

**EQUIPMENT LEASE SUPPLEMENT NO. 19  
(SERIES 2013A BONDS)**

This Equipment Lease Supplement No. 19 (Series 2013A Bonds) (the "Supplement"), dated as of May 1, 2013, is entered into by and between the CITY AND COUNTY OF SAN FRANCISCO FINANCE CORPORATION, a non-profit public benefit corporation duly organized and existing under the laws of the State of California (the "Corporation"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation duly organized and existing under its Charter and the Constitution of the State of California (the "City"), and is supplemental to the Equipment Lease, dated as of January 1, 1991 (the "Equipment Lease"), by and between the Corporation and the City, as amended and restated as of October 15, 1998 (said Equipment Lease, as supplemented by this Supplement and all earlier executed Lease Supplements, is herein collectively referred to as the "Lease"). (Capitalized terms used in the Whereas clauses which are not defined therein shall have the meaning set forth in Section 1.01 hereof.)

**WITNESSETH:**

WHEREAS, the Corporation desires to lease the 2013A Equipment, as hereinafter defined, to the City and the City desires to hire the 2013A Equipment from the Corporation subject to the terms and conditions of, and for the purposes set forth in, the Lease; and

WHEREAS, the City is authorized under the Constitution and laws of the State of California and its Charter to enter into this Supplement for the purposes, and subject to the terms and conditions, set forth herein; and

WHEREAS, the City has approved this Supplement, by delivering to the Trustee under the Indenture hereinafter mentioned, a Certificate of Approval acknowledged by the Corporation and accompanied by the Approving Resolution adopted on April \_\_, 2013; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Supplement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Supplement;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, the parties hereto agree as follows:

**ARTICLE I**

**DEFINITIONS; LEASE PROVISIONS**

Section 1.01. Definitions. Capitalized undefined terms used herein which are defined in the Equipment Lease shall have the meanings ascribed to them in the Equipment

Lease. The following terms shall have the meanings indicated below unless the context clearly requires otherwise:

#### 2013A Equipment

The term “2013A Equipment” means the Equipment to be financed with the proceeds of the Series 2013A Bonds and listed on the 2013A Equipment Schedule attached hereto as Exhibit A, as it may be amended from time to time in accordance with the terms of the Lease.

#### Series 2013A Bonds

The term “Series 2013A Bonds” means the City and County of San Francisco Finance Corporation Lease Revenue Bonds, Series 2013A (Equipment Program), issued under and pursuant to the Indenture.

#### Series 2013A Continuing Disclosure Certificate

The term “Series 2013A Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate of the City, dated the date of delivery of the Series 2013A Bonds, as it may be amended from time to time in accordance with the terms thereof.

#### Series 2013A Project

The term “Series 2013A Project” means the acquisition and installation of all items of 2013A Equipment.

#### Series 2013A Rebate Account

The term “Series 2013A Rebate Account” means the account by that name established within the Rebate Fund pursuant to the Tax Certificate for the Series 2013A Bonds.

#### Tax Certificate

The term “Tax Compliance Certificate” means the Tax Compliance Certificate of the City, the Corporation and the Trustee, dated the date of delivery of the Series 2013A Bonds, together with the Exhibits thereto.

Section 1.02. Incorporation of Lease Terms. In accordance with Section 14.03 of the Equipment Lease, this Supplement shall be deemed to incorporate all of the terms and conditions of the Equipment Lease, which are hereby confirmed and ratified by the City and the Corporation, except to the extent that they are supplemented by this Supplement, and this Supplement shall be deemed to be a separate lease of the Series 2013A Project. The Lease Term for each item of 2013A Equipment is set forth on Exhibit A under the column “Lease Term (years)”.

