage
8 insurance naming the City as additionally insured as required by the Oceanside City Code,
9 Section 35.3 covering vehicle(s) owned by the Company.

10 5. **NOTICE OF INTENTION TO CEASE OPERATION:**

11 The Company shall give thirty (30) days prior written notice to the City Manager of
12 intention to cease operation under this franchise agreement.

13 6. **OPERATING REGULATIONS:**

14 A. Possession of a franchise issued by the City pursuant to Chapter 35 of the
15 Oceanside City Code shall be a prerequisite to obtaining a City business license.

16 B. All drivers for the Company shall carry the County Sheriff's taxicab driver
17 identification card and a City of Oceanside business license.

18 C. Vehicles shall be identical in color, be clearly marked with the company name
19 and have a light on top clearly identifying vehicles as taxicabs. All vehicles shall be owned by
20 the Company.

21 D. Passenger limits are specified in the Oceanside City Code.

22 E. Vehicles will be subject to inspection by the Oceanside Police Department at any
23 time.

24 F. The safe operation and maintenance of each vehicle is the sole responsibility of
25 the Company.

26 G. Vehicles must be in good operating order and free from known mechanical
27 defects. The interiors and exterior of all vehicles must be kept in clean, neat and attractive
28 condition. Vehicles are to be taken out of service for repair or maintenance of body damage,

1 dents, broken glass, torn upholstery, bad stains, inoperable seat belts, unclean windows,
2 unclean interior or exterior, unsafe tire tread, missing hubcaps and mechanical defects.

3 H. No taxicab in use in the City shall exceed seven years in age. The Company has
4 six months upon entering into this agreement to meet this standard. Notwithstanding the age
5 of the vehicle, it is the responsibility of the Company to maintain all vehicles in a safe
6 operating condition. City is authorized to inspect vehicles in use in the City and to remove
7 from service vehicles that appear to be unsafe until they have been inspected and found to be
8 safe and to be in adequate condition for use as a taxicab.

9 I. Company shall respond to telephone calls for service within 20 minutes 80% of
10 the time, and within 35 minutes 96% of the time.

11 J. Company shall provide to the City on a quarterly basis a summary of the number
12 of calls for service per month, and the average time it took to respond to calls. The report shall
13 also include a complaint log with the number of complaints received, date of the incident, the
14 nature of the complaints and the resolutions.

15 K. Drivers must be dressed in a neat and clean fashion.

16 L. All taxicab drivers operating taxicabs in the City shall be subject to the provisions
17 of Chapter 35 of the Oceanside City Code.

18 M. All operations conducted under this franchise agreement shall be in compliance
19 with all the provisions of Chapter 35 of the Oceanside City Code.

20 7. **REVOCATION:**

21 A. This franchise shall be subject to revocation for failure to provide adequate
22 service in the City, failure to maintain clean vehicles in good repair, failure to conform to the
23 ordinances regulating taxicab operation in the City of Oceanside, or failure to comply with the
24 conditions of this franchise.

25 B. This franchise may be revoked only after a public hearing by the City Council,
26 held at the next regularly scheduled Council meeting following written notice to the Company.
27 Said notice shall specify the grounds for revocation and shall be mailed to the Company at its
28 principal place of business.

1 C. The Company shall be entitled to examine all reports and evidence supporting the
2 revocation of the franchise. The decision of the City Council shall be final and shall be
3 communicated in writing together with findings, if requested, within ten (10) days after the
4 close of the hearing.

5 8. **TAXICAB STANDS:**

6 The Company requests that no taxicab stands be granted at this time. However, stands
7 may be authorized to the Company, upon request, pursuant to the provision of Chapter 35 of
8 the Oceanside City Code.

9 9. **TRANSFERABILITY:**

10 This franchise and the taxicab permits granted hereby shall not be transferable except as
11 provided in Chapter 35 of the Oceanside City Code. A transfer of the ownership or transfer of
12 a majority of the stock or interest in the Company will be considered an attempt to transfer the
13 franchise and the permits granted thereunder.

14 10. **ENTIRE AGREEMENT:**

15 This agreement comprises the entire integrated understanding between the City and
16 Company concerning the work to be performed for this project and supersedes all prior
17 negotiations, representations, and agreements.

