

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # B-22

Urgent Routine

AGENDA DATE June 24, 2008

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Transfer the Responsibility for Operation and Ownership of the Ceres Superior Court Facility to the State and Approval of the Annual County Facilities Payment to the State for the Ceres Court

STAFF RECOMMENDATIONS:

1. Authorize the Chairman of the Board of Supervisors to execute the Ceres Superior Court Transfer Agreement and the Closing documents and other associated documents on behalf of the County to transfer the operational responsibility effective after Board approval, and title shortly thereafter, to the Ceres Superior Court facility located at 2744 2nd Street, Ceres, California.
2. Find that the recommended actions are exempt from the provisions of the California Environmental Quality Act (CEQA).

(Continued on Page 2)

FISCAL IMPACT:

The Trial Court Facilities Act of 2002 was adopted to provide for the transfer of responsibility for funding and operation of trial court facilities from counties to the State of California Judicial Council Administrative Office of the Courts (AOC). The first transfer completed by the County was the Traffic Court, a leased facility located at 2260 Floyd Avenue in Modesto. The annual County Facilities payment for the Traffic Court of \$207,715 will be funded in the Fiscal Year 2008-2009 Proposed Budget.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2008-486

On motion of Supervisor Grover, Seconded by Supervisor O'Brien
and approved by the following vote,

Ayes: Supervisors: O'Brien, Grover, Monteith, DeMartini and Chairman Mayfield

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

STAFF RECOMMENDATIONS: (Continued)

3. Direct the Auditor-Controller to make quarterly installments of the County Facilities Payment associated with the Ceres Court facility, totaling approximately \$16,421 on an annual basis in accordance with Government Code 70362 (b) and (d) which provides that the initial County Facilities Payment which is calculated using the preliminary inflation index prepared by the State Department of Finance will be recalculated at the beginning of the following fiscal year to reflect the final, revised inflation index for the date of transfer of that facility with any over or underpayment reflected as a one-time adjustment to the first quarterly payment the next fiscal year.
4. Authorize the Chairman of the Board of Supervisors to sign the Grant Deed, which will be approved as to form by County Counsel, similar in form and content to that included as Exhibit C to the Transfer Agreement upon agreement to accept title by the State of California.
5. Authorize the Chief Executive Officer to execute any other documents necessary to complete the transfer, upon approval as to form by County Counsel.

FISCAL IMPACT: (Continued)

The Ceres Courthouse will be the second court facility in Stanislaus County that will transfer to the AOC. This facility is located at 2744 2nd Street in Ceres. This Court facility is owned by the County and is occupied by County Superior Court staff. By this action the County's ongoing financial obligation to maintain the Ceres Courthouse, will transfer to the State of California immediately and title to the Court facility will transfer to the State at a later date, after acceptance by State agencies, with no equity paid to the County for its facility.

The law requires counties make an annual County Facilities Payment to the State that is based on actual annual direct and indirect county expenditures on court facilities for a five year base period. The actual amounts were adjusted for inflation and used as the basis for the payment. The projected annual cost of the County Facility Payment (CFP) will be \$16,421. This payment may be adjusted minimally by the Department of Finance once the transfer occurs, based on the cost of living factor calculated as of the transfer date.

The County Facilities Payment will be in lieu of the County having to fund the building maintenance and utility costs for this court facility. Until the facility's title transfers to the State, the County will be required to provide property insurance coverage, however, the State will reimburse the County for this cost. The additional costs, including the cost to remove the County's proprietary locking system will be funded by existing appropriations in the County Court Funding budget and are anticipated to not exceed

Approval to Transfer the Responsibility for Operation and Ownership of the Ceres Superior Court Facility to the State and Approval of the Annual County Facilities Payment to the State for the Ceres Court

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\$1,200. While sufficient appropriations are available at this time, budget adjustments may be necessary once the total cost of the County Facilities Payment for remaining court facilities to be transferred to the State is known.

Finally, the Ceres facility was evaluated by the State and the facility was assigned Seismic Risk Level V. Under current law, the County may transfer this facility to the State if it: a) retains the liability for damage or injury due to a seismic event for the next 35 years; or b) the County makes structural improvements to the property and the State upgrades the Risk level to IV or less. The County will identify changes needed to obtain a favorable seismic rating, and \$14,000 is available in the current budget for this evaluation. Once the cost of repairs is estimated, the County can determine if it is appropriate to make the facility change in exchange for a reduction in liability. If so, staff will return to the Board of Supervisors to recommend a project to complete the repairs and a suitable funding source.

It is anticipated that a recommendation will be made as part of the 2008-2009 Final Budget to reduce the General Services Agency Building Services budget to reflect less space maintained by the General Services Agency.

DISCUSSION:

Background

The Lockyer-Isenberg Trial Court Funding Act of 1997, AB 233 (Escutia and Pringle) provided for transfer of the primary obligation for funding of court operations from the counties to the State. The funding restructuring for trial court operations accomplished by this Act ended a dual system of County and State funding, and created a more stable and consistent funding source for trial court operations. The Trial Court Facilities Act of 2002 was adopted to provide for the transfer of responsibility for funding and operation of trial court facilities from the counties to the State Administrative Office of the Courts. Once the transfer of the court facilities is completed, the Act relieves the County of its historical obligation to provide adequate and necessary facilities for the Superior Court into the future.

The transfers are negotiated on a building-by-building basis between the State and each county. These negotiations are consummated in an agreement governing each facility. The legislation provides that generally, fee title to court facilities shall be transferred to the State when possible. However, in the case of joint-use facilities, title may remain with the county, with the respective equity interests for the County and the State preserved in a joint-use agreement. As of this date Statewide, 124 court facilities of over 400 facilities eligible, have transferred from counties to the State. This agenda item is being submitted to the Board to approve agreements necessary to transfer the responsibility and title of the Ceres Superior Court facility, a non-joint use facility, to the State.

This will be the second transfer of a court facility in Stanislaus County. The Board approved the transfer of the Traffic Court lease to the State in August 2007. Work continues on transferring either the responsibility for operation of the remaining facilities to the State and as practical the ownership/title of these facilities. The remaining facilities that must be transferred to the State include the: Turlock Court located at 300 Starr Avenue, Turlock; Juvenile Court located at 2215 Blue Gum Avenue, Modesto (part of the Probation and Juvenile Justice complex); and the Courthouse located at 1100 I Street, Modesto (Court Building and the Hall of Records). Timing is critical as recent legislation imposes an ongoing penalty assessment on counties who transfer facilities after September 30, 2008 of 2.4%, or 5% for those facilities that transfer after April 1, 2009.

County Facilities Payment (CFP)

The Ceres Superior Court is located at 2744 2nd Street, in Ceres and is a 2,700 square foot building owned and operated by the County. The complexity associated with the terms and conditions of each transfer is considerable, including calculation of the annual County Facilities Payment. This payment must be made to the State on an annual basis, and replaces the costs currently associated with providing the court facility operational and maintenance services. It was the intent of the State Legislature when enacting Section 70351 of the Government Code that a source of funding would be provided for the ongoing operations and maintenance of court facilities by requiring each county to pay to the State the amount that the county historically expended for operation and maintenance of court facilities. Any future ongoing operations and maintenance of court facilities that are in excess of the County Facilities Payment will be paid by the State.

The majority of these costs are based on a five-year average of expenditures made by the County for facility insurance, utilities and maintenance costs. The amount was computed by multiplying the value for each of the five fiscal years from 1995-1996 to 1999-2000, by an inflation factor. Once the County prepared the documentation to determine the cost it was reviewed by Administrative Office of the Court staff with final approval given by the Department of Finance. The County Facilities Payment for the Ceres Court projected at \$16,421 will be provided by the County in perpetuity to the State, and not indexed to increase with inflation over time. In accordance with Government Code sections 70362 (b) and (d) the initial CFP estimate of \$16,421 was calculated using the preliminary inflation index prepared by the State Department of Finance and will be recalculated at the beginning of the following fiscal year to reflect the final revised inflation index for the date of transfer of the facility. Any over or underpayment will be reflected as a one-time adjustment to the first quarterly payment.

The agreement that the Board will adopt through this action reflects the terms to which the County and the Administrative Office of the Courts have agreed to transfer the responsibility for operation of the Ceres Court.

Transfer of Title and Seismic Issues

The transfer agreement also includes language to transfer the title and ownership of this facility to the State. This will be done through the Grant Deed which will be substantially similar to Exhibit C of the Transfer Agreement, upon approval of the title documents by the State Public Works Board and recordation by the County Clerk-Recorder. Transfer of title is consistent with the legislative intent of the Act which provides that the title to the court facility shall be transferred to the State. This facility is not a shared use facility, and as a result, the County is not entitled to compensation for any equity value for the Ceres Court facility.

The recommended actions are exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 156 (b)(3) of the State CEQA Guidelines, since the Ceres Court is an existing public facility and the recommended actions involve no expansion of the use of the facility and only transfer of ownership. The Superior Court has designated the Ceres Court as one of its three civil courts in Stanislaus County where only civil matters are heard, including civil jury trials.

The Act required the State to perform seismic evaluations of over 400 court facilities Statewide. Similar to the majority of the court buildings throughout the State, the Ceres Court facility was determined to have a seismic risk rating of Level V. Court buildings rated Level V can be transferred to the State subject to the provisions of SB 10 (Dunn, Chapter 444, Statutes of 2006; GC Sections 70301, 70324, and 70351.5) so long as liability for all seismic-related damage, replacement, injury, and loss remains with the counties to the same extent they would have if the responsibility for court facilities had not transferred to the State until on or after the earliest of the following:

1. The seismic rating is improved;
2. The building no longer contains court facilities;
3. 35 years passes from the date of transfer of the facilities; or
4. The County has complied with the conditions for relief from liability contained in an agreement, as specified.

In the event of seismic-related damage or injury claims, counties shall indemnify, defend, and hold the State harmless, except as specified. The Act requires a county, in the event that seismic-related damages occur, to either make repairs or provide funds to the State sufficient to make those repairs and authorizes counties and the Judicial Council to agree on a method to address a seismic issue so that the State does not have a financial burden greater than it would have had if the court facilities initially transferred were facilities in buildings rated as a Level IV seismic rating.

Due to the lack of structural drawing details for the Ceres Court facility, an invasive exploration will be needed to inspect the components and construction methods originally used in the construction of the building, including wall reinforcement and wall

to roof attachment details. The County is currently negotiating to hire a structural engineer to conduct the investigation and to develop a cost estimate, plans and specifications for remediation of the seismic risks if needed. Staff will then be able to assess the projected cost of repairs, compared with the 35 year liability risk and will recommend an appropriate course of action (if any) to the Board of Supervisors. If the County completes the required modifications to the building, the AOC should reduce the risk level and the County would no longer be liable for any seismic damages, should they occur.

Summary

The transfer of this facility meets the objective of the Trial Court Funding Act to transfer financial responsibility for the facilities operations (payment of utilities, building and grounds maintenance and other building management functions) for local trial courts to the State. With "equal access to justice" as a key underpinning of the Act, the State Legislature asserted that the State can best ensure uniformity of access to all Californians by implementing the facilities transfers. In addition, the transfers will reunite the responsibility for operations with the responsibility for facilities increasing the likelihood that decision-making will consider both issues, thereby improving the efficiency and effectiveness of court operations. On the County side, transfer of the court facilities will relieve the County of its responsibility for maintenance of court facilities, as well as obligations for future operational cost increases and building needs. Community members served by the Superior Court should see no noticeable change associated with this transfer.

POLICY ISSUES:

This action will meet the legislative intent of the law concerning court facilities. As such, this action is consistent with the Board of Supervisors' priority of providing for *Efficient delivery of public services*.

STAFFING IMPACTS:

There is no staffing impact associated with the recommended actions at this time. Existing County staff is working with the State and the Superior Court to transfer the court facilities.

Following the transfer of the Court facilities to the State, the State may or may not seek to partner with the County Parks and Recreation Department for landscape maintenance, the General Services Agency for building and property maintenance and Strategic Business Technology for telecommunications and data services or other services on a contract basis. The State's decision to contract with the County for these services may impact staffing levels for these Departments if the responsibility and funding for this staff support is not funded by the State.

Facility # 50-C1

Building Name: Ceres Superior Court

Building Address: 2744 2nd Street, Ceres, California 95307

**TRANSFER AGREEMENT
BETWEEN THE JUDICIAL COUNCIL OF CALIFORNIA,
ADMINISTRATIVE OFFICE OF THE COURTS,
AND THE COUNTY OF STANISLAUS
FOR THE TRANSFER OF RESPONSIBILITY FOR COURT FACILITY**

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TRANSFER AGREEMENT

1. PURPOSE

The Judicial Council of California (“**Council**”), Administrative Office of the Courts (together, the “**AOC**”), and the County of Stanislaus (“**County**”), set forth the terms and conditions for the transfer of responsibility for funding and operation of the trial court facility commonly known as the Ceres Superior Court and for conveyance to the State of California on behalf of the Council of the County’s title to the Real Property.

2. BACKGROUND

The Lockyer-Isenberg Trial Court Funding Act of 1997, AB 233 (Escutia and Pringle) provides for transfer of the primary obligation for funding of court operations from the counties to the State. The restructuring of funding for trial court operations accomplished by the Lockyer-Isenberg Trial Court Funding Act of 1997 ended a dual system of county and state funding of, and created a more stable and consistent funding source for, trial court operations. The Trial Court Facilities Act of 2002 was adopted to provide for the transfer of responsibility for funding and operation of trial court facilities from the counties to the AOC. The Parties enter into this Agreement to implement the provisions of the Act as it exists on the Effective Date.

3. DEFINITIONS

“**Acceptance Document**” means a certificate of acceptance or certified resolution evidencing the State Public Works Board’s (“**PWB**”) approval of the Transfer of Title.

“**Act**” means the Trial Court Facilities Act of 2002 (including all legislative findings and declarations and Government Code sections 70301-70404) as of the Effective Date.

“**Agreement**” means this Transfer Agreement, together with the attached Exhibits.

“**AOC Authorized Signatory**” means the AOC’s Senior Manager, Business Services, Grant Walker.

“**AOC Claim**” means any demand, complaint, cause of action, or claim related to the period on and after the Effective Date, alleging or arising from acts, errors, omissions, or negligence of the Court in the administration and performance of judicial operations in the Court Facility (e.g., allegations of civil rights violations made by a third party against a Court employee).

“**Appraiser**” means a Member of the Appraisal Institute (“**MAI**”) appraiser with at least five years experience in appraising real properties similar to the Real Property.

“**Broker**” means a real estate broker licensed by the California Department of Real Estate with adequate knowledge and experience in assessing and providing opinions of value for real properties similar to the Real Property.

