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## SAN FRANCISCO TAXI MEDALLION LEASE AGREEMENT

### I. Essential Lease Terms

Medallion Number: \_\_\_\_\_ (“the Medallion”)

Lessor Name: \_\_\_\_\_

Lessor Mailing Address: \_\_\_\_\_

\_\_\_\_\_

Lessor Email Address: \_\_\_\_\_

Lessor phone number(s): \_\_\_\_\_

\_\_\_\_\_

Lessee Name: \_\_\_\_\_

Lessee Mailing Address: \_\_\_\_\_

\_\_\_\_\_

Lessee Email Address: \_\_\_\_\_

Lessee phone number(s): \_\_\_\_\_

\_\_\_\_\_

Lessee A-Card Number: \_\_\_\_\_

Designated Primary Vehicle: \_\_\_\_\_ (“the Vehicle”)

Make: \_\_\_\_\_

Model/Model Year \_\_\_\_\_

Vehicle Identification Number: \_\_\_\_\_

\_\_\_\_\_

Lease Duration: \_\_\_\_\_ (“the Term”)

This Lease shall be for a Term of \_\_\_\_\_, starting on (date) \_\_\_\_\_ and ending on (date) \_\_\_\_\_.  
 [three year maximum]

### OR

This Lease shall start on (date) \_\_\_\_\_ and shall continue in force for the service life of the Vehicle as determined by the SFMTA.

Now, therefore, in consideration of the mutual covenants herein, Lessor and Lessee (“the Parties”) agree as follows:

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Prepared for Taxi Advisory Council meeting of November 22, 2010

**II. Definition of Terms**

Any word used in this Lease that is not defined in this Lease shall have the meaning assigned by Article 1100 of the San Francisco Transportation Code.

**III. Payments**

(a) **Amount of Payment.** Lessee shall pay Lessor the amount of \$\_\_\_\_\_ upon signing this Lease, to be applied to the first [week/month] rental.

(b) **Method of Payment.** Lessee shall pay the Lessor the amount of \$\_\_\_\_\_ (specify maximum) per week/month for the use of the Medallion in advance. Payment shall be made to Lessor at the address listed above and may be made by (check all that apply):

- Personal check
- Certified/cashier's check
- Credit card
- Money Order
- Cash
- Electronic payment

(c) **Security Deposit.** If Lessor is the owner of the Vehicle, Lessee shall pay a security deposit of \$\_\_\_\_\_ [not to exceed \$\_\_\_\_\_]. Lessor shall return the full amount of the security deposit within 30 days of termination of the Lease, less any amounts authorized to be retained by the Lessor pursuant to this Lease.

(d) **Collection Costs.** Either party may charge the other any costs incurred for the purpose of enforcing the terms of this Lease by any legal means whatsoever, including but not limited to the cost of collecting of payments due under this Lease, reasonable attorney's fees and court costs.

(e) **Insurance Proceeds.** Any monies received as a result of insurance claims or damage for which Lessee has paid shall be paid to Lessee, less any attorneys' fees or other expenses incurred by the Lessor in connection with the resolution of the claim. Any insurance proceeds received for damage to the Vehicle shall be used only for the purpose of repairing or replacing the Vehicle.

**IV. Pro-Rated Payments**

In the event that any act or omission by the Lessor results in the Medallion being suspended or revoked or otherwise results in the Lessee being unable to conduct the business of operating the vehicle as a San Francisco taxi in accordance with the terms of this Lease, the Lessee may deduct from the future payments the amount of lost time on a pro-rated basis.

**V. Operational Costs and Responsibilities**

The Parties shall be responsible for the operation costs listed below, and the party with the larger percentage of responsibility for each item of equipment, task or condition shall also be

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responsible for acquisition and maintenance of that equipment, the performance or execution of that task or repairing or maintaining that condition.

<b>Description</b>	<b>Anticipated Amount</b>	<b>Lessor Responsible %</b>	<b>Lessee Responsible %</b>
Vehicle purchase/payments			
Vehicle license & registration			
Medallion Permit Fee		100% (mandatory)	0%
Damage Repair: no fault of either Party			
Damage Repair: Operator Fault			
Meter/ITE installation			
Color Scheme radio fee			
Loss or breakage of required equipment inside the Vehicle			
Gate Fees			
Insurance: Workers Comp			
Insurance: Liability			
Insurance: Comprehensive (optional)			
Insurance: Deductible Payments			
Withholding or payment of local, state or federal taxes associated with the operation of the Vehicle or the payment of drivers pursuant to this Lease			
Vehicle Annual Inspection Fees			
Fines related to the Lessee's operation of the Vehicle		0%	100% (mandatory)
Fines related to Lessor's operation of the Vehicle or failure to comply with applicable laws and regulations.			

**VI. Records and Receipts**

- (a) Lessor shall provide the Lessee with a receipt for each transaction. A cancelled check or deposit slip shall be acceptable as a receipt for the purpose of this Paragraph.
- (b) A signed copy of this lease agreement shall be given to both the LESSEE and LESSOR. In addition, a signed copy of this Lease shall be filed with the SFMTA, to be placed on file.

**VII. Color Scheme Affiliation**

The Parties acknowledge that the Medallion is currently affiliated with \_\_\_\_\_ (color scheme name). Lessor retains the right to transfer the affiliation of the Medallion during the

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term of this Lease. Lessor shall give Lessee same day notice of Lessor's filing of a color scheme transfer application.

**VIII. Transfer of Medallion**

- (a) **Voluntary Transfer.** The parties acknowledge and agree that this Lease shall remain in effect through its complete term notwithstanding the transfer of the Medallion during the Lease term. Lessor is responsible for ensuring that any transfer agreement binds the new owner to the conditions of the Lease upon transfer for the remainder of the Lease term. Any provision of any transfer agreement that violates this requirement is null and void.
- (b) **Involuntary Transfer.** Lessee understands that in the event of involuntary transfer of the Medallion such as foreclosure or revocation this Lease may be void depending on the circumstances.