18 11. **INTERPRETATION OF THE AGREEMENT:**

19 The interpretation, validity and enforcement of the Agreement shall be governed by and
20 construed under the laws of the State of California. The Agreement does not limit any other
21 rights or remedies available to the City.

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

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

28 ////

1 12. **AGREEMENT MODIFICATION:**

2 This agreement may not be modified orally or in any manner other than by an agreement
3 in writing signed by the parties hereto. The City hereby expressly reserves the right to modify,
4 amend, alter, change or eliminate any of the provisions of this franchise at the expiration of
5 each one-year period during the life of the same for the following purposes:

6 (a) To eliminate or delete from the same such conditions as prove obsolete or
7 impractical.

8 (b) To impose such additional conditions upon the Company as may be just and
9 reasonable, such conditions to be those as may be deemed necessary for the purpose of insuring
10 adequate service to the public.

11 (c) To increase the fees for the operation of taxicabs under this ordinance.

12 13. **NOTICES:**

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

16 To CITY:

17 City Manager's Office
18 300 North Coast Highway
19 Oceanside, CA 92054

 To COMPANY:

 Oceanside Transportation Services, LLC.
 639 13th Street
 San Diego CA 92101

20 Either party may change its address by notice to the other party as provided herein.

21 Communications shall be deemed to have been given and received on the first to occur
22 of (i) actual receipt at the offices of the party to whom the communication is to be sent, as
23 designated above or (ii) three working days following the deposit in the United States Mail or
24 registered or certified mail, postage prepaid, return receipt requested, addressed to the offices of
25 the party to whom the communication is to be sent, as designated above.

26 14. **LIMITATION:** This agreement does not affect the abatement agreement entered
27 into on September 20, 2000. Yellow Cab shall accept, assume, and abide by the terms of the
28 abatement agreement on 321 North Tremont Street, Oceanside, California which is attached

1 hereto as Exhibit "3" and incorporates herein by this reference.

2 14. **SIGNATURES:**

3 The individuals executing this Agreement represent and warrant that they have the right,
4 power, legal capacity and authority to enter into and to execute this Agreement on behalf of the
5 respective legal entities of the Company and the City.

6 **IN WITNESS WHEREOF** the parties hereto for themselves, their heirs, executors,
7 administrators, successors, and assigns do hereby agree to the full performance of the covenants
8 herein contained and have caused this Agreement to be executed by setting hereunto their
9 signatures this 3rd day of March, 2004.

10
11 DATED: _____

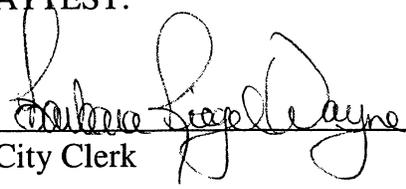


City Manager
CITY OF OCEANSIDE

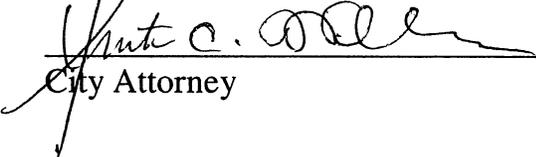
12
13
14 DATED: 2/19/04 _____



President
OCEANSIDE TRANSPORTATION
SERVICES, LLC.

15
16
17
18
19 ATTEST:
20 
21 _____
City Clerk 3/9/04

APPROVED AS TO FORM
Office of the City Attorney



City Attorney

22
23
24 Notary acknowledgements of Company's representative must be attached.

25
26 Yellow Cab Taxi Cab Franchise Agreement

27
28

**AMENDMENT 1 TO CITY OF OCEANSIDE
TAXICAB FRANCHISE AGREEMENT
[Oceanside Transportation Services, LLC]**

This Amendment to the City of Oceanside Taxicab Franchise Agreement (hereinafter "Amendment") is made and entered into this 1st day of June, 2005, by and between the City of Oceanside, a municipal corporation, hereinafter designated as "CITY" and Oceanside Transportation Services, LLC, hereinafter designated as "COMPANY".

RECITALS

WHEREAS, CITY and COMPANY are the parties to that certain Taxicab Franchise Agreement dated March 3, 2004, hereinafter referred to as the "Agreement", wherein COMPANY agreed to provide taxicab services within the City as set forth therein;

WHEREAS, the parties desire to amend the Agreement to increase the number of permitted taxicabs.

