

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

DEPT: Chief Executive Office

BOARD AGENDA # B-7

Urgent

Routine  *EW*

AGENDA DATE December 9, 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 Modesto Main Courthouse and Hall of Records Facilities to the State of California; to Record the Record of Survey to Create Four Parcels on the Main Courthouse/Jail Block; Authorize the Annual County Facilities Payment to the State, and Authorization for a Reduction-In-Force of General Services Agency-Facilities Maintenance Staff and Approval of Related Documents for the Court Facility Transfers

STAFF RECOMMENDATIONS:

1. Authorize the Vice-Chairman of the Board of Supervisors to execute the Modesto Main Courthouse and Hall of Records Transfer Agreement, the Joint Occupancy Agreement and the Closing documents and other associated documents on behalf of the County in order to transfer the operational responsibility effective after Board approval and title thereafter, to the Main Modesto Courthouse including the Secure Parking Lot (Transferred Parking Area) and the Hall of Records Facilities located at 800 11<sup>th</sup> Street and 1100 I Street respectively in Modesto, California.
2. Authorize the County Surveyor of the Public Works Department to approve and record a Record of Survey that will subdivide the property consisting of an entire city block into four parcels consisting of Parcel A, the park fronting I Street on the Courthouse block; Parcel B, Stanislaus County Jail and  
(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 four of its five facilities that include the Traffic Court, a leased facility located at 2260 Floyd Avenue in Modesto, the Ceres Court located at 2744 2<sup>nd</sup> Street in Ceres, the Turlock Court located at 300 Starr Avenue in Turlock and the Juvenile Court which is part of the larger County Probation/Juvenile Justice complex located at 2215 Blue Gum Avenue in Modesto.  
(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2008-832

On motion of Supervisor O'Brien, Seconded by Supervisor Monteith  
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) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

4) \_\_\_\_\_ Other:

MOTION:

*Christine Ferraro*

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

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**STAFF RECOMMENDATIONS: (Continued)**

- Jail Sallyport; Parcel C, Main Courthouse and Hall of Records; and Parcel D, Transferred Parking Area in order to implement the provision of the Trial Court Facilities of Act of 2002 enabling the County to transfer title of Parcels C and D to the State of California while retaining title to the park fronting I Street on the Courthouse bock and the Jail and the Jail Sallyport as described on Attached A.
3. Direct the Auditor-Controller to make quarterly installments of the County Facilities Payment associated with the Modesto Main Courthouse and the Hall of Records facilities of approximately \$445,670 annually, adjusted by an inflation index established in accordance with Government Code 70362 which provides that the preliminary inflation index prepared by the State Department of Finance will be recalculated at the beginning of the fiscal year following the date of transfer to reflect the final, revised inflation index with any over or underpayment reflected as a one-time adjustment to the first quarterly payment the next fiscal year.
  4. Authorize the Reduction-In-Force of two filled positions and two vacant positions in the General Services Agency Facilities Maintenance budget effective January 17, 2009 based on the Administrative Office of the Courts decision to contract for these services.
  5. Amend the Salary and Position Allocation Resolution to reflect the recommended changes as outlined in the Staffing Impacts section of this agenda item.
  6. After approval of the Record of Survey and after fulfilling the remaining requirements in the Transfer Agreement, authorize the Chairman of the Board of Supervisors to sign the Grant Deed for the conveyance of the Modesto Main Courthouse and the Hall of Records (Parcel C) and the Transferred Parking Area (Parcel D) to the State, which will be approved as to form by County Counsel, similar in form and content to that included as Exhibit I to the Transfer Agreement once the State Public Works Board agrees to accept title to these properties on behalf of the State of California.
  7. Authorize the Chief Executive Officer to finalize and execute an agreement(s) between the Superior Court and/or the Administrative Office of the Courts for Superior Court use of County space in the Hall of Records, Juvenile Justice Facility and for Department 16, Family Law Court located at 801 11<sup>th</sup> Street.

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

**FISCAL IMPACT: (Continued)**

With the exception of the Juvenile Court the annual County Facilities payment for the transferred facilities is projected at \$249,078 annually. Due to the size of the Court space and the nature of the facility the County continues to pay the operations and maintenance costs for the Juvenile Court in lieu of a Court Facility Payment at an estimated annual cost of \$14,000 to \$17,000. These costs are funded in the Fiscal Year 2008-2009 County Court Funding budget.

The Modesto Main Courthouse, the Hall of Records and the secure court parking lot will be the final court facilities in Stanislaus County that will transfer to the State of California, Judicial Council, Administrative Office of the Courts (AOC). The facilities are located in downtown Modesto. These facilities are owned by the County and currently occupied by Superior Court, the Sheriff, Public Defender and District Attorney. In addition, Strategic Business Technologies operates a small server room in the basement of the Hall of Records building. By this action the County's ongoing financial obligation to maintain the Courthouse and Hall of Records will transfer to the State of California immediately and title to the Court facilities will transfer to the State at a later date, after acceptance by State agencies.

The law requires that all counties must 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 Main Modesto Courthouse and the Hall of Records County Facility Payment (CFP) will be \$445,670. 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 these facilities. Until the title transfers to the State, the County will be required to provide property insurance coverage, however, the State will reimburse the County for a portion of this cost.

Eventhough ownership title for the Main Modesto Courthouse and the Hall of Records will transfer to the State, the County will maintain an equity interest in the buildings for

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24,271 square feet of space used by the County out of the 109,435 total building square footage or 22.18% of the space. This equity interest is based on the County's actual use of space in the Courthouse and Hall of Records at the time of transfer and by provisions in the Act grants the County the right to be reimbursed by the State at a later date should the State wish to buy out the County's interest in the buildings. Per existing law, the actual value of the properties will be determined by a real estate broker's opinion of value, which at this time is estimated to be approximately \$3.88 million assuming \$160.00 per square foot in today's market for replacement of the space.

Additional one-time costs associated with the transfer will be funded by existing appropriations in the County Court Funding budget. These costs include the cost to remove the County's proprietary locking system which is anticipated not to exceed \$24,000; transition of the Court buildings off of the Men's Jail domestic hot water system at a cost of \$12,516; approximately \$8,750 in professional services costs to perform the survey work necessary for the parcel splits, \$5,250 in courtroom repair work and approximately \$38,000 in attorney fees for a total of \$88,516 in one-time costs directly related to the transfer. The approximate cost of maintaining two staff members for approximately one month after the December 22nd transfer date is estimated at \$17,000 and will be absorbed within existing appropriations in the County Court Funding budget. While sufficient appropriations appear to be available at this time in the County Court Funding budget, a budget adjustment may be necessary once the total costs associated with the transfer are known.

With the Board's approval of this Transfer of Responsibility, the responsibility of all of the eligible Stanislaus County Court facilities will have been transferred to the State of California consistent with State law. This final transfer will result in the eventual transfer of revenue collected and existing in the County's Courthouse Construction Fund from the County to the State. The law provides that any current obligations are carried forward. At this time revenue from this fund is used to cover the lease cost that is part of the Traffic Court County Facility Payment. The lease will expire effective December 4, 2009 after which the County will likely have to use existing County funds to cover this cost. The potential increased net county cost in Fiscal Year 2009-2010 will be \$109,487 and \$187,692 in Fiscal Year 2010-2011. A base adjustment reducing the revenue in the County Court Funding budget will be necessary as part of the budget preparation process for the 2009-2010 Fiscal Year.

It is anticipated that the General Services Agency Building Services budget will be reduced to reflect the reduction in space to be maintained for the remainder of the fiscal year. These budget reductions will be included in the Mid-Year 2008-2009 Fiscal Report and Recommendations. Due to the fact that the County intends to maintain ownership

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of the Courthouse lawn area, it is anticipated that a reduction to the Parks and Recreation Department will not be necessary in the current fiscal year.

## **DISCUSSION:**

### Background and Overview

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, 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 December 3, 2008, 281 court facilities out of 534 eligible facilities 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 Modesto Main Courthouse and Hall of Records facilities to the State.

This will be the fifth and final transfer of responsibility 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 and Juvenile Courts this past September.

While 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, the law provides that the parties to the agreement can agree to extend the effective date and implementation of the penalty so long as the delay was not caused by the action or inaction on the part of the County. In September the AOC proposed, and the Board of Supervisors approved, an extension of the transfer of

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responsibility deadline to December 31, 2008 for the Modesto Main Courthouse and the Hall of Records.

County staff has worked closely with staff from the Administrative Office of the Courts to complete the work necessary to transfer the Courthouse and Hall of Records and the secure parking lot to the State, including the recommendation to transfer title and ownership of the court facilities in what is clearly a very complex and challenging transaction. While historically this has been considered one courthouse building, technically the facility is two buildings with the older, Hall of Records section built in approximately 1938 and the "newer" Courts building built in 1960. These two buildings share building systems and equipment and as such, final agreement was reached that while we would refer to them as the Modesto Main Courthouse and the Hall of Records, the transfer really had to address the buildings in their entirety.

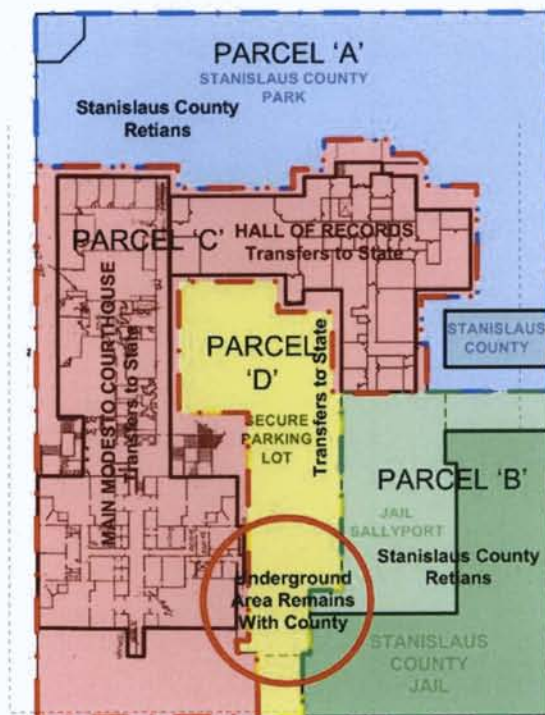
The level of complexity has been great and a number of issues had to be resolved concerning transferring title to the AOC to insure that not only the County's financial and long term interests were protected, but that the needs of the Superior Courts would also be met. The agreement provides that title to the secure courthouse parking lot adjacent to the Courthouse will transfer to the State. However to insure the County's continued use of the underground jail tunnel, building maintenance shop and evidence area, referred to in the agreement as the "County Underground Area" which is located under the court parking area a reservation that provides that the County is entitled to the exclusive right to use and occupy this space is included in the transfer agreement. County access to and use of the underground tunnel area and inmate holding, located directly under the secure parking area is critical to insure the uninterrupted movement of jail inmates between the Men's Jail and the Superior Court and to insure the security of the Men's Jail. A number of other security and access matters are addressed in the agreement. In addition, the County agreed to complete two pending projects. The first is to transition the Courthouse property off of the Men's Jail domestic hot water system and the second is repaving of the secure parking area to prevent water leakage in the Jail tunnel area.

In addition, as a cornerstone of the Modesto downtown, County staff felt it was critical that the County maintain ownership of the Courthouse lawn as a County Park in front of the Courthouse, where many public events are held and where the Victims' Garden and water feature are located. It was determined that in order to complete the transfer a parcel split of the city block was required. As a result, for the County to maintain ownership of the park area and the Men's Jail two parcels are recommended: Parcel "A" Stanislaus County Park and Parcel "B" Stanislaus County Jail and Jail Sallyport. Two additional parcels are recommended to transfer title of the court facilities to the State: Parcel "C" Modesto Main Courthouse and Hall of Records and Parcel "D"

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Transferred Parking Area. It is necessary to create two court parcels Parcel "C" (Main Courthouse and Hall of Records) and Parcel "D" (Transferred Parking Area) because the property to be transferred to the State was used as collateral for previous public financings obtained by the County. Prior to the Transfer of Title of the property to the State, the County at its own expense must ensure the property is no longer encumbered with any bonded indebtedness. At the present time it appears that there are two borrowings encumbering the property and that it may be easier to clear one of the encumbrances on proposed Parcel "C" (Main Courthouse and Hall of Records) sooner than the encumbrance on part of proposed Parcel "D" (Transfer Parking Area). Staff is working to clear up the encumbrances, with the encumbrance on the transferred parking area likely requiring a substitution of assets that will be presented to the Board of Supervisors at a later date. The following depicts the four new parcels as proposed:



The Main Modesto Courthouse and the Hall of Records are key components of the justice system in Stanislaus County. Housed in these facilities are 15 courtrooms, 11 jury deliberation rooms and one jury assembly room. The majority of all criminal proceedings, with the exception of the majority of juvenile proceedings, are conducted in the Main Modesto Courthouse and Hall of Records. While all of the County's court facilities will have transferred it is important to recognize the local Superior Court operates new court facilities that are located in the City Towers Office Building on the

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corner of 10<sup>th</sup> and H Streets in Modesto not governed by this transfer. Initially it was thought that Department 16, the Family Law Court would be included in the transfer process, however, it was subsequently determined that this court facility is not subject to the transfer terms and continues to be located in the County building located at 801 11<sup>th</sup> Street in downtown Modesto. The County and the Court are currently discussing the terms of a lease agreement for the local Court's continued use of this space as well as an agreement to cover operations and maintenance costs for additional County space used by the Court located at the Juvenile 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 Modesto Main Courthouse and Hall of Records are existing public facilities and the recommended actions involve no expansion of the use of the facility and only transfer of ownership.

