

COUNCIL COMMUNICATION

TO: THE CITY COUNCIL
FROM: THE CITY MANAGER'S OFFICE

COUNCIL MEETING DATE
JANUARY 17, 1990

SUBJECT: TRANSFER OF CITY CAB LICENSE

PREPARED BY: Assistant City Manager

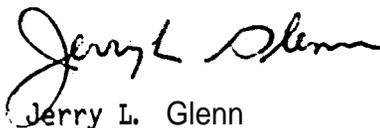
RECOMMENDED ACTION: The Lodi City Council approve the transfer of the operator's permit for taxi service from Rae Neel Margrave to Raymond A. Neel.

BACKGROUND INFORMATION: Section 5.24.280 of the Lodi Municipal Code requires Council approval of a transfer of the operator's permit. Attached (**Exhibit A**) is an installment Contract of Sale of Real Property and Business executed by **Mrs.** Margrave and **Mr.** Neel in which Mr. Neel is purchasing the business known as City Cab Company of **Lodi**.

There is no reason to deny this transfer as Mr. Neel has been actively involved in the management of the City Cab Company for over a year.

Council is requested to authorize this transfer.

Respectfully submitted,



Jerry L. Glenn
Assistant City Manager

JLG:br

Attachment

EXHIBIT A

INSTALLMENT CONTRACT OF SALE
OF REAL PROPERTY AND BUSINESS

This Agreement is made on January 3, 1989,
between RAE NEEL MARGRAVE, his wire, hereinafter referred to as
"SELLERS", and RAYMOND A. NEEL hereinafter referred to as "BUYERS".

1. PROPERTY TO BE TRANSFERRED: Sellers agree to sell to Buyers, and Buyers agree to buy from Sellers that improved real property locate3 at 510 East Lodi Avenue, Lodi, California, the legal description of which is:

All that real property situate in the City of Lodi, County of San Joaquin, State of California, described as follows:

LOT 4 in Block 4 of IO31 BARNHART TRACT, according to the Official Map thereof, filed in Volume 3 of Maps, Page 48, San Joaquin Records.

Sellers also agree to sell to Buyers, and Buyers agree to buy from Sellers that certain business known as "City Cab Company of Lodi, California", and ail of the assets, equipment, furnishings, supplies and vehicles currently use5 in the operation of said business, as more particularly described in Exhibit A attached hereto, as well as the good will of said business and the right to use the name "City Cab Company of Lodi, California". Sellers represent and warrant that ail major furnishings, equipment and vehicles included in the sale are in good working order and repair as of the date of execution of the Agreement.

2. PURCHASE PRICE: The total purchase price of all property, real and personal, to be transferred or conveyed to Buyers hereunder is One Hundred Thirty-five Thousand Dollars (\$135,000.00), to be paid as hereinafter described.

The said purchase price is allocated among the different assets being conveyed or transferred hereby as follows:

- (a) Real property and improvements: Seventy-five Thousand Dollars (\$75,000.00);
- (b) The assets (set forth in Exhibit A), good will and use of the name of the business know as "City Cab Company of Lodi, California: Sixty Thousand Dollars (\$60,000.00).

Buyers agree to pay to Sellers the sum of One Hundred Thirty Five Thousand Dollars (\$135,000.00), together with interest thereon as herein provided, as follows:

The sum of Fifty Five Thousand Dollars (\$55,000.00), with interest thereon at the rate of ten percent (10%) per annum from February 1, 1989, in thirty-six (36) equal monthly payments of principal and interest each in the amount of One Thousand Seven Hundred Seventy-four and 70/100ths Dollars (\$1,774.70). The first monthly payment shall be due on February 1, 1989, and each successive monthly payment shall be due on or before the first day of each month thereafter: and,

The sum of Eighty Thousand Dollars (\$80,000.00), shall be due and payable on or before January 1, 1989.

3. TAXES AND ASSESSMENTS; insurance. Buyers shall pay all taxes and assessments on the above-described property levied, assessed, or accruing after the date hereof. Buyers shall keep the improvements on the property insured for an amount not less than the actual cash value but not less than \$125,000.00, payable in case of loss to Sellers.

Should Buyers fail to pay any taxes or assessments as herein provided, or fail to keep the property insured, Sellers may, at their option, pay all or any of such taxes and assessments, and obtain such insurance, and Buyers shall repay to Sellers, on demand, the amount of all moneys paid by Sellers on account of such taxes, assessments, and/or insurance, together with interest thereon from the date of payment until repaid at the rate of Ten per cent (10%) per annum.

4. DELIVERY OF DEED: Sellers, when the purchase price, and all other amounts to be paid to Sellers, are fully paid as herein provided, and all covenants and agreements on the part of Buyers to be performed have been satisfactorily performed, will execute and deliver to buyer's a good and sufficient grant deed conveying the real property free of all encumbrances made, done, or suffered by sellers, and a bill of sale in customary form transferring to Buyers all right, title, and interest of Sellers in all personal property subject to this sale.