AMENDMENT

NOW, THEREFORE, as set forth herein, the parties hereto do mutually agree that the Agreement shall be amended as follows:

1. Page 1, Section 2. is amended as follows:

"There is hereby granted to the COMPANY permission to operate sixty-five (65) taxicabs within the City during the period of the franchise. No more than twenty eight taxicabs shall be present at 321 North Tremont Street or, within a one quarter mile radius of 321 North Tremont Street, at any time. The COMPANY shall pay to the City an annual \$100.00 administrative fee and an annual fee per cab in the amount of \$60.00 which is due and payable on or before the first day of each year of the franchise operation pursuant to this agreement. There shall be no refunds or proration of this fee after payment. The COMPANY may be granted the right to operate additional taxicabs upon convenience and necessity, pursuant to the provision of Chapter 35 of the Oceanside City Code."

2. Page 5, Section 13. is amended as follows:

"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 Manager's Office
300 North Coast Highway
Oceanside, Ca 92054

To COMPANY:
Oceanside Transportation Services, LLC.
3473 Kurtz Street
San Diego, Ca 92110

Either party may change its address by notice to the other party as provided herein. Communications shall be deemed to have been given and received on the first to occur of (i) actual receipt at the offices of the party to whom the communication is to be sent, as designated above or (ii) three working days following the deposit in the United States Mail or registered of certified mail, postage prepaid, return receipt requested, addressed to the offices of the party to whom the communication is to be sent, as designated above."

3. This Amendment incorporates all of the terms and conditions of the March 3, 2004, Agreement and encompasses the understanding, rights, liabilities and obligations of the parties. In all other respects the March 3, 2004, Agreement identified above shall remain in full force and effect and is hereby ratified and reaffirmed.

SIGNATURES

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

IN WITNESS WHEREOF, the parties hereto being duly authorized on behalf of their respective entities to execute this Amendment, do hereby agree to the covenants contained in the Agreement, including this Amendment and have caused this Amendment to be executed by setting hereunto their signatures this 1st day of June 2005.

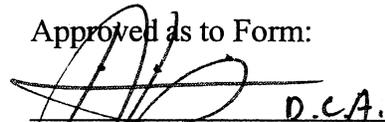
Oceanside Transportation Services, LLC.

City of Oceanside


By: Anthony Palmeri
Title: President


Stephen R. Jepsen
City Manager


By: David Koscielak
Title: Secretary

Approved as to Form:

City Attorney D.C.A.

NOTARY ACKNOWLEDGEMENTS MUST BE ATTACHED

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2. Page 5, Section 13. is amended as follows:

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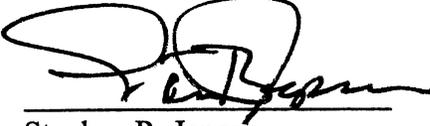
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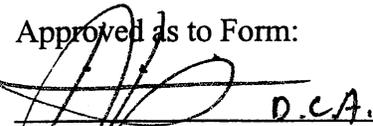
Oceanside Transportation Services, LLC.


By: Anthony Palmeri
Title: President

City of Oceanside


Stephen R. Jepsen
City Manager


By: David Koscielak
Title: Secretary

Approved as to Form:

City Attorney D.C.A.

NOTARY ACKNOWLEDGEMENTS MUST BE ATTACHED

FRANCHISE AGREEMENT

OCEANSIDE TRANSPORTATION SERVICES, LLC

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WHEREAS, Yellow Cab has agreed to purchase the assets and operations with Transit Capital Corporation, DBA Yellow Cab of Oceanside; and

WHEREAS, the City Council held a public hearing pursuant to the Oceanside City Code, and considered all facts relevant to the granting of a franchise; and

WHEREAS, the City Council determined that public convenience and necessity require the granting of this franchise to YELLOW CAB,

NOW, THEREFORE, the City Council of the City of Oceanside hereby revokes and terminates the franchise agreement with Transit Capital Corporation and grants to YELLOW CAB, a franchise to operate a taxicab service in the City of Oceanside pursuant to the following rules, regulations, covenants and conditions:

1. **TERM:**

The term of this franchise shall commence on March 3, 2004 and terminate on March 3, 2008.

