

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

DEPT: Chief Executive Office

BOARD AGENDA # B-11

Urgent

Routine

AGENDA DATE September 16, 2008

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Transfer the Responsibility for Operation of the Juvenile Court Facility to the State of California

STAFF RECOMMENDATIONS:

1. Authorize the Chairman of the Board of Supervisors to execute the Juvenile Court Transfer Agreement and other associated documents on behalf of the County effective after Board approval of the agreement for the Juvenile Court Facility that is part of the Probation/Juvenile Justice complex, located at 2215 Blue Gum Avenue, Modesto, California.
2. Approve the deferred County Facilities Payment associated with the Juvenile Court Facility, totaling approximately \$13,346 on an annual basis as adjusted in accordance with Government Code 70362. This section 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
(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 County has completed transfer of two of its five court facilities that include the Traffic Court, a leased facility located at 2260 Floyd Avenue in Modesto and the Ceres Court located at 2744 2nd Street in Ceres. Based upon approval of the Board through separate action on this date, the Turlock Court, located at 300 Starr Avenue in Turlock will be transferred to the State. Staff intends to seek Board approval for the transfer of the Main Courthouse Facility later this year.

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BOARD ACTION AS FOLLOWS:

No. 2008-663

On motion of Supervisor O'Brien, Seconded by Supervisor Grover

and approved by the following vote,

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

Noes: Supervisors: None

Excused or Absent: Supervisors: Mayfield

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

Amended the item to authorize the Vice-Chairman to sign on behalf of the Chairman

ATTEST:


CHRISTINE FERRARO TALLMAN, Clerk

File No.

STAFF RECOMMENDATIONS: (Continued)

any over or underpayment reflected as a one-time adjustment to the first quarterly payment the next fiscal year in the event the Administrative Office of the Courts elects to invoke its right to manage the Court space at some point in the future.

3. Authorize the Chief Executive Officer to execute any other documents necessary to complete the transfer, upon approval as to form by County Counsel.
4. Find that the recommended actions are exempt from the provisions of the California Environmental Quality Act (CEQA).

FISCAL IMPACT: (Continued)

Under the Trial Court Facilities Act of 2002, the County is required to make annual facilities payments to the State. The annual payment for the Traffic Court, the Ceres Court and the Turlock court is projected to be \$249,078 annually. In the current fiscal year due to the mid-September transfer date of the Turlock Court the pro-rated (reflects 9.5 months) cost in the current fiscal year is projected at \$243,882. Funding for this cost is included in the 2008-2009 County Court Funding budget.

The Juvenile Court will be the fourth court facility in Stanislaus County that will transfer to the AOC. This shared use facility is located at 2215 Blue Gum Avenue in Modesto and is part of the County's Probation/Juvenile Justice Complex. By this action the County and the AOC agree that the County will keep title to the facility; that the AOC has the right to use and occupy the court space; and that the AOC will delegate all of its rights and duties with respect to operations and maintenance of the Juvenile Court Facility to the County and the County accepts this delegation. While this delegation is in effect the County will provide and maintain the same basic level of services, including routine maintenance and repair to the Court-occupied space in lieu of the County making an annual County Facilities Payment to the State at this time. The County will maintain the Court space as it has in the past at an approximate annual cost based on the last year's actual costs adjusted for increase fuel and labor costs, projected at \$14,000 to \$17,000 annually.

The projected annual cost of the County Facility Payment (CFP) is \$13,346. The County's obligation to make payment of this cost to the State is deferred until the mutual agreement to delegate to the County responsibility to maintain the space is withdrawn and/or the Court vacates the space.

While sufficient appropriations are available at this time to fund any unanticipated costs associated with this transfer, budget adjustments may be necessary once the total cost of the County Facilities Payment and associated costs for the Courthouse is known, which is the last County facility remaining to be transferred to the State.

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 generally provides that 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. Statewide as of September 2008, 145 court facilities out of over 400 eligible facilities have transferred from counties to the State. This agenda item is being submitted to the Board to approve the agreement necessary to transfer the responsibility of the Juvenile Court Facility to the State.

This will be the fourth transfer of a court facility in Stanislaus County. The Board approved the transfer of the Traffic Court lease to the State in August 2007, the Ceres Court facility in June 2008 and the Turlock Court is recommended for approval by separate Board action on this date. Work continues on transferring the responsibility for operation of the Courthouse located in downtown Modesto (Main Modesto Courthouse and the Hall of Records).