Section 1.03. Compliance with Tax Certificate. In furtherance of the City’s tax covenants in Section 5.02 of the Equipment Lease and for the benefit of the owners of the

Series 2013A Bonds, the City hereby covenants and agrees to take all actions of the City necessary to comply with the terms of the Tax Certificate and to permit the Corporation to comply with the terms of Tax Certificate. Without limiting the generality of the foregoing, the City covenants and agrees:

(a) to pay to the Trustee, as Additional Rental under the Lease, the amount of any Rebate Requirement required by Section 4.10(a) of such Tax Certificate to be deposited into the Series 2013A Rebate Account in the Rebate Fund; and

(b) to make such payment on or before the dates required by the Tax Certificate.

Section 1.04. Corporation to Comply with City Contracting Requirements. The Corporation further agrees to comply with and be bound by the current contracting requirements of the City Charter and Administrative Code as summarized in Exhibit C hereto; provided, however, that the parties acknowledge that the Corporation has no employees and transacts no business other than assisting the City in the financing of public facilities, land and equipment for the use and benefit of the City and thus many of the requirements described in Exhibit C are not applicable to the Corporation's operations.

Section 1.05. Execution in Counterparts. This Supplement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

## ARTICLE II

### THE SERIES 2013A PROJECT

Section 2.01. Series 2013A Project. The Equipment Lease is hereby supplemented to allow the financing of the Series 2013A Project as described in the Equipment Schedule attached hereto as Exhibit A and pursuant to Section 14.01 of the Lease, hereby incorporated in Exhibit A to the Lease by reference.

The Base Rental for the Series 2013A Project shall be as set forth on Exhibit B hereto, which is hereby incorporated pursuant to Section 14.01 of the Lease in Exhibit B to the Lease by reference.

Section 2.02. Continuing Disclosure. The City hereby covenants and agrees that it will comply with the provisions of the Series 2013A Continuing Disclosure Certificate. Notwithstanding any other provision of the Lease, failure of the City to comply with the Series 2013A Continuing Disclosure Certificate shall not be considered an Event of Default; however, the obligations of the City under the Series 2013A Continuing Disclosure Certificate shall be subject to the provisions of Section 10 of the Twentieth Supplemental Indenture dated of even date herewith, between the Corporation and the Trustee, providing for the Series 2013A Bonds.

IN WITNESS WHEREOF, the Corporation and the City have caused this Supplement to be executed in their respective names with their seals hereunto affixed and attested by their respective duly authorized officers, all as of the date first above written.

CITY AND COUNTY OF SAN FRANCISCO  
FINANCE CORPORATION

By \_\_\_\_\_  
President

**Attest:**

\_\_\_\_\_  
Secretary

CITY AND COUNTY OF SAN FRANCISCO  
Chartered City and County and Municipal  
Corporation

[SEAL OF CITY]

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
Clerk of the Board of Supervisors

APPROVED AS TO FORM:  
Dennis J. Herrera  
City Attorney

By \_\_\_\_\_  
Deputy City Attorney

APPROVED:

\_\_\_\_\_  
Director of Purchasing

[Signature page to Equipment Lease Supplement No. 19]

## EXHIBIT A

### DESCRIPTION OF LEASED EQUIPMENT

Series 2013A Equipment Schedule

Scheduled Completion Date: May 15, 2014

Upon acquisition of each item of 2013A Equipment, this 2013A Equipment Schedule shall be amended by the City to include a specific description and serial number (if applicable) for each such item of 2013A Equipment.