“**Building**” means the building on the Land in which the Court Facility is located, and all connected or related structures and improvements, and all Building Equipment.

“**Building Equipment**” means all installed equipment and systems that serve the Building.

“**City**” means the City of Ceres.

“**Closing Date**” means the Transfer of Responsibility Closing Date or the Transfer of Title Closing Date, as applicable.

“**Closing Documents**” means, together, the Transfer of Responsibility Closing Documents and the Transfer of Title Closing Documents.

“**Contractors**” means all third-party contractors, vendors, service providers, and all levels of subcontractors, and their respective employees, consultants, and representatives, that provide goods, services, or supplies to the Real Property.

“**Controller**” means the State Controller.

“**County Authorized Signatory**” means the Chairman of the County’s Board of Supervisors.

“**County Authorizing Document**” means a certified copy of a resolution evidencing that the County has taken all steps and obtained all approvals required to: (1) authorize the County Authorized Signatory to execute this Agreement and the Closing Documents on behalf of the County; and (2) authorize the County to perform its obligations under this Agreement and the Closing Documents.

“**County Facilities Payment**” means the payments the County must make to the Controller with respect to the Court Facility under Article 5 of the Act, as adjusted from time to time in accordance with the Act including, but not limited to, section 70359 of the Act.

“**County Parties**” means the County, its political subdivisions, and their respective officers, agents, and employees.

“**Court**” means the Superior Court of California for the County of Stanislaus.

“**Court Facility**” means the 2,700 square foot trial court facility located on the Land at 2744 2nd Street, Ceres, California, 95307, and commonly known as Ceres

Superior Court, which occupies the entirety of the Building, and all spaces, fixtures, and appurtenances described in section 70301(d) of the Act, including the Court Parking, one room for holding superior court, one chamber of judges of the Court, one walk-up window, one jury suite, one general clerk office, rooms for attendants of the Court, rooms for storage, and certain other areas required or used for Court functions. A copy of a site plan depicting the location of the Building on the Land, and a floor plan depicting the layout of the Court Facility in the Building, are attached as **Exhibit "D"** to this Agreement.

"Court Parking" means a total of 8 parking spaces located on the Land adjacent to the Building, consisting of two secured parking spaces located in, and accessed through, the City's secured parking area on the east side of the Building and reserved for use by judges, and six unsecured parking spaces located on the south side of the Building and reserved for use by a Court staff and employees, all as shown on the parking plan attached as **Exhibit "E."** The County and the Court have agreed that the Court Parking is parking of the same number, type, and convenience as made available for users of the Court on October 1, 2001.

"Court Security Agreement" means the Agreement Between the Superior Court of California, County of Stanislaus, the County of Stanislaus, and the Stanislaus County Sheriff, effective July 1, 2007, as amended from time to time.

"Dispute" means each and every pending or threatened claim, liability, litigation, arbitration, mediation, administrative proceeding, settlement negotiation, or other dispute-resolution proceeding related to the Property. An accurate and complete list of all Disputes as of the Effective Date is set forth in **Exhibit "F"**.

"Effective Date" means the first day of the first month following the date on which this Agreement is signed by the last of the Parties to sign.

"Environmental Law" means Federal, State, or local laws, ordinances, regulations, rules, statutes, and administrative actions or orders respecting hazardous or toxic substances, waste, or materials, or industrial hygiene.

"Equipment Permits" means any Federal, State, or local governmental permits, certificates, and approvals required for lawful operation of any Building Equipment.

"Equity" means the term "equity" as used and referred to in the Act.

"Grant Deed" means the document entitled Grant Deed that is similar in form and content to the document attached to this Agreement as **Exhibit "C"** and by which the County will convey to the State on behalf of the Council title to the Real Property.

“Hazardous Substance” means any material or substance regulated under any Environmental Law.

“Intangible Personal Property” means all of the County’s: (1) agreements or arrangements for the operation of the Building Equipment in the Court Facility; (2) warranties, permits, licenses, certificates, guaranties, and suretyship agreements and arrangements, and indemnification rights in favor of the County with respect to the Real Property; (3) commitments, deposits, and rights for utilities relating to the Real Property; (4) engineering, accounting, title, legal, and other technical or business data concerning the Real Property or the Tangible Personal Property; (5) deposits, deposit accounts, and escrow accounts arising from or related to any transactions related to the Property, and rights to receive refunds or rebates of impact fees, assessments, charges, premiums, or other payments made by the County in respect of the Property, if these refunds or rebates relate to the period on or after the TOR Closing Date; or (6) all other intangible rights, interests, and claims of the County which are a part of or related to the Property.

“Interim Period” means the period of time commencing on the TOR Closing Date and ending on the TOT Closing Date.

“Land” means the real property of approximately 0.172 acres as described on **Exhibit “A,”** including the County’s (1) rights to enter and exit the Land, (2) recorded and unrecorded rights to water, water stock, oil, gas, minerals, and timber related to the Land, and (3) existing, granted development permits, entitlements, and air and view rights.

“Law” means State and Federal codes, ordinances, laws, regulations, the California Rules of Court, and judicial and administrative orders and directives, to the extent binding on the County and issued by a court or governmental entity with jurisdiction over the County.

“Liability Claim” means any demand, complaint, cause of action, or claim alleging (1) bodily injury to or death of third parties (excluding any employees of State Parties or County Parties acting within the scope of their employment as such) in, on, or about the Real Property, and (2) damage to or destruction of personal property of a third party (other than personal property of a County Party or a State Party) in, on, or about the Real Property, but excludes all AOC Claims.

“Material Agreements” means any and all agreements, contracts, or understandings (whether written or unwritten) relating to the Property (1) for which termination requires advance notice by a period exceeding 30 calendar days, or (2) that obligate the County to make payment, or entitle the County to receive payment, exceeding \$25,000 within any fiscal year.

“**Memorandum**” means the document titled Memorandum of Agreement that is similar in form and content to the document attached to this Agreement as **Exhibit “I”**.

“**Occupancy Agreement**” means any agreement or arrangement that entitles a third party to occupy or use the Real Property for a period that continues after the TOR Closing Date, and that cannot be terminated on 30 or fewer days notice.

“**Party**” means either the AOC or the County, and “**Parties**” means the AOC and the County.

“**Pending Projects**” means any pending maintenance project or other project involving the Court Facility under sections 70326(d) or 70331(c) of the Act.

“**Personal Property**” means, together, the Intangible Personal Property and the Tangible Personal Property.

“**Property**” means all right, title, and interest in and to the Real Property and the Personal Property.

“**Property Claim**” means any claim or demand arising from or related to direct, physical loss or damage to the Real Property that is required to be covered by the Property Insurance Policies.

“**Property Disclosure Documents**” means all documents including Material Agreements that pertain to the title, ownership, use, occupancy, or condition of the Property or any rights, benefits, liabilities, obligations, or risks associated with the Property. A list of the categories of Property Disclosure Documents is attached as **Exhibit “G”**.

“**Property Insurance Costs**” means all costs of providing the Property Insurance Policies, including premiums, deductibles, and self-insurance retention amounts under the County’s self-insurance program.

“**Property Insurance Policies**” means one or more policies of property insurance maintained by the County that insure the Real Property against those risks covered under a form of coverage with terms and conditions as comprehensive as those in an All-Risk/Special Form property insurance policy and, when applicable, the comprehensive form of equipment breakdown insurance, with coverage amounts equal to at least the 100% Replacement Cost of the Real Property. The County’s obligation to provide the Property Insurance Policies may be satisfied, in whole or in part, by any self-insurance or deductible maintained by the County for the Real Property, or by the County’s participation in a joint powers authority established for the purpose of pooling self-insured claims.

“**Property Loss**” means any loss or damage to, or destruction of, the Real Property that arises from a cause that is required to be covered under the terms of the Property Insurance Policies.

“**PWB**” means the State Public Works Board.

“**Real Property**” means, together, the Land, the Building, and the Court Parking.

“**Service Contracts**” means all contracts between the County and any third parties under which goods or services are provided to the Real Property.

“**State**” means the State of California.

“**State Parties**” means the Council, the Administrative Office of the Courts, and the Court, and their respective political subdivisions, officers, agents, and employees.

“**Tangible Personal Property**” means any unaffixed item that is, on the TOR Closing Date, located on or in, or used in or necessary to the use, occupancy, or operation of, the Real Property. The term “**Tangible Personal Property**” does not include any of the “**Excluded Tangible Personal Property**” listed on **Exhibit “B”** to this Agreement.

“**Termination**” means the document titled Termination of Memorandum that is similar in form and content to the document attached to this Agreement as **Exhibit “J”** and that will be recorded after the Transfer of Title to terminate the Memorandum.

“**Transfer of Responsibility Closing**” or “**TOR Closing**” means the performance of all acts required to complete the Transfer of Responsibility under this Agreement and the TOR Closing Documents.

“**Transfer of Responsibility Closing Date**” or “**TOR Closing Date**” means the date on which this Agreement and the TOR Closing Documents are signed by the last of the Parties to sign them and the County has signed the County Authorizing Document.

“**Transfer of Responsibility Closing Documents**” or “**TOR Closing Documents**” means the documents listed in section 5.1.1 of this Agreement.

“**Transfer of Title Closing**” or “**TOT Closing**” means the performance of all acts required to complete the Transfer of Title under this Agreement and the TOT Closing Documents.

“**Transfer of Title Closing Date**” or “**TOT Closing Date**” means the date on which the Grant Deed is recorded in the County Recorder’s Office.

“**Transfer of Title Closing Documents**” or “**TOT Closing Documents**” means the documents listed in section 5.2.1 of this Agreement.

“Transfer of Responsibility” means the County’s full and final grant, transfer, absolute assignment, and conveyance to the applicable State Parties, and the State Parties’ full and final acceptance and assumption of, entitlement to and responsibility for, all of the County’s rights, duties, and liabilities arising from or related to the Real Property under this Agreement and the Act, except for those duties and liabilities expressly retained by the County under this Agreement and the Act, and Disputes that commenced prior to the TOR Closing Date or are related to facts or circumstances that occurred or existed prior to the TOR Closing Date. The term Transfer of Responsibility does not include the Transfer of Title.

“Transfer of Title” means the County’s full and final grant and conveyance to the State on behalf of the Council of all of the County’s right, title, and interest in and to the Real Property under this Agreement and the Act.

“Transfer” means the Transfer of Responsibility or the Transfer of Title, as determined by the context, and **“Transfers”** means the Transfer of Responsibility and the Transfer of Title, together.

“Utilities” means all of the utilities provided to the Real Property, except for telecommunications services provided by third parties.

4. RESPONSIBILITIES OF THE PARTIES.

4.1 Transfer of Responsibility; Transfer of Title. To accommodate the County’s efforts in transferring title of the Real Property from the County to the State and the issuance of the Acceptance Document which indicates PWB’s approval of the Transfer of Title, the Parties agree that the TOR Closing Date and the TOT Closing Date may not be on the same day. The TOR Closing will occur first, as provided in section 5.1 of this Agreement, and the County and the AOC will make reasonable efforts to cause the TOT Closing to occur as promptly as possible thereafter, as provided in section 5.2 of this Agreement. On the TOR Closing Date, the TOR Closing will occur, and on the TOT Closing Date, the TOT Closing will occur, each under this Agreement and the applicable Closing Documents.

4.2 General Responsibilities. Upon the completion of each Transfer, the Parties will have the general rights, duties, and liabilities set forth in the Act in respect of the Real Property, except as expressly delegated by the Parties in this Agreement, the Closing Documents, or any other agreement.

4.3 Specific Responsibilities After TOR Closing. The Parties will have the following specific rights, duties, and liabilities upon and after the TOR Closing Date:

4.3.1 Utilities. If not completed before the TOR Closing Date, the Parties will work together, diligently, and in good faith, to cause the County’s accounts

with all providers of Utilities to be assigned to and assumed by the AOC as of the TOR Closing Date. If any Utilities accounts cannot be assigned to the AOC, the Parties will work together to cause the County's Utilities accounts to be closed as of the TOR Closing Date and new Utilities accounts to be opened in the name of the AOC. The County will be solely responsible for all Utilities costs and expenses incurred prior to the TOR Closing Date, and the AOC or the Court will be responsible for all Utilities costs and expenses incurred on and after the TOR Closing Date. The County will send to the AOC all invoices and other communications related to accounts for Utilities provided to the Real Property on and after the TOR Closing Date, and the AOC will be responsible to cause payment of these invoices. The County will promptly reimburse the AOC for any Utilities cost for which the County is responsible.

4.3.2 Property Insurance. Upon the TOT Closing, the County will have no further obligation to maintain insurance coverage for the Real Property, except that the County will continue to be solely liable for and responsible to insure the Excluded Tangible Personal Property, if any. During the Interim Period, the County will have the following obligations:

4.3.2.1 Property Insurance Policies to be Maintained. During the Interim Period, the County will provide the Property Insurance Policies and maintain them in full force and effect, and will make direct payment of all Property Insurance Costs, subject to the AOC's obligation to reimburse the County's Property Insurance Costs under section 4.3.2.2, below. The County will include by specific endorsement to each of the Property Insurance Policies, the Judicial Council of California, the Administrative Office of the Courts, and the Court, as additional insureds or covered parties, as appropriate, and joint loss payees for any Property Claim payable under the terms and conditions of the Property Insurance Policies, with the same coverages and limits as the named insured under the Property Insurance Policies.

4.3.2.2 Property Insurance Costs. During the Interim Period, the AOC will reimburse the County for the County's Property Insurance Costs on a quarterly basis. Within 30 days after the end of each fiscal quarter, the County will send the AOC an invoice and supporting documents itemizing the Property Insurance Costs for the immediately-preceding fiscal quarter. The AOC will reimburse the Property Insurance Costs to the County within 30 days after the AOC's receipt of that quarterly invoice. The AOC will be entitled to audit, at the AOC's sole cost and expense, the County's records concerning the Property Insurance Costs invoiced to the AOC for up to 12 calendar months prior to the AOC's audit. If the audit reveals that the AOC overpaid or underpaid the Property Insurance Costs for any fiscal quarter, the Parties will make the payments necessary to resolve the overpayment or underpayment within 30 days after the end of the audit. If the audit shows that the AOC overpaid the Property Insurance Costs by more than 3%, the County must reimburse the AOC for the entire cost of the audit.

The County will not make any changes to the Property Insurance Policies without the prior written consent of the AOC.