2. **SCOPE:**

There is hereby granted to the Company permission to operate twenty-eight (28) taxicabs within the City during the period of the franchise. In addition, there is permission to operate an additional six (6) taxicabs within the City provided that these six (6) taxicabs are not housed within City limits while operations are located at 321 North Tremont Street. The Company shall pay to the City an annual \$100.00 administrative fee and an annual fee per cab in the amount of \$60.00 which is due and payable on or before the first day of each year of franchise operation pursuant to this agreement. There shall be no refunds or proration of this

1 fee after payment. The Company may be granted the right to operate additional taxicabs upon
2 convenience and necessity, pursuant to the provision of Chapter 35 of the Oceanside City Code.

3 3. **FRANCHISE FEE:**

4 The Company has paid to the City the sum of FIVE HUNDRED DOLLARS (\$500.00)
5 for the issuance of this franchise.

6 4. **INSURANCE:**

7 The Company shall maintain in full force and effect bodily injury and property damage
8 insurance naming the City as additionally insured as required by the Oceanside City Code,
9 Section 35.3 covering vehicle(s) owned by the Company.

10 5. **NOTICE OF INTENTION TO CEASE OPERATION:**

11 The Company shall give thirty (30) days prior written notice to the City Manager of
12 intention to cease operation under this franchise agreement.

13 6. **OPERATING REGULATIONS:**

14 A. Possession of a franchise issued by the City pursuant to Chapter 35 of the
15 Oceanside City Code shall be a prerequisite to obtaining a City business license.

16 B. All drivers for the Company shall carry the County Sheriff's taxicab driver
17 identification card and a City of Oceanside business license.

18 C. Vehicles shall be identical in color, be clearly marked with the company name
19 and have a light on top clearly identifying vehicles as taxicabs. All vehicles shall be owned by
20 the Company.

21 D. Passenger limits are specified in the Oceanside City Code.

22 E. Vehicles will be subject to inspection by the Oceanside Police Department at any
23 time.

24 F. The safe operation and maintenance of each vehicle is the sole responsibility of
25 the Company.

26 G. Vehicles must be in good operating order and free from known mechanical
27 defects. The interiors and exterior of all vehicles must be kept in clean, neat and attractive
28 condition. Vehicles are to be taken out of service for repair or maintenance of body damage,

1 dents, broken glass, torn upholstery, bad stains, inoperable seat belts, unclean windows,
2 unclean interior or exterior, unsafe tire tread, missing hubcaps and mechanical defects.

3 H. No taxicab in use in the City shall exceed seven years in age. The Company has
4 six months upon entering into this agreement to meet this standard. Notwithstanding the age
5 of the vehicle, it is the responsibility of the Company to maintain all vehicles in a safe
6 operating condition. City is authorized to inspect vehicles in use in the City and to remove
7 from service vehicles that appear to be unsafe until they have been inspected and found to be
8 safe and to be in adequate condition for use as a taxicab.

9 I. Company shall respond to telephone calls for service within 20 minutes 80% of
10 the time, and within 35 minutes 96% of the time.

11 J. Company shall provide to the City on a quarterly basis a summary of the number
12 of calls for service per month, and the average time it took to respond to calls. The report shall
13 also include a complaint log with the number of complaints received, date of the incident, the
14 nature of the complaints and the resolutions.

15 K. Drivers must be dressed in a neat and clean fashion.

16 L. All taxicab drivers operating taxicabs in the City shall be subject to the provisions
17 of Chapter 35 of the Oceanside City Code.

18 M. All operations conducted under this franchise agreement shall be in compliance
19 with all the provisions of Chapter 35 of the Oceanside City Code.

20 7. **REVOCATION:**

21 A. This franchise shall be subject to revocation for failure to provide adequate
22 service in the City, failure to maintain clean vehicles in good repair, failure to conform to the
23 ordinances regulating taxicab operation in the City of Oceanside, or failure to comply with the
24 conditions of this franchise.

25 B. This franchise may be revoked only after a public hearing by the City Council,
26 held at the next regularly scheduled Council meeting following written notice to the Company.
27 Said notice shall specify the grounds for revocation and shall be mailed to the Company at its
28 principal place of business.

1 C. The Company shall be entitled to examine all reports and evidence supporting the
2 revocation of the franchise. The decision of the City Council shall be final and shall be
3 communicated in writing together with findings, if requested, within ten (10) days after the
4 close of the hearing.

5 8. **TAXICAB STANDS:**

6 The Company requests that no taxicab stands be granted at this time. However, stands
7 may be authorized to the Company, upon request, pursuant to the provision of Chapter 35 of
8 the Oceanside City Code.