#### 2013A EQUIPMENT LIST

<u>Dept.</u>	<u>Equipment</u>	<u>Units</u>	<u>Estimated Total Cost</u>	<u>Dept. Total</u>	<u>Estimated Delivery Date</u>	<u>Lease Term (Years)</u>
ADM	E150 Wgn	2	57,016.53		11/01/13	3
ADM	Colorado	1	22,041.01		10/01/13	3
ADM	Prius	1	25,073.82		11/01/13	3
ADM	Colorado	1	20,408.34		10/01/13	3
ADM	FORD F-150	1	21,080.90	145,620.59	11/01/13	3
APD	Toyota Prius Chevy Caprices	7	175,561.74	175,561.74	06/30/13	3
CAT	Prius	5	125,369.10	125,369.10	05/01/13	3
DAT	Police Pursuit Vehicle - Caprice	5	146,902.90		06/15/13	3
DAT	Vehicle (Insight)	1	21,662.48	168,565.38	05/01/13	3
DPH	Prius (Formerly City vehicle for Mosaic program)	1	25,073.82		06/13/12	3
DPH	GE Vivid E9 Ultrasound Machine	1	94,178.00		05/01/13	3
DPH	Multi-headed conference scope	1	48,120.84		05/01/13	3
DPH	E150 Wgn	1	24,441.25		05/01/13	3
DPH	E350 Wgn	1	25,765.04		05/01/13	3
DPH	Explorer	1	27,473.37		05/01/13	3
DPH	E150 Wgn	1	24,441.25		06/13/13	3
DPH	Prius	1	25,073.82		06/13/13	3
DPH	E150 Wgn	1	24,441.25		06/13/13	3
DPH	E350 Wgn	1	25,765.04		06/13/12	3
DPH	Vehicle (Insight)	4	86,649.94		06/13/13	3
DPH	Prius	1	25,073.82		06/13/13	3
DPH	E150 Wgn	2	48,882.49		06/01/13	3
DPH	Prius	1	25,073.82		06/01/13	3
DPH	Colorado	3	61,225.03		06/01/13	3
DPH	Vehicle (Insight)	2	43,324.97		06/01/13	3
DPH	Prius	4	100,295.28		06/01/13	3
DPH	Colorado	7	142,858.40		06/01/13	3
DPH	Vehicle (Insight)	1	21,662.48	899,819.89	06/01/13	3
DPW	Back-hoe ROPS FOPS	1	124,775.00		06/28/13	3
DPW	Pothole Truck crew Cag Heated Bed 5 YDS	1	174,142.50		02/26/14	3
DPW	3/4 Ton Pick Up Truck	1	38,669.40		05/15/13	3
DPW	Green Machine Sweeper Large	1	117,730.10		06/02/14	3
DPW	3/4 Ton Pick Up Truck	1	38,669.40		05/15/13	3
DPW	10 Wheel Dump Truck 12 YD Bed	3	439,425.00		06/28/13	3