4.3.2.3 Allocation of Risk for Property Damage Claims.

While the County is providing and maintaining the Property Insurance Policies, the County will bear all of the risk arising from Property Damage Claims, and the County hereby waives, and will cause the providers of its Property Insurance Policies to waive, all rights of recovery against the State Parties and their applicable insurer(s) for any Property Claims payable under the terms and conditions of the Property Insurance Policies. The County will be solely and exclusively responsible to tender to the providers of its Property Insurance Policies, and to process and pursue to final resolution, any and all Property Claims, including (if covered by the Property Insurance Policies) claims for costs associated with obtaining and relocating Court operations to, alternate space while any portion of the Real Property is being repaired or replaced. The Parties acknowledge that property insurance is “no fault” insurance; therefore, if any Property Loss occurs, there are no exclusions or conditions to payment, irrespective of the acts or omissions of either Party, other than those exclusions specifically set forth in the Property Insurance Policies.

4.3.2.4 Compliance with Property Insurance Policies.

While the County is providing and maintaining the Property Insurance Policies, the County will provide the AOC with verification that the Property Insurance Policies are in full force and effect and, at the request of the AOC, with copies of the Property Insurance Policies, as the Property Insurance Policies may be issued or modified from time to time. The State Parties and the County Parties will comply in all material respects with all requirements for the use of the Real Property that are set forth in the Property Insurance Policies and that the County has provided to the AOC.

4.3.2.5 Property Insurance Proceeds.

Upon the occurrence of any Property Loss during the Interim Period, the Parties will promptly meet and confer, in good faith, to determine how the proceeds of the Property Insurance Policies arising from the Property Claim will be allocated and used. The AOC will have the right to meaningful participation with the County in deciding whether to restore or replace the damaged parts of the Real Property (“**Damaged Property**”).

4.3.2.6 Decision Not to Restore or Replace.

If, as a result of the meeting described in section 4.3.2.5 above, the Parties decide that the insurance proceeds arising from the Property Claim (“**Property Restoration Proceeds**”) will not be used to restore or replace the Damaged Property, and if any of the Building is uninhabitable as a result of the Property Loss, then the County will compensate the AOC for its Equity rights in the uninhabitable part of the Building, and to the extent covered by the Property Insurance Policies, the AOC will be entitled to that portion of the proceeds from the Property Claim that are directly related to compensation for the AOC’s

relocation costs arising from Property Loss. If the Parties cannot agree on the value of the AOC's Equity rights in the uninhabitable part of the Building, the Parties will select a mutually-acceptable Appraiser or a Broker to determine the fair market value of those Equity rights. Any Appraiser or Broker will deliver to both Parties its determination of value, and each Party will be responsible for one-half of the costs of the Appraiser or Broker. Any disputes under this section 4.3.2.6 will be resolved under section 12 of this Agreement.

4.3.2.7 Incident Reports. The County will maintain copies of any report of an incident, event, circumstance, or occurrence ("**Incident Reports**") that it prepares during the Interim Period for a period of five years following the end of the Interim Period, and at the request of the AOC, the County will provide the AOC with a complete copy of, or reasonable access to, those Incident Reports.

4.3.3 Building Equipment. If any Equipment Permits are not in full force and effect on the TOR Closing Date, the County will remain responsible to obtain current and valid Equipment Permits for that Building Equipment as soon as possible thereafter, at the County's sole expense. The AOC is responsible for further permitting of the Building Equipment when the County has delivered to the AOC current, valid copies of all required Equipment Permits.

4.3.4 Court Security. As provided by the terms of the Court Security Agreement, the County Sheriff's Department will remain liable and responsible for the secure entry, exit, transport, and holding of prisoners attending Court sessions to, from, in, and through, any areas of the Real Property pursuant to the Court Security Agreement. This Agreement does not supersede, replace, or modify the current Court Security Agreement or any other agreement currently in effect or entered into in the future between the County and the Court with respect to security staffing for the Real Property.

4.3.5 Correspondence. The County will direct all correspondence, invoices, and information related to management, operation, maintenance, or repair of the Real Property for the period on and after the TOR Closing Date to the AOC's Office of Court Construction and Management pursuant to section 13 of this Agreement.

4.3.6 County Facilities Payments. The County will make all County Facilities Payments in accordance with the Act and section 6 of this Agreement.

4.3.7 Disputes. The County will promptly notify the AOC in writing of any Dispute that arises after the Effective Date that concerns or alleges: (1) acts or omissions of the County committed at any time related to the Property; or (2) an event or incident to which the County's indemnification obligations in section 8.2 of this Agreement do or may apply. The County will manage and be entirely liable and responsible for those Disputes, but the AOC may elect, but is not required, to retain its own attorney, at the AOC's sole expense, to participate in the litigation, settlement

negotiations, or other dispute-resolution procedures for those Disputes. If the AOC elects to retain its own attorney to participate in the litigation, settlement negotiations, or other dispute-resolution procedures for those Disputes, the Parties will cooperate with each other and their respective attorneys in respect of any Disputes.

4.3.8 Personal Property. If either Party determines that there exists any Tangible Personal Property or Intangible Personal Property not previously transferred or assigned to the AOC, that Party will promptly provide to the other Party a notice that includes a reasonably-detailed, written description of that property. At the AOC's request, the County will transfer, convey, or assign to the AOC any or all of the Tangible Personal Property or Intangible Personal Property described in that notice.

4.3.8.1 Proprietary Locking System. Prior to the Effective Date of this Agreement, the County will remove its proprietary building locking system from all applicable doors. The AOC will coordinate with the County to replace the building locking system at the same the County removes its proprietary locking system. The AOC will be responsible to implement a new key plan for the court facilities in Stanislaus County. It will be the AOC's responsibility to migrate over the Court Facility to a new Court/AOC proprietary master key system. The County will pay the cost and expense of re-coring the existing door lock devices with a single keyed construction core to each door prior to the transfer.

4.3.9 Adjustments. The Parties will make the appropriate adjustments for prorations or computations required by this Agreement or the applicable Closing Documents as promptly as possible once accurate information becomes available evidencing that either Party is entitled to an adjustment. Any prorations will be based on a 365-day fiscal year. The Party entitled to the adjustment must make written demand on the other Party for the adjustment within one year after the TOR Closing Date and will provide a reasonably-detailed explanation of the basis for the demand and all supporting documentation. The Parties will promptly pay each other any corrected proration or adjustment amounts.

4.3.10 Service Contracts. If not completed before the TOR Closing Date, the Parties will work together, diligently, and in good faith, to terminate the Service Contracts in respect of the Real Property, in a manner that avoids disruption to the operation of the Real Property. The County will be responsible to pay all charges and fees incurred under all Service Contracts for all periods prior to the TOR Closing Date, and the AOC will be responsible for payment of all fees and charges incurred on and after the TOR Closing Date under all Service Contracts, subject to the County's obligation to promptly terminate the Service Contracts. The County will send to the AOC all invoices and other communications it receives concerning goods and services provided to the Real Property on and after the TOR Closing Date under the Service Contracts, and the AOC will be responsible to cause direct payment of those invoices.

The County will promptly reimburse the AOC for any Service Contract costs for which the County is responsible.

4.3.11 IT/Telephone Services. The Court will retain ownership of the Court's telecommunications voice/data system on and in the Real Property, including the telephone line interface module and its associated subcomponents (e.g., power supplies, batteries, rectifiers, UPSs, cable modems, etc.) and peripheral equipment (e.g., automated attendants, voicemail systems, etc.) and any underground conduit, conduit banks, maintenance holes, pullboxes, and vaults that serve or contain cabling and fiber comprising a part of the Court's telecommunications system (collectively, the "**Court Telecommunications Infrastructure**"). The County will continue to offer telephone services to the State Parties, for the benefit of the Court, in the Court Facility for at least two years following the Effective Date. The Court will have the option to no longer use the County telephone system prior to the expiration of two-year period. In the event the Court exercises its option to terminate the use of the County telephone system prior to the expiration of the two-year period, the Court will give the County 90 days prior, written notice. Effective on the TOR Closing Date, the AOC grants to the County the right of ingress, egress, and access to all parts of the Court Facility in which any component or subcomponent of, or connection to, the Court Telecommunications Infrastructure is located, as reasonably required for the County's continued operation, use, maintenance, expansion, replacement, and repair of the Court Telecommunications Infrastructure. The County and Court may enter into a separate agreement to memorialize the County's agreement to continue to offer telephone services to the State Parties, for the benefit of the Court in the Court Facility.

4.3.12 Relief from Section 70311 Obligations. Effective upon the TOR Closing, the AOC confirms and agrees that the County will be and is relieved of any responsibility under section 70311 of the Act for providing to the Court those necessary and suitable court facilities currently located in the Building, except as specifically provided in this Agreement and the Act.

4.3.13 Liability for Seismic-Related Damage and Injury.

4.3.13.1 Application of Section 70324 of the Act. The Parties acknowledge that section 70324 of the Act applies to the Transfer, and that section 70324 of the Act will continue to apply until any one of the events described in section 70324(b)(1) through (4) of the Act has occurred notwithstanding any subsequent repeal of section 70324 of the Act. Subject to the written consent of the AOC, which consent will not be unreasonably withheld or denied, nothing in this Agreement or the Act prevents the County from commencing any projects with respect to the Real Property in order to achieve a seismic rating of level IV or lower on the Risk Acceptability Table of the State Building Seismic Program as developed by the Division of the State Architect, as of April 1994, p. 11-2.

4.3.13.2 Allocation of Liability and Obligations. The liabilities and obligations of the Parties (including any indemnification obligations) with respect to any seismic-related damage and injury on or to the Property will be as set forth in section 70324 of the Act which, for the convenience of the Parties, is attached as **Exhibit “H”** and incorporated into this Agreement as though fully set forth in this Agreement. At all times that section 70324 of the Act applies in respect of the Property, the terms of section 70324 of the Act and this section 4.3.13 will prevail over any conflicting provisions of the Act, this Agreement, or the Closing Documents.

4.3.13.3 Termination of this Section and Related Indemnities. When section 70324 of the Act no longer applies in respect of the Property, this section 4.3.13 will immediately and automatically expire and be of no further force or effect with respect to any subsequent seismic-related damage or injury in respect of the Property. Thereafter, the other terms of this Agreement and the Closing Documents, or any agreement entered into under section 70324(a)(4) of the Act and approved by the Director of Finance, if applicable, will apply to allocation of liability for seismic-related damage or injury on or to the Property.

4.4 Specific Responsibility After Effective Date. After the Effective Date of this Agreement, the County will not: (1) transfer, agree to transfer, or enter into any agreement affecting any right, title, or interest in the Real Property, to or with any third party, except as specifically permitted by the Act; (2) do anything that would result in a change to the zoning or entitlements for use of the Real Property; or (3) act or fail to act in any way that results in the Real Property being subject to a deficiency under section 70326(b) of the Act.

4.5 Liability Exposure. The Parties have the following specific rights and obligations during the Interim Period only:

4.5.1 Indemnification Obligation of State Parties. The State Parties will and do indemnify, defend, and hold harmless the County Parties, with counsel reasonably acceptable to the County Parties, from and against all claims, demands, liabilities, damages, attorney fees, costs, expenses, and losses (“**Indemnified Loss**”) arising from (1) all AOC Claims, and (2) Liability Claims where and to the extent that the Liability Claims result from the willful misconduct or negligent acts, errors, or omissions of a State Party.

4.5.2 Indemnification Obligation of County Parties. The County Parties will and do indemnify, defend, and hold harmless the State Parties, with counsel reasonably acceptable to the State Parties, from and against all Indemnified Loss arising from Liability Claims where and to the extent that the Liability Claims result from the willful misconduct or negligent acts, errors, or omissions of a County Party.

4.5.3 Indemnified Party's Participation. The indemnifying Party must manage and be entirely responsible to handle and resolve all Liability Claims for which it is responsible under sections 4.5.1 or 4.5.2, as applicable. The indemnified Party may elect, but is not required, to retain its own attorney, at the indemnified Party's sole expense, to participate in the litigation, settlement negotiations, or other dispute resolution procedures for any Liability Claim as to which it is the indemnified Party. If the indemnified Party elects to retain its own attorney to participate in the litigation, settlement negotiations, or other dispute resolution procedures for a Liability Claim, the indemnifying Party will cooperate with the indemnified Party, and the attorney retained by the indemnified Party.

4.5.4 Effect of Indemnification Rights. The rights of a Party to be indemnified under sections 4.5.1 or 4.5.2 cannot be deemed or construed to limit or diminish the obligation of the indemnified Party to perform its duties at Law or under any agreement between the County Parties and the State Parties.

4.5.5 Third-Party Contractor Insurance. Each Party must require each of its Contractors to (i) obtain and maintain insurance of the type and with coverage amounts that are usual and customary to the type of business or exposures related to the work being performed on the Real Property, (ii) name both Parties as additional insureds by specific endorsement to their general liability policies, (iii) provide a waiver of subrogation in favor of both Parties with respect to all property insurance policies, and (iv) provide to the Parties a 30-day notice of cancellation or material change in any insurance coverage required hereunder. Unless the Parties otherwise agree, all Contractors must indemnify, defend, and hold harmless the County Parties and the State Parties from and against all claims, demands, liabilities, damages, attorney fees, costs, expenses, and losses arising from the performance by the Contractors under their contracts, and neither Party waives any right of recovery or subrogation against the other in respect of their contractual arrangements with the Contractors.

4.5.6 Workers' Compensation Coverage. Each Party will each maintain its own workers' compensation insurance covering its own employees, and neither Party will have any liability or responsibility for workers' compensation insurance coverage for employees of the other Party. The obligation of the Parties to provide workers compensation insurance may be satisfied, in whole or in part, by commercial insurance, a program or self-insurance or participation in a joint powers authority established for the purpose of pooling self-insured claims.

5. THE CLOSING

5.1 TOR Closing. The TOR Closing will occur upon the TOR Closing Date and will not be affected by the date of delivery of the signed originals of this Agreement or the TOR Closing Documents.

5.1.1 The TOR Closing Documents. The TOR Closing Documents are as follows:

- (a) the Memorandum;
- (b) the County Authorizing Document; and,
- (c) any other documents required by Law, or reasonably requested by the State Parties or the County to complete the TOR Closing.

5.2 TOT Closing. The TOT Closing will occur on the TOT Closing Date.

5.2.1 The TOT Closing Documents. The TOT Closing Documents are as follows:

- (a) the Termination;
- (b) the Grant Deed; and,
- (c) any other documents required by Law, or reasonably requested by the State Parties or their title company, or the County to effect the TOT Closing.