#### Reduction-In-Force

The Administrative Office of the Courts elected to contract building maintenance services for all court facilities. County staff approached the AOC to determine whether the AOC would contract for the service with the County in order to mitigate or delay the layoff of County staff, however, agreement was not reached. Due to the fact that the General Services Agency Facilities Maintenance staff will maintain less space due to transfer of the Courthouse and Hall of Records as well as the other court facilities that transferred previously, staffing reductions will be necessary. In anticipation of the reduction the General Services Agency has not filled position vacancies in order to mitigate the impact on staff. Even with this delay in filling positions the recommendations include the elimination of four positions, two of which are filled and recommended to be deleted through a reduction-in-force action that will be effective January 17, 2009. This date insures sufficient time to meet the notice requirements of the existing labor agreement. The affected positions are as follows:

- 1 Building Services Supervisor (filled)
- 1 Maintenance Engineer III (vacant)
- 2 Maintenance Engineer II (1 filled/1 vacant)

#### County Facilities Payment (CFP)

The Modesto Main Courthouse and the Hall of Records buildings are located in downtown Modesto and together total 109,435 square feet owned and operated by the County. Calculation of the annual County Facilities Payment was one of the primary components of the transfer. This payment must be made to the State on an annual



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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, the documentation and proposed County Facilities Payment was reviewed by Administrative Office of the Courts staff, with final approval given by the Department of Finance. The County Facilities Payment for the Modesto Main Courthouse and the Hall of Records is projected at \$445,670. The payment is based on the Court's square footage in the building of 85,164 square feet and will be paid by the County in perpetuity to the State, and is not indexed to increase with inflation over time. In accordance with Government Code sections 70362 (b) and (d) the initial CFP estimate 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 after the transfer 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.

#### Joint Occupancy Agreement (JOA) and County's Equity Interest

The agreement that the Board will adopt as part of the recommended actions include the terms to which the County and the Administrative Office of the Courts have negotiated relating to the transfer of responsibility for operation of and title to the Modesto Main Courthouse and the Hall of Records buildings. These are shared use buildings with the Superior Court's share of the building of 85,164 square feet or

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77.82% and the County space of 24,271 or 22.18% of the total building square footage as depicted below:

<b>COURT FACILITY</b>	<b>TOTAL SQUARE FOOTAGE</b>	<b>COUNTY SQUARE FOOTAGE</b>	<b>COUNTY % OF SPACE</b>	<b>COURT SQUARE FOOTAGE</b>	<b>COURT % OF SPACE</b>
Main Courthouse	64,092	135	0.21%	63,957	99.79%
Hall of Records	45,343	24,136	53.23%	21,207	46.77%
<b>Total</b>	<b>109,435</b>	<b>24,271</b>	<b>22.18%</b>	<b>85,164</b>	<b>77.82%</b>

In order for both the County and the Court to share occupancy in the building, the action requested as part of the recommended Board of Supervisors action is the adoption of the Joint Occupancy Agreement which sets forth the terms and conditions for the parties' shared possession, occupancy and use of the properties. Due to the fact that the Superior Court will occupy the majority of the space in the building, through the Joint Occupancy Agreement the parties agreed that the AOC would maintain and operate the Court space and the common building equipment and space in the buildings. The County will pay 22.18% of shared building expenses, including utilities. This includes the cost of repair and/or replacement of any major building system or equipment, including elevators, heating/air conditioning equipment, roof, etc.

The Superior Court has requested the continued use of 16,114 square feet of County space in the Hall of Records on the second and third floor that was former District Attorney space and possibly a portion of the fourth floor at a future date. It is recommended that the Chief Executive Officer be given the authority to finalize an agreement with the Court and/or the AOC that provides that the Superior Court will fund the operations and maintenance costs of the County space. The AOC will maintain the County space the Superior Court occupies and will bill the County for the operations and maintenance expenses. The County will bill the Superior Court for these costs. Improvements made in the County space by the Court will be paid directly by the Court and/or the AOC.

The Joint Occupancy Agreement provides that at the County's option the AOC may maintain the County's remaining space in the building and would bill the County for actual costs. This space includes a small office space in the Main Courthouse for the Public Defender, space in the Hall of Records for the Sheriff's Detention staff showers and weight room, and server space for Strategic Business Technology and District Attorney space on the entire fourth floor and a small computer room on the second floor. At this point it is anticipated the General Services Agency Facilities Maintenance

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staff will maintain the 8,157 square feet not occupied by the Superior Court. Current square footage usage of the County space is detailed below:

County Space	Main Courthouse ( Sq. Ft.)	Hall of Records (Sq. Ft.)	Total (Sq. Ft.)
Sheriff - Detention - Basement	-	3,579	
Strategic Business Technology - Basement	-	103	
Public Defender - Basement	135		
District Attorney - Second Floor	-	465	
District Attorney - Fourth Floor		3,875	
<b>Total County Occupied Space</b>			<b>8,157</b>
Superior Court in County Space - Second Floor	-	6,178	
Superior Court in County Space - Third Floor		9,936	
<b>Total County Space Occupied by Superior Court</b>			<b>16,114</b>
<b>Subtotal Square Feet</b>	<b>135</b>	<b>24,136</b>	
<b>Total Square Feet (County Equity Interest)</b>			<b>24,271</b>

The County will maintain an equity interest in the 24,271 square feet of the space of County space as depicted above. This means that although the actual ownership title of the facility will transfer to the State, the County is entitled to compensation for its "equity" or value of this square footage in both buildings should the State determine it has a need for the space in the future. Assuming a value of \$160 per square feet the County's equity value is projected at approximately \$3,883,360.

### Seismic Issues

The Act required the State to perform seismic evaluations of 229 court facilities Statewide, including the Main Modesto Courthouse and the Hall of Records. The Main Modesto Courthouse portion of the structure was rated Seismic Risk Level IV and is considered to be suitable for transfer to the State without further conditions. The majority of the court buildings throughout the State, including the Hall of Records building 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;

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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 age of the building and code requirements and due to the fact that the Administrative Office of the Courts' long term facility plan is to level the Hall of Records Building and replace it with a new Court building, it is not feasible at this time to make the upgrades necessary to reduce the risk level.

#### Courthouse Construction Fund

The existing legislation provides that once all of the court facilities have transferred in a County the State will perform an audit of each county's Courthouse Construction Fund and will "sweep" all funds that are not committed for an ongoing debt service or lease payment obligation. At the present time the annual lease cost of \$184,682 for Traffic Court is funded from the Courthouse Construction Fund and is funded by the County as part of its County Facilities Payment for the Traffic Court. Use of this fund will expire as December 4, 2009, at the same time the existing lease expires. A potential exposure exists in the General Fund in the 2009-2010 Fiscal Year of \$109,487 and \$187,692 annually.

The Superior Court and the County requested obligation of the fund to meet the Superior Court's need for their new judgeships. The Administrative Office of the Court has approved use of approximately \$186,532 on an annual basis for the ten year lease of Superior Court facilities located on the fourth floor of the City Towers Building located at the corner of 10<sup>th</sup> and H Streets. A second request of \$463,119 for the 2008-2009 Fiscal Year was made of the AOC for new courtrooms on the Sixth Floor of the nearby City Towers Building. Based on approval by the AOC these funds will be reserved on behalf of the local Superior Court to meet their new facility needs and will not be "swept" by the State.

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### 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 would be able to 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 future building needs. However, the County will be required on an ongoing basis to pay the County Facilities Payment. 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 concerning the transfer of court facilities to the State. As such, this action is consistent with the Board of Supervisors' priority of providing *Efficient delivery of public services*.

### **STAFFING IMPACTS:**

Currently there are 53 full-time allocated positions in the General Services Agency Facilities Maintenance budget. This agenda item includes the recommendation to delete four classified positions, two of which are filled, requiring the approval of a reduction-in-force action. The effective date for all deletions is recommended to be January 17, 2009.

Approval to Transfer the Responsibility for Operation and Ownership of the Modesto Main Courthouse and Hall of Records Facilities to the State of California; to Record the Record of Survey to Create Four Parcels on the Main Courthouse/Jail Block; Authorize the Annual County Facilities Payment to the State, and Authorization for a Reduction-In-Force of General Services Agency-Facilities Maintenance Staff and Approval of Related Documents for the Court Facility Transfers

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The table below reflects the details of the positions recommended for deletion as part of this agenda item. It is recommended the Salary and Position Allocation Resolution be amended to reflect these changes.

Position Number	Allocated Position	Filled Position	Recommendation
2265	Building Services Supervisor	Building Services Supervisor	Delete
12235	Maintenance Engineer II	Vacant	Delete
9698	Maintenance Engineer II	Maintenance Engineer II	Delete
3822	Maintenance Engineer III	Vacant	Delete

If the staffing recommendations in this agenda item are approved, the Building Maintenance budget unit will have 49 remaining full-time allocated positions.

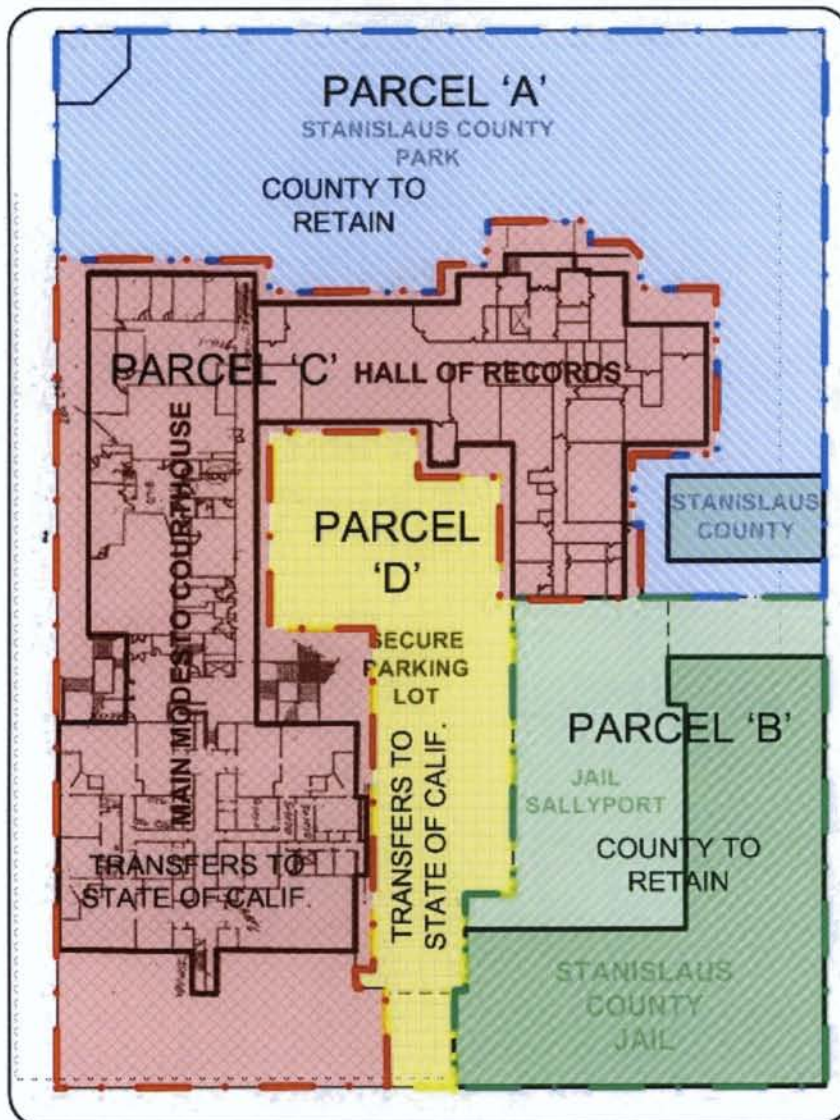
Recognizing the potential impact this recommendation may have on the County's workforce, representatives from the County's Chief Executive Office/Human Resources Division have discussed the potential impacts of this action with the affected labor organization. Additionally, the General Services Agency has held vacancies as potential landing positions for employees affected by this recommendation. Chief Executive Office staff will work with the affected individuals regarding other employment opportunities within the County.

Approval to Transfer the Responsibility for Operation and Ownership of the Modesto Main Courthouse and Hall of Records Facilities to the State of California; to Record the Record of Survey to Create Four Parcels on the Main Courthouse/Jail Block; Authorize the Annual County Facilities Payment to the State, and Authorization for a Reduction-In-Force of General Services Agency-Facilities Maintenance Staff and Approval of Related Documents for the Court Facility Transfers  
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**ATTACHMENT A**

**Unrecorded Record of Survey Depicting Parcels A, B, C and D**  
**Superior Court of California, Stanislaus County**  
**MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Draft Record of Survey Depicting Parcels A, B, C and D  
I STREET

Conceptual Diagram





## Judicial Council of California

ADMINISTRATIVE OFFICE OF THE COURTS

OFFICE OF THE GENERAL COUNSEL

455 Golden Gate Avenue • San Francisco, California 94102-3688

Telephone 415-865-7446 • Fax 415-865-7664 • TDD 415-865-4272

RONALD M. GEORGE  
*Chief Justice of California*  
*Chair of the Judicial Council*

WILLIAM C. VICKREY  
*Administrative Director of the Courts*

RONALD G. OVERHOLT  
*Chief Deputy Director*

MARY M. ROBERTS  
*General Counsel*

### VIA OVERNIGHT MAIL

December 5, 2008

Mr. Tim Fedorchak  
Chief Executive Office  
County of Stanislaus  
1010 10<sup>th</sup> Street, Suite 6500  
Modesto, California 95354

**Re: Judicial Council of California, Administrative Office of the Courts (“AOC”)/ County of Stanislaus (“County”): Closing Documents for the Transfer of Responsibility and Delayed Transfer of Title for Modesto Main Courthouse (#50-A1) and Hall of Records (#50-A2).**

Dear Mr. Fedorchak:

In connection with the closing of the Transfer of Responsibility and Delayed Transfer of Title for Modesto Main Courthouse and Hall of Records, enclosed are the following:

- two (2) execution originals of the Transfer Agreement;
- two (2) sets of the Exhibits to the Transfer Agreement;
- two (2) execution originals of the Joint Occupancy Agreement; and
- one (1) execution original each of the Memorandum of Joint Occupancy Agreement (collectively, the “Transfer Documents”).