<u>Dept.</u>	<u>Equipment</u>	<u>Units</u>	<u>Estimated Total Cost</u>	<u>Dept. Total</u>	<u>Estimated Delivery Date</u>	<u>Lease Term (Years)</u>
DPW	Concrete mixture Truck	1	184,450.00		01/24/14	3
DPW	Steamfitter Shop 1 Ton Pickup Utility Bed	1	35,805.00		07/31/13	3
DPW	Ford 1/2 Ton Pickup	1	46,391.56		10/11/13	3
DPW	1 Ton Flat Bed 12" Watering Unit lift gate Aux Fuel Tanks	1	48,825.00		07/31/13	3
DPW	3/4 Ton Pick Up Truck	2	77,338.80		05/15/13	3
DPW	GMC Flat Bed Truk-Side Gates-Lift Gate	1	60,760.00		08/30/13	3
DPW	Caterpillar Whl loader 2 YD	1	336,350.00	1,723,331.76	09/29/13	3
DSS	Ford Transit Connect Wagons	9	357,665.04		01/01/14	3
DSS	Toyota Prius Hybrid	3	75,221.46	432,886.50	11/01/13	3
ECD	Ford Utlitiy Police Interceptor	1	29,605.79	29,605.79	06/30/13	3
FIR	Aerial Ladder Truck	2	1,841,658.00		03/15/14	5
FIR	Fire Engine	4	2,004,580.00	3,846,238.00	01/05/14	5
JUV	Prius	4	100,295.28	100,295.28	07/15/13	3
PDR	Toyota Prius	5	125,369.10	125,369.10	05/01/13	3
POL	Marked Police Vehicles	15	813,750.00		06/01/13	3
POL	Prisoner Transport Vans	2	75,950.00	889,700.00	09/13/13	3
REC	TOYOTA PRIUS	1	25,073.82		06/15/13	3
REC	TOYOTA PRIUS	1	25,073.82		06/15/13	3
REC	TOYOTA PRIUS	1	25,073.82		06/15/13	3
REC	CHEVY COLORADO	1	21,985.24		06/15/13	3
REC	CHEVY COLORADO	1	20,732.37		06/15/13	3
REC	TORO GREENS MOWER GR3150	1	38,096.92		06/15/13	3
REC	TORO WORKMAN HDX, 4WD	1	29,715.28		06/15/13	3
REC	TORO WORKMAN HDX, 4WD	1	23,464.34		06/15/13	3
REC	TORO INFIELD PRO 5040	1	22,408.30		06/15/13	3
REC	FORD F-350	1	35,214.98		06/15/13	3
REC	FORD F-250	1	36,747.14		06/15/13	3
REC	TORO 3420 TRIFLEX HYBRID	1	47,049.07		06/15/13	3
REC	TORO WORKMAN HDX, 4WD	1	23,464.34		06/15/13	3
REC	TORO 3420 TRIFLEX HYBRID	1	47,049.07		06/15/13	3
REC	TORO WORKMAN HDX, 4WD	1	30,315.46		06/15/13	3
REC	TORO GROUNDSMASTER 3280D	1	23,529.99		06/15/13	3
REC	FORD F-150 XL	1	25,997.55		06/15/13	3
REC	TORO WORKMAN HDX, 4WD	1	26,778.83		06/15/13	3
REC	TORO WORKMAN HDX, 4WD	1	23,464.34		06/15/13	3
REC	FORD F-250	1	37,029.52		06/15/13	3
REC	TORO WORKMAN	1	29,943.97		06/15/13	3
REC	CHEVY COLORADO	1	21,989.99		06/15/13	3
REC	FORD F-250	1	36,747.14		06/15/13	3
REC	TORO WORKMAN	1	29,943.97		06/15/13	3
REC	TORO WORKMAN	1	23,464.34		06/15/13	3
REC	MULTI PRO 5800	1	54,665.19		06/15/13	3
REC	FORD F-250	1	36,747.14		06/15/13	3
REC	FORD F-250, 4WD	1	32,563.76		06/15/13	3
REC	55' AERIAL LIFT	1	265,825.00		06/15/13	3
REC	CHEVY COLORADO	1	23,501.82		06/15/13	3
REC	FORD F-250, 4WD	1	40,490.78		06/15/13	3
REC	FORD E-350, CNG	1	44,453.68		06/15/13	3

<b>Dept.</b>	<b>Equipment</b>	<b>Units</b>	<b>Estimated Total Cost</b>	<b>Dept. Total</b>	<b>Estimated Delivery Date</b>	<b>Lease Term (Years)</b>
REC	CHEVY COLORADO	1	25,655.30		06/15/13	3
REC	CHEVY COLORADO	1	22,557.93		06/15/13	3
REC	FORD F-150	1	29,300.01		06/15/13	3
REC	FORD F-250, 4WD	1	31,343.74		06/15/13	3
REC	FORD F-150	1	29,300.01		06/15/13	3
REC	FORD E-350, CNG	1	44,453.68		06/15/13	3
REC	CHEVY COLORADO	1	21,506.03	1,432,717.67	06/15/13	3
REG	E150 Wgn	1	24,441.25		06/01/13	3
REG	Vehicle (Insight)	1	21,662.48		06/01/13	3
REG	FORD F-150	1	43,123.42	89,227.15	06/01/13	3
SHF	Ford Police Interceptor Vehicle	1	32,550.00	32,550.00	06/01/13	3
TIS	Explorer	1	27,473.37		09/01/13	3
TIS	Explorer	1	27,473.37	54,946.74	09/01/13	3
		165	10,271,759.70	10,271,759.70		