County Maintenance of Court Space and the County Facilities Payment (CFP)

The Juvenile Court is located at 2215 Blue Gum Avenue, in Modesto and occupies 2,198 square feet or 2.71% of the 81,106 square feet comprising the County's Probation/Juvenile Justice Complex. The agreement provides that in lieu of a complicated joint occupancy agreement, the State will delegate its authority to the County to maintain the Court space as the County has done in the past. The reason for this delegation of authority is a) the Court occupies such a small proportion of the Juvenile Justice complex; b) the existing Juvenile Court Facility is small relative to other court facilities in the County; and c) the existing court facility is located in the Juvenile Justice Complex, a special use building where security of the facility is essential. The AOC and the County agree that the delegation of authority for the County to continue to

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operate and maintain the space is in the best interest of both parties at this time to ensure the security of the space and simplify the transfer terms.

In lieu of the County's payment of a County Facilities Payment, the County will fund the cost to operate and maintain the space that is initially projected at \$14,000 to \$17,000 annually. However, consistent with 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 the County Facilities Payment for the Juvenile Court was determined in the event it would be paid in the future. This payment was calculated based upon 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, the County Facilities Payment was viewed by Administrative Office of the Courts staff with final approval given by the Department of Finance. The County Facilities Payment for the Juvenile Court is projected at \$13,346 annually. In accordance with Government Code section 73062 (b) and (d) the initial CFP estimate of \$13,346 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. Once the adjustment is made the CFP shall be fixed at the revised amount in the future.

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 negotiated relating to transfer the State's use of the Juvenile Court Facility and the delegation of operations and maintenance responsibilities to the County.

Transfer of Responsibility and Equity Exchange

The transfer agreement for the Juvenile Court reflects a Transfer of Responsibility which reflects the transfer from the County to the State all entitlement to and responsibility for the County's rights, duties and liabilities set forth in Trial Court Facilities Act of 2002 except for the duties to maintain the space on behalf of the AOC as delegated in the agreement. This type of transfer does not grant ownership title to the State, however, the transfer agreement provides that the AOC may ask the County to provide a memorandum of this agreement that the AOC may record against the land upon which the Juvenile Court is located. The AOC acknowledges that the County may encumber all or a portion of the property on which the Court is located through government financings, grants or lease-revenue bond processes. The State holds an equity interest for its 2,198 square feet of the Juvenile Hall complex. The Act provides that in a case such as this where the Court is the minor occupant in the building where they hold a right to occupy only 2.71% of the building, the County could in the future buy the State's equity interest in the facility as well as pay relocation expenses in the event the County

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asks the Court to relocate from the facility. Due to the adjacency of the Juvenile Hall, this is not likely as it is in the County's interest to maintain the Court facility at this location to avoid future transportation costs of juvenile wards to and from court while ensuring the Board's top priority of *A safe community*.

The Transfer Agreement for the Turlock Court provides that the County's equity interest in 823 square feet of the space in the Turlock Court could be exchanged for a portion of the value the State has in the Juvenile Court. Terms of both the Turlock and Juvenile Transfer Agreements provide that the County and the AOC will select a real estate broker within 120 days of this agreement to provide a broker's opinion of value of both the Turlock and Juvenile Courts, to determine the fair market value as of the date of transfer of responsibility of the Turlock Court. Once these values are determined the State could pay the County for the equity value of the County space at the Turlock Court or the AOC and the County could exchange equity between the County's equity in the Turlock Court and the AOC's equity in the Juvenile Court. Due to the greater size of the AOC's Juvenile Court space (2,198 square feet) in all likelihood the AOC's space would have a higher value than the County's Turlock space. At a time in the future when the State wants to make the exchange, or in the unlikely event the County would choose to relocate the Juvenile Court to another facility, payment for the AOC's value in the Juvenile Court space would be reduced by the value of the County's 823 square feet at the Turlock Court and fixed at the amount determined by the broker's opinion of value.

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 Juvenile Court is an existing public facility and the recommended actions involve no expansion of the use of the facility and only a transfer of operational rights.

Summary

The transfer of this facility meets the objective of the Trial Court Funding Act. The terms of this agreement delegate the State's financial responsibility for the facility's maintenance and operations (including payment of utilities, building and grounds maintenance and other building management functions) for the Juvenile Court back to the County for an indefinite term. Provisions for additional court space in the future is the responsibility of the State. With "equal access to justice" as a key underpinning of the Act, the State Legislature asserted that the State would best ensure uniformity of access to all Californians by implementing the facilities transfers and that will be accomplished by this transfer. 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-B1

Building Name: Juvenile Court

Building Address: 2215 Blue Gum Avenue, Modesto, CA 95358

**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 Juvenile Court (“**Existing Court Facility**”).

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.