For the convenience of the County, we have tagged the Transfer Documents to reflect the page on which they need to be signed (and notarized or acknowledged, where applicable). As you know, none of the exhibits need to be signed.

Please note that the Memorandum of Joint Occupancy Agreement need to be executed in the presence of a Notary Public and the notarization form needs to be completed.



Mr. Tim Federochak  
December 5, 2008  
Page 2

After the enclosed documents have been executed on behalf of the County, please distribute the originals as follows:

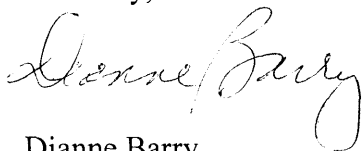
- retain one (1) fully executed original of the Transfer Agreement;
- retain one (1) set of the Exhibits to the Transfer Agreement;
- retain one (1) fully executed original of the Joint Occupancy Agreement; and
  
- return one (1) fully executed original of the Transfer Agreement;
- return one (1) set of the Exhibits to the Transfer Agreement;
- return one (1) fully executed original of the Joint Occupancy Agreement; and
- return the fully executed originals of the Memorandum of Joint Occupancy Agreement.

Please return the above-referenced documents to our coordinator, Tami Washington, at 455 Golden Gate Avenue, 8th Floor, San Francisco, California, 94102.

Additionally, please send the AOC a copy of the Board of Supervisors resolution approving the Transfer of Responsibility and Delayed Transfer of Title for Modesto Main Courthouse and Hall of Records to the AOC.

Thank you for your assistance in the coordination of this matter and please do not hesitate to contact me with any questions or concerns you may have.

Sincerely,



Dianne Barry  
Attorney

DKB/tdw  
Enclosures

**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: Melvin Kennedy, Managing Attorney  
Office of the 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.

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APN(S): 105-025-001; County of Stanislaus

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**MEMORANDUM OF JOINT OCCUPANCY AGREEMENT**

THIS MEMORANDUM OF JOINT OCCUPANCY AGREEMENT (“**Memorandum**”) is made and entered into the 9<sup>th</sup> day of Dec., 2008 by and between the County of Stanislaus, whose present address is 1010 10<sup>th</sup> Street, Modesto, California, 95354 (“**County**”), and the Judicial Council of California, Administrative Office of the Courts (“**AOC**”), whose present address is 455 Golden Gate Avenue, San Francisco, CA 94102, Attention: Assistant Director, Office of Court Construction and Management, with respect to the following facts:

**RECITALS**

A. County is the fee owner of that certain real property located in the City of Modesto, County of Stanislaus, State of California, having street addresses of 800 11<sup>th</sup> Street, Modesto, CA 95354, and 1100 I Street, Modesto, CA 95354, as more particularly described on **Attachment 1** to this Memorandum (“**Land**”), together with the improvements located thereon containing the court facilities commonly known as the Modesto Main Courthouse (Facility # 50-A1) and the Hall of Records (Facility # 50-A2), and all other buildings, structures, and improvements located on and/or affixed to the Land (together with the Land, the “**Real Property**”);

B. Under that certain Transfer Agreement For The Transfer of Responsibility For Court Facility between AOC and County dated as of 12/09, 2008, AOC and County have entered into that certain Joint Occupancy Agreement, dated as of Dec. 9, 2008 (“**JOA**”), setting forth the terms governing the Parties’ respective rights and responsibilities regarding their shared possession, occupancy and use of the Real Property, as more particularly described in the JOA;

C. The JOA provides, among other things, for rights of first refusal and rights of first offer in favor of County and AOC to expand into and occupy, on a paid basis, any portion of the Real Property that County or AOC desire to vacate in accordance with Government Code section 70342(e);

D. Under the terms of the JOA, this Memorandum is to be recorded in the Official Records of County with respect to the Property for the purpose of memorializing the existence of the JOA, the terms of which inure to the benefit of, and bind, AOC, County and their respective successors and assigns. Any third-party interested in obtaining information about the Agreement may contact the parties at their above-referenced addresses.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, this Memorandum has been executed as of the day and year 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: *Dianne Barry*  
Name: Dianne Barry  
Title: Attorney  
Date: 12/5/08

By: *Grant Walker*  
Name: Grant Walker  
Title: Senior Manager, Business Services  
Date: 12/5/08

ATTEST:  
Christine Ferraro Tallman, Clerk of  
the Board

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

By: *Christine Ferraro Tallman*  
Name: CHRISTINE FERRARO TALLMAN  
Title: Clerk of the Board  
Date: DEC. 9, 2008

By: *Jim De Martini*  
Name: Jim De Martini  
Title: Vice Chairman, Board of Supervisors  
Date: Dec. 9, 2008

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

By: *John P. Doering*  
Name: John P. Doering  
Title: County Counsel

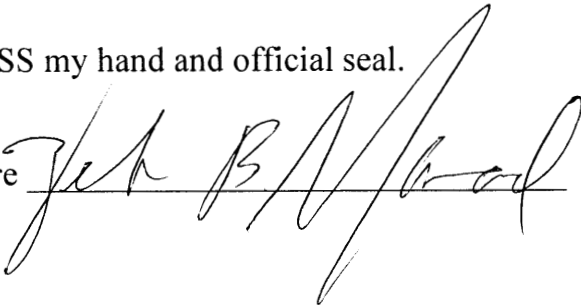
STATE OF CALIFORNIA  
COUNTY OF SAN FRANCISCO

On 5 DECEMBER 2008 before me, ZENAIDA BATLE MANANQUIL, 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)

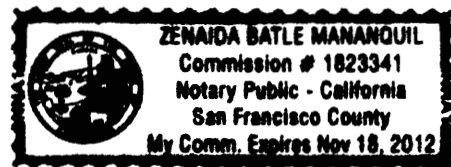
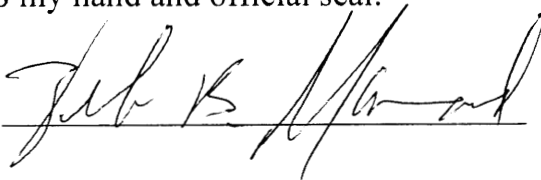
STATE OF CALIFORNIA  
COUNTY OF SAN FRANCISCO

On 5 DECEMBER 2008 before me, ZENAIDA BATLE MANANQUIL, 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)

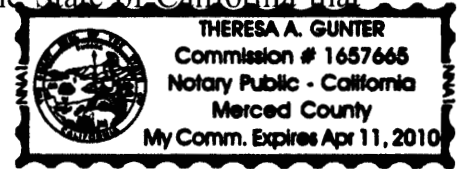
COUNTY ACKNOWLEDGMENT

STATE OF CALIFORNIA  
COUNTY OF STANISLAUS

On DEC. 9, 2008 before me, THERESA A. GUNTER, Notary Public, personally appeared **Jim De Martini**, 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.

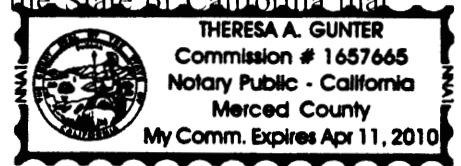
(Seal)

STATE OF CALIFORNIA  
COUNTY OF STANISLAUS

On DEC. 9, 2008 before me, THERESA A. GUNTER, Notary Public, personally appeared **John P. 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 T.A.G.

(Seal)

**ATTACHMENT 1**

**LEGAL DESCRIPTION OF THE PROPERTY**

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

All of Block 83 of the City of Modesto, filed in the Office of the County Recorder of Stanislaus County on December 21, 1942 in Volume 15 of Maps.

APN: 105-025-001

Building Names and Addresses:

Modesto Main Courthouse (Facility # 50-A1), 800 11<sup>th</sup> Street, Modesto, CA 95354

Hall of Records (Facility # 50-A2), 1100 I Street, Modesto, CA 95354

**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 FACILITIES**



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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 facilities commonly known as the Modesto Main Courthouse and the Hall of Records and for the conveyance to the State of California on behalf of the Council of the County’s title to the Real Property.

## 2. BACKGROUND

A. 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.

B. Stanislaus County owns that certain real property consisting of an entire city block located in the City of Modesto, State of California, more particularly described on Exhibit “A-1” attached hereto (APN 105-025-001). Through a Record of Survey, the Property will be subdivided into the following four Parcels more particularly described on Exhibit “A-2”: Parcel A (Stanislaus County Park); Parcel B (Stanislaus County Jail and Jail Sallyport); Parcel C (Main Courthouse and Hall of Records) and Parcel D (Transferred Parking Area). To implement the provisions of the Act, the County intends to retain ownership of Parcels A and B, and to transfer title to Parcels C and D to the State of California in accordance with the terms and conditions of this Agreement and the Joint Occupancy Agreement between the Parties.

## 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 Equity Share**” means the approximately 85,164 square feet of floor space in the Modesto Main Courthouse and the Hall of Records which includes the Court Exclusive-Use Area and a portion of the Common Area as shown on **Exhibit “B-3”**. As of the Effective Date, the AOC Equity Share in the Modesto Main Courthouse and the Hall of Records is 77.82 percent of the total area of the Modesto Main Courthouse and the Hall of Records.

“**Bonded Indebtedness**” means “bonded indebtedness”, as defined in section 70301(a) of the Act, to which some or all of the Real Property is subject.

“**Bonded Indebtedness Documents**” means the agreements evidencing or securing the Bonded Indebtedness, including those listed on Exhibit “C” to this Agreement.

“**Building**” means any one, and “**Buildings**” means both, of (i) the Modesto Main Courthouse and (ii) the Hall of Records, which are situated on that portion of the Land described as Parcel C on **Exhibit “A-2”**, all connected or related structures and improvements, and all Building Equipment, as determined by the context in which the term is used.

“**Building Equipment**” means the installed equipment and systems that serve the Buildings generally or the Common Area. The Building Equipment includes equipment and systems that are physically located in a Party’s Exclusive-Use Area but that serve the Common Area of that Building generally, but it does not include any equipment or systems that exclusively serve the Exclusive-Use Area of only one Party.

“**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.

“**Common Area**” means the areas of the Land and the Buildings that are used non-exclusively and in common by, or for the common benefit of, the County and the Court, and includes (1) those portions of the Buildings depicted as Common Area on **Exhibit “B-1”** to this Agreement, including hallways, stairwells, elevators, and restrooms that are not located in either Party’s Exclusive-Use Area, and specifically the security entrance at the Main Courthouse which is the sole secured access to the Court Exclusive-Use Areas in the Main Courthouse and the Hall of Records, (2) foundations, exterior walls, load-bearing walls, support beams, exterior windows, the roof, and other structural

parts of the Buildings, (3) Building Equipment and Utilities that do not exclusively serve only one Party's Exclusive-Use Area, (4) driveways, walkways, and other means of access over the Land and through each Building to the Court Exclusive-Use Area in each Building and (5) landscaped areas on the Land. The Common Area does not include any part of the Exclusive-Use Area of either Party, except for any Building Equipment that is located in a Party's Exclusive-Use Area.

**“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 Equity Share”** means the approximately 24,271 square feet of floor space in the Modesto Main Courthouse and the Hall of Records which includes the County Exclusive-Use Area and a portion of the Common Area as shown on **Exhibit “B-3”**. As of the Effective Date, the County Equity Share in the Modesto Main Courthouse and the Hall of Records is 22.18 percent of the total area of the Modesto Main Courthouse and the Hall of Records.

**“County Exclusive-Use Area”** means the floor space in a Building that is exclusively occupied and/or used by the County as depicted on **Exhibit “B-1”** to this Agreement. As of the Effective Date: (i) the County Exclusive-Use Area in the Modesto Main Courthouse is approximately 98 square feet; and (ii) the County Exclusive-Use Area in the Hall of Records is approximately 22,197 square feet. **“County Exclusive-Use Areas”** means, together, the County Exclusive-Use Areas in the Modesto Main Courthouse and the Hall of Records, which constitutes 22,295 square feet of the total square footage of the Modesto Main Courthouse and the Hall of Records.

**“County Facilities Payment”** means the payments the County must make to the Controller with respect to the Court Facilities 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, a political subdivision of the State of California, and its respective officers, agents, and employees.

“**County Underground Area**” means the tunnel, holding cell, building maintenance area and evidence room that exists under a portion of Parcel D and connects to Parcel C as shown on **Exhibit “B-2”**.

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

“**Court Exclusive-Use Area**” means the floor space in a Building that is exclusively occupied and used by the Court as depicted on **Exhibit “B-1”** to this Agreement. As of the Effective Date: (i) the Court Exclusive-Use Area in the Modesto Main Courthouse is approximately 48,473 square feet; and (ii) the Court Exclusive-Use Area in the Hall of Records is approximately 17,425 square feet. “**Court Exclusive-Use Areas**” means, together, the Court Exclusive-Use Areas in the Modesto Main Courthouse and the Hall of Records, which constitutes 65,898 square feet of the total square footage of the Modesto Main Courthouse and the Hall of Records.

“**Court Facility**” or “**Court Facilities**” means individually and collectively (as applicable) the Court Exclusive-Use Area in each Building, which includes all spaces, fixtures, and appurtenances described in section 70301(d) of the Act, the Transferred Parking Area, and the following:

(i) with respect to the Modesto Main Courthouse, 14 rooms for holding superior court, 14 chambers of judges of the Court, three walk-up windows, rooms for attendants of the Court, two rooms for secure holding of prisoners attending Court sessions, one secured elevator, rooms for storage, 11 jury deliberation rooms, and certain other areas required or used for Court functions;

(ii) with respect to the Hall of Records, one room for holding superior court, one chamber of judges of the Court, seven walk-up windows, rooms for attendants of the Court, one jury assembly room, rooms for storage, and certain other areas required or used for Court functions;

together, in each case, with the non-exclusive right to occupy and use the Common Area, and with the right to enter, exit, pass over, and pass through the Land and Parcel A as necessary to access the Court Facilities and the Transferred Parking Area. Copies of floor plans depicting the layout of the Court Facilities in the respective Buildings are attached to this Agreement as **Exhibit “B-1”**.