**EXHIBIT B**

**SERIES 2013A BASE RENTAL PAYMENT SCHEDULE**

<b>Due Date</b>	<b>Amount Attributable to Principal</b>	<b>Amount Attributable to Interest</b>	<b>Total</b>
September 15, 2013	\$_____	\$_____	\$_____
March 15, 2014			
September 15, 2014			
March 15, 2015			
September 15, 2015			
March 15, 2016			
September 15, 2016			
March 15, 2017			
September 15, 2017			
March 15, 2018			
September 15, 2018			
March 15, 2019			



## EXHIBIT C

### ADDITIONAL CITY REQUIREMENTS

As used in this Exhibit C, “Agreement” means the Lease, as supplemented by Equipment Lease Supplement No. 19.

To the extent Sections 1511 through 1518 of the existing Lease, or Exhibit C to any existing Lease Supplement, are inconsistent with the provisions of this Exhibit C, the provisions of this Exhibit C shall control.

1. *Conflict of Interest.* Through its execution of this Agreement, Corporation acknowledges that it is familiar with the provision of Section 15.103 of the City’s Charter, Article III, Chapter 2 of City’s Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

2. *Proprietary or Confidential Information of City.* Corporation understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Corporation may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Corporation agrees that all information disclosed by City to Corporation shall be held in confidence and used only in performance of the Agreement. Corporation shall exercise the same standard of care to protect such information as a reasonably prudent Corporation would use to protect its own proprietary data.

3. *Ownership of Results.* Any interest of Corporation or its Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Corporation or its Subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to City. However, Corporation may retain and use copies for reference and as documentation of its experience and capabilities.

4. *Works for Hire.* If, in connection with services performed under this Agreement, Corporation or its Subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of the City. If it is ever determined that any works created by Corporation or its Subcontractors under this Agreement are not works for hire under U.S. law, Corporation hereby assigns all copyrights to such works to the City, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the City, Corporation may retain and use copies of such works for reference and as documentation of its experience and capabilities.

5. *Audit and Inspection of Records.* Corporation agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Corporation will permit City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Corporation shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon City by this Section.

6. *Subcontracting.* Corporation is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by City in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

7. *Assignment.* The services to be performed by Corporation are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Corporation unless first approved by City by written instrument executed and approved in the same manner as this Agreement.

8. *Non-Waiver of Rights.* The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

9. *Earned Income Credit (EIC) Forms.* Administrative Code section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found. Corporation shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless Corporation has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Corporation; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Corporation of the terms of this Agreement. If, within thirty days after Corporation receives written notice of such a breach, Corporation fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Corporation fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law. Any Subcontract entered into by Corporation shall require the Subcontractor to comply, as to the Subcontractor's Eligible Employees, with each of the terms of this section. Capitalized terms used in this Section and not

defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

10. Local Business Enterprise Utilization; Liquidated Damages.

11. *The LBE Ordinance.* Corporation, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the “*LBE Ordinance*”), provided such amendments do not materially increase Corporation’s obligations or liabilities, or materially diminish Corporation’s rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Corporation’s willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Corporation’s obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Corporation shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

12. *Compliance and Enforcement.* If Corporation willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, Corporation shall be liable for liquidated damages in an amount equal to Corporation’s net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City’s Human Rights Commission or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the “*Director of HRC*”) may also impose other sanctions against Corporation authorized in the LBE Ordinance, including declaring the Corporation to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Corporation’s LBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17. By entering into this Agreement, Corporation acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to City upon demand. Corporation further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Corporation on any contract with City. Corporation agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of HRC or the Controller upon request.