**IX. Reporting**

- (a) Lessee shall report any collisions or other events causing damage to the vehicle to appropriate insurance representatives. Lessor shall give full and complete cooperation to the investigation and defense of insurance claims.
- (b) Lessee shall promptly inform Lessor of problems or issues associated with the Vehicle or Medallion that require Lessor action.

**X. Advertising**

Lessor and Lessee agree that (check one):

- There shall be NO advertising material attached to the exterior of the vehicle.
- Lessee shall bear all costs and receive all proceeds from advertising attached to the exterior of the vehicle.
- Lessor and Lessee shall divide all advertising costs and revenues from advertising attached to the exterior of the vehicle as follows:

**XI. Authorized Drivers**

Lessee agrees that the Vehicle may only be operated by a San Francisco Driver Permit Holder (as defined in Transportation Code Article 1100) with whom a Shift Agreement, attached hereto as Appendix A and incorporated by reference as though fully set forth herein, has been executed and filed with the SFMTA. Any violation of this requirement shall automatically void this Lease. Lessee shall be responsible for any insurance claims denied or any incident involving operation of the Vehicle by a driver who is not authorized to operate the Vehicle pursuant to this Lease.

**XII. Employment Status**

By executing this Lease, the parties acknowledge and agree that there does not exist between them the relationship of employer-employee, principal-agent, or master-servant, either express

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or implied, but that relationship of the parties is strictly that of Lessor and Lessee, and that Lessee is not eligible for federal or state unemployment benefits.

**XIII. Warranties by Lessor**

Lessor warrants that:

1. Lessor is the owner of the Medallion and further warrants that there are no claims, suits or judgments against the Medallion arising out of the Lessor's use and operation of the Medallion prior to the date of this Lease.
2. Lessee shall be free from interference or control on the part of the Lessor in the operation of the Vehicle for the Term of this Lease.

**XIV. Termination**

- (a) This Lease may be terminated for cause by either party with 30 days' written notice to the other party and the SFMTA, except that non-payment of amounts due under the Lease (defined as payment that is more than seven days late three times within any 12-month period) shall require 14 days' written notice to the non-paying party and the SFMTA. The 14 days shall begin upon receipt of a certified mail or in-person delivery of notice of termination to a party at the address listed above.
- (b) Termination of this Lease for any reason shall require prior written notice and prior approval of the SFMTA in accordance with this Paragraph.
- (c) "Cause" for termination for the purpose of this Paragraph shall include but not be limited to:
  1. Non-payment of any amount owing under this Lease or other material breach of the terms of this Lease;
  2. Adoption of any law or regulation that precludes the parties from conducting business as a San Francisco taxi in accordance with the provisions of this Lease;
  3. At Lessee's option, transfer of affiliation of the Medallion to a new Color Scheme is cause to terminate this Lease;
  4. At Lessee's option, transfer of the Medallion to a new owner is good cause to terminate this Lease.
- (a) If the Vehicle is owned by Lessee and this Lease is (i) terminated by Lessor, or (ii) if Lessor changes the Color Scheme affiliation of the Medallion prior to the end of the service life of the Vehicle or transfers the Medallion to a new owner and Lessee elects to terminate this Lease, then Lessor shall owe liquidated damages to Lessee according to the following Vehicle depreciation schedule:

Year 1:  
Year 2:  
Year 3:

**XV. Indemnification**

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Each party (Indemnitor) shall indemnify the other party (Indemnitee) for all costs for which the Indemnitor is responsible pursuant to this Lease or applicable laws and regulations.

**XVI. Notices**

All notices, requests, demands and other communications required or permitted to be made hereunder shall be in writing and shall be deemed duly given if hand delivered against a signed receipt therefore, sent by registered or certified mail, return receipt requested, first class postage prepaid, or sent by nationally recognized overnight delivery service to the principal place of business of each party as defined above.

**XVII. Compliance with Laws and Regulations**

The parties acknowledge that this agreement does not alter or supplement the duties and obligations of either party pursuant to the San Francisco Municipal Code, and that one or both parties may be liable for penalties, fines, and fees payable to the SFMTA pursuant to such rules and regulations. Both parties agree to comply with any and all applicable laws and regulations during the term of this Lease, whether previously or subsequently enacted, and each party shall indemnify the other from any and all costs and expenses caused by a violation of said laws and regulations.

**XVIII. Modification**

This Lease may not be modified, nor may any of its terms be waived, except by written agreement signed by both Parties and filed in advance with the SFMTA.

**XIV. Assignment**

The Parties' rights and obligations under this Lease are personal to the Parties, and this Lease may not be assigned by either party, nor shall this Lease be subject to encumbrance by or the claims of creditors of either party without the prior written approval of the SFMTA.

**XV. Applicable Law**

Any and all disputes, controversies or claims arising under or in connection with this lease agreement or its performance shall be decided exclusively by the laws of the the State of California

**XVI. Severability**

If any provision of this lease agreement shall be held to be invalid, void or unenforceable, the remaining provisions hereof shall in no way be affected or impaired and such remaining provisions shall remain in full force and effect.

**XVII. Entire Agreement**

This Lease constitutes the entire understanding between the parties as to the Lease of the Medallion, and merges all prior discussions between them. None of the parties shall be bound by any conditions, definitions, warranties, understandings or representations other than expressly provided herein.

**IN WITNESS WHEREOF**, and intending to be legally bound pursuant to the laws of the City of San Francisco and the State of California the parties have executed this Agreement on the day and year written above. (signatures)