5.3 Delivery of Signed Agreement, Closing Documents, and County Authorizing Document. The last Party to sign this Agreement and the Closing Documents must deliver to the AOC, within five business days after signing: (i) to the County, one signed original of this Agreement and the Closing Documents, and (ii) to the AOC, all remaining signed originals of this Agreement, and the Closing Documents, and the County Authorizing Document. In the event the TOR Closing Date and the TOT Closing Date do not occur on the same day, the AOC will cause the Memorandum to be recorded in the County Recorder's Office within ten business days after the AOC's receipt of the signed originals of this Agreement and the Closing Documents. The AOC will present this Agreement, the signed Closing Documents, and the County Authorizing Document to the PWB for approval of the Transfer of Title within 60 days after the AOC's receipt of the fully-signed originals of those documents. The AOC shall cause a Grant Deed to be recorded and the County's original set of the Closing Documents to be delivered to the County within 10 business days after the AOC's receipt of the Acceptance Document evidencing the PWB's approval of the Transfer of Title. In the event a Memorandum is recorded in the County Recorder's Office, the AOC will endeavor to record the Termination in the County Recorder's Office within ten business days after the TOT Closing Date.

5.4 Time For Signature. The Parties will sign the Closing Documents on or as expeditiously as possible after the Effective Date. If the Closing Documents have not

been fully signed by the Parties within ten days after the Effective Date, either Party that has signed the Closing Documents may terminate this Agreement and the Closing Documents upon five business days notice to the other Party, but if the Closing Documents are fully signed by the Parties prior to the end of the five business day period, any termination notice will be of no force or effect.

5.5 Cooperation. The County will cooperate fully with the AOC to resolve to the satisfaction of the PWB any condition of the Real Property that may prevent the PWB's approval of the Transfer of Title.

5.6 Conditions for Closing. Neither Party will be obligated to consummate either Transfer unless the following conditions to the Transfer then being completed are satisfied or waived prior to the applicable Closing Date. The conditions for the benefit of the County may only be waived by the County, and the conditions for the benefit of the AOC may only be waived by the AOC.

5.6.1 Conditions to Each Transfer for the Benefit of the AOC. All of the County's representations and warranties in this Agreement must be accurate and complete in all material respects as though made on the applicable Closing Date; the County must not have breached any of the County's representations, warranties, or covenants in this Agreement; and there must be no County Event of Default under this Agreement nor any circumstance which, but for the passage of time or the giving of notice or both, would constitute a County Event of Default as of the applicable Closing Date.

5.6.2 Conditions to Each Transfer for the Benefit of the County. All of the AOC's representations and warranties in this Agreement must be accurate and complete in all material respects as though made on the applicable Closing Date; the AOC must not have breached any of the AOC's representations, warranties, or covenants in this Agreement; and there must be no AOC Event of Default under this Agreement nor any circumstance which, but for the passage of time or the giving of notice or both, would constitute an AOC Event of Default as of the applicable Closing Date.

5.6.3 Additional Conditions to the Transfer of Title. PWB must have approved the Transfer of Title, as evidenced by a signed Acceptance Document; and a title insurance company acceptable to the State Parties must be irrevocably committed to issue an owner's policy of title insurance to the State upon the TOT Closing insuring the State's ownership of title to the Real Property, subject only to exceptions acceptable to the State Parties.

5.7 Delivery of Possession and Title. On the TOR Closing Date, the County will deliver to the AOC, and the AOC will accept from the County, custody and control of, and complete responsibility for, the Real Property. On the TOT Closing Date, the

County will deliver to the State Parties, and the State Parties will be deemed to have accepted, title to the entirety of the Real Property.

6. COUNTY FACILITIES PAYMENT

6.1 Amount of County Facilities Payment. The amount of the County Facilities Payment approved by the State Department of Finance is \$16,421.00, subject to adjustment under section 70362 of the Act. This amount is based upon a TOR Closing Date occurring in the same fiscal quarter as the Effective Date. If the TOR Closing Date does not occur in the same fiscal quarter as the Effective Date, the Parties will recalculate the County Facilities Payment as set forth in the Act.

6.2 County Facilities Payment Obligation. The County will pay the County Facilities Payment to the Controller in quarterly installments on the first day of every fiscal quarter under Article 5 of the Act and section 6 of this Agreement, except that the County must deliver to the Controller the first quarterly installment within 10 business days after the TOR Closing Date. Unless the TOR Closing Date is on the first day of a fiscal quarter, the first installment of the County Facilities Payment will be prorated under section 4.3.9 for the period from the TOR Closing Date to and including the last day of the fiscal quarter in which the TOR Closing Date occurs, subject to adjustment under section 70362 of the Act. Thereafter, the quarterly installments of the County Facilities Payment will be in the amount of \$4,105.25, subject to adjustment under section 70362 of the Act.

7. REPRESENTATIONS AND WARRANTIES

Each Party makes the representations and warranties set forth in this section 7 to the other Party effective on each of the Effective Date, the TOR Closing Date and the TOT Closing Date. Each Party will give written notice to the other within five business days of its discovery of any facts or circumstances that would render any information contained in that Party's representations and warranties in this Agreement or any Closing Document incomplete, untrue, or misleading, but if a Party makes that discovery within seven calendar days prior to the then-applicable Closing Date, then that Party must immediately deliver written notice of the relevant information to the other Party, whereupon the then-applicable Closing will be automatically delayed to allow the Party receiving that notice sufficient time to decide whether to proceed with the then-applicable Closing.

7.1 The County's Representations and Warranties. The phrase "to the best of the County's knowledge" or words of similar import, means the actual knowledge, after reasonable independent investigation and inquiry, of the Senior Management Consultant, Capital Projects, and the County represents that this is the person within the County most knowledgeable with respect to the County's representations and warranties.

7.1.1 Good Standing. The County is a political subdivision of the State duly organized and validly existing under the Law of the State.

7.1.2 Authority. The County Authorized Signatory has been duly authorized and empowered to sign this Agreement and the Closing Documents on behalf of the County, and the County has taken all steps and obtained all approvals required to authorize and empower the County to sign and perform this Agreement and the Closing Documents.

7.1.3 Due Execution and Delivery. This Agreement and the Closing Documents are legal, valid, and binding obligations of, and are fully enforceable against, the County.

7.1.4 No Conflict. This Agreement and the Closing Documents do not violate any provision of any agreement, obligation, or court order to which the County is a party or by which the County or any of its assets is subject or bound. No other action of any governmental agency or authority is required for, and the County has no actual knowledge of any Law in effect that would prohibit, the County's execution, delivery, or performance of its obligations under this Agreement or the Closing Documents.

7.1.5 Title to Real Property. Other than those rights and interests that have been recorded as encumbrances on the Real Property prior to the Effective Date: (1) the County has good and marketable fee title to the Real Property, free and clear of any liens, claims, encumbrances, or security interests in favor of third parties; (2) no person or entity other than the County has any title or interest in or right to occupy or use the Real Property; and (3) the County has not granted, conveyed, or otherwise transferred to any person or entity any present or future right, title, or interest in or to the Real Property.

7.1.6 Title to Personal Property. After a reasonable and diligent search, the County has determined that, except for the Excluded Tangible Personal Property, none of the Personal Property is owned by the County Parties, and to the extent the County has any right, title, or interest in or to the Personal Property, effective as of the TOR Closing Date, the County transfers, conveys, and quitclaims the same to the AOC.

7.1.7 No Disputes. To the best of the County's knowledge, there are no Disputes pertaining to the Property, or the County's right, title, and interest in and to the Property.

7.1.8 No Violations of Law. The County has no actual knowledge of, nor has the County received any written notice from any State, Federal, or other governmental or quasi-governmental authority relating to: (1) any violation of Law, whether or not appearing in public records, with respect to the Property, which violation has not been corrected to the satisfaction of the State, Federal, or other governmental or

quasi-governmental authority that issued the notice, or (2) any unrecorded restriction applicable to the Real Property.

7.1.9 No Condemnation. The County has not received a written notice of any pending modification of a street or highway contiguous to the Real Property, or any existing or proposed eminent domain proceeding that could result in a taking of any part of the Real Property.

7.1.10 No Environmental Violations. Except as set forth in the Property Disclosure Documents or in any environmental assessments or investigations of the Real Property performed by the AOC, the County has no knowledge of the actual, threatened, or suspected presence of any Hazardous Substance, and there are no existing violations of Environmental Laws in, on, under, adjacent to, or affecting the Real Property, nor is there any Hazardous Substance in, on, under, adjacent to, or affecting all or any portion of the Real Property, except for any Hazardous Substance used or held in conformity with Environmental Laws.

7.1.11 No Security-Related Areas. There are no parts of the Real Property dedicated to or primarily used for secure entry, exit, holding, or transport of prisoners attending Court sessions.

7.1.12 No Occupancy Agreements. The County is not a party to any Occupancy Agreements located in the Court Facility including, without limitation, any “vending facilities” as defined in section 19626 of the California Welfare and Institution Code, as amended.

7.1.13 Equipment Permits. As of the Effective Date, there are no Equipment Permits.

7.1.14 Full and Complete Disclosure. The County conducted a reasonable and diligent search of its records for, and provided to the AOC, all existing Property Disclosure Documents within the County’s possession, custody, or control. The County maintains the Property Disclosure Documents in its ordinary course of business and has not intentionally altered any Property Disclosure Documents in any manner that renders them inaccurate, incomplete, or misleading.

7.1.15 100% Court Occupancy. The Court occupies the entirety of the Building.

7.1.16 No Special Circumstances. The County has not undertaken or commenced any Pending Projects in or around the Real Property, the Real Property is not subject to “bonded indebtedness” as defined in section 70301(a) of the Act, and the Building is not an “historical building” as defined in section 70301(f) of the Act.

7.2 AOC's Representations and Warranties. The phrase "to the best of the AOC's knowledge," or words of similar import, means the actual knowledge, after reasonable independent investigation and inquiry, of the Director, Office of Court Construction and Management, who the AOC hereby represents is the person within the AOC most knowledgeable with respect to the matters described in the AOC's representations and warranties.

7.2.1 Good Standing. The Administrative Office of the Courts is the staff agency to the Council, an entity established by the Constitution of the State, validly existing under the Law of the State.

7.2.2 Due Execution and Delivery. This Agreement and Closing Documents are legal, valid, and binding obligations of, and are fully enforceable against, the AOC.

7.2.3 No Conflict. This Agreement and the Closing Documents do not violate any provision of any agreement, obligation, or court order, to which the AOC is a party or by which the AOC or any of its property is subject or bound. Other than the PWB's approval of the Transfer of Title, no other action of any governmental agency or authority is required for, and the AOC has no actual knowledge of any Law in effect that would prohibit, the AOC's execution, delivery, or performance of its obligations under this Agreement or the Closing Documents.

8. INDEMNITIES

8.1 AOC's Indemnities. Subject to section 8.3 below, the AOC indemnifies, defends, and holds harmless the County Parties (with counsel reasonably acceptable to the County) from and against all claims, demands, liabilities, damages, attorney fees, costs, expenses, and losses (referred to in this section 8 as "**Indemnified Loss**") arising from the matters described below in this section 8.1:

8.1.1 AOC Breach. Any breach by the AOC of its obligations set forth in this Agreement or in the Closing Documents.

8.1.2 Representations and Warranties. Any breach of or inaccuracy in the AOC's representations and warranties contained in section 7.2 of this Agreement or in the Closing Documents.

8.1.3 AOC Responsibilities. Any event that occurs, or Dispute that commences, on or after the TOR Closing Date, to the extent that it results from, or is directly attributable to, (i) the Court's occupancy of the Court Facility, or (ii) the AOC's occupancy, operation, management, maintenance, repair of, or responsibility for, the Property, in each case, on and after the TOR Closing Date.

8.2 County's Indemnities. Subject to section 8.3 below, the County indemnifies, defends, and holds harmless the State Parties (with counsel reasonably acceptable to the State Parties) against all Indemnified Loss asserted against the State Parties arising from the matters described below in this section 8.2:

8.2.1 County Breach. Any breach by a County Party of its obligations set forth in this Agreement or in the Closing Documents.

8.2.2 Representations and Warranties. Any breach of or inaccuracy in the County's representations and warranties contained in section 7.1 of this Agreement or set forth in the Closing Documents.

8.2.3 County Responsibilities. Any event that occurred, or Dispute that commenced, before the TOR Closing Date related to the County's ownership, occupancy, operation, management, maintenance, repair of, or responsibility for, the Property before the TOR Closing Date, and any event that occurs, or Dispute that commences, on or after the TOR Closing Date, to the extent that it results from, or is directly attributable to, the County's ownership, occupancy, operation, management, maintenance, repair of, or responsibility for, the Property before the TOR Closing Date.

8.2.4 CERCLA. Under section 70393(d) of the Act, any liability imposed on the State Parties pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, (42 U.S.C. section 9601 et seq.), or related provisions, for conditions that existed in, on, or under the Real Property at the time of the TOR Closing whether or not known to the County.

Nothing in this Agreement will in any manner be deemed or construed as an admission by the County to any Third Party that the County has any obligation, responsibility, or liability of any kind or nature whatsoever as to the environmental condition of the Real Property surrounding the Building under CERCLA or any other Law, except that the County confirms that this provision does not alter, diminish, or negate the County's obligation to indemnify the State in accordance with the terms of this section 8.2.4 and section 70393(d) of the Act.

8.3 Indemnity Exclusions. Neither Party is entitled to be indemnified, defended, or held harmless by the other Party under this Agreement in respect of any event, circumstance, or condition that arises from its own negligence or willful misconduct, nor from any property insurance claim for which the Party is responsible under this Agreement. The obligations of a Party under section 8.1 or 8.2 of this Agreement, as applicable, will in no event release the other Party from, or diminish its obligation to fully and faithfully perform its duties under, this Agreement, the Closing Documents, or any other agreement.

9. RIGHT TO AUDIT

The County will maintain all records relating to the County Facilities Payment due and owing from the County under the Act, according to the time limits contained in the instructions for calculation of the County Facilities Payment. The County will also maintain an accounting system, supporting fiscal records, and agreements related to the Property, including the Property Disclosure Documents, adequate to ensure that all claims and disputes arising under this Agreement or the Closing Documents can be resolved in accordance with the requirements of this Agreement and the Act. The County will also maintain records relating to all receipts and expenditures from the local courthouse construction fund established under Government Code section 76100, which the AOC has the right to audit under section 70391(d)(2) of the Act. The AOC may audit or inspect these County records upon reasonable prior notice.