“**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.

“**Deficiency**” has the meaning ascribed to it in the JOA.

“**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 “D”**.

“**Effective Date**” means 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, and is more specifically defined herein as “AOC Equity Share” and “County Equity Share.”

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

“**Hall of Records**” means the four-story building located on a portion of the Land contiguous to the Modesto Main Courthouse with a street address of 1100 I Street, Modesto, California 95354.

“**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 Court Facility; (3) commitments, deposits, and rights for utilities relating to the Court Facility; (4) engineering, accounting, title, legal, and other technical or business data concerning the Court Facility or the Tangible Personal Property; (5) deposits, deposit accounts, and escrow accounts arising from or related to any transactions related to the Court Facility or the Personal Property, and rights to receive refunds or rebates of assessments, charges, premiums, or other payments made by the County 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 Court Facility or the Tangible Personal Property.



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

“**JOA**” means the document titled Joint Occupancy Agreement that is similar in form and content to the document attached to this Agreement as **Exhibit “F”**, and under which the County and the Court will occupy, and the Parties will operate and maintain, the Real Property.

“**Land**” means Parcel C consisting of approximately 1.16 acres associated with the Modesto Main Courthouse and Hall of Records, and Parcel D consisting of approximately .38 acres associated with the Transferred Parking, all as described on **Exhibit “A-2”** to this JOA, including the Party’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; excepting and reserving to the County the exclusive right to use and occupy County Underground Area.

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

“**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 Joint Occupancy Agreement that is similar in form and content to the document attached to this Agreement as **Exhibit “G”**.

“**Modesto Main Courthouse**” means the two-story building located on the Land contiguous to the Hall of Records with a street address of 800 11th Street, Modesto, California 95354.

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

“**Operation**” means the administration, management, maintenance, and repair of designated areas of the Real Property, but does not include custodial services, which are not governed by this Agreement or the JOA.

**“Parking Area”** means, together, the Transferred Parking Area as shown on Parcel D of **Exhibit A-2”** (which will be conveyed to the State) and the Provided Parking which collectively satisfy the County’s obligation to provide parking spaces as set forth in Section 70330 of the Act.

**“Parking License Agreement”** means that certain Parking License Agreement between the County and the Court dated March 1, 2006, pursuant to which the County provides the Provided Parking to the Court, which agreement may be amended or revised from time to time. This Agreement and the JOA do not supersede, replace, or modify the current Parking License Agreement or any other agreement currently in effect or entered into in the future between the County and the Court with respect to parking.

**“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 Facilities under sections 70326(d) or 70331(c) of the Act, including the Projects as defined in section 4.3.17 of this Agreement.

**“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 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 “E”**.

**“Provided Parking”** means access cards to 43 parking spaces currently in the County-owned 12th Street Parking Garage located across the street from the Buildings, pursuant to the terms of the Parking License Agreement.

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

**“Real Property”** means, together, the Land, the Buildings, and the Transferred Parking Area.

**“Security Clearance”** includes background investigation, escort requirements, and related security procedures to protect the interests of the Parties, as mutually approved by the Parties.

“**Service Contracts**” means all contracts between the County and any third parties under which goods or services are provided to either or both of the Court Facilities.

“**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 Court-Exclusive Use Area. The term “Tangible Personal Property” does not include any of the “**Excluded Tangible Personal Property**” listed on **Exhibit “H”** to this Agreement.

“**Total Exclusive-Use Area**” means, together, a Real Property’s Court Exclusive-Use Area and County Exclusive-Use Area as defined in the JOA. “**Total Exclusive-Use Areas**” means, together, the Total Exclusive-Use Area of the Real Properties.

“**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 December 22, 2008.

“**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(s)**” or “**TOT Closing Date(s)**” means the date(s) on which the Grant Deeds to Parcel C and Parcel D are 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.

“**Transferred Parking Area**” means the controlled access parking lot located on a portion of the Land shown as Parcel D of **Exhibit “A-2”** containing a total of 44 parking spaces for use by judges and staff of the Court as determined by the Court.

“**Utilities**” means the utilities services provided to the Real Property, except for telephone, cable, internet, and other data services.

#### **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 will 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.

4.1.1. New Legal Description. During the Interim Period, the County and the AOC will work together to subdivide through a Record of Survey the property described on Exhibit “A-1”, as permitted by California Government Code Section 66428, having boundaries approximately consistent with those depicted as Parcels A, B, C and D of Exhibit “A-2” to this Agreement. Prior to the TOT Closing Date as to Parcels C and D, the County will take all steps necessary to formalize the new legal descriptions for said Parcels to enable the Transfer of Title of the Land to occur. The Parties agree that until the new legal description for said Parcels has been completed and approved by both Parties, the Transfer of Responsibility will apply and relate to the Land depicted as

Parcel C and D of Exhibit “A-2” to this Agreement; provided that, starting immediately upon the Parties’ joint approval of the new legal description for the Land, the Transfer of Responsibility will apply and relate to the entirety of the Land, as defined by the mutually-approved new legal description for the Land, whether or not the boundaries of the new legal description are exactly the same as the general depiction of the anticipated boundaries of the Land attached as Exhibit “A-2”.

4.1.2. County Underground Area. Notwithstanding anything to the contrary set forth in this Agreement or the Closing Documents, all portions of the County Underground Area, whether or not located on or under the Land, shall be reserved for the exclusive use of the County and will at all times be and remain the exclusive liability and responsibility of the County for Operation, control, and use. The County will have the right, at any time, to discontinue the use of, or to close or abandon, the County Underground Area for any reason whatsoever, and if the County at any time elects to permanently discontinue the use of or to close or abandon the County Underground Area, then the County will be responsible to take all actions, and obtain any and all required permits or approvals, in connection with the permanent closure or abandonment of the County Underground Area in accordance with then-applicable Law. On and after the TOR Closing Date, the AOC grants to the County the exclusive right to enter, exit, access, and use the County Underground Area that is located on or under the Land, as reasonably necessary for the County’s Operation, control, and use, and the County will at all times exercise its rights with respect to the County Underground Area in a way that minimizes interruption to or interference with Court operations in the Buildings. The Grant Deed shall contain a reservation which provides that the County is entitled to the exclusive right to use and occupy the County Underground Area.

4.1.3. Bonded Indebtedness. The County has indicated that the Land or portions thereof as of the Effective Date is used as collateral for certain public financing obtained by the County. Prior to the TOT Closing Date, the County shall be responsible at its sole cost and expense for ensuring that the new legal parcel created under section 4.1.1 of this Agreement and the Buildings will not be encumbered by any “bonded indebtedness” as defined in section 70301(a) of the Act. The County’s obligation in this section 4.1.2 shall be a condition precedent to the TOT Closing.

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 applicable Closing Documents (including the JOA), or any other written agreement executed by the Parties.

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 Parties will comply with the JOA with respect to the payment of 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 Utilities provided to the Real Property on and after the TOR Closing Date, and the AOC will be responsible for the payment of all invoices, subject to the County's obligation to reimburse the AOC pursuant to the terms of the JOA.

4.3.2. Property Insurance and Risk Allocation. Responsibility and liability for (i) damage to or destruction of the Real Property, (ii) bodily injury to or death of third parties in, on, or about the Real Property, and (iii) Disputes, are allocated as set forth in the JOA. Under the terms of the JOA, the County will maintain the property insurance coverage for the Real Property required by the Bonded Indebtedness Documents ("Property Insurance"). The County will add the Council, the Administrative Office of the Courts, and the Court as insureds or covered parties and, if applicable, joint loss payees, by specific endorsement on each of the County's Property Insurance policies.

4.3.3. Responsibility for Operation. The AOC will be responsible for Operation of the Common Area, including the Building Equipment, under the terms of the JOA and this Agreement. Operation of the Building Equipment includes maintaining and renewing all permits, certificates, approvals, and licenses required for lawful use of any of the Building Equipment.

4.3.4. 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.

4.3.5. Parking. The Parties shall be responsible for the Operation of the Parking Area under the terms of the JOA.

4.3.5.1 Transferred Parking. As part of the Transfer of Responsibility, the County will transfer to the AOC responsibility for the Transferred Parking Area. On and after the TOR Closing Date, the AOC will be responsible for Operation of the Transferred Parking Area on the terms set forth in the JOA.

4.3.5.2 Provided Parking. As part of the Transfer of Responsibility, the County is responsible to provide the Provided Parking to the AOC, for use by the Court. At all times that the County is providing the Provided Parking to the AOC, the County is responsible for Operation of the Provided Parking, at the County's sole expense.. The County will provide, at the County's sole expense, the Provided Parking to the AOC for use by the Court personnel . If any of the Provided Parking becomes unavailable for Court use in accordance with this section, the County will be responsible to provide, at no cost to the State Parties, 43 parking spaces of equal type, and convenience to the parking spaces which were available to the Court as of October 1, 2001.

4.3.6. Correspondence. The County will direct all correspondence, invoices, and information related to Operation of the Court Facilities 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.

4.3.7. Court Security. The Parties acknowledge the terms and conditions of the Court Security Agreement effective July 1, 2007 addressing the secure entry, exit, transport, and holding of prisoners attending Court sessions to, from, in, and through, areas of the Property. This Agreement and the JOA do 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.

4.3.8. Additional Provisions. The JOA shall contain provisions which provide (i) that the Parties shall adopt from time to time Security Clearance procedures; (ii) that all Parties shall have access to the Common Area at all times, including when the Court is not in operation; (iii) that the AOC shall have a nonexclusive license to enter Parcel B to maintain the Courthouse Boiler and related Building Equipment which serve the Buildings; (iv) that access to the roof of the Buildings by any Party or its contractors shall be subject to Security Clearance; (v) that the Parties shall provide mutual access to common utility systems, subject to Security Clearance; and (vi) that the AOC shall maintain all landscaping on Parcels C and D.

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

4.3.10. Disputes.

4.3.10.1 County Disputes. The County will promptly notify the AOC in writing of any Dispute that arises after the Effective Date that concerns or alleges: (1) negligent acts or omissions of the County committed after the Effective Date 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.

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

4.3.11. 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.

4.3.11.1 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 time 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 Facilities 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 prior to the Effective Date or as soon thereafter as is reasonably possible.

4.3.11.2 Automatic External Defibrillator ("AED") Devices. Upon 90 calendar days written notice to the AOC, the County will remove its AED devices from the Court Facilities and the AED program will no longer be available to the Court as



provided by County at the Court Facilities. The parties agree that the County will be given access to the Court Exclusive Use Area to remove the AED device.

4.3.11.3 IT and Telecommunications. The Parties acknowledge that the Court receives telecommunication services through a County-owned private branch exchange (“PBX”) telephone system. The County will continue to provide telephone and information technology services to the Courts pursuant to the Telephone Systems and Services Agreement dated August 5, 2008, and the Technology Support MOU between Stanislaus County Strategic Business Technology and the Court, and the Court shall pay all costs associated therewith. The County will retain ownership of the County's telecommunications system including the telephone line interface module. Subcomponents of the County's telecommunications system located at the telephone line interface module and from that point to the County telecommunications infrastructure (exterior cabling and PBX and associated hardware) and any services provided via these conduits (e.g., automated attendants, voicemail systems, etc.) (collectively, “Telecommunications Infrastructure”) shall remain the property of the County, who shall have maintenance responsibility therefor. The AOC acknowledges that essential County data, Telecommunications Infrastructure and other utilities run through Parcels A, B, C and D as shown on Exhibit “A-2”. The AOC shall provide the County with access to said systems and utilities on, under and within the Land and Buildings and further agrees that it shall not take any action that will directly or indirectly impact the Operation of said systems or utilities without prior written approval by the County. The County will have the right to enter the Court Exclusive-Use Areas, at times reasonably-convenient to the Court and the other Occupants of such Court Exclusive-Use Areas, for purposes of inspecting and Operation of the PBX and any other data equipment, as and when necessary. The Court may in the future elect to renew or terminate its agreement with the County for data and telecommunications services pursuant to the terms of the aforesaid Agreement with the County. The JOA and this Agreement do not supersede, replace, or modify the current agreement or any other agreement currently in effect or entered into in the future between the County and the Court with respect to the provision of data or telecommunication services.

4.3.12. 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.

4.3.13. 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 Court Facility, in a manner that avoids disruption to the Operation of the Court Facility. The Parties will work together to cause new contracts for the goods or services provided under the Service Contracts to be entered into directly by the AOC. 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 Parties will be responsible for payment of all Service Contract fees and charges incurred on and after the TOR Closing Date under the terms of the JOA, subject to the County's obligation to promptly terminate those Service Contracts. The County will send to the AOC all invoices and other communications it receives concerning goods and services provided to the Court Facility on and after the TOR Closing Date under the Service Contracts and the AOC will be responsible to cause payment of those invoices, subject to the County's obligation to reimburse the AOC for its share of costs pursuant to the terms of the JOA.

4.3.14. Liability for Seismic-Related Damage and Injury.

4.3.14.1 Application of Section 70324 of the Act. The Parties acknowledge that section 70324 of the Act applies to the Hall of Records (and not the Modesto Main Courthouse), 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.

4.3.14.2 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 Hall of Records shall be as set forth in section 70324 of the Act which, for the convenience of the Parties, is attached as Exhibit "J" 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 to the Hall of Records, the terms of section 70324 of the Act and this section 4.3.14 will prevail over any conflicting provisions of the Act, this Agreement, or the Closing Documents.

4.3.14.3 Termination of this Section and Related Indemnities. When section 70324 of the Act no longer applies in respect of the Property, this section 4.3.14 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.

4.3.15. 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 Buildings, except as specifically provided in this Agreement and the Act.

4.3.16. Specific Responsibility After Effective Date. After the Effective Date of this Agreement Transfer of Title, 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.