9 9. **TRANSFERABILITY:**

10 This franchise and the taxicab permits granted hereby shall not be transferable except as
11 provided in Chapter 35 of the Oceanside City Code. A transfer of the ownership or transfer of
12 a majority of the stock or interest in the Company will be considered an attempt to transfer the
13 franchise and the permits granted thereunder.

14 10. **ENTIRE AGREEMENT:**

15 This agreement comprises the entire integrated understanding between the City and
16 Company concerning the work to be performed for this project and supersedes all prior
17 negotiations, representations, and agreements.

18 11. **INTERPRETATION OF THE AGREEMENT:**

19 The interpretation, validity and enforcement of the Agreement shall be governed by and
20 construed under the laws of the State of California. The Agreement does not limit any other
21 rights or remedies available to the City.

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

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

28 //

1 12. **AGREEMENT MODIFICATION:**

2 This agreement may not be modified orally or in any manner other than by an agreement
3 in writing signed by the parties hereto. The City hereby expressly reserves the right to modify,
4 amend, alter, change or eliminate any of the provisions of this franchise at the expiration of
5 each one-year period during the life of the same for the following purposes:

6 (a) To eliminate or delete from the same such conditions as prove obsolete or
7 impractical.

8 (b) To impose such additional conditions upon the Company as may be just and
9 reasonable, such conditions to be those as may be deemed necessary for the purpose of insuring
10 adequate service to the public.

11 (c) To increase the fees for the operation of taxicabs under this ordinance.

12 13. **NOTICES:**

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

16 To CITY:

17 City Manager's Office
18 300 North Coast Highway
19 Oceanside, CA 92054

20 To COMPANY:

21 Oceanside Transportation Services, LLC.
22 639 13th Street
23 San Diego CA 92101

24 Either party may change its address by notice to the other party as provided herein.

25 Communications shall be deemed to have been given and received on the first to occur
26 of (i) actual receipt at the offices of the party to whom the communication is to be sent, as
27 designated above or (ii) three working days following the deposit in the United States Mail or
28 registered or certified mail, postage prepaid, return receipt requested, addressed to the offices of
the party to whom the communication is to be sent, as designated above.

14. **LIMITATION:** This agreement does not affect the abatement agreement entered
into on September 20, 2000. Yellow Cab shall accept, assume, and abide by the terms of the
abatement agreement on 321 North Tremont Street, Oceanside, California which is attached

1 hereto as Exhibit "3" and incorporates herein by this reference.

2 14. **SIGNATURES:**

3 The individuals executing this Agreement represent and warrant that they have the right,
4 power, legal capacity and authority to enter into and to execute this Agreement on behalf of the
5 respective legal entities of the Company and the City.

6 **IN WITNESS WHEREOF** the parties hereto for themselves, their heirs, executors,
7 administrators, successors, and assigns do hereby agree to the full performance of the covenants
8 herein contained and have caused this Agreement to be executed by setting hereunto their
9 signatures this 3rd day of March, 2004.

10
11 DATED: _____



12 City Manager
13 CITY OF OCEANSIDE

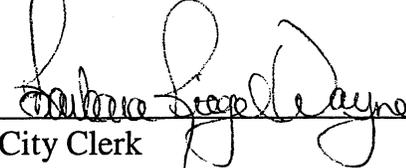
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15 DATED: 2/19/04

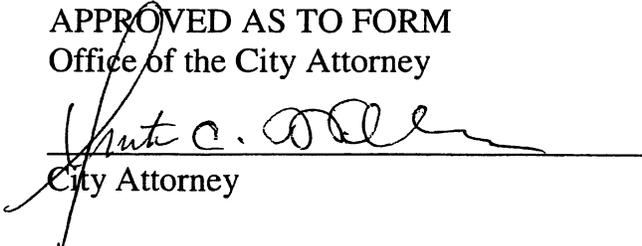


16 President
17 OCEANSIDE TRANSPORTATION
18 SERVICES, LLC.

19 ATTEST:

20 APPROVED AS TO FORM
21 Office of the City Attorney

22 
23 City Clerk 3/9/04

24 
25 City Attorney

26 Notary acknowledgements of Company's representative must be attached.

27 Yellow Cab Taxi Cab Franchise Agreement
28