10. DEFAULT NOTICE AND CURE

Upon a Party's breach or default of any provision of this Agreement, the non-defaulting Party will provide written notice to the defaulting Party of the breach or default ("**Default Notice**"). Upon receipt of the Default Notice, the defaulting Party will have 30 calendar days to cure the breach or default described in the Default Notice and to provide evidence of that cure to the non-defaulting Party. If the breach or default is not capable of cure within the 30 calendar day period, then no breach or default can be deemed to have occurred by reason of the failure to cure so long as the defaulting Party promptly begins and diligently and continuously performs the cure to completion within a reasonable time period, not to exceed 90 calendar days from commencement of the cure ("**Cure Period**"). If the defaulting Party does not provide evidence of the cure to the non-defaulting Party within the Cure Period, then the defaulting Party will be deemed to have committed an "**Event of Default**," and the non-defaulting Party will have the right, but not the obligation, to pursue its rights with respect to resolution of disputes under section 12 of this Agreement. The Parties may mutually agree to commence the dispute resolution procedures in section 12 of this Agreement before the end of the Cure Period.

11. CONDEMNATION

If the County receives written notice advising of an actual or intended condemnation of the Real Property ("**Condemnation Notice**"), the County will immediately deliver a copy of that Condemnation Notice to the AOC. Effective on the TOR Closing Date, the County assigns to the AOC all of the County's right, title, and interest in and to all proceeds of condemnation to which the County is entitled with respect to the Real Property.

12. DISPUTE RESOLUTION

12.1 Unassisted Negotiation; Mediation. In the event of a dispute between the Parties arising under or relating to performance of the Parties' obligations under this Agreement, or any aspect of the transactions contemplated in this Agreement, the County Chief Executive Officer and an Assistant Director of the AOC's Office of Court Construction & Management, or their respective designees, will meet to discuss a resolution to the dispute. Any designee appointed must have the authority to negotiate for, and to effectively recommend settlement to, the Party that he or she represents. If the Parties are not able to resolve their dispute within 30 calendar days through that unassisted negotiation, they will attempt to resolve the dispute by mediation under this section 12.1. If the dispute concerns a matter within the jurisdiction of the Court Facilities Dispute Resolution Committee ("**CFDRC**"), established by section 70303 of the Act, the Parties must first mediate the dispute before a Party can commence a dispute resolution proceeding before the CFDRC.

12.1.1 Initiation of Mediation. Either or both of the Parties may request the initiation of mediation for any dispute described in section 12.1, whether or not the dispute falls within the CFDRC's jurisdiction, by delivering a written request for mediation ("**Mediation Request**") to the other Party. The Mediation Request must (1) include a brief summary of the issues in dispute, (2) state the dates on which the requesting Party is unavailable to attend the mediation within the immediately-succeeding 90 calendar days after the delivery to the other Party of the Mediation Request, and (3) list at least three neutral mediators who are acceptable to the requesting Party for mediation of the dispute. Within five business days after the requesting Party's delivery of a Mediation Request to the other Party, the responding Party must deliver to the requesting Party a response to the Mediation Request ("**Mediation Response**"), which must: (a) include a brief summary of the issues in dispute (which may or may not be the same as the summary provided by the requesting Party); (b) state the dates on which the responding Party is unavailable to attend the mediation within the 85 calendar days immediately following the requesting Party's receipt of the Mediation Response; and (c) state whether any of the neutral mediators listed in the Mediation Request are acceptable to the responding Party and, if none are, then the Mediation Response must list at least three neutral mediators who are acceptable to the responding Party.

12.1.2 Selection of Mediator. Within 10 calendar days after delivery to the requesting Party of the Mediation Response, the Parties will attempt in good faith to agree upon a neutral mediator to preside over the mediation. If the Parties are not able to agree upon a neutral mediator within 10 calendar days after delivery to the requesting Party of the Mediation Response, the Parties must apply to the JAMS Government Dispute Resolution Group ("**JAMS**") for selection of a neutral mediator to mediate the dispute. The Parties' application to JAMS must be filed in accordance with the JAMS International Mediation Rules then in effect, and must include copies of the Mediation

Request and Mediation Response. The mediator must be a person with a reasonable degree of experience and expertise in handling disputes involving governmental entities. The mediator must have no current or prior involvement with either Party in the negotiations between the Parties related to the Act or any of the court facility transfers provided for in the Act, and shall discharge his or her duties impartially and as a neutral, independent participant to the mediation process to assist the Parties to achieve a settlement and compromise of their dispute, taking into consideration the relevant facts, applicable Law, and the pertinent provisions of any relevant agreement between the Parties. The selection of a mediator by JAMS will be final and binding on the Parties, and the Parties shall be equally responsible for the payment of all fees and costs charged by JAMS.

12.1.3 Cost of Mediation. The Parties will share equally in payment of all costs of the mediation, including the compensation of the mediator. The Parties and the mediator must reach a written agreement regarding the mediator's compensation and expenses before the mediation is commenced.

12.1.4 Date, Time, and Place of Mediation. In consultation with the Parties, the mediator will fix the date, time, and place of each mediation session. The mediation may be held at any convenient location agreeable to the Parties and the mediator. Mediation must be completed within 90 calendar days after the requesting Party's delivery to the responding Party of the Mediation Request.

12.1.5 Attendance at Mediation. Both Parties must attend the mediation session(s). The Parties may satisfy this attendance requirement by sending a representative familiar with the facts of the dispute, who has the authority to negotiate on behalf of, and to effectively recommend settlement to, the Party he or she represents. Any Party to the mediation may have the assistance of an attorney or other representative of its choice, at its own cost. Other persons may attend the mediation sessions only with the consent of the Parties and the mediator.

12.1.6 Statements Before Mediation. The mediator will determine the manner in which the issues in dispute will be framed and addressed. The Parties should expect that the mediator will request a premediation statement outlining facts, issues, and positions of each Party ("**Premediation Statement**") in advance of the mediation session. At the discretion of the mediator, the Premediation Statements or other information may be mutually exchanged by the Parties.

12.1.7 Confidentiality. The mediation will be confidential in all respects, and the provisions of California Evidence Code sections 1152 and 1154 will apply to all written and verbal evidence presented in the mediation and to settlement communications made in the Premediation Statement, during the mediation itself, or otherwise in furtherance of or related to the mediation or the settlement of the dispute.

The Premediation Statements shall be confidential, for settlement purposes only, and will not be admissible for any purpose other than for the mediation. Without limiting the foregoing, the provisions of California Evidence Code sections 1115 through 1128, inclusive, will apply in connection with any mediation under this Agreement.

12.2 Resolution of Claims Remaining After Mediation. After compliance with the terms of section 12.1 of this Agreement, the Parties shall proceed as follows in respect of any dispute that remains unresolved: (i) if the unresolved dispute involves any of the matters described in sections 70303(c)(1) through (5) of the Act, the Parties shall refer the dispute to the CFDRC for hearing and recommendation to, and decision by, the Director of Finance, pursuant to the Act and the regulations and rules adopted by the CFDRC; or (ii) if the unresolved dispute does not involve any of the matters described in sections 70303(c)(1) through (5) of the Act, then the Parties may proceed to resolve the dispute in any manner permitted at Law or in equity.

13. NOTICES

Any notice or communication required to be sent to a Party pursuant to this Agreement must be sent in writing by personal delivery (including overnight courier service), certified U.S. mail, postage pre-paid and with return receipt requested, or facsimile transmission, sent during regular business hours of the recipient, to the Parties at their addresses or fax numbers indicated below. Routine exchange of information may be conducted via telephone, facsimile, or electronic means, including e-mail.

If to the AOC:

Administrative Office of the Courts
Office of Court Construction and Management
Attention: Portfolio Administration Analyst
for the Northern/Central Regional Office
455 Golden Gate Avenue, 8th Floor
San Francisco, CA 94102-3688
Voice: 415-865-4986
Fax: 415-865-8885

With a copy to:

Administrative Office of the Courts
Office of Court Construction and Management
Attention: Manager, Real Estate
455 Golden Gate Avenue
San Francisco, CA 94102-3688
Voice: 415-865-4048
Fax: 415-865-8885

In addition, all audit requests and notices by the County relating to termination of this Agreement or alleged breach or default by the AOC of this Agreement or a Closing Document must also be sent to:

Administrative Office of the Courts
Attention: Senior Manager, Business Services
455 Golden Gate Avenue
San Francisco, CA 94102-3688
Voice: 415-865-4090
Fax: 415-865-4326

If to the County:

County of Stanislaus
Chief Executive Office
Attention: Richard W. Robinson
1010 10th Street, Suite 6800
Modesto, CA 95354
Voice: 209-525-6333
Fax: 209-544-6226

With a copy to:

County of Stanislaus
Office of the County Counsel
Attention: Jack Doering
1010 10th Street, Suite 6400
Modesto, CA 95354
Voice: 209-525-6376
Fax: 209-525-4473

A Party may change its address for notice under this Agreement by giving written notice to the other Party in the manner provided in this section 13. Any notice or

communication sent under this section 13 will be deemed to have been duly given as follows: (1) if by personal delivery, on the date actually received by the addressee or its representative at the address provided above, or (2) if sent by certified U.S. mail, return receipt requested, on the first business day that is at least three calendar days after the date deposited in the U.S. Mail, or (3) if sent by facsimile transmission, upon electronic confirmation of good receipt by the receiving facsimile machine except that facsimile notice received after normal business hours of the recipient will be deemed received at 9:00 a.m. on the first business day after the date on which the facsimile notice was confirmed electronically.

14. SURVIVAL OF TERMS AND PROVISIONS

The following sections of this Agreement will survive the TOR Closing and the TOT Closing, and will remain in full force and effect: 1, 2, 3, 4, 5.7 and 6 through 15, inclusive. All other rights and duties hereunder will cease upon the TOT Closing Date or earlier termination of this Agreement. In the event of the termination of this Agreement, all documents, other tangible objects, and information containing or representing confidential or proprietary information disclosed by one Party to the other, and all copies that are in the possession or under the control of the other Party will be and remain the property of the Party that disclosed the documents, objects, and information, and all those documents and tangible objects will be promptly returned to the Party that disclosed them at that Party's written request.

15. MISCELLANEOUS

15.1 Waivers. No waiver of any provision of this Agreement will be valid unless it is in writing and signed by both the AOC and the County. Waiver by either Party at any time of any breach of this Agreement cannot be deemed a waiver of or consent to a breach of the same or any other provision of this Agreement. If a Party's action requires the consent or approval of the other Party, that consent or approval on any one occasion cannot be deemed a consent to or approval of that action on any later occasion or a consent or approval of any other action.

15.2 Force Majeure. Neither Party will be responsible for performance under this Agreement to the extent performance is prevented, hindered, or delayed by fire, flood, earthquake, elements of nature, acts of God, acts of war (declared and undeclared), riots, rebellions, revolutions, or terrorism, whether foreseeable or unforeseeable.

15.3 Assignment. Neither Party may assign this Agreement in whole or in part, whether by operation of law or otherwise, to any other entity, agency, or person without the prior written consent of the other Party. Even if that consent is given, any assignment made in contravention of any Law will be void and of no effect.

15.4 Binding Effect. This Agreement binds the Parties and their permitted successors and assigns.

15.5 Third Parties Benefited. The State Parties are intended beneficiaries of all provisions of this Agreement and the Closing Documents for the benefit of the AOC.

15.6 Governing Law. This Agreement, and the Parties' performance under this Agreement, will be exclusively governed by the laws of the State without regard to its conflict of law provisions.

15.7 Construction. The headings used in this Agreement are for convenience only and will not affect the meaning or interpretation of this Agreement. The words "hereof," "herein," and "hereunder," and other words of similar import, refer to this Agreement as a whole and not to any subdivision of this Agreement. This Agreement and the Closing Documents will not be construed against either Party as the principal draftsman. The words "include" and "including" when used are not exclusive and mean "include, but are not limited to" and "including but not limited to," respectively. The capitalized terms used in this Agreement have the meanings ascribed to them in this Agreement.

15.8 Integration; Amendments. This Agreement and the Closing Documents contain the entire agreement of the Parties with respect to the Transfers, and supersede all previous communications, representations, understandings, and agreements, whether verbal, written, express, or implied, between the Parties. This Agreement may be amended only by written agreement signed by both of the Parties.

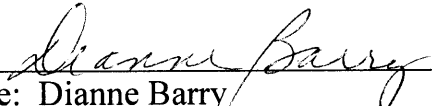
15.9 Incorporation By Reference. The factual recitals and Exhibits contained in or attached to this Agreement are all incorporated into and made a part of this Agreement for all purposes, and all references to this Agreement in any of the recitals or Exhibits will be deemed to include the entirety of this Agreement.

15.10 Severability. If a term of this Agreement is inconsistent with applicable Law, then on the request of either Party, the Parties will promptly meet and confer to determine how to amend the inconsistent term in a manner consistent with Law, but all parts of this Agreement not affected by the inconsistency will remain in full force and effect.

15.11 Further Assurances. The Parties agree to cooperate reasonably and in good faith with one another to (1) implement the terms and provisions set forth in this Agreement, the Closing Documents, and the Act, and (2) consummate the transactions contemplated herein, and will execute any further agreements and perform any additional acts that may be reasonably necessary to carry out the purposes and intent of this Agreement, the Closing Documents, and the Act.

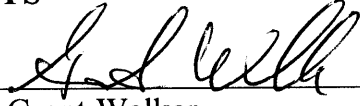
I agree to the terms of this Agreement.

APPROVED AS TO FORM:
Administrative Office of the Courts,
Office of the General Counsel

By: 
Name: Dianne Barry
Title: Attorney

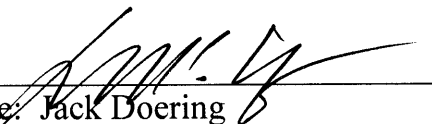
Date: June 19, 2008

**JUDICIAL COUNCIL OF CALIFORNIA,
ADMINISTRATIVE OFFICE OF THE
COURTS**

By: 
Name: Grant Walker
Title: Senior Manager, Business Services

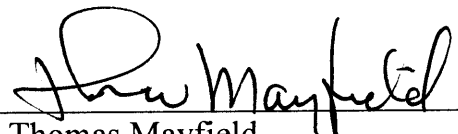
Date: 6/24/08

APPROVED AS TO FORM:
County of Stanislaus,
Office of the County Counsel

By: 
Name: Jack Doering
Title: County Counsel

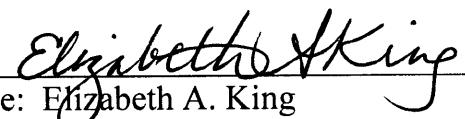
Date: 6/25/08

**COUNTY OF STANISLAUS, a political
subdivision of the State of California**

By: 
Name: Thomas Mayfield
Title: Chairman, Board of Supervisors

Date: 6-25-08

ATTEST:
Christine Ferraro Tallman, Clerk of the
Board

By: 
Name: Elizabeth A. King
Title: Deputy

Date: 6-25-08

EXHIBITS

- Exhibit "A" – Legal Description of the Land
- Exhibit "B" – Excluded Tangible Personal Property Inventory
- Exhibit "C" – Form of Grant Deed
- Exhibit "D" – Copy of Site Plan and Floor Plan
- Exhibit "E" – Depiction of Existing Court Parking
- Exhibit "F" – List of Disputes as of the Effective Date
- Exhibit "G" – Categories of Property Disclosure Documents
- Exhibit "H" – Text of Section 70324 of the Act
- Exhibit "I" – Memorandum of Agreement
- Exhibit "J" – Termination of Memorandum

EXHIBIT "A"

LEGAL DESCRIPTION OF THE LAND

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CERES, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

All that portion of Block 26 of Resubdivision of Blocks 26 and 27 City of Ceres, according to the Official Map thereof, filed in the Office of the Recorder of Stanislaus County, California, on January 18, 1950 in Vol. 16 of Maps, Page 65, more particularly described as follows:

Commencing at the Southwest corner of Block 26, being the intersection of the East line of 80 foot wide Second Street with the North line of 80 foot wide North Street; thence North along the West line of Block 26, 92.045 feet to the point of beginning; thence continuing North along the West line of Block 26, 78.125 feet; thence South $89^{\circ}47'54''$ East and parallel to the South line of Block 26, 96.00 feet; thence South and parallel to the West line of Block 26, 78.125 feet; thence North $89^{\circ}47'54''$ West and parallel to the South line of Block 26, 96.00 feet to the point of beginning.