4.3.17. Pending Projects. After the TOR Closing Date, the County has agreed to perform certain projects, including the segregation of the domestic hot water supply serving Parcels B and C as shown on Exhibit “A-2”, and the project to reseal the Transferred Parking (the “Projects”), all in accordance with the terms of this section 4.3.17. The following terms will apply to the Projects:

4.3.17.1 The County will perform the Projects, including without limitation any change orders or field directives, at the County’s sole expense, and without financial contribution from the State Parties.

4.3.17.2 The County agrees to perform the Projects in a manner that allows the Court Facility to remain operational during all times that the Projects are under construction.

4.3.17.3 The County agrees that it will continue performance of the Projects upon the Closing Date, that the County will thereafter diligently and continuously proceed with the performance of the Projects, and that the County will achieve substantial completion of the Projects by no later than June 30, 2009.

4.3.17.4 The County agrees that, in connection with the Projects, it will obtain and maintain (or require its contractor(s) to obtain and maintain), policies of insurance having terms, conditions, and limits of liability entirely consistent with those described in Exhibit “K” attached to and made a part of this Agreement.

4.3.17.5 The County is responsible to obtain all permits and approvals required for the Projects and to ensure that all work performed in connection with the Projects is performed in compliance with applicable Law, and in a good and workmanlike manner, and the County will be solely responsible to cure all defective work resulting from the Projects, promptly following the discovery of those defects.

4.3.17.6 County must provide AOC with advance written notice of and an opportunity to attend any inspections for the purpose of determining that the County (or any contractor) has achieved substantial or final completion. County must consult with AOC before any determination that the Projects are substantially complete. County must obtain AOC's prior written approval before issuing a final punch list for the Projects, and County must not accept the Projects as finally complete without AOC's prior written approval. AOC reserves the right to augment the punch list as necessary to achieve the requirements of this Agreement, and the County will diligently and timely ensure that the punch list, as augmented by the AOC, will be completed to the AOC's reasonable satisfaction. AOC will have no obligation to accept the Projects as complete unless the Projects comply with the AOC's requirements as set forth in this Agreement.

4.3.17.7 The County will, and does, indemnify, defend, and hold harmless the State Parties from and against any Indemnified Loss arising from the Projects.

4.4. Bonded Indebtedness. On the Effective Date, some or all of the Real Property is subject to Bonded Indebtedness, and the County will remain solely responsible to meet its obligations under the Bonded Indebtedness Documents, and will not act or fail to act in a way that violates the Bonded Indebtedness Documents ("BI Default"). The County will promptly provide the AOC with a copy of any notice given or received by the County that concerns or alleges a BI Default. The AOC has the right, but not the obligation, to cure any County BI Default on behalf of the County. The County will provide full cooperation to the AOC in connection with any AOC cure of a County BI Default, and will promptly reimburse the AOC for any amounts spent by the AOC in curing a County BI Default. The AOC will exercise its rights under sections 70391 and 70392 of the Act in a way that does not (i) violate the terms of the Bonded Indebtedness Documents, (ii) cause any amounts payable by the County under the Bonded Indebtedness Documents to be includable in gross income for federal or State income tax purposes, or (iii) otherwise adversely affect the tax-exempt status of the Bonded Indebtedness. The County will promptly notify the AOC in writing if the County at any time believes that any act or omission by any State Party will or might result in a BI Default. If the Court is required to vacate the Court Facility through the operation or enforcement of the Bonded Indebtedness Documents, the County will comply with the provisions of section 70325(c) of the Act.

## **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 County Authorizing Document;
- (b) the JOA;
- (c) the Memorandum; and
- (d) 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. The Parties acknowledge that the TOT Closing Dates could be different for Parcels C and D. However, the Parties shall endeavor to transfer both Parcels C and D on the on the same date.

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

- (a) the Grant Deed; and
- (b) 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. 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.

5.4. 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. 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.

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. In accordance with section 4.1.1 of this Agreement, through the recordation of a Record of Survey, Parcels A, B, C and D as shown on Exhibit "A-2" will be created, and in accordance with section 4.1.2 of this Agreement the County shall reserve for itself the exclusive right to use, occupy, and remain liable for the County Underground Area. Prior to Transfer of Title, the Land being conveyed to the AOC must not be encumbered by any "bonded indebtedness" as defined in section 70301(a) of the Act; the 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 for the Buildings is \$445,670, 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 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 \$111,417.50 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, without additional 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 the Occupancy Agreements and 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 (except the Bonded Indebtedness); (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, with the exception of any Disputes listed on Exhibit "D" to this Agreement, there are no Disputes pertaining to the Property, the County's right, title, and interest in and to the Property or the County's right and ability to perform its obligations under this Agreement and the Closing Documents.

7.1.8. 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 Institutions Code, as amended.

7.1.9. 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.

7.1.10. 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.

7.1.11. 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 Substances 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. The AOC acknowledges the presence of lead and asbestos on and within the Real Property.

7.1.12. 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.

7.1.13. Equipment Permits. As of the Effective Date, all Equipment Permits are valid and current.

7.1.14. No Special Circumstances. Except for the Projects as defined in Section 4.3.17, the County has not undertaken or commenced any Pending Projects in or around the Real Property, and the Buildings are not “historical buildings” 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 the 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 Agreement as “Indemnified Loss”) asserted against the County Parties 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 set forth in the Closing Documents; and

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 Exclusive-Use Area, or (ii) the Court's shared use of the Common Area, or (iii) the AOC's Operation of or responsibility for the Court Exclusive-Use Area, in each case, on or 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 or Deficiency that occurred, or Dispute that commenced, prior to the TOR Closing Date related to the County's ownership, occupancy, Operation 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 of, or responsibility for, the Property before the TOR Closing Date; and

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 Buildings 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 that Party is responsible under this Agreement or the JOA. 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 pertaining to the Real Property.

## **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 to the County.

## **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 arising under this Agreement pursuant to section 12 of this Agreement. The Parties may at any time 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 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 Judicial Arbitration and Mediation Services 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  
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: 415-865-4048  
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: John P. 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, 5.1, 5.2, 5.3, 5.4, 5.5, 5.7 and 6 through 15, inclusive. All other rights and duties hereunder will cease upon termination of this Agreement or the Closing Date. In the event of the termination of this Agreement, all documents, other tangible objects, and information containing or representing confidential or proprietary information which have been disclosed by one Party to the other, and all copies which 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 other 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 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.

(SIGNATURE PAGE FOLLOWS)

APPROVED AS TO FORM:

Administrative Office of the Courts,  
Office of the General Counsel

By: *Dianne Barry*  
Name: Dianne Barry  
Title: Attorney  
Date: 12/5/08

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

By: *Grant Walker*  
Name: Grant Walker  
Title: Senior Manager, Business Services  
Date: 12/5/08

APPROVED AS TO FORM:

County Of Stanislaus  
Office of the County Counsel

By: *John P. Doering*  
Name: John P. Doering  
Title: County Counsel

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

By: *Jim De Martini*  
Name: Jim De Martini  
Title: Vice Chairman, Board of Supervisors  
Date: Dec. 9, 2008

ATTEST:

Christine Ferraro Tallman, Clerk of the  
Board

By: *Christine Ferraro Tallman*  
Name: Christine Ferraro Tallman  
Title: Clerk of the Board  
Date: Dec. 9, 2008

## **EXHIBITS**

Exhibit “A-1” – Legal Description of the Courthouse/Jail Block

Exhibit “A-2” – Parcels A, B, C and D

Exhibit “B-1” – Exclusive Use Areas and Common Areas

Exhibit “B-2” – County Underground Area

Exhibit “B-3” – AOC Equity Share; County Equity Share

Exhibit “C” – List of Relevant Bond Documents

Exhibit “D” – List of Disputes as of Effective Date

Exhibit “E” – Categories of Property Disclosure Documents

Exhibit “F” – Form of Joint Occupancy Agreement

Exhibit “G” – Form of Memorandum of Joint Occupancy Agreement

Exhibit “H” – List of Excluded Tangible Personal Property

Exhibit “I” – Form of Grant Deed

Exhibit “J” – Copy of Section 70324 of the Act

Exhibit “K” – Insurance Requirements for Pending Projects

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**EXHIBIT "A-1"**

**LEGAL DESCRIPTION OF COURTHOUSE/JAIL BLOCK**

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

All of Block 83 of the City of Modesto, filed in the Office of the County Recorder of Stanislaus County on December 21, 1942 in Volume 15 of Maps.

APN: 105-025-001

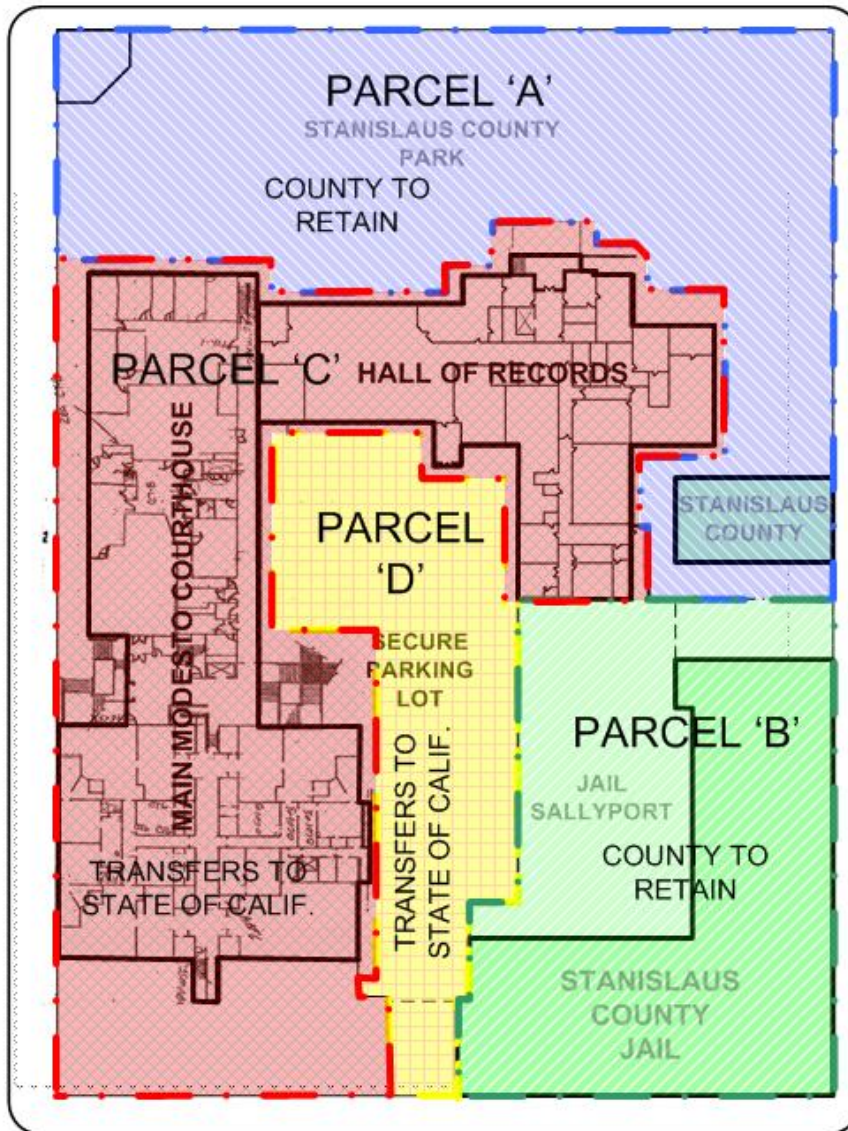
**EXHIBIT "A-2"**

**PARCELS A, B, C, AND D**

**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Draft Record of Survey Depicting Parcels A, B, C and D

Conceptual Diagram

I STREET





# EXHIBIT "B-1"

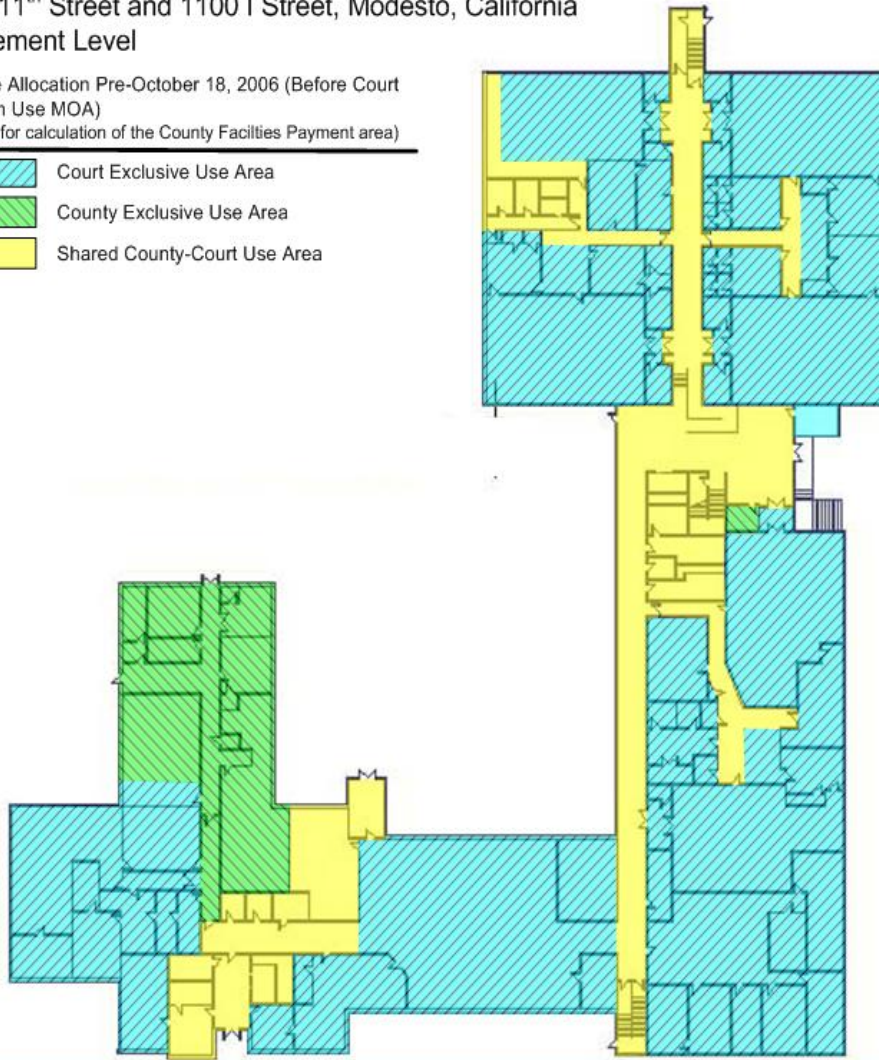
## EXCLUSIVE USE AND COMMON AREAS

### Basement Level

**Superior Court of California, Stanislaus County**  
**MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Basement Level