As of the Effective Date of this Agreement, the Existing Court Facility occupies a very small proportion (2.71%) of the building which is located at 2215 Blue Gum Avenue, Modesto, CA 95358 (“**Building**”). The County uses the Building as a juvenile justice facility and provides county services to the Building appropriate to a juvenile justice facility (“**County Services**”). Locating the Existing Court Facility in the Building benefits both the County and the Court as it allows the County to efficiently provide County Services and the Court to provide court services relating to and in support of those County Services. In light of the fact that: (a) the Court occupies such a small proportion of the Building; (b) the Existing Court Facility is small relative to other court facilities in the County; and (c) the Existing Court Facility is located in a special use building (i.e. juvenile justice facility), the County and the AOC agree that responsibility for the Existing Court Facility will be delegated back to the County under the terms set forth herein and pursuant to the provisions of section 70393(c) of the Act. The County and the AOC further agree that proceeding as set forth herein will ensure the orderly provision of services continue to the Existing Court Facility in a manner that is beneficial to the AOC, the Court and the County. Attached hereto as **Exhibit “A”** is a floor plan of the Building depicting the location of the Existing Court Facility in the Building.

3. DEFINITIONS

“**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.

“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.

“Closing Date” means the date on which this Agreement is signed by the last of the Parties to sign the Agreement.

“County Facilities Payment” means the payments the County must make to the State’s Controller under Article 5 of the Act as adjusted from time to time in accordance with the Act including but not limited section 70359 of the Act.

“Court” means the Superior Court of California, County of Stanislaus.

“County Parking” means (i) eight parking spaces reserved for vehicles displaying a valid “disabled person” placard or license located in an unsecured, surface parking lot adjacent to the Building, and (ii) 278 unreserved and undesignated parking spaces located in an unsecured, surface parking lot adjacent to the Building, all as shown on the parking plan attached as **Exhibit “B.”** The County reserves the right to modify the County Parking areas from time to time as the County may determine in its sole discretion.

“Court Parking” means: (i) two reserved parking spaces dedicated to use by judges located in a secured, surface parking lot adjacent to the Building; and (ii) 15 unreserved and undesignated parking spaces for use by Court employees and staff located in an unsecured, surface parking lot adjacent to the Building all as shown on the parking plan attached hereto as **Exhibit B.**

“Effective Date” means the date this Agreement is signed by the last Party to sign.

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

“Operations” means management, maintenance, and repair.

“State” means the State of California.

“State Parties” means and refers to the Judicial Council of California, the AOC, the Court, and their respective officers, agents, and employees.

4. TRANSFER OF RESPONSIBILITY

4.1 Transfer of Responsibility. On the Closing Date, the transfer of responsibility for the Existing Court Facility from the County to the AOC will occur pursuant to the terms of this Agreement.

4.2 General Responsibilities After Transfer. Upon the completion of the transfer of responsibility, the Parties will have the general rights, duties, and liabilities set forth in the Act in respect of the Existing Court Facility, except as expressly delegated by the Parties in this Agreement, or any other agreement.

4.3 Specific Responsibilities After Transfer. The Parties will have the following specific rights, duties, and liabilities upon and after the transfer of responsibility:

4.3.1 Delegation. Upon the Closing Date, the AOC delegates all of its rights and duties with respect to Operations of the Existing Court Facility to the County, and the County accepts the delegation of the AOC's rights and duties with respect to Operations of the Existing Court Facility (the "**Delegation**"). While the Delegation is in effect, the County will provide and maintain the same basic level of services, including routine maintenance and repair, to the Court-occupied space in the Existing Court Facility as the County generally provides to other County-occupied buildings. In the event the AOC desires to construct new improvements, alterations, additions, or changes to the Existing Court Facility ("Alterations"), such Alterations shall be constructed only with the prior approval of the County and at no cost to the County in accordance with the procedures set forth in Exhibit "C". The AOC and the County agree that all liabilities, duties and responsibilities for the Existing Court Facility (including, without limitation, liability for any seismic-related damage and injury) are and remain the sole and exclusive responsibility of the County as long as (a) the Delegation is in effect, and (b) the Court occupies the Existing Court Facility in accordance with this Agreement. While the Delegation is in effect, the County will not be obligated to pay a County Facilities Payment.