APN: 127-016-014

EXHIBIT "B"

EXCLUDED TANGIBLE PERSONAL PROPERTY INVENTORY

The following specific items of Tangible Personal Property that are owned, leased, or licensed by the County and located on the Real Property on the Effective Date of the Transfer Agreement are excluded from the Transfer:

1. None.

EXHIBIT "C"

FORM OF GRANT DEED

WHEN RECORDED MAIL TO	
Judicial Council of California Administrative Office of the Courts Office of the General Counsel 455 Golden Gate Avenue San Francisco, CA 94102 Attn: Assistant Director, Office of Court Construction and Management	

OFFICIAL STATE BUSINESS – EXEMPT FROM
RECORDING FEES PURSUANT TO GOV'T. CODE SECTION
27383 AND DOCUMENTARY TRANSFER TAX PURSUANT
TO REVENUE AND TAXATION CODE SECTION 11922

SPACE ABOVE THIS LINE FOR
RECORDER'S USE

GRANT DEED	Agency: Judicial Council of California Project: Ceres Superior Court, #50-C1
APN: 127-016-014, County of Stanislaus	
COUNTY OF STANISLAUS hereby GRANTS to THE STATE OF CALIFORNIA, on behalf of THE JUDICIAL COUNCIL OF CALIFORNIA, ADMINISTRATIVE OFFICE OF THE COURTS, the following described real property situated in the State of California, County of Stanislaus, described as follows: See Exhibit "A" consisting of one page attached hereto and by this reference made a part hereof. Dated: _____, 2008	
	GRANTOR: COUNTY OF STANISLAUS, a political subdivision of the State of California By: _____ Name: Thomas Mayfield Title: Chairman, Board of Supervisors

EXHIBIT "A" TO GRANT DEED

LEGAL DESCRIPTION OF THE LAND

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CERES, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

All that portion of Block 26 of Resubdivision of Blocks 26 and 27 City of Ceres, according to the Official Map thereof, filed in the Office of the Recorder of Stanislaus County, California, on January 18, 1950 in Vol. 16 of Maps, Page 65, more particularly described as follows:

Commencing at the Southwest corner of Block 26, being the intersection of the East line of 80 foot wide Second Street with the North line of 80 foot wide North Street; thence North along the West line of Block 26, 92.045 feet to the point of beginning; thence continuing North along the West line of Block 26, 78.125 feet; thence South $89^{\circ}47'54''$ East and parallel to the South line of Block 26, 96.00 feet; thence South and parallel to the West line of Block 26, 78.125 feet; thence North $89^{\circ}47'54''$ West and parallel to the South line of Block 26, 96.00 feet to the point of beginning.

APN: 127-016-014

STATE OF CALIFORNIA

COUNTY OF _____

On _____ before me, _____, Notary Public, personally appeared Thomas Mayfield, 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 _____

(Seal)

EXHIBIT "D"

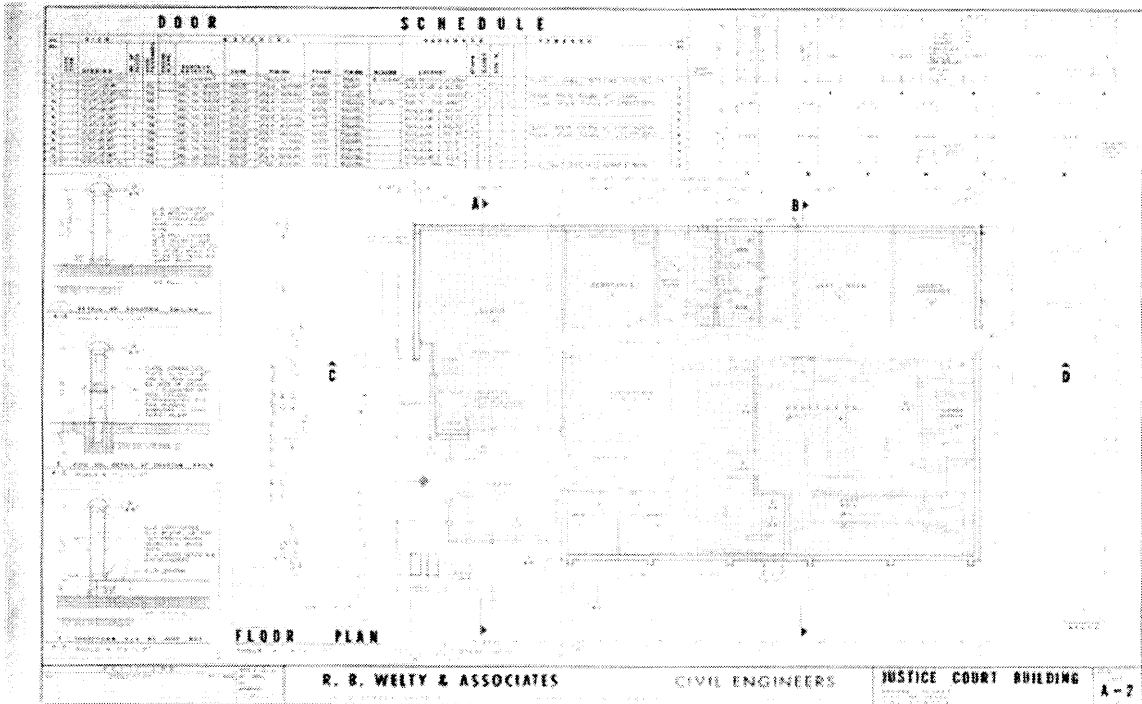
COPY OF SITE PLAN AND FLOOR PLAN

See attached.

Superior Court of California, Stanislaus County
Ceres Courthouse
 2247 Second Street, Ceres, California

Exclusive- and Shared-Use Space Floorplan

A) <input type="checkbox"/>	Court Exclusive Use Area	2,063 Sq. Ft.	100.0 %
B) <input checked="" type="checkbox"/>	County Exclusive Use Area	0 Sq. Ft.	0.0 %
	<u>Subtotal – Exclusive Use Area</u>	<u>2,063 Sq. Ft.</u>	<u>100.0 %</u>
<input type="checkbox"/>	Shared Use Area	637 Sq. Ft.	100.0 %
C) <input type="checkbox"/>	Court Proportional Shared-Use Area	637 Sq. Ft.	100.0 %
D) <input type="checkbox"/>	County Proportional Shared-Use Area	0 Sq. Ft.	0.0 %
A+C) <input type="checkbox"/>	<u>Court Total</u>	<u>2,700 Sq. Ft.</u>	<u>100.0 %</u>
B+D) <input type="checkbox"/>	<u>County Total</u>	<u>0 Sq. Ft.</u>	<u>0.0 %</u>
	Subtotal – Total Building Area	2,700 Sq. Ft.	
	Total Site Area	7,500 Sq. Ft.	0.17 Acres
	APN: 127-016-014		



**Superior Court of California, Stanislaus County
Ceres Courthouse**
2744 Second Street, Ceres, California

Site Plan

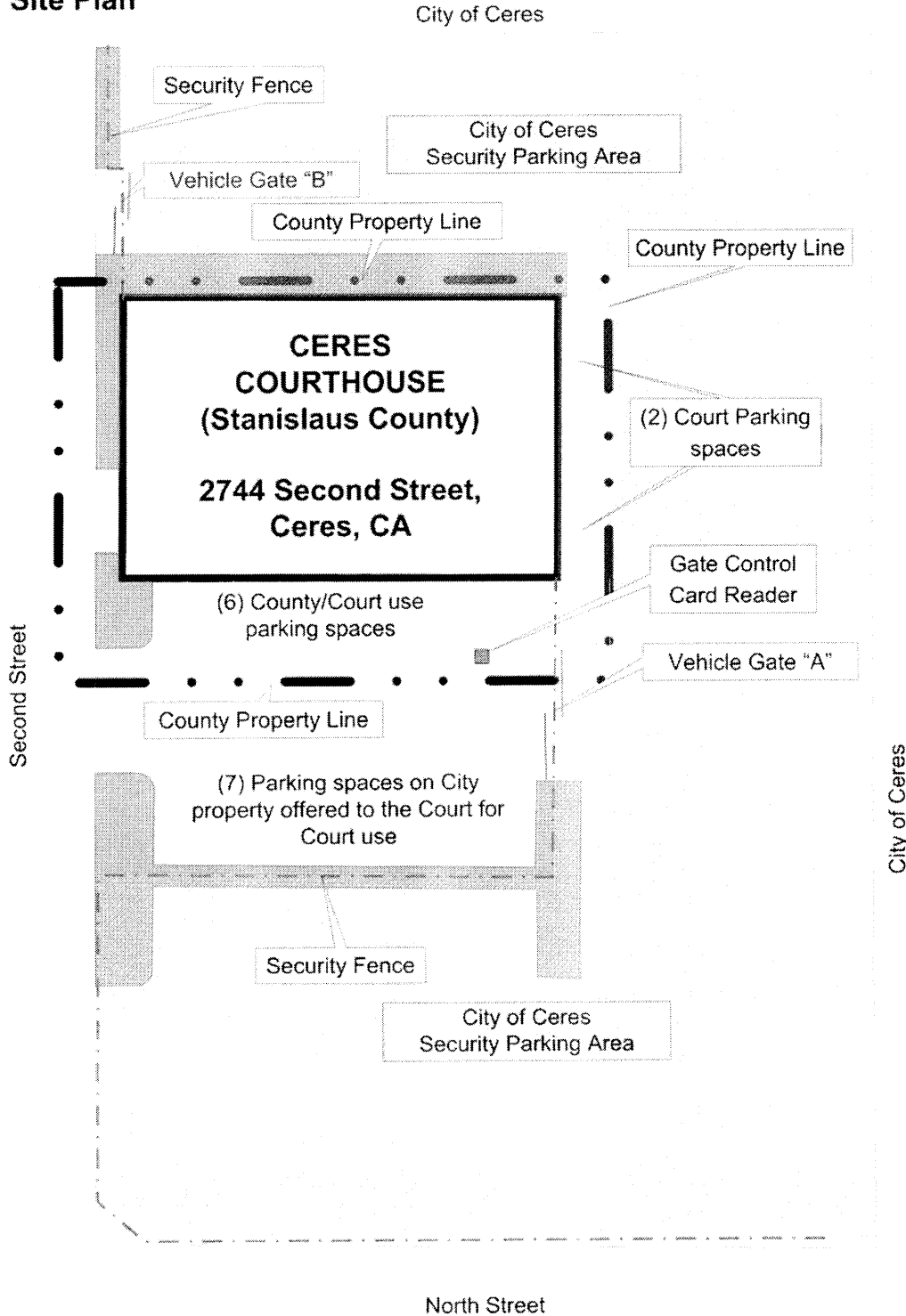


EXHIBIT "E"

DEPICTION OF EXISTING COURT PARKING

See attached.

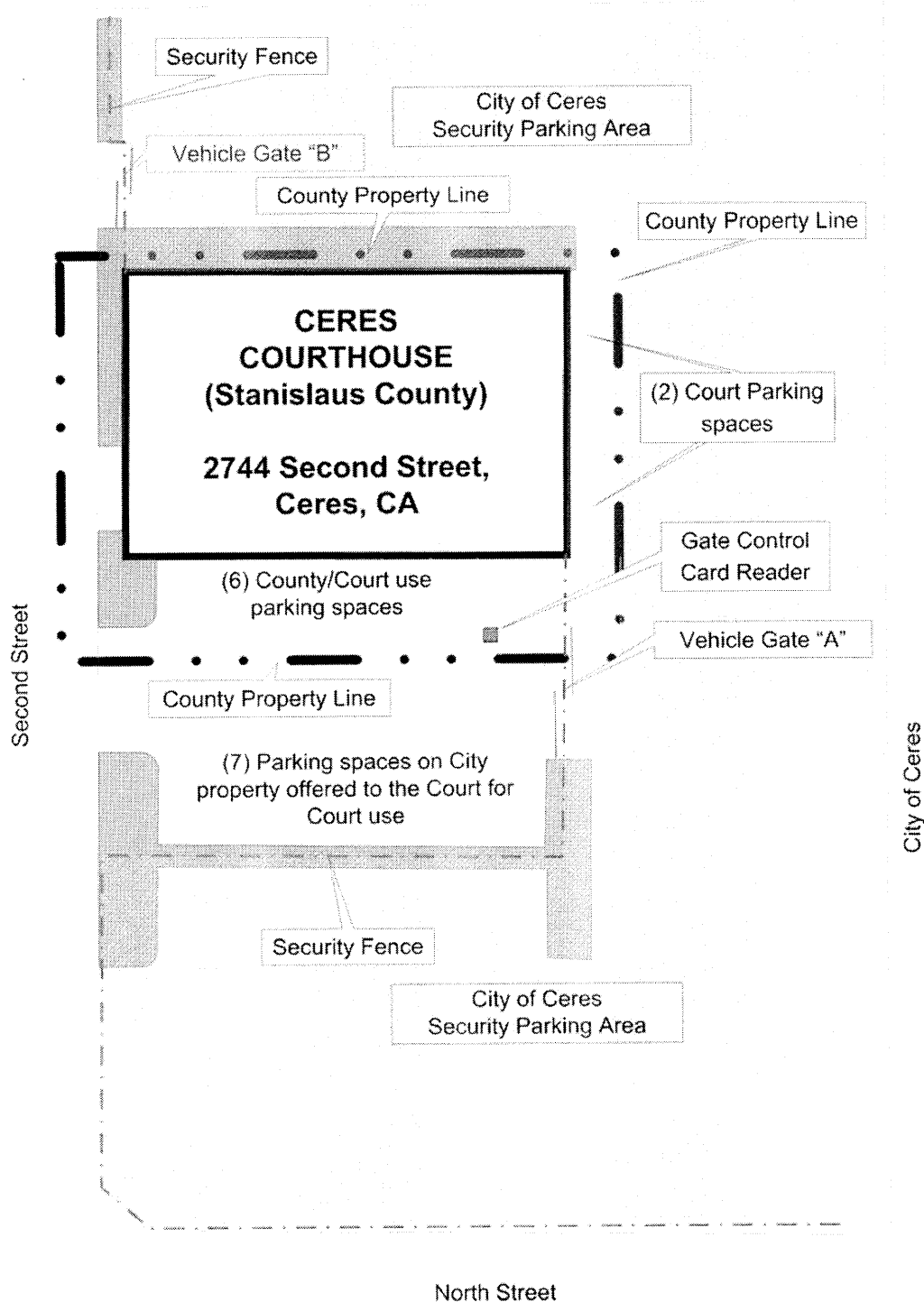
Exhibit E

Building ID Nbr.: 50-C-01

Superior Court of California, Stanislaus County
Ceres Courthouse
2744 Second Street, Ceres, California