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area



# EXHIBIT "B-1"

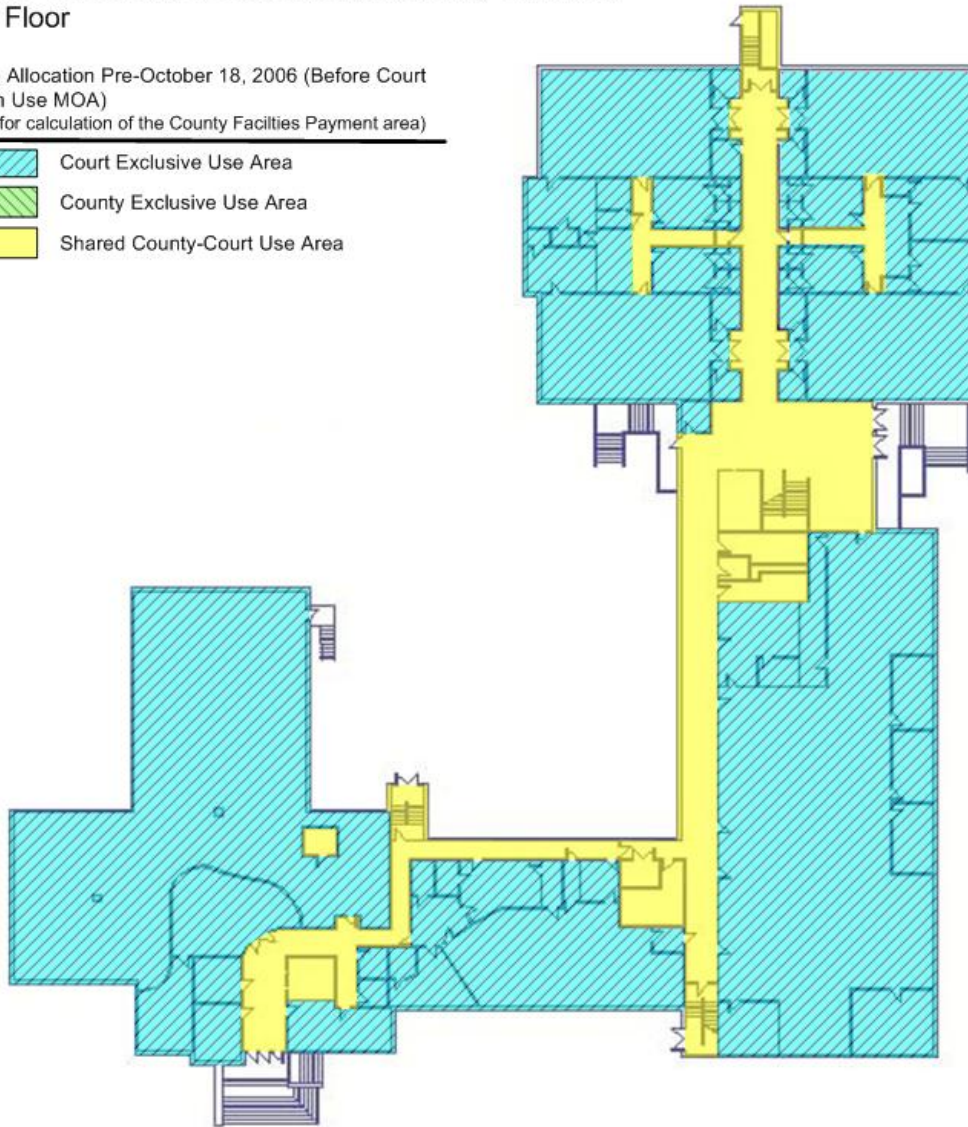
## EXCLUSIVE USE AND COMMON AREAS

### First Floor

**Superior Court of California, Stanislaus County**  
**MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
First Floor

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area



# EXHIBIT "B-1"

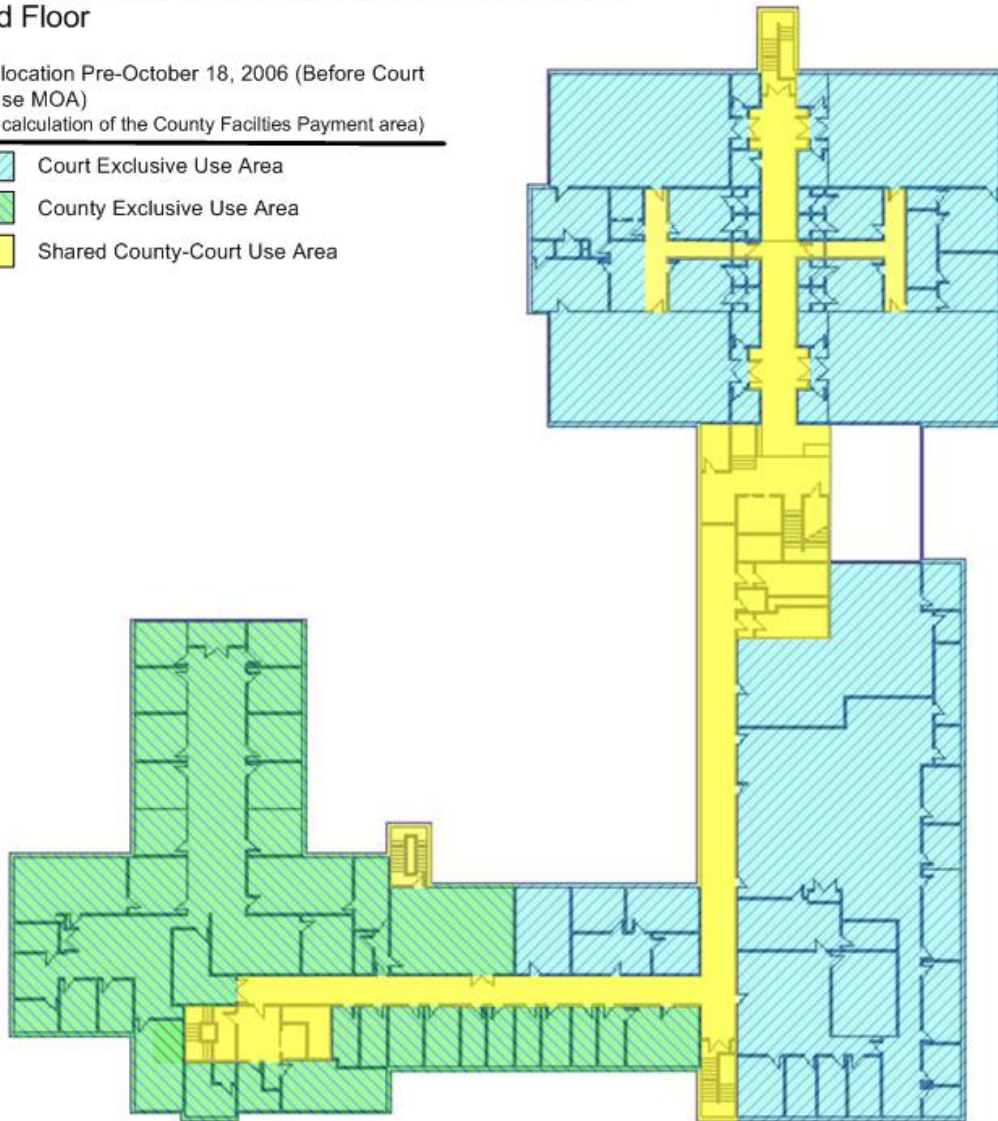
## EXCLUSIVE USE AND COMMON AREAS

### Second Floor

**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Second Floor

Space Allocation Pre-October 18, 2006 (Before Court Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area



# EXHIBIT "B-1"

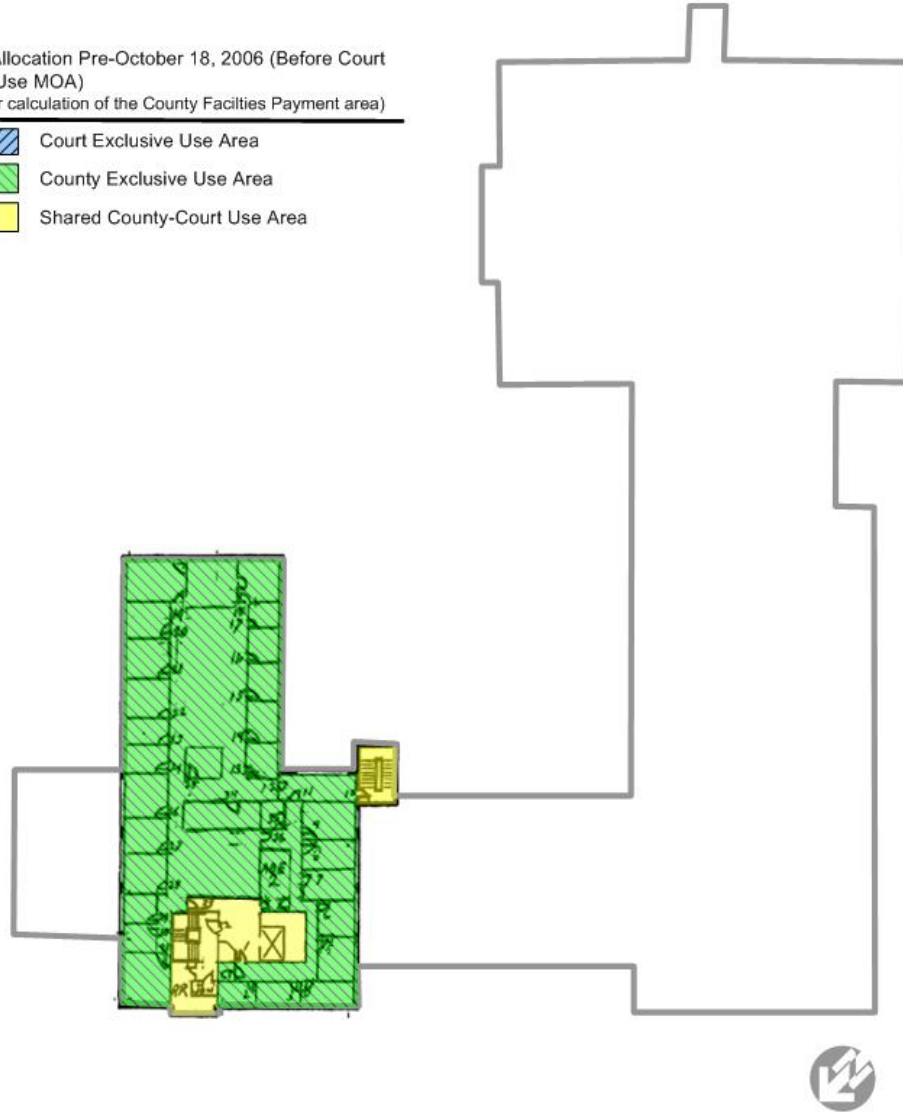
## EXCLUSIVE USE AND COMMON AREAS

### Third Floor

**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Third Floor

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area



# EXHIBIT "B-1"

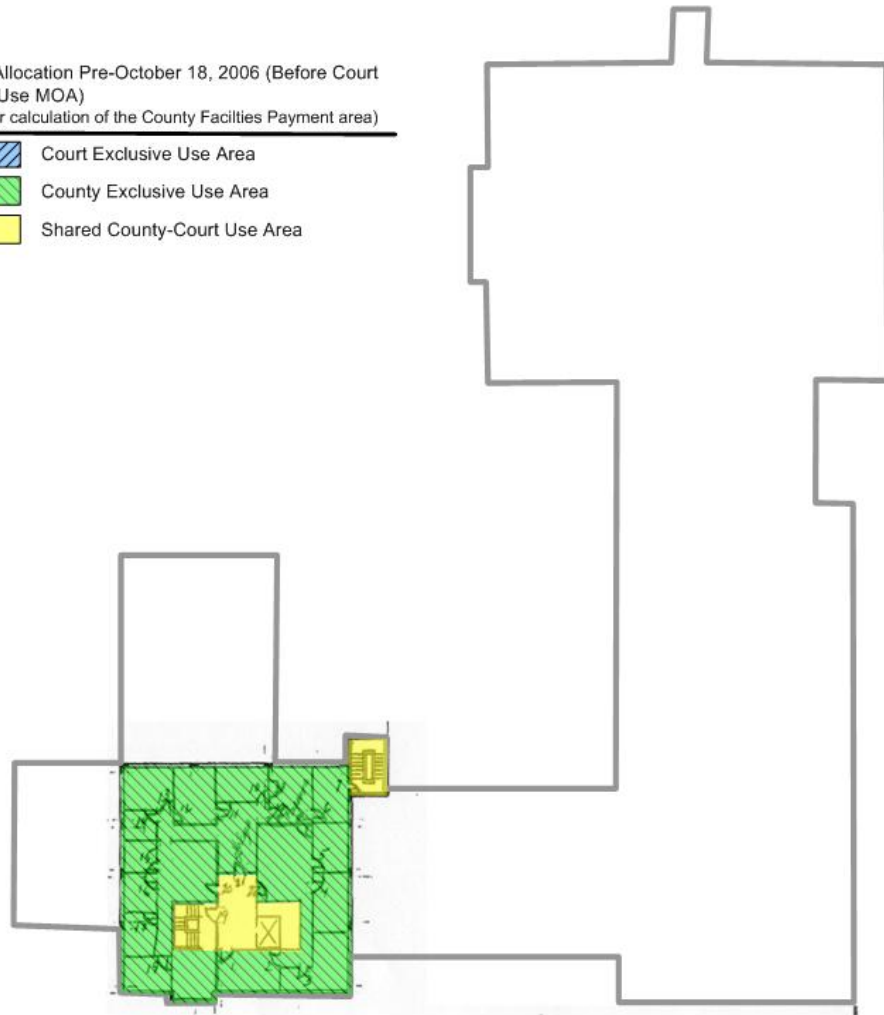
## EXCLUSIVE USE AND COMMON AREAS

### Fourth Floor

**Superior Court of California, Stanislaus County**  
**MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Fourth Floor