5. POSSESSION: Buyers shall be entitled to possession of the property from and after February 1, 1989.

6. DEFAULT: If Buyers shall fail for a period of 15 days to (1) pay Sellers any of the sums herein agreed to be paid, either as installments on account of principal or as interest, after such sums are due, or (2) pay taxes or assessments on the property after the same become due, or (3) comply with any of the covenants on their part to be kept and performed, then

4

Sellers shall **be** released from all obligation to convey the real and personal property, and Buyers shall forfeit all right thereto, and all payments theretofore made by buyers under **this** agreement shall be considered compensation for the use **and** occupancy of the real **and** personal property, and shall be retained by Sellers.

7. TIME OF ESSENCE: Time is of the essence of **this** agreement.

8. REPRESENTATIONS OF SELLERS: Sellers represent that
- (a) The area in which the property is located is zoned for **use** of the property for Taxi Cab **Company** purposes. Sellers, **are** aware of no proposed or pending zoning changes that would affect the Legality of such use.
 - (b) Sellers are duly qualified under California law to operate the Taxi **Cab** business, and such operation is in full compliance with all applicable state and local requirements and regulations.
 - (c) Sellers have good and marketable title to all real property, personal property, fixtures, **and** intangibles being conveyed or transferred hereunder.

9. PRELIMINARY TITLE REPORT: Sellers shall furnish to Buyers as promptly **as** possible, a preliminary title report covering the real property to Buyers. The report shall **be** delivered to purchasers as soon as it is available, but in no event later than March 1, 1989.

If the report shows lack of good and marketable title in Sellers, or defects to title that require correction, Buyers shall report **the** same in writing to Sellers who shall have 30 days from receipt of such report in which to cure all such objections. If Sellers fail or neglect to cure **all** such objections within the stated period, Buyers may at their option terminate and rescind this contract and be entitled to the return of all payments made by them, or they may accept title to the property with the defects and exceptions remaining.

10. PRORATIONS: Real estate taxes and assessments already paid by sellers with respect to the property for the current year, shall **be** prorated as of the closing date, Buyers' account being debited accordingly.

11. RISK OF LOSS: In the event that, prior to transfer of legal title or possession of the above described premises to Buyers, such premises shall be fully or materially destroyed

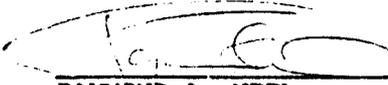
by fire or other casualty without fault of Buyers, or shall be taken by eminent domain, Buyers may terminate this contract without liability on their part and recover any portion of the price that they have paid. Damage in the amount of Dollars (\$ 100,000) or more shall be considered material destruction of the premises. If damage to the property does not constitute "material destruction" thereof, this contract shall remain in effect, but the total purchase price shall be reduced by the dollar amount of such damage as determined by appraisal by a disinterested third party.

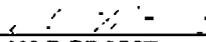
12. ATTORNEY'S FEES: In the event any suit is instituted by either party to enforce the terms, covenants, or conditions of this contract, the prevailing party in any such litigation, shall receive reasonable attorney's fees from the losing party.

13. BINDING EFFECT: The terms, conditions, and covenants of this agreement shall be binding on and shall inure to the benefit of the heirs, executors, administrators, and assigns of the respective parties, but no assignment or transfer by Buyers of this contract, or of their interest in the property described herein, shall be valid, unless made with the written consent of Sellers.

14. ADDITIONAL CONSIDERATION: Buyers agree to pay annually to Sellers fifty per cent (50%) of the net profits of the business after all income taxes have been deducted, for a period of three years, with said payments to be made by January 30, for the preceding calendar year.

Executed at Portland at Steektin Co. on the date first above written.


RAYMOND A. NEEL
Buyer


RAE NEEL MARGRAVE
Seller

RESOLUTION NO. 90-06
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A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING THE TRANSFER OF THE OPERATING PERMIT FOR CITY CAB COMPANY
OF LODI FOR OPERATION OF A TAXI SERVICE WITHIN THE CITY OF LODI

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WHEREAS, Rae Neel Margrave, owner of City Cab Company of Lodi, had heretofore been issued a permit under the terms of Lodi Municipal Code Chapter 5.24, to operate a taxi service within the City of Lodi; and

WHEREAS, Rae Neel Margrave has sold that business to her son, Raymond A. Neel; and

WHEREAS, Lodi Municipal Code Section 5.24.280 requires City Council approval to transfer said license;

NOW, THEREFORE, BE IT RESOLVED, that the Lodi City Council hereby approves the transfer from Rae Neel Margrave to Raymond A. Neel, of the operator's permit of City Cab Company to operate a taxi service within the City of Lodi.

Dated: January 17, 1990

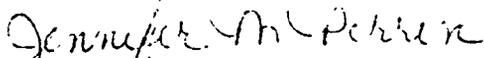
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I hereby certify that Resolution No. 90-06 was passed and adopted by the City Council of the City of Lodi in a regular meeting held January 17, 1990 by the following vote:

Ayes: Council Members - Hinchman, Olson, Pinkerton, Reid and Snider (Mayor)

Noes: Council Members - None

Absent: Council Members - None


Jennifer M. Perrin
Deputy City Clerk

for Alice M. Reimche
City Clerk

90-06

RES9006/TXTA.02J