4.3.2 Withdrawal of Delegation. Upon one year's written notice, the AOC, in its sole discretion, may withdraw and terminate the Delegation at any time and for any reason, during which time the County and the AOC agree to negotiate in good faith and enter into a joint occupancy agreement for the Building that includes the following provisions:

(a) a methodology for the AOC and the County to share costs for Operations of the Building based upon the Court and the County's pro rata occupancy of the Building;

(b) a designation that the County will be managing party for the Building and therefore responsible for Operations of the common area of the Building, including without limitation the building systems of the Building;

(c) designation of the Building into the following three areas: (i) County Exclusive-Use Area; (ii) Court Exclusive-Use Area; and (iii) Common Area;

(d) an acknowledgment that the County will commence payment of the County Facilities Payment in accordance with section 5 of this Agreement; and

(e) any other provision which is typically included in a joint occupancy agreement between the AOC and the County, or in the event that the AOC and the County do not have any existing joint occupancy agreements, then the parties shall look to joint occupancy agreements between the AOC and other counties for guidance.

4.3.3 Relocation of Existing Court Facility by County. If for any reason the County relocates or causes the relocation of the Court or moves the Court and the County Services to another location within the County, and the Court gives its written consent to relocating the Existing Court Facility to the new location along with the County Services ("**Relocation Facility**"), the County may move the Existing Court Facility to the Relocation Facility, and any reference in this Agreement to Existing Court Facility shall then apply to the Relocation Facility. The Court shall have complete discretion to not give its written consent to moving to a Relocation Facility. The Relocation Facility must be comparable in size and functionality to the Existing Court Facility. In addition to the cost of the Relocation Facility, the County will be responsible for all reasonable costs associated with relocating the Court, including, without limitation, moving costs or costs that the Court incurs as a result of the relocation (e.g. printing new stationery or notices). If the County desires to relocate the Court into a Relocation Facility, the County shall give the Court not less than two hundred forty (240) days notice of the proposed relocation ("**Relocation Notice**"). The Relocation Notice shall include the location and a brief description of the proposed Relocation Facility, the date upon which the County desires the relocation to commence and the County's estimated time and cost for the relocation. At the Court's request, the County shall promptly provide the Court access to the proposed Relocation Facility for the Court's inspection. Within sixty (60) days of receipt of the Relocation Notice, the Court shall notify the County of any concerns the Court has with the comparability of the proposed Relocation Facility. Any Court concerns about the comparability of the proposed Relocation Facility that cannot be readily resolved by the parties shall be addressed under Section 6 of this Agreement.

4.3.4 Vacation of Existing Court Facility by Court. The AOC, after consultation with the Court, may vacate the Existing Court Facility by giving the County 240 days written notice. Upon the Court's vacation of the Existing Court Facility in

accordance with this section, the County shall commence making County Facility Payments pursuant to section 5 of this Agreement.

4.3.5 County's Rights Under Section 70344(b) of the Act. Unless the Parties' respective Equity rights are adjusted, such that the County no longer has Equity rights in eighty percent (80%) or more of the Building, the County has the right to require the other Party to vacate the Building under the terms of section 70344(b) of the Act and the JOA.

4.3.5.1 If the County requires the Court to relocate to another location within or outside of the Building, the County shall purchase the equity value of the current Court rentable space (2,198 square feet) as provided in section 70344(b) of the Act and section 4.3.6 of this Agreement.

4.3.5.2 If the Court voluntarily vacates the Court space in the Building, the County shall remain responsible for the former court space, shall continue to provide for the Operations of the Court space, and shall be entitled to reimbursement from the State of the cost of Operations for the vacated Court space. If both the State and the County agree at that time, the County may purchase the Equity value of the current Court rentable space (2,198 square feet) as provided in section 4.3.6 of this Agreement. The County will not be responsible for payment of relocation costs for the Court, and the Court will be responsible for maintaining and operating its new facility.

4.3.6 Relinquished County Area Credit. In the event the County exercises its rights under section 70344(b) of the Act with respect to the Existing Court Facility, the State Parties shall credit the County with the "Relinquished County Area Credit" (as defined below) of the Turlock Superior Court (AOC ID# 50-D1), as provided for in section 4.3.14.1 of that certain 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 for the Turlock Superior Court ("**Turlock Transfer Agreement**"), as an offset to the purchase price paid to the State Parties for the State Parties' Equity in the Existing Court Facility.

The Parties shall select a mutually acceptable Broker to provide a broker's opinion of value to determine the fair market value as of the TOR Closing (as defined in the Turlock Transfer Agreement) of the: (i) Turlock Superior Court, (ii) the Relinquished County Area (the "**Relinquished County Area Credit**"), and (iii) the Equity value of the current Court rentable space (2,198 square feet) in the Existing Court Facility. Within 120 days of the TOR Closing Date (as defined in the Turlock Transfer Agreement) of the Turlock Superior Court, the Broker selected by the Parties will deliver to both Parties its determinations of value of the above mentioned properties. Each party will be responsible for one-half of the cost of the Broker. Any disputes under this section will be resolved under section 6 of this Agreement.