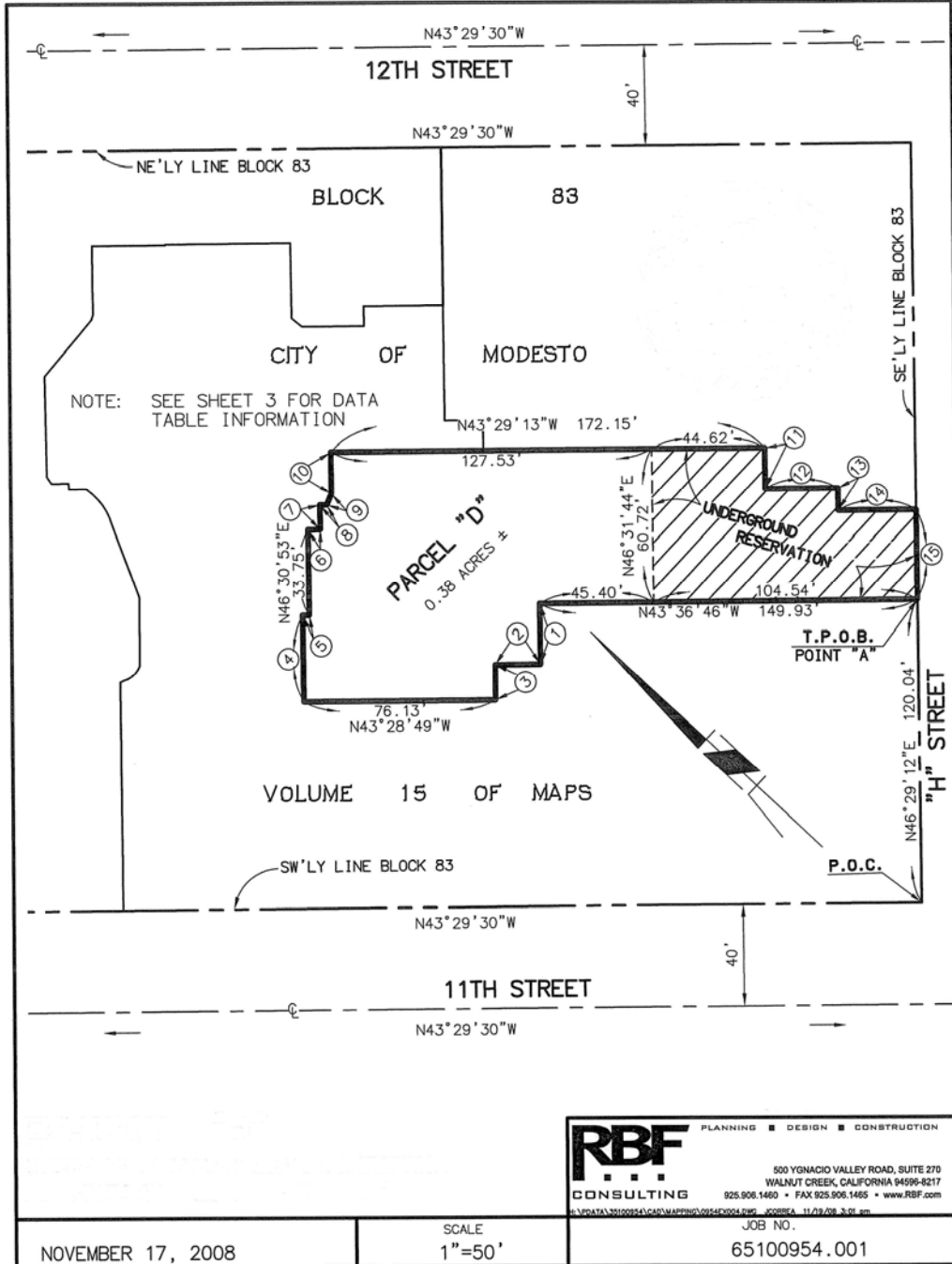
Space Allocation Pre-October 18, 2006 (Before Court Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area



# EXHIBIT "B-2"

## COUNTY UNDERGROUND AREA



**EXHIBIT “B-3”**

**COUNTY AND AOC/COURT EQUITY SHARE**

Location	Total SF	County Space SF	% of Space County	AOC/Court Space SF	% of Space AOC/Court
Main Courthouse	64,092	135	.21%	63,957	99.79%
Hall of Records	45,343	24,136	53.23%	21,207	46.77%
<b>TOTAL</b>	<b>109,435</b>	<b>24,271</b>	<b>22.18%*</b>	<b>85,164</b>	<b>77.82%**</b>

\* County Equity Share

\*\* AOC Equity Share

**EXHIBIT "C"**

**LIST OF RELEVANT BOND DOCUMENTS**

**1988 FINANCING (ENCUMBERING THE PROPERTY DESCRIBED ON EXHIBIT "A-1")**

**An unrecorded lease** with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document:

Entitled: Site and Facility Lease

Lessor: County of Stanislaus

Lessee: CSAC Finance Corporation

Recorded: September 6, 1988, Instrument No. 060350, of Official Records

**An unrecorded lease** with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document:

Entitled: Lease Agreement

Lessor: CSAC Finance Corporation

Lessee: County of Stanislaus

Recorded: September 6, 1988, Instrument No. 060351, of Official Records

**AN ASSIGNMENT**, of certain of the Lessors interests (under the unrecorded lease dated June 1, 1986, which lease is shown above).

Assignment dated June 1, 1986 and recorded September 6, 1988 as Document No. 060352, Official Records.

**AN ASSIGNMENT**, of successor trustee, under the unrecorded lease dated June 1, 1986, which lease is shown above.

Assignment dated March 1, 1988 and recorded September 6, 1988 as Document No. 060353, Official Records.

**2004 FINANCING (ENCUMBERING A PORTION OF PARCEL D AS SHOWN ON EXHIBIT "A-2")**

**An unrecorded lease** with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document

Entitled: Site Lease

Lessor: County of Stanislaus

Lessee: Stanislaus County Capital Improvements Financing Authority

Recorded: April 5, 2004, Instrument No. 2004-0048686-00, of Official Records



**Matters contained in that certain document entitled Lease/Purchase Agreement** dated April 1, 2004, executed by and between Stanislaus County Capital Improvements Financing Authority and the County of Stanislaus recorded April 5, 2004, Instrument No. 2004-0048687-00, of Official Records.

Reference is hereby made to said document for full particulars.

**An unrecorded lease** with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document

Entitled: Lease/Purchase Agreement

Lessor: Stanislaus County Capital Improvements Financing Authority

Lessee: County of Stanislaus

Recorded: April 5, 2004, Instrument No. 2004-0048687-00, of Official Records

**AN ASSIGNMENT**, of certain of the Lessors interests (under the unrecorded lease dated June 1, 1986, which lease is shown above), dated April 1, 2004.

Assignment dated April 1, 2004 and recorded April 5, 2004, Document No. 2004-0048688-00, Official Records.

**EXHIBIT “D”**

**LIST OF DISPUTES AS OF THE EFFECTIVE DATE**

(None)

## EXHIBIT “E”

### 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 “F”**

**FORM OF JOINT OCCUPANCY AGREEMENT**

(See Attached)

Building Names and Addresses:

Modesto Main Courthouse (Facility # 50-A1), 800 11<sup>th</sup> Street, Modesto, CA 95354

Hall of Records (Facility # 50-A2), 1100 I Street, Modesto, CA 95354

**JOINT OCCUPANCY AGREEMENT**  
**BETWEEN**  
**THE JUDICIAL COUNCIL OF CALIFORNIA,**  
**ADMINISTRATIVE OFFICE OF THE COURTS,**  
**AND**  
**THE COUNTY OF STANISLAUS**

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## JOINT OCCUPANCY AGREEMENT

### 1. PURPOSE

A. 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 Parties’ shared possession, occupancy, and use of the Real Properties.

B. Stanislaus County owns that certain real property consisting of an entire city block located in the City of Modesto, State of California, more particularly described on **Attachment “1”** attached hereto (APN 105-025-001). Through a Record of Survey, the Property will be subdivided into the following four Parcels more particularly described on **Attachment “2-1”**: Parcel A (Stanislaus County Park); Parcel B (Stanislaus County Jail and Jail Sallyport); Parcel C (Main Courthouse and Hall of Records) and Parcel D (Transferred Parking Area). To implement the provisions of the Act, the County intends to retain ownership of Parcels A and B, and to transfer title to Parcels C and D to the State of California in accordance with the terms and conditions of the Agreement.

### 2. 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 the Transfer Agreement for the Transfer of Responsibility for Court Facilities, by and between the AOC and the County, under which the County transferred to the AOC responsibility for certain portions of the Real Properties under the Act.

“**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 any Court Facility (e.g., allegations of civil rights violations made by a third party against a Court employee).

“**AOC Equity Share**” means the approximately 85,164 square feet of floor space in the Modesto Main Courthouse and the Hall of Records which includes the Court Exclusive-Use Area and a portion of the Common Area as shown on **Attachment “2-2”**. As of the Effective Date, the AOC Equity Share in the Modesto Main Courthouse and the Hall of Records is 77.82 percent of the total area of the Modesto Main Courthouse and the Hall of Records.

“**AOC Share**” means the percentage of the total square footage of the Buildings which is exclusively occupied by the Court and a portion of the Common Area (excluding space occupied by the Court within a County Exclusive-Use Area under separate agreement) as shown on **Attachment “2-3”**. As of the Effective Date, the AOC Share 77.82 percent of the total square footage of the Buildings.

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

“**Bonded Indebtedness Documents**” means the agreements evidencing and securing the Bonded Indebtedness, including those listed in Exhibit “H” to the Agreement.

“**Bonded Indebtedness**” means “bonded indebtedness” as defined in section 70301(a) of the Act, to which some or all of the Real Property is subject on the Effective Date of the Agreement.

“**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 Properties.

“**Building**” means any one, and “**Buildings**” means both, of (i) the Modesto Main Courthouse and (ii) the Hall of Records, which are situated on that portion of the Land described as Parcel C on **Attachment “2-1”**, all connected or related structures and improvements, and all Building Equipment, as determined by the context in which the term is used.

“**Building Equipment**” means the installed equipment and systems that serve the Buildings generally or the Common Area. The Building Equipment includes equipment and systems that are physically located in a Party’s Exclusive-Use Area but that serve the Common Area of that Building generally, but it does not include any equipment or systems that exclusively serve the Exclusive-Use Area of only one Party.

“**Common Area**” means the areas of the Land and the Buildings that are used non-exclusively and in common by, or for the common benefit of, the County and the Court, and includes (1) those portions of the Buildings depicted as Common Area on **Attachment “2-3”** to this Agreement, including hallways, stairwells, elevators, and restrooms that are not located in either Party’s Exclusive-Use Area, and specifically the security entrance at the Main Courthouse which is the sole secured access to the Court Exclusive-Use Areas in the Main Courthouse and the Hall of Records, (2) foundations, exterior walls, load-bearing walls, support beams, exterior windows, the roof, and other structural parts of the Buildings, (3) Building Equipment and Utilities that do not exclusively serve only one Party’s Exclusive-Use Area, (4) driveways, walkways, and

other means of access over the Land and through each Building to the Court Exclusive-Use Area in each Building and (5) landscaped areas on the Land. The Common Area does not include any part of the Exclusive-Use Area of either Party, except for any Building Equipment that is located in a Party's Exclusive-Use Area.

**“Common Building Equipment”** is any Building Equipment that serves both Buildings, and includes, but is not limited to, all mechanical systems, such as: heating, ventilation and air conditioning; plumbing; main electrical service; hot water; drainage systems; life-safety systems; data equipment; security system; the ADA ramp located in the Main Courthouse which is the only secure access to the Main Courthouse and the Hall of Records; and the boiler located in the County jail facility which serves the Main Courthouse and the Hall of Records.

**“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 Properties with respect to the Operation of the Buildings.

**“Contributing Party”** means the County.

**“Corporation”** means the Stanislaus County Capital Improvements Financing Authority, which is a party to some of the Bonded Indebtedness Documents.

**“County Equity Share”** means the approximately 24,271 square feet of floor space in the Modesto Main Courthouse and the Hall of Records which includes the County Exclusive-Use Area and a portion of the Common Area as shown on **Attachment “2-2”**. As of the Effective Date, the County Equity Share in the Modesto Main Courthouse and the Hall of Records is 22.18 percent of the total area of the Modesto Main Courthouse and the Hall of Records.

**“County Exclusive-Use Area”** means the floor space in a Building that is exclusively occupied and/or used by the County as depicted on **Attachment “2-3”** to this JOA. As of the Effective Date: (i) the County Exclusive-Use Area in the Modesto Main Courthouse is approximately 98 square feet; and (ii) the County Exclusive-Use Area in the Hall of Records is approximately 22,197 square feet. **“County Exclusive-Use Areas”** means, together, the County Exclusive-Use Areas in the Modesto Main Courthouse and the Hall of Records, which constitutes 22,295 square feet of the total square footage of the Modesto Main Courthouse and the Hall of Records.