13. Nondiscrimination; Penalties.

14. *Corporation Shall Not Discriminate.* In the performance of this Agreement, Corporation agrees not to discriminate against any employee, City and County employee working with such Corporation or Subcontractor, applicant for employment with such Corporation or Subcontractor, or against any person seeking accommodations, advantages,

facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

15. *Subcontracts.* Corporation shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all Subcontractors to comply with such provisions. Corporation's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

16. *Nondiscrimination in Benefits.* Corporation does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

17. *Condition to Contract.* As a condition to this Agreement, Corporation shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

18. *Incorporation of Administrative Code Provisions by Reference.* The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Corporation shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Corporation understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Corporation and/or deducted from any payments due Corporation.

19. *MacBride Principles—Northern Ireland.* Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride

Principles. By signing below, the person executing this agreement on behalf of Corporation acknowledges and agrees that he or she has read and understood this section.

20. *Tropical Hardwood and Virgin Redwood Ban.* Pursuant to §804(b) of the San Francisco Environment Code, the City and County of San Francisco urges Corporations not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

21. *Drug-Free Workplace Policy.* Corporation acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Corporation agrees that any violation of this prohibition by Corporation, its employees, agents or assigns will be deemed a material breach of this Agreement.

22. *Resource Conservation.* Chapter 5 of the San Francisco Environment Code ("*Resource Conservation*") is incorporated herein by reference. Failure by Corporation to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract.

23. *Compliance with Americans with Disabilities Act.* Corporation acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a Corporation, must be accessible to the disabled public. Corporation shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Corporation agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Corporation, its employees, agents or assigns will constitute a material breach of this Agreement.

24. *Sunshine Ordinance.* In accordance with San Francisco Administrative Code §67.24(e), contracts, Corporations' bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

25. *Public Access to Meetings and Records.* If the Corporation receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Corporation shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Corporation agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the Administrative Code. Corporation further agrees to make-good faith efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the Administrative Code. The Corporation acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a

material breach of this Agreement. The Corporation further acknowledges that such material breach of the Agreement shall be grounds for the City to terminate and/or not renew the Agreement, partially or in its entirety.

26. *Limitations on Contributions.* Through execution of this Agreement, Corporation acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Corporation acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Corporation further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Corporation's board of directors; Corporation's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Corporation; any Subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Corporation. Additionally, Corporation acknowledges that Corporation must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Corporation further agrees to provide to City the names of each person, entity or committee described above.

27. Requiring Minimum Compensation for Covered Employees.

28. Corporation agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at [www.sfgov.org/olse/mco](http://www.sfgov.org/olse/mco). A partial listing of some of Corporation's obligations under the MCO is set forth in this Section. Corporation is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

29. The MCO requires Corporation to pay Corporation's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Corporation is obligated to keep informed of the then-current requirements. Any subcontract entered into by Corporation shall require the Subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Corporation's obligation to ensure that any Subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any Subcontractor under this

Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Corporation.

30. Corporation shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

31. Corporation shall maintain employee and payroll records as required by the MCO. If Corporation fails to do so, it shall be presumed that the Corporation paid no more than the minimum wage required under State law.

32. The City is authorized to inspect Corporation's job sites and conduct interviews with employees and conduct audits of Corporation.

33. Corporation's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Corporation fails to comply with these requirements. Corporation agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for Corporation's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

34. Corporation understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Corporation fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Corporation fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

35. Corporation represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

36. If Corporation is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but Corporation later enters into an agreement or agreements that cause Corporation to exceed that amount in a fiscal year, Corporation shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Corporation and this department to exceed \$25,000 in the fiscal year.

37. *Requiring Health Benefits for Covered Employees.* Corporation agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability

Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at [www.sfgov.org/olse](http://www.sfgov.org/olse). Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

38. For each Covered Employee, Corporation shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Corporation chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

39. Notwithstanding the above, if the Corporation is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

40. Corporation's failure to comply with the HCAO shall constitute a material breach of this agreement. City shall notify Corporation if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, Corporation fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Corporation fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

41. Any Subcontract entered into by Corporation shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Corporation shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Corporation shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against Corporation based on the Subcontractor's failure to comply, *provided* that City has first provided Corporation with notice and an opportunity to obtain a cure of the violation.