4.3.7 Juvenile Court Equity Value Fixed. Based upon the Broker's opinions of value provided in accordance with section 4.3.6 of this Agreement, the Juvenile Court value will be determined at the time of the Broker's opinion and fixed at that amount. The fixed amount less the value of the Relinquished County Area Credit shall be the amount to be paid by the County to the AOC for the Equity value of the Juvenile Court at the time payment is to be made in accordance with section 4.3.6 of this agreement.

4.3.8 Parking. The County shall continue to provide the Court Parking to the Court at the County's sole cost and expense. The Court may use County Parking areas on a nonexclusive, nonreserved, first-come-first-served basis as may be reasonably necessary for Court functions.

5. COUNTY FACILITIES PAYMENT

The annual amount of the County Facilities Payment for the Existing Court Facility approved by the State Department of Finance is \$13,346 subject to adjustment under section 70362 (b) and (d) of the Act to adjust the preliminary inflation index prepared by the State Department of Finance and will be recalculated at the beginning of the following fiscal year after the effective date of transfer to reflect the final revised inflation index. Once the adjustment is made the CFP shall be fixed at this amount in the future. The County will make its first installment payment of the County Facilities Payment within ten (10) days of either:

(a) the effective date of the AOC's withdrawal of the Delegation in accordance with section 4.3.2 of this Agreement; or

(b) the Court's vacation of either the Existing Court Facility or the Relocation Facility in accordance with section 4.3.4 and 4.3.5 of this Agreement.

The County's first payment will be prorated on the basis of a 365-day year if the first payment is due on any date other than July 1, October 1, January 1, or April 1. Thereafter, the County will make payments of the County Facilities Payment to the State Controller each and every fiscal quarter, as provided in the Act.

6. DISPUTE RESOLUTION

6.1 Unassisted Negotiation. In the event of a dispute between the Parties relating arising under or relating to performance of the Parties' obligations under this Agreement, or any aspect of the transaction contemplated in this Agreement, the County Chief Executive Officer and an Assistant Director of the AOC's Office of Court Construction and 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.

6.2 Mediation.

6.2.1 Initiation of Mediation. If the Parties are not able to resolve their dispute within 30 calendar days through that unassisted negotiation pursuant to section 6.1, they will attempt to resolve the dispute by mediation under this section. 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 either Party may commence a dispute resolution proceeding before the CFDRC.

Either or both of the Parties may request the initiation of mediation for any dispute described in section 6.1, 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.

6.2.2 Selection of Mediator. Within ten 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 ten calendar days after delivery to the requesting Party of the Mediation Response, the Parties must apply to the Judicial Arbitration and

Mediation Services Government Dispute Resolution Group (“JAMS”) for selection of a neutral mediator to mediate the dispute. The Parties’ application to the JAMS must be filed in accordance with the regulations and rules adopted by the JAMS International Mediation Rules then in effect under the Act in handling disputes involving governmental entities. The mediator must be a person knowledgeable in the provisions of the Act and with a reasonable degree of experience and expertise with the Transfer contemplated in the Act. 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 payment of all fees and costs charged by JAMS.

6.2.3 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.

6.2.4 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.

6.2.5 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.

6.2.6 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.

6.2.7 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 will 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.

6.3 Resolution of Claims Remaining After Mediation. After compliance with the terms of section 6.1 of this Agreement, the Parties shall proceed as follows in respect of any dispute and 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 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.

7. 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, and/or electronic means, including e-mail.

If to the AOC: Administrative Office of the Courts
 Attention: Portfolio Administration Analyst for the
 Northern Central Regional Office
 455 Golden Gate Avenue
 San Francisco, CA 94102
 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
Voice: 415-865-4090
Fax: 415-865-8885

In addition, all notices by the County relating to any alleged breach or default by the AOC of this Agreement 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: 415-865-7978
Fax: 415-865-4326
E-mail: grant.walker@jud.ca.gov

If to the County: Chief Executive Office
Attention: Richard W. Robinson
Chief Executive Officer
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
County Counsel
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 7. Any notice or communication sent under this section 7 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.

8. MISCELLANEOUS

8.1. 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.

8.2. 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.

8.3. 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.

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

8.5. Third Parties Benefited. The State Parties are intended beneficiaries of all provisions of this Agreement.

8.6. Governing Law. This Agreement, and the Parties' performance under this Agreement, will be exclusively governed by the laws of the State of California.

8.7. 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.

8.8. Integration; Amendments. This Agreement contains the entire agreement of the Parties with respect to the Transfer, 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.

8.9. 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.

8.10. 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.

8.11. 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.