Depiction of Court Parking

City of Ceres



Court Facility #50-C1
Owned, Exclusive (TOR/TOT)

EXHIBIT "F"

LIST OF DISPUTES AS OF THE EFFECTIVE DATE

(None)

EXHIBIT "G"

CATEGORIES OF PROPERTY DISCLOSURE DOCUMENTS

- Structural and Physical Condition. Copies of all Material Agreements depicting, evidencing, discussing, or otherwise related to the structural and/or physical condition of the Real Property, including but not limited to the plans and specifications for the original planning, design, and construction of all or any part of the Real Property, and for any later additions to or structural modifications of the Real Property, structural or engineering assessments, reports, or notices related to any part of the Real Property, inspection reports, valuation reports, documents evidencing repairs or maintenance made to or required for any part of the Real Property, whether planned, started, completed, or deferred, and all other documents and information discussing, disclosing, or revealing any structural or physical condition of the Real Property;
- Environmental. Copies of all environmental assessments and reports containing information concerning the environmental condition of the Real Property, including but not limited to any Phase I or Phase II environmental site assessments, asbestos reports, radon, mold, methane gas, or other indoor air quality studies, environmental impact reports, endangered species investigations, biological assessments, negative declarations, mitigated negative declarations, remedial action plans, notices received from or correspondence with any federal, state, or local governmental bodies concerning any actual, potential, or threatened violations of any Environmental Laws in, on, under, emanating from, adjacent to, or actually or potentially affecting the Real Property, no further action letters, environmental covenants and restrictions, closure reports, contracts between the County and any consultant for any ongoing work to investigate, assess, remediate, or monitor any actual or potential environmental hazard on or emanating from the Real Property, permits, documents, and inspection reports related to underground storage tanks, written disclosures given by the County to, or received by the County from, any third party describing or discussing any environmental condition in, on, under, emanating from, or adjacent to the Real Property, and any other reports, studies, assessments, investigations, permits, licenses, correspondence, or documents evidencing, depicting, or describing the environmental condition of the Real Property;
- Compliance with Laws. Copies of all instruments, permits, certificates, and licenses evidencing the extent to which the Real Property is in compliance

with Law, including but not limited to certificates of occupancy for the Building, inspection certificates for any base Building systems for which the County is responsible, if any, including elevators, fire/life safety equipment, boilers, and emergency generators, and other base Building systems for which periodic inspection, permitting, or certification is required, a current license and certificate of registration for any motorized vehicles included in the Tangible Personal Property, any assessments, reports or analyses reflecting the status of compliance of the Real Property with the ADA, permits and approvals (to the extent required) for any ongoing capital improvements, and repair or maintenance projects (whether or not Pending Projects) being performed by or for the County, current and sufficient licenses for all software and other proprietary materials included within the Tangible Personal Property or Intangible Personal Property, notices from and correspondence with any third party concerning any actual or claimed violations of any Law related to the Real Property, and other documents, instruments, agreements, permits, licenses, and certificates in any way related to the status of the County's compliance with Law in respect of the Real Property;

- Occupancy Agreements. Copies of all existing, written Occupancy Agreements for the Real Property, a written description of the terms of any unwritten agreement or understanding with any Occupant for occupancy or use of the Real Property, and copies of all notices to or from, and material correspondence with, any Occupant (other than the Court) or any other third party who has or claims any right to occupy or use, the Real Property;
- Intangible Personal Property. Copies of all documents creating, evidencing, or describing the Intangible Personal Property, a written description of the terms of any unwritten agreement or understanding with any third party under which the County has or claims a right in any Intangible Personal Property, including unwritten agreements or understandings concerning the provision of services, materials, supplies, warranties, guaranties, indemnification rights, or other rights of the County in respect of the Real Property; and copies of any notices to or from, and any correspondence with, any person or entity that is obligated to provide to the County, or from whom the County believes it is entitled to receive, an Intangible Personal Property right related to the Real Property;
- Damage, Destruction and Loss. Copies of all documents, correspondence, pictures, claims tendered under insurance policies, damage assessments, police reports, fire department reports, estimates, bids, or proposals for repair or replacement, agreements, and other materials describing, evidencing, depicting, or related to any casualty, event, or occurrence that

resulted in damage to, or destruction, theft, or loss of, the Property where such damage, destruction or loss:

- will not have been fully repaired or replaced by, and at the sole expense of, the County and/or the County's insurer, as of the Closing Date; or
 - is not fully insured, and the County's good faith estimate of the funds required to repair or replace the damage to, or destruction, theft, or loss of, the affected Property (net of the deductible amount on any applicable County insurance policy) is greater than Five Hundred Dollars (\$500.00);
- Condemnation. Copies of notices received by the County, and any correspondence between the County and any third party concerning, any actual or proposed condemnation or eminent domain proceedings, or any pending or proposed widening, modification, or realignment of any street or highway contiguous to the Real Property, that would or might, in either case, result in a taking of the Real Property, and copies of any claims, demands for mediation, arbitration, or other dispute resolution procedure, and causes of action or complaints received by the County in connection with any actual or proposed condemnation or eminent domain proceeding affecting the Real Property;
 - Legal Proceedings. A reasonably-detailed written description of each Dispute, together with a description of the current status of each such Dispute, contact information for the attorney primarily representing the County in each Dispute (whether or not a County employee) and, to the extent specifically requested by the AOC, such other pleadings, correspondence, demands, briefs, settlement proposals, and other documents related to any Dispute;
 - Miscellaneous Disclosures. Copies of any other documents, agreements, instruments, notices, correspondence, or other written materials that describe, depict, or relate to any other right, benefit, entitlement, liability, risk, condition, or circumstance affecting the Property, and reasonably-detailed written descriptions of any and all undocumented liabilities, risks, conditions, or circumstances affecting the Property, not otherwise specifically contemplated in this Exhibit; and

- Summary of Excluded Documents. A written list setting forth the title and general subject matter of the Excluded Documents that the County did not provide or otherwise make available to the AOC because they are subject to the attorney-client or attorney work product privileges or because the County is bound by a written confidentiality obligation that precludes the AOC's review and inspection.

EXHIBIT "H"

TEXT OF SECTION 70324 OF THE ACT

Section 70324.

(a) If responsibility for court facilities is transferred from the county to the state pursuant to a negotiated agreement, and the building containing those court facilities is rated as a level V seismic rating, the following provisions shall apply to the transfer.

(1) Except as provided in paragraph (3), the county shall be responsible for any seismic-related damage and injury, including, but not limited to, damage and injury to real property, personal property, and persons, only to the same extent that the county would be liable for that damage and injury if responsibility was not transferred to the state, and the county shall indemnify, defend, and hold the state harmless from those claims.

(2) Except as provided in paragraph (3), in the event that seismic-related damage occurs to a building containing court facilities for which the county retains liability under this section, the county either shall make repairs to the damage or provide funds to the state sufficient to make those repairs, in order to bring the damaged portions of the building containing court facilities back to the condition in which they existed before the seismic-related event. The county may postpone the making of repairs to the damage or providing funds to the state for those repairs, if it provides the court, at county expense, with necessary and suitable temporary facilities, subject to the agreement of the Judicial Council.

(3) The county shall not be liable for any damage or injury sustained in a seismic event to the extent the damage or injury is attributable to actions or conditions created by or under the control of the state. The state shall indemnify, defend, and hold the county harmless from any liability resulting from that damage or injury. The state does not have a duty to make changes or repairs to improve the seismic condition of the building.

(4) As part of, or subsequent to, the transfer agreement, the county and the Judicial Council may agree on a method to address the seismic issue so that the state does not have a financial burden greater than it would have had if the court facilities initially transferred were court facilities in buildings rated as a level IV seismic rating.

(b) This section shall not apply to events occurring on or after the earliest of the following dates:

(1) The facilities covered by this section are seismically-rated at any level lower than level V.

(2) The facilities are no longer used as court facilities.

(3) Thirty-five years from the date of transfer of the facilities.

(4) The county has complied with the conditions for relief from liability contained in an agreement pursuant to paragraph (4) of subdivision (a) addressing the seismic issue with regard to the facility, and the agreement has been approved by the Director of Finance.

(c) The provisions of this section shall prevail over any conflicting provisions of this chapter in regard to transfer of responsibility for court facilities in buildings rated as a level V seismic rating.

(d) This section shall not be deemed to impose greater liability on a county for seismic-related damage to third parties other than it would have if the responsibility for court facilities had not transferred to the state.

(e) Nothing in this chapter shall require the transfer of responsibility for court facilities in a building that is rated as a level V seismic rating.

(f) The terms of this section in effect at the time an agreement is executed for transfer of responsibility shall continue to govern that agreement for transfer, notwithstanding any subsequent repeal of this section.

(g) This section shall remain in effect only until January 1, 2010, and, as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2010, deletes or extends that date.

EXHIBIT "I"

FORM OF MEMORANDUM OF AGREEMENT

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

STATE OF CALIFORNIA
c/o Judicial Council of California
Administrative Office of the Courts
Office of the General Counsel
455 Golden Gate Avenue
San Francisco, CA 94102
Attn: Managing Attorney, Office of General
Counsel – Real Estate Unit

OFFICIAL STATE BUSINESS – EXEMPT FROM RECORDING FEES PURSUANT TO GOV'T. CODE SECTION 27383 AND DOCUMENTARY
TRANSFER TAX PURSUANT TO REVENUE AND TAXATION CODE SECTION 11922.

APN(S): 127-016-014; County of Stanislaus

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement ("**Memorandum**") is made and entered into this ____ day of _____ 2008, by and between the County of Stanislaus, whose present address is 1010 10th Street, Suite 6800, Modesto, California ("**County**"), and the Judicial Council of California, Administrative Office of the Courts, whose present address is 455 Golden Gate Avenue, San Francisco, California 94102 ("**AOC**"), on behalf of the State of California, whose present address is 707 Third Street, 5th Floor, West Sacramento, California, 95605 Attention: Department of General Services, Real Estate Services Division, Acquisition Unit ("**State**"), with respect to the following facts:

RECITALS

A. The County is the owner of certain real property located in the City of Ceres, County of Stanislaus, State of California and having a street address of 2744 2nd Street, Ceres, California, as more particularly described on **Attachment 1** attached hereto and incorporated herein ("**Land**"), together with all buildings, structures, and improvements located on and affixed to the Land (collectively, the "**Real Property**");

B. Under the Trial Court Facilities Act of 2002, Government Code sections 70301 *et seq.*, the AOC and the County have entered into that certain Transfer Agreement For The Transfer of Responsibility For Court Facility dated as of _____, 2008 (“**Agreement**”), setting forth the terms and conditions for the transfer from the County to the AOC of responsibility for funding and operation of the Real Property, and for the transfer of title to the Real Property from County to State on behalf of the Judicial Council of California at such time as the State Public Works Board approves said transfer of title (“**Transfer of Title**”);

C. This Memorandum is recorded in the Official Records of the County against the Real Property for the purpose of memorializing the existence of the Agreement, and the State’s right to consummate the Transfer of Title in accordance with the terms set forth in the Agreement, when the State Public Works Board approves the Transfer of Title. The terms and conditions of the Agreement are incorporated herein by this reference.

[The remainder of this page intentionally left blank]

IN WITNESS WHEREOF, this Memorandum has been executed as of the date first above written.

APPROVED AS TO FORM:
Administrative Office of the Courts,
Office of the General Counsel

**JUDICIAL COUNCIL OF CALIFORNIA,
ADMINISTRATIVE OFFICE OF THE
COURTS**

By: _____
Name: Dianne Barry
Title: Attorney

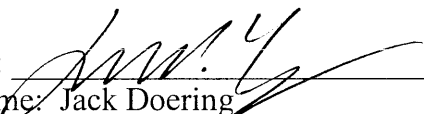
By: _____
Name: Grant Walker
Title: Senior Manager, Business Services

Date: _____

Date: _____

APPROVED AS TO FORM:
County of Stanislaus,
Office of the County Counsel

**COUNTY OF STANISLAUS, a political
subdivision of the State of California**

By:  _____
Name: Jack Doering
Title: County Counsel

By: _____
Name: Thomas Mayfield
Title: Chairman, Board of Supervisors

Date: _____

Date: _____

ATTEST:
Christine Ferraro Tallman, Clerk of the
Board

By: _____
Elizabeth A. King, Deputy

AOC ACKNOWLEDGEMENT

STATE OF CALIFORNIA

COUNTY OF _____

On _____ before me, _____, Notary Public, personally appeared Dianne Barry, 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 _____ (Seal)

STATE OF CALIFORNIA

COUNTY OF _____

On _____ before me, _____, Notary Public, personally appeared Grant Walker, 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 _____ (Seal)

COUNTY ACKNOWLEDGEMENT

STATE OF CALIFORNIA

COUNTY OF _____

On _____ before me, _____, Notary Public, personally appeared Thomas Mayfield, 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 _____ (Seal)

STATE OF CALIFORNIA

COUNTY OF _____

On _____ before me, _____, Notary Public, personally appeared Jack Doering, 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 _____ (Seal)

ATTACHMENT 1 TO EXHIBIT "I"

LEGAL DESCRIPTION OF THE LAND

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CERES, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

All that portion of Block 26 of Resubdivision of Blocks 26 and 27 City of Ceres, according to the Official Map thereof, filed in the Office of the Recorder of Stanislaus County, California, on January 18, 1950 in Vol. 16 of Maps, Page 65, more particularly described as follows:

Commencing at the Southwest corner of Block 26, being the intersection of the East line of 80 foot wide Second Street with the North line of 80 foot wide North Street; thence North along the West line of Block 26, 92.045 feet to the point of beginning; thence continuing North along the West line of Block 26, 78.125 feet; thence South $89^{\circ}47'54''$ East and parallel to the South line of Block 26, 96.00 feet; thence South and parallel to the West line of Block 26, 78.125 feet; thence North $89^{\circ}47'54''$ West and parallel to the South line of Block 26, 96.00 feet to the point of beginning.