42. Corporation shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Corporation's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

43. Corporation represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.



44. Corporation shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

45. Corporation shall keep itself informed of the current requirements of the HCAO.

46. Corporation shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

47. Corporation shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten business days to respond.

48. Corporation shall allow City to inspect Corporation's job sites and have access to Corporation's employees in order to monitor and determine compliance with HCAO.

49. City may conduct random audits of Corporation to ascertain its compliance with HCAO. Corporation agrees to cooperate with City when it conducts such audits.

50. If Corporation is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Corporation later enters into an agreement or agreements that cause Corporation's aggregate amount of all agreements with City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Corporation and the City to be equal to or greater than \$75,000 in the fiscal year.

51. *Prohibition on Political Activity with City Funds.* In accordance with San Francisco Administrative Code Chapter 12.G, Corporation may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "*Political Activity*") in the performance of the services provided under this Agreement. Corporation agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Corporation violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Corporation from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider Corporation's use of profit as a violation of this section.

52. *Preservative-treated Wood Containing Arsenic.* Corporation may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "*preservative-treated wood containing arsenic*" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination,

including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Corporation may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Corporation from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term “*saltwater immersion*” shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

53. *Compliance with Laws.* Corporation shall keep itself fully informed of the City’s Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

54. *Protection of Private Information.* Corporation has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, “Nondisclosure of Private Information,” and 12M.3, “Enforcement” of Administrative Code Chapter 12M, “Protection of Private Information,” which are incorporated herein as if fully set forth. Corporation agrees that any failure of Contactor to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract, bring a false claim action against the Corporation pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Corporation.

55. *Graffiti Removal.* Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City’s property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti. Corporation shall remove all graffiti from any real property owned or leased by Corporation in the City and County of San Francisco within forty-eight (48) hours of the earlier of Corporation’s (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Corporation to breach any lease or other agreement that it may have concerning its use of the real property. The term “*graffiti*” means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner’s authorized agent, and which is visible from the public right-of-way. “Graffiti” shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other

painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

Any failure of Corporation to comply with this section of this Agreement shall constitute an Event of Default of this Agreement.

56. *Food Service Waste Reduction Requirements.* Effective June 1, 2007, Corporation agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Corporation agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Corporation agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Corporation's failure to comply with this provision.

57. *Cooperative Drafting.* This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

CERTIFICATE OF APPROVAL

TO: CITY AND COUNTY OF SAN FRANCISCO FINANCE CORPORATION, a California nonprofit public benefit corporation duly organized and existing under the laws of the State of California.

The undersigned Authorized Officer of the City and County of San Francisco (the "City") hereby certifies with respect to that certain Equipment Lease, by and between you and the City, dated as of January 1, 1991, as amended and restated as of October 15, 1998 (the "Lease"), that the Equipment Lease Supplement No. 19, dated as of May 1, 2013, including the Equipment Schedule and Base Rental Payment Schedule attached thereto and the other amendments or supplements attached thereto (collectively, the "Supplement No. 19"), have been approved by the City and are in compliance with the terms of the Lease.

Upon your acknowledgment and acceptance of this Certificate, you and the City hereby agree to incorporate said Supplement No. 19 into the Lease as provided in Section 14.01 of the Lease.

Dated: \_\_\_\_\_, 2013

CITY AND COUNTY OF SAN FRANCISCO,  
as Lessee

By: \_\_\_\_\_  
Mayor

Acknowledged and Accepted:

CITY AND COUNTY OF SAN FRANCISCO  
FINANCE CORPORATION,  
as, Lessor

\_\_\_\_\_  
Authorized Officer