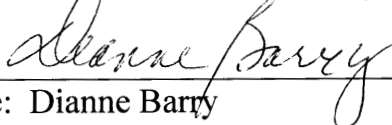
8.12. Recordation of Memorandum. Within thirty (30) days of written request by the AOC, County will execute, acknowledge, and deliver to AOC a memorandum of this Agreement which the AOC may record against the land upon which the Building is located.

8.13. The Council/AOC acknowledge that the County may encumber all or a portion of the property on which the Building is located through government financing, grants or a lease-revenue bond process ("Government Financings"). The Council/AOC agrees to reasonably cooperate with the County in connection with such Government Financings.

IN WITNESS WHEREOF, the parties hereto agree to the terms of this Agreement.

APPROVED AS TO FORM

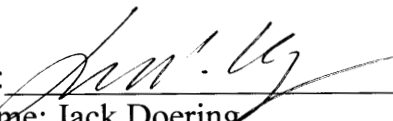
Administrative Office of the Courts,
Office of the General Counsel

By: 
Name: Dianne Barry
Title: Attorney

Date: Sept. 5, 2008


APPROVED AS TO FORM

County of Stanislaus
Office of County Counsel

By: 
Name: Jack Doering
Title: County Counsel

Date: 9/10/08

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

By: 
Name: Burt Hirschfeld
Title: Assistant Division Director, Real Estate
and Asset Management, Office of Court
Construction and Management

Date: 9/15/08

THE COUNTY OF STANISLAUS

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

Date: _____

ATTEST:

Christine Ferraro Tallman, Clerk of the
Board

By: _____
Name: Elizabeth A King
Title: Deputy
Date: _____

EXHIBIT "A"

FLOOR PLAN

(See Attached.)