APN: 127-016-014

EXHIBIT "J"

FORM OF TERMINATION OF MEMORANDUM

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

JUDICIAL COUNCIL OF CALIFORNIA
Administrative Office of the Courts
Office of the General Counsel
455 Golden Gate Avenue
San Francisco, CA 94102
Attn: Managing Attorney, Office of General
Counsel – Real Estate Unit

OFFICIAL STATE BUSINESS – EXEMPT FROM RECORDING FEES PURSUANT TO GOV'T. CODE SECTION 27383 AND DOCUMENTARY
TRANSFER TAX PURSUANT TO REVENUE AND TAXATION CODE SECTION 11922.

APN(S): 127-016-014; County of Stanislaus

TERMINATION OF MEMORANDUM

This Termination of Memorandum ("**Termination**") is made and entered into this _____ day of _____, 20____, by and between the Judicial Council of California, Administrative Office of the Courts ("**AOC**"), and the County Of Stanislaus ("**County**"). The AOC and the County each constitute a "**Party**" and collectively constitute the "**Parties**" to this Termination.

RECITALS

A. On _____, 20____, the County and the AOC caused to be recorded a Memorandum of Agreement in the Official Records of the County as Instrument No. _____ (the "**Memorandum**"), with respect to certain real property located in the City of Ceres, County of Stanislaus, State of California and having a street address of 2744 2nd Street, Ceres, California, as more particularly described on **Attachment 1** attached hereto and incorporated herein ("**Land**"), together with all buildings, structures, and improvements located on and affixed to the Land.

B. The County and the AOC have consummated the transactions memorialized in the Memorandum and have agreed to record this Termination in the Official Records of the County to remove the Memorandum as a matter of public record.

IN WITNESS WHEREOF, this Termination has been executed as of the date first above written.

APPROVED AS TO FORM:
Administrative Office of the Courts,
Office of the General Counsel

**JUDICIAL COUNCIL OF CALIFORNIA,
ADMINISTRATIVE OFFICE OF THE
COURTS**

By: _____
Name: Dianne Barry
Title: Attorney

By: _____
Name: Grant Walker
Title: Senior Manager, Business Services

Date: _____

Date: _____

APPROVED AS TO FORM:
County of Stanislaus,
Office of the County Counsel

**COUNTY OF STANISLAUS, a political
subdivision of the State of California**

By: _____
Name: Jack Doering
Title: County Counsel

By: _____
Name: Thomas Mayfield
Title: Chairman, Board of Supervisors

Date: _____

Date: _____

ATTEST:
Christine Ferraro Tallman, Clerk of the
Board

By: _____
Elizabeth A. King, Deputy

AOC ACKNOWLEDGEMENT

STATE OF CALIFORNIA
COUNTY OF _____

On _____ before me, _____, Notary Public, personally appeared Dianne Barry, 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 _____ (Seal)

STATE OF CALIFORNIA
COUNTY OF _____

On _____ before me, _____, Notary Public, personally appeared Grant Walker, 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 _____ (Seal)

COUNTY ACKNOWLEDGEMENT

STATE OF CALIFORNIA
COUNTY OF _____

On _____ before me, _____, Notary Public, personally appeared Thomas Mayfield, 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 _____ (Seal)

STATE OF CALIFORNIA
COUNTY OF _____

On _____ before me, _____, Notary Public, personally appeared Jack Doering, 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 _____ (Seal)

ATTACHMENT 1 TO EXHIBIT "J"

LEGAL DESCRIPTION OF THE LAND

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CERES, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

All that portion of Block 26 of Resubdivision of Blocks 26 and 27 City of Ceres, according to the Official Map thereof, filed in the Office of the Recorder of Stanislaus County, California, on January 18, 1950 in Vol. 16 of Maps, Page 65, more particularly described as follows:

Commencing at the Southwest corner of Block 26, being the intersection of the East line of 80 foot wide Second Street with the North line of 80 foot wide North Street; thence North along the West line of Block 26, 92.045 feet to the point of beginning; thence continuing North along the West line of Block 26, 78.125 feet; thence South $89^{\circ}47'54''$ East and parallel to the South line of Block 26, 96.00 feet; thence South and parallel to the West line of Block 26, 78.125 feet; thence North $89^{\circ}47'54''$ West and parallel to the South line of Block 26, 96.00 feet to the point of beginning.

APN: 127-016-014

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

STATE OF CALIFORNIA
c/o Judicial Council of California
Administrative Office of the Courts
Office of the General Counsel
455 Golden Gate Avenue
San Francisco, CA 94102
Attn: Managing Attorney, Office of General
Counsel – Real Estate Unit

OFFICIAL STATE BUSINESS – EXEMPT FROM RECORDING FEES PURSUANT TO GOV'T. CODE SECTION 27383 AND DOCUMENTARY
TRANSFER TAX PURSUANT TO REVENUE AND TAXATION CODE SECTION 11922.

APN(S): 127-016-014; County of Stanislaus

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (“**Memorandum**”) is made and entered into this 24 day of June 2008, by and between the County of Stanislaus, whose present address is 1010 10th Street, Suite 6800, Modesto, California (“**County**”), and the Judicial Council of California, Administrative Office of the Courts, whose present address is 455 Golden Gate Avenue, San Francisco, California 94102 (“**AOC**”), on behalf of the State of California, whose present address is 707 Third Street, 5th Floor, West Sacramento, California, 95605 Attention: Department of General Services, Real Estate Services Division, Acquisition Unit (“**State**”), with respect to the following facts:

RECITALS

A. The County is the owner of certain real property located in the City of Ceres, County of Stanislaus, State of California and having a street address of 2744 2nd Street, Ceres, California, as more particularly described on **Attachment 1** attached hereto and incorporated herein (“**Land**”), together with all buildings, structures, and improvements located on and affixed to the Land (collectively, the “**Real Property**”);

B. Under the Trial Court Facilities Act of 2002, Government Code sections 70301 *et seq.*, the AOC and the County have entered into that certain Transfer Agreement For The Transfer of Responsibility For Court Facility dated as of June 24, 2008 (“**Agreement**”), setting forth the terms and conditions for the transfer from the County to the AOC of responsibility for funding and operation of the Real Property, and for the transfer of title to the Real

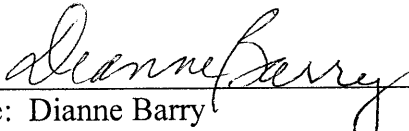
Property from County to State on behalf of the Judicial Council of California at such time as the State Public Works Board approves said transfer of title (“**Transfer of Title**”);

C. This Memorandum is recorded in the Official Records of the County against the Real Property for the purpose of memorializing the existence of the Agreement, and the State’s right to consummate the Transfer of Title in accordance with the terms set forth in the Agreement, when the State Public Works Board approves the Transfer of Title. The terms and conditions of the Agreement are incorporated herein by this reference.

[The remainder of this page intentionally left blank]


IN WITNESS WHEREOF, this Memorandum has been executed as of the date first above written.

APPROVED AS TO FORM:
Administrative Office of the Courts,
Office of the General Counsel

By: 
Name: Dianne Barry
Title: Attorney

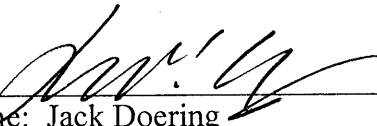
Date: June 24, 2008

**JUDICIAL COUNCIL OF CALIFORNIA,
ADMINISTRATIVE OFFICE OF THE
COURTS**

By: 
Name: Grant Walker
Title: Senior Manager, Business Services

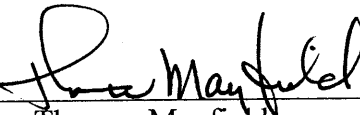
Date: 6/24/08

APPROVED AS TO FORM:
County of Stanislaus,
Office of the County Counsel

By: 
Name: Jack Doering
Title: County Counsel

Date: 6/25/08

**COUNTY OF STANISLAUS, a political
subdivision of the State of California**

By: 
Name: Thomas Mayfield
Title: Chairman, Board of Supervisors

Date: 6-25-08

ATTEST:
Christine Ferraro Tallman, Clerk of the
Board

By: 
Elizabeth A. King, Deputy

COUNTY ACKNOWLEDGEMENT

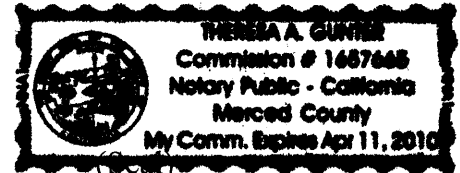
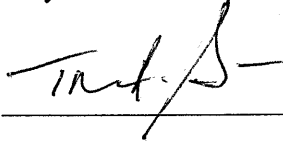
STATE OF CALIFORNIA
COUNTY OF STANISLAUS

On JUNE 25, 2008 before me, THERESA A. GUNTER, Notary Public, personally appeared Thomas Mayfield, 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



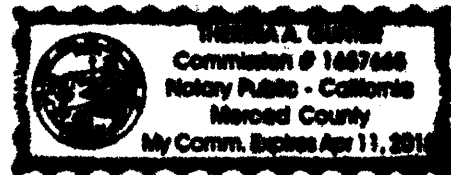
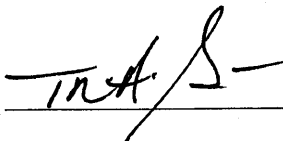
STATE OF CALIFORNIA
COUNTY OF STANISLAUS

On JUNE 25, 2008 before me, THERESA A. GUNTER, Notary Public, personally appeared Jack Doering, 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



(Seal)

ATTACHMENT 1

LEGAL DESCRIPTION OF THE LAND

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CERES, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

All that portion of Block 26 of Resubdivision of Blocks 26 and 27 City of Ceres, according to the Official Map thereof, filed in the Office of the Recorder of Stanislaus County, California, on January 18, 1950 in Vol. 16 of Maps, Page 65, more particularly described as follows:

Commencing at the Southwest corner of Block 26, being the intersection of the East line of 80 foot wide Second Street with the North line of 80 foot wide North Street; thence North along the West line of Block 26, 92.045 feet to the point of beginning; thence continuing North along the West line of Block 26, 78.125 feet; thence South $89^{\circ}47'54''$ East and parallel to the South line of Block 26, 96.00 feet; thence South and parallel to the West line of Block 26, 78.125 feet; thence North $89^{\circ}47'54''$ West and parallel to the South line of Block 26, 96.00 feet to the point of beginning.

APN: 127-016-014

WHEN RECORDED MAIL TO	
Judicial Council of California Administrative Office of the Courts Office of the General Counsel 455 Golden Gate Avenue San Francisco, CA 94102 Attn: Managing Attorney, Office of General Counsel – Real Estate Unit	

**OFFICIAL STATE BUSINESS – EXEMPT FROM
RECORDING FEES PURSUANT TO GOV'T. CODE SECTION
27383 AND DOCUMENTARY TRANSFER TAX PURSUANT
TO REVENUE AND TAXATION CODE SECTION 11922**

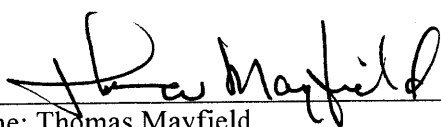
**SPACE ABOVE THIS LINE FOR
RECORDER'S USE**

GRANT DEED	Agency: Judicial Council of California Project: Ceres Superior Court, #50-C1
APN: 127-016-014, County of Stanislaus	
<p>COUNTY OF STANISLAUS</p> <p>hereby GRANTS to THE STATE OF CALIFORNIA, on behalf of THE JUDICIAL COUNCIL OF CALIFORNIA, ADMINISTRATIVE OFFICE OF THE COURTS, the following described real property situated in the State of California, County of Stanislaus, described as follows:</p> <p>See Exhibit "A" consisting of one page attached hereto and by this reference made a part hereof.</p> <p>Dated: _____, 2008</p>	
	<p>GRANTOR:</p> <p>COUNTY OF STANISLAUS, a political subdivision of the State of California</p> <p>By: _____ Name: Thomas Mayfield Title: Chairman, Board of Supervisors</p>

WHEN RECORDED MAIL TO	
Judicial Council of California Administrative Office of the Courts Office of the General Counsel 455 Golden Gate Avenue San Francisco, CA 94102 Attn: Managing Attorney, Office of General Counsel – Real Estate Unit	

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SPACE ABOVE THIS LINE FOR
RECORDER'S USE

GRANT DEED	Agency: Judicial Council of California Project: Ceres Superior Court, #50-C1
APN: 127-016-014, County of Stanislaus	
<p>COUNTY OF STANISLAUS</p> <p>hereby GRANTS to THE STATE OF CALIFORNIA, on behalf of THE JUDICIAL COUNCIL OF CALIFORNIA, ADMINISTRATIVE OFFICE OF THE COURTS, the following described real property situated in the State of California, County of Stanislaus, described as follows:</p> <p>See Exhibit "A" consisting of one page attached hereto and by this reference made a part hereof.</p> <p>Dated: <u>June 24,</u> , 2008</p>	
	<p>GRANTOR:</p> <p>COUNTY OF STANISLAUS, a political subdivision of the State of California</p> <p>By: </p> <p>Name: Thomas Mayfield Title: Chairman, Board of Supervisors</p>

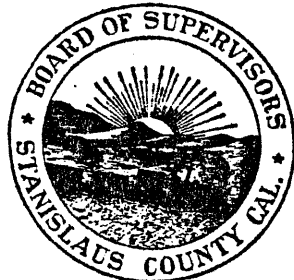


EXHIBIT "A" TO GRANT DEED

LEGAL DESCRIPTION OF THE LAND

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CERES, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

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APN: 127-016-014

STATE OF CALIFORNIA
COUNTY OF STANISLAUS

On JUNE 25, 2008 before me, TERESA A. GUNTER, Notary Public, personally appeared Thomas Mayfield, 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 *T.A.G.*

