

**CITY OF SUNNYVALE
TAXICAB FRANCHISE AND AGREEMENT
(Yellow Checker Cab Company, Inc.,
dba Checker Cab of Silicon Valley, dba Rainbow Cab)**

THIS FRANCHISE AND AGREEMENT, dated _____, is between the CITY OF SUNNYVALE, a municipal corporation of the State of California (herein "City"), and YELLOW CHECKER CAB COMPANY, INC., DBA CHECKER CAB OF SILICON VALLEY and DBA RAINBOW CAB, a California corporation (herein "Franchisee").

RECITALS

WHEREAS, Franchisee has filed a verified application of a nonexclusive Franchise to operate a taxicab service pursuant to Chapter 5.36 of the Sunnyvale Municipal Code; and

WHEREAS, on _____ date _____, the City Council passed and adopted Ordinance No. _____, after Notice and Public Hearing, approving the award of such Franchise;

NOW, THEREFORE, in consideration of the award of a nonexclusive Franchise and of the mutual covenants and conditions as set forth herein, it is agreed as follows:

1. Grant of Non-Exclusive Franchise. City grants to Franchisee a nonexclusive Franchise to use the public streets, ways, alleys and places, as the same now or may hereafter exist, within the corporate limits of the City of Sunnyvale as they presently exist or as they may be changed during the term of this Franchise by annexations or detachments, in connection with furnishing the City of Sunnyvale and its inhabitants with taxicab service.

2. Term of Non-Exclusive Franchise. This Franchise shall be in effect for an initial term of two (2) years, beginning May 15, 2017, and ending at midnight on May 14, 2019. Pursuant to Sunnyvale Municipal Code section 5.38.120, the City's Director of Public Safety may approve up to two, two-year extensions, provided Franchisee remains in good standing. The total term, including any approved extensions, may not exceed six years and shall terminate no later than May 14, 2023.

3. Payment of Franchise Fees. The Franchisee during the term of this Franchise shall pay to the City the consideration based on the number of vehicles in service under the Franchise, as set forth in the City's Master Fee Schedule, as may be amended from time to time and which is incorporated by reference herein.

4. Franchisee Obligations.

The Franchisee shall:

A. Appear and defend all actions against the City arising out of the exercise of the Franchise and shall indemnify and save City, its officers, employees and agents harmless of and from all claims, demands, actions or causes of action of every kind and

description resulting directly or indirectly, arising out of, or in any way connected with, the exercise of the Franchise.

B. Obtain and keep in force during the term of the Franchise insurance in compliance with the requirements of Sunnyvale Municipal Code Section 5.36.300.

C. Comply with all other requirements of Sunnyvale Municipal Code Chapter 5.36 and any amendments thereto, and with all applicable laws and regulations of the State of California, and all applicable laws and regulations of the United States, or any regulatory agency having jurisdiction. Franchisee shall establish a controlled substance and alcohol certification program. The program shall be included in a written company policy. Each driver must sign for receipt of said policy, and the receipt shall be retained by Franchisee. A copy shall be provided to Department of Public Safety upon request. Every driver shall test negative for controlled substances as specified in 40 CFR Part 40 and 49 CFR Part 382.

5. Assignment of Franchise and Insolvency. The Franchise granted hereunder shall not be assignable, either voluntarily or by operation of law, without the prior approval of the City Council, by resolution. At least forty-five (45) days prior to the date for the formal transfer of such interest or ownership, the Franchisee shall so notify City in writing. If the Franchisee at any time during the term of this Franchise becomes insolvent, or if any proceeding in bankruptcy shall be instituted by or against the Franchisee, or if the Franchisee shall be adjudged bankrupt or insolvent by any court, or if a receiver or trustee in bankruptcy, or receiver of any property of the Franchisee shall be appointed in any suit or proceeding brought by or against the Franchisee, or if the Franchisee shall make an assignment for the benefit of creditors, then and in each and every such case this Franchise and the rights and privileges granted thereby shall immediately cease, and be forfeited and cancelled, without notice and without suit or other proceeding.

6. Transfer of Ownership Interest. If the Franchisee at any time during the term of this Franchise shall sell, exchange or otherwise transfer more than one-half of the equity interest in or ownership of the taxicab service business, whether with or without the property, equipment or other assets in connection therewith, permitted to be operated by the Franchise granted hereunder, the City Council shall have the right to cancel and revoke the Franchise following a hearing held after then (10) days' written notice thereof to the Franchisee. The right to cancel and revoke the Franchise shall not be triggered by any mortgage or deed of trust made in good faith by the Franchisee.

7. Amendments. This Franchise and Agreement may be amended by the City during its term with the consent of the Franchisee.

8. Compliance. The Franchise is granted to and is accepted by the Franchisee upon the express condition that the public streets, ways, alleys and places shall be used and taxicab service furnished in strict compliance with the terms of this Franchise Agreement, the Sunnyvale City Charter, and all applicable provisions of the Sunnyvale Municipal Code.

IN WITNESS WHEREOF, the parties have executed this Agreement.

"FRANCHISEE"

YELLOW CHECKER CAB CO., INC., DBA
CHECKER CAB OF SILICON VALLEY and
DBA RAINBOW CAB, a California
corporation

By _____
LAWRENCE SILVA
President

"CITY"

CITY OF SUNNYVALE, a municipal corporation

By _____
DEANNA J. SANTANA
City Manager

ATTEST:

KATHLEEN FRANCO-SIMMONS
City Clerk

APPROVED AS TO FORM:

By _____
MELISSA C. TRONQUET
Assistant City Attorney