Exhibit C

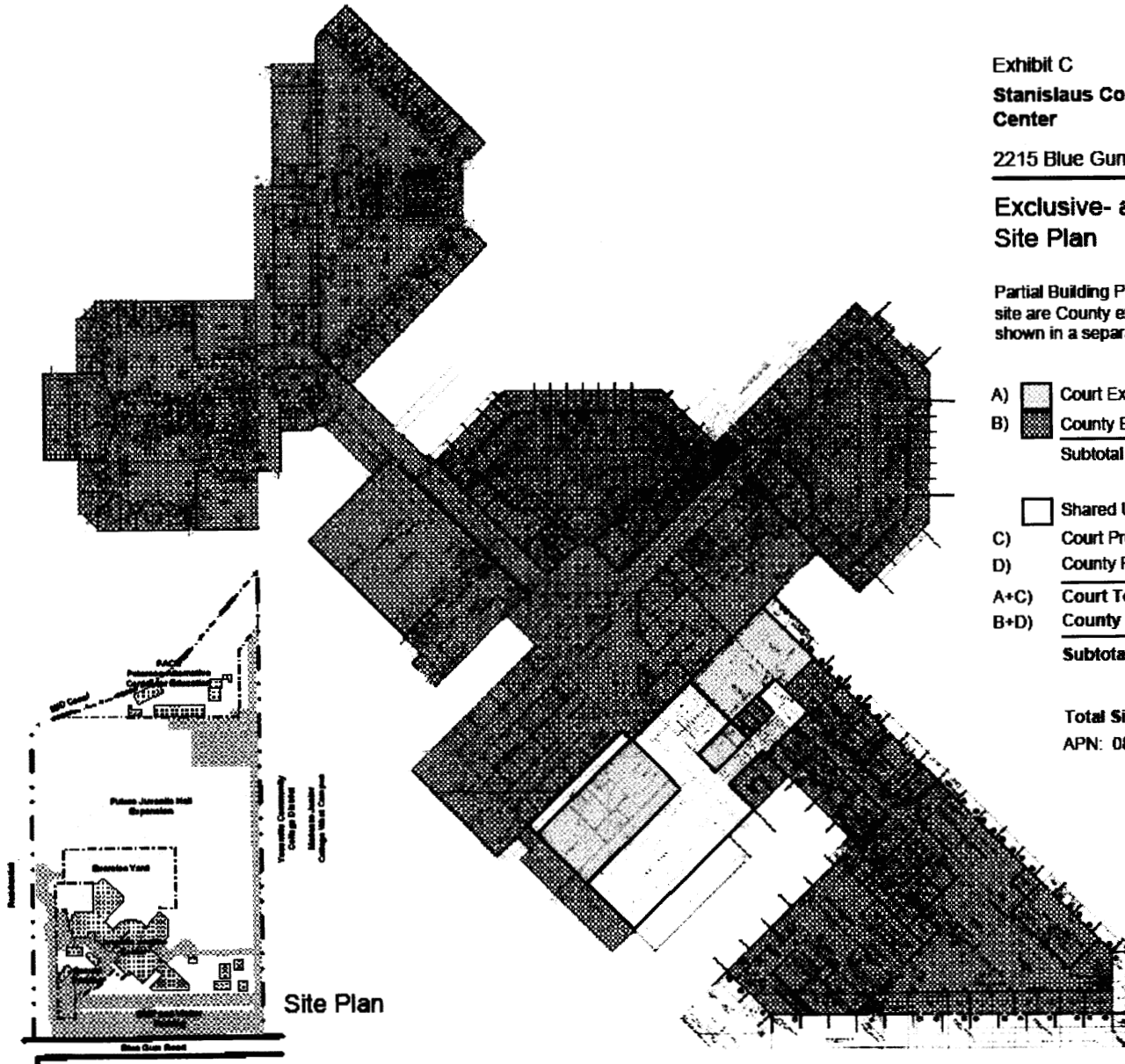
Building ID Nbr.: 50-B-1




Stanislaus County Juvenile Justice Center

2215 Blue Gum Avenue, Modesto, CA

Exclusive- and Shared-Use Space Floorplan & Site Plan

Partial Building Plan showing Court use spaces. All other buildings on this site are County exclusive-use space. Shared-use parking diagram is shown in a separate exhibit.



| | | | | |
|--------------------------------|---|-------------------------------------|----------------|---------|
| A) |  | Court Exclusive Use Area | 2,085 Sq. Ft. | 2.7 % |
| B) |  | County Exclusive Use Area | 74,858 Sq. Ft. | 97.3 % |
| | | | <hr/> | |
| Subtotal – Exclusive Use Area | | | 76,943 Sq. Ft. | 100.0 % |
| | | | | |
| |  | Shared Use Area | 4,163 Sq. Ft. | 100.0 % |
| C) | | Court Proportional Shared-Use Area | 113 Sq. Ft. | 2.7 % |
| D) | | County Proportional Shared-Use Area | 4,050 Sq. Ft. | 97.3 % |
| | | | <hr/> | |
| A+C) | | Court Total | 2,198 Sq. Ft. | 2.7 % |
| B+D) | | County Total | 78,908 Sq. Ft. | 97.3 % |
| | | | <hr/> | |
| Subtotal – Total Building Area | | | 81,106 Sq. Ft. | |

Total Site Area 34.36 Acres

APN: 081-012-006

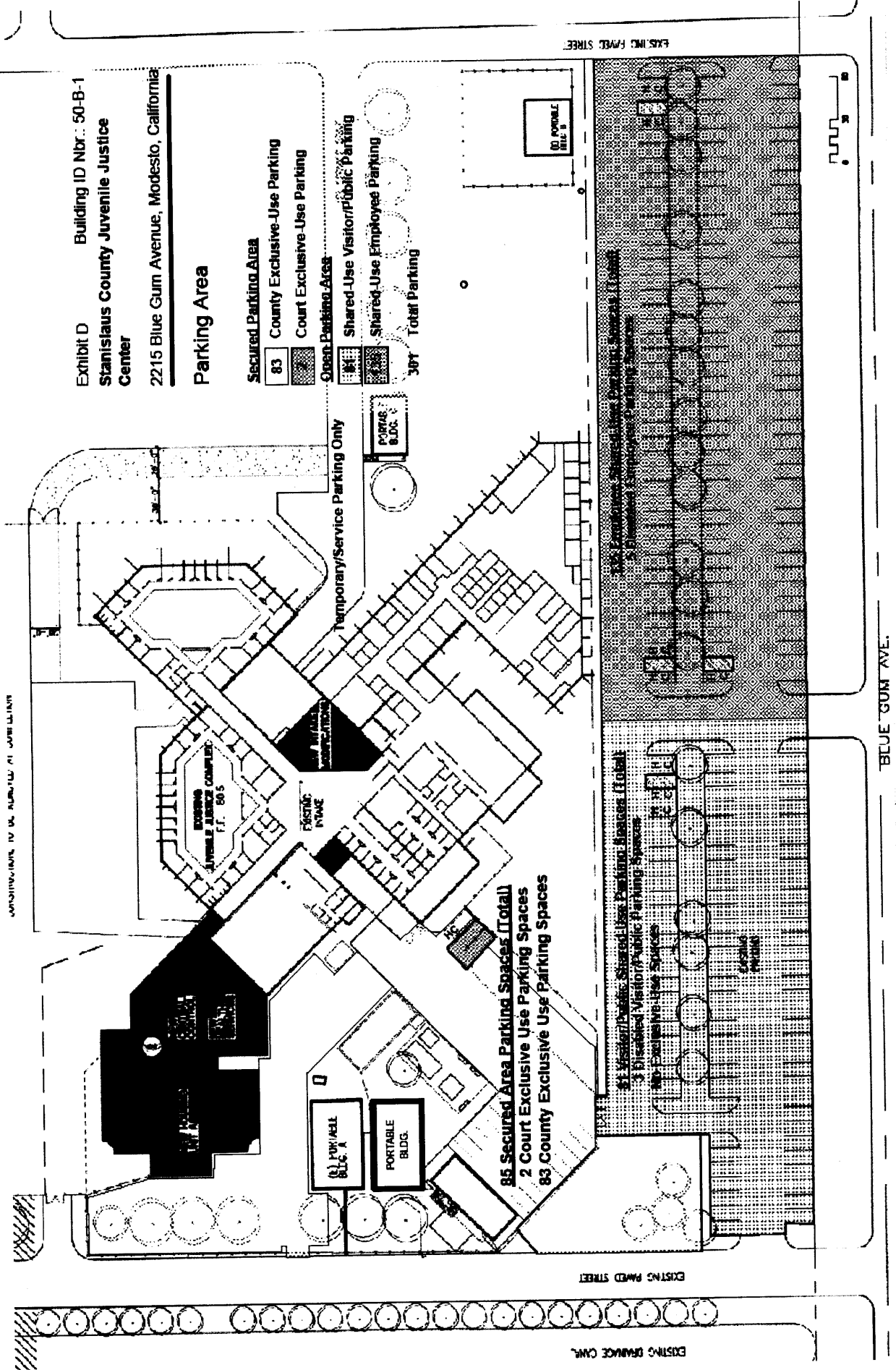
EXHIBIT "B"
PARKING PLAN
(See Attached.)

ARCHITECTURE BY DAVID HARRIS ARCHITECTS

Exhibit D Building ID Nbr.: 50-B-1
Stanislaus County Juvenile Justice Center
2215 Blue Gum Avenue, Modesto, California

Parking Area

- Secured Parking Area**
- 83 County Exclusive-Use Parking
- 2 Court Exclusive-Use Parking
- Open Parking Area**
- Shared-Use Visitor/Public Parking
- Shared-Use Employee Parking
- 307 Total Parking



85 Secured Area Parking Spaces (Total)
2 Court Exclusive Use Parking Spaces
83 County Exclusive Use Parking Spaces

81 Visitor/Public Shared-Use Parking Spaces (Total)
3 Disabled Visitor/Public Parking Spaces
78 Exclusive-Use Spaces

EXHIBIT "C"

ALTERATIONS

(See Attached.)

The Council/AOC may not make any new improvements, alterations, additions, or changes to the Existing Court Facility (Alterations) without first obtaining the County's prior written consent.

1. **CONSENT PROCEDURE.** Council/AOC shall request such consent by written notice to County, which must be accompanied by the plans and specifications for the proposed work.

2. **REASONABLE CONSENT.** County shall not unreasonably withhold or delay its consent to proposed Alterations. The Alterations for which County may reasonably withhold consent include those that would or could:

(a) Affect the structure of the Building or any portion of the Building other than the interior of the Existing Court Facility;

(b) Affect the base building systems of the Building, including the plumbing, mechanical, electrical, or structural building systems;

(c) Result in County being required under applicable laws to perform any work that County could otherwise avoid or defer (Additional Required Work), unless Council/AOC agrees in writing to pay for the entire cost of the design and construction of the Additional Required Work;

(d) Result in a material increase in the demand for utilities or services that County is required to provide, unless Council/AOC agrees to pay the additional cost; or

(e) Cause an increase in the premiums for hazard or liability insurance carried by County, unless Council/AOC agrees to pay the amount of the increase in premiums.

3. **COSTS OF REVIEW.** If it is reasonably necessary for County to obtain the assistance of architects, engineers, or other consultants to evaluate the proposed Alterations, Council/AOC shall reimburse County for the reasonable fees and costs incurred by County for those consultants in reviewing the proposed Alterations.

4. **CONSTRUCTION OF ALTERATIONS.** For Alterations which are approved by the County, the County shall competitively bid the work in conformance with applicable laws and regulations and the County's construction policies, unless the County's Chief Executive Officer authorizes the Council/AOC to contract for the work.

5. **PAYMENT FOR ALTERATIONS.** The Council/AOC shall pay all charges and costs incurred in connection with any Alterations requested by the Council/AOC, including the cost of construction, change orders, and any cost incurred by the County to administer the work,

including but not limited to the cost of building code compliance reviews or the services of construction managers and inspectors.