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

**“County Share”** means the percentage of the total square footage of the Buildings which is exclusively occupied by the County and a portion of the Common Area (or occupied by the Court within a County Exclusive-Use Area under separate agreement) as shown on **Attachment “2-3”**. As of the Effective Date, the County Share is 22.18 percent of the total square footage of the Buildings.

**“County Underground Area”** means the tunnel, holding cell, building maintenance area and evidence room that exists under a portion of Parcel D and connects to Parcel C as shown on **Attachment “2-4”**.

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

**“Court Exclusive-Use Area”** means the floor space in a Building that is exclusively occupied and used by the Court as depicted on **Attachment “2-3”** to this JOA. As of the Effective Date: (i) the Court Exclusive-Use Area in the Modesto Main Courthouse is approximately 48,473 square feet; and (ii) the Court Exclusive-Use Area in the Hall of Records is approximately 17,425 square feet. **“Court Exclusive-Use Areas”** means, together, the Court Exclusive-Use Areas in the Modesto Main Courthouse and the Hall of Records, which constitutes 65,898 square feet of the total square footage of the Modesto Main Courthouse and the Hall of Records.

**“Court Security Agreement”** means the Agreement for Court Security Services between the Superior Court of California, County of Stanislaus; and the County of Stanislaus; and the Stanislaus County Sheriff; effective for the period of time from July 1, 2007 through June 30, 2010, and any new or amended agreement relating to Court Security Services.

**“Days”** means calendar days unless otherwise defined in this JOA.

**“Deficiency”** means any condition of, damage to, or defect in a Common Area that, with respect to the Real Property associated therewith: (1) threatens the life, health, or safety of persons occupying or visiting the Building, (2) unreasonably interferes with, disrupts, or prevents either Party’s occupancy or use of the Real Property, or its ability to conduct its business operations in its Exclusive-Use Area, in an orderly, neat, clean, safe, and functional environment, (3) threatens the security of the employees, guests, invitees, or patrons of either Party, (4) threatens to diminish the value of the Contributing Party’s Exclusive-Use Area or the Common Area, or threatens to damage or destroy the business personal property of the Contributing Party or the Court located in the Buildings, (5) threatens the preservation of the Contributing Party’s files, records, and documents located in the Buildings, or (6) causes or exacerbates an unsafe, unsanitary, unlawful, or non-functional condition affecting the Contributing Party’s Exclusive-Use Area or the Common Area.

“**Effective Date**” means December 22, 2008, the date on which the Transfer of Responsibility is completed under the terms of the Agreement.

“**Emergency**” means a sudden, unexpected event or circumstance, on or affecting a Common Area or a Real Property, that results in a Deficiency.

“**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 all Federal, State, or local 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, and more specifically defined herein as “County Equity Share” and “AOC Equity Share.”

“**Estimated Shared Costs**” means the Managing Party’s reasonable, itemized estimate of the Shared Costs for a Real Property for a fiscal year; provided that, the Managing Party’s first estimate of the Shared Costs will cover the period from the Effective Date to the last day of the fiscal year in which the Effective Date occurs.

“**Exclusive-Use Area**” means a Court Exclusive-Use Area in any one or more of the Buildings, or a County Exclusive-Use Area in any one or more of the Buildings, as determined by the context in which the term is used.

“**Hall of Records**” means the four-story building located on a portion of the Land contiguous to the Modesto Main Courthouse with a street address of 1100 I Street, Modesto, California 95354.

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

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

“**JOA**” means this Joint Occupancy Agreement.

“**Land**” means Parcel C consisting of approximately 1.16 acres associated with the Modesto Main Courthouse and Hall of Records and Parcel D consisting of approximately .38 acres associated with the Transferred Parking, all as described on **Attachment “2-1”** to this JOA, including the Party’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;

excepting and reserving to the County the exclusive right to use and occupy the County Underground Area as shown on **Attachment “2-4”**.

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

“**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 a 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 a Real Property, but excludes all AOC Claims.

“**Major Deficiency**” means any Deficiency: (i) that cannot, with reasonable diligence, be corrected within 10 days, or (ii) as to which the estimated cost to correct will result in Excess Costs in an amount greater than 10 percent of the Estimated Shared Costs for the deficient Real Property for the fiscal quarter in which the Parties anticipate the correction will be performed, under section 4.2 of this JOA.

“**Managing Party**” means AOC which, as of the Effective Date, is the Party responsible for the Operation of the Common Area under this JOA.

“**Memorandum**” means the document titled Memorandum of Joint Occupancy Agreement that has been recorded in the official records of the County as an encumbrance on the Land pursuant to the Agreement.

“**Modesto Main Courthouse**” means the two-story building located on the Land contiguous to the Hall of Records with a street address of 800 11th Street, Modesto, California 95354.

“**Non-Ownning Party**” means the AOC during the Interim Period, and the County upon and after the TOT Closing Date, which in either case is the Party that does not own fee title to the Real Properties.

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

“**Occupant**” means any third party that occupies or uses the Real Property under an Occupancy Agreement.



**“Operation”** means the administration, management, maintenance, and repair of designated areas of the Real Properties, but does not include custodial services, which are not governed by this JOA or the Agreement.

**“Owner”** means the County during the Interim Period, and the AOC upon and after the TOT Closing Date, which in either case is the Party that owns fee title to the Real Properties.

**“Parking Area”** means, together, the Transferred Parking Area as shown on Parcel D of **Attachment “2-1”** (which will be conveyed to the State) and the Provided Parking which collectively satisfy the County’s obligation to provide parking spaces as set forth in Section 70330 of the Act.

**“Parking License Agreement”** means that certain Parking License Agreement between the County and the Court dated March 1, 2006, pursuant to which the County provides the Provided Parking to the Court, which agreement may be amended or revised from time to time. This JOA and the Agreement do not supersede, replace, or modify the current Parking License Agreement or any other agreement currently in effect or entered into in the future between the County and the Court with respect to parking.

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

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

**“Property Insurance Costs”** means all costs of providing the Property Insurance Policies, including premiums, deductibles, and self-insurance retention amounts under Owner’s self-insurance program; provided that, Property Insurance Costs related to the Hall of Records do not include (i) the cost of premiums, deductibles or self-insured retention amounts associated with seismic-related damage or injury to the Hall of Records, or (ii) premiums paid or incurred in respect of any earthquake insurance covering the Hall of Records that the Owner obtains on or after the Effective Date unless the Non-Owning Party has given its prior, written consent to the inclusion of such premiums as Property Insurance Costs.

**“Property Insurance Policies”** means one or more policies of property insurance maintained by the Owner that insure a 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 replacement cost of a Real Property. Owner’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 Owner for a Real Property, or by Owner's participation in a joint powers authority established for the purpose of pooling self-insured claims. While any part of the Real Property is subject to the Bonded Indebtedness, the Property Insurance Policies will include all property insurance coverage the County is required to maintain for the Real Property under the Bonded Indebtedness Documents.

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

**“Provided Parking”** means access cards to 43 parking spaces currently in the County-owned 12th Street Parking Garage located across the street from the Buildings, pursuant to the terms of the Parking License Agreement.

**“Real Property”** means, together, the Land, the Buildings, and the Transferred Parking Area.

**“Restricted Areas”** means all areas (i) within the Court Exclusive-Use Area that are not generally accessible to the public, including , judges' chambers, all non-public restrooms, elevators, break rooms, and corridors, and other non-public spaces that are dedicated for use only by judges or Court staff and employees, public areas of the Common Area and the Court Exclusive-Use Area during non-business hours that are subject to security screening during normal business hours, and other secure areas as reasonably designated by the AOC (“Court Restricted Areas”) and (ii) all areas with the County Exclusive-Use Area and Parcels B and D as shown on **Attachment “2-1”** that are not generally accessible to the public including the District Attorney and Public Defender Office space, the Sheriff's Weight Room and Showers, the Stanislaus County Jail, the Sallyport Area, the County Underground Area, the roof of the Buildings, and other secure areas as reasonably designated by the County (“County Restricted Areas”).

**“Security-Related Areas”** means the parts of the Buildings that are used for secure holding and transport of prisoners, including holding cells and secured elevators, non-public staircases, and non-public corridors.

**“Services”** means (i) the oversight, management, operation, maintenance, repair, or replacement, in good order and condition, and (ii) the renovation, improvement, alteration, addition, or new capital project in any portion of a County Exclusive-Use Area, as and when requested and agreed by the Parties pursuant to **Attachments “6” and “7”** to this JOA.

**“Share”** means the AOC Share or the County Share, as determined by the context in which the term is used.

**“Shared Costs”** means, for the Real Property and subject to section 4 of this JOA: (i) the cost of owned or rented capital replacement items, improvements, equipment, and repairs in or benefiting the Common Area, (ii) the cost of normal, day-to-day Operation of the Common Area including the cost of Utilities provided to the Common Area, and the cost of maintaining Equipment Permits (but excluding any late fees, interest, penalties, or other charges arising from the Managing Party’s failure to timely pay those costs or keep the Equipment Permits in effect), (iii) the cost of Utilities provided to the Exclusive-Use Areas, if Utilities are not separately metered for the Exclusive-Use Areas, and (iv) any Property Insurance Costs, subject to section 4.6 below. Shared Costs do not include: (a) any cost that is primarily for the purpose of benefiting a Party’s Exclusive-Use Area; (b) overtime charges or late fees related to any item that would otherwise be a Shared Cost, unless those overtime expenses or late fees are pre-approved by both Parties, or are necessary to remedy the imminent threat arising from an Emergency; or (c) any fees, fines, penalties, interest, or other charges arising from the Managing Party’s Operation of the Real Property in a negligent manner or a manner that does not comply with Law. Except where the Parties mutually agree to a different allocation of costs, the County shall pay 22.18% of Shared Costs and the AOC shall pay 77.82% of Shared Costs.

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

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

**“Term”** means the term of this JOA, which commences on the Effective Date and continues indefinitely until the Parties enter into a written Termination Agreement terminating this JOA and causing the Memorandum to be terminated and removed as an encumbrance on the Land.

**“Termination Agreement”** means the document titled Termination of Joint Occupancy Agreement in the form and content attached as **Attachment “4”** to this JOA.

**“Total Exclusive-Use Area”** means, together, a Real Property’s Court Exclusive-Use Area and County Exclusive-Use Area. **“Total Exclusive-Use Areas”** means, together, the Total Exclusive-Use Area of the Real Properties.

**“Transferred Parking Area”** means the controlled access parking lot located on a portion of the Land shown as Parcel D of **Attachment “2-1”** containing a total of 44 parking spaces for use by judges and staff of the Court as determined by the Court.

**“Trustee”** means BNY Western Trust Company, the Trustee in respect of the Bonded Indebtedness, and any successor trustees appointed under the Bonded Indebtedness Documents.

“**Utilities**” means the utilities services provided to the Real Property, except for telephone, cable, internet, and other data services, which are governed by section 3.7 of this JOA.

“**Vending Facility**” means “vending facility” as defined in section 19626 of the California Welfare and Institutions Code, as amended.

### **3. RIGHTS AND RESPONSIBILITIES**

3.1 Rights to Exclusive-Use Areas and Common Areas. Under the Act, the Agreement, and this JOA, the AOC has the right to exclusively occupy and use the Court Exclusive-Use Areas, and the non-exclusive right to occupy and use the Common Areas, and the County has the right to exclusively occupy and use the County Exclusive-Use Areas, and the non-exclusive right to occupy and use the Common Areas. Each Party’s non-exclusive right to use the Common Areas must: (i) not interfere with the other Party’s use of its Exclusive-Use Areas or the Common Areas; (ii) not materially increase the other Party’s obligations under this JOA; and (iii) comply with Law. The Parties may from time to time agree on reasonable rules and regulations for their shared use of the Common Areas. The Parties acknowledge that access to the Common Areas shall be available at all times, including during non-business hours.

#### 3.2 Responsibility for Exclusive-Use Areas and Common Areas.

3.2.1 Exclusive-Use Areas. During the Term, each Party is responsible for the Operation of its Exclusive-Use Areas, at its sole cost and expense. Each Party may make alterations and additions to its Exclusive-Use Areas, as long as those alterations and additions do not unreasonably interfere with the other Party’s use of its Exclusive-Use Area in the applicable Building or the Common Area of the applicable Real Property. Where Utilities are not separately metered for each Party’s Exclusive-Use Area, the Managing Party shall provide and pay for Utilities to the Real Property under this JOA, subject to the Contributing Party’s obligations under section 4 of this JOA.

3.2.2 Common Areas. The Managing Party is responsible for the Operation of the Common Areas and shall provide and pay for Utilities to the Common Areas under this JOA, subject to the Contributing Party’s obligations under section 4 of this JOA. The Managing Party may make reasonable additions and alterations to the Common Areas, the cost of which will be a Shared Cost, but the Managing Party must first obtain the written consent of the Contributing Party to those additions or alterations, which consent will not be unreasonably withheld, conditioned, or delayed. If the Contributing Party neither consents, nor provides to the Managing Party a reasonably-detailed description of its reasons for withholding its consent, within 30 days after the Contributing Party’s receipt of the Managing Party’s request for consent to the Common

Area additions or alterations, the Contributing Party will be deemed to have consented, and will be responsible to pay its Share of the costs and expenses incurred by the Managing Party in making the Common Area alterations or additions described in the Managing Party's request for consent.

### 3.2.3 Correction of Deficiencies.

3.2.3.1 Deficiency. Upon the Managing Party's discovery of a Deficiency, the Managing Party must either (i) correct the Deficiency within 10 days, or (ii) if the Deficiency is a Major Deficiency, send a written notice to the Contributing Party, within three business days, describing the Major Deficiency and providing an estimate of the cost and time needed to correct the Major Deficiency ("**Major Deficiency Notice**").

3.2.3.2 Contributing Party Deficiency Notice. The Contributing Party may at any time, but is not obligated to, send a written notice to the Managing Party describing the Deficiency (the "**Contributing Party Deficiency Notice**"). Upon receipt of any Contributing Party Deficiency Notice, the Managing Party must either: (i) correct the Deficiency by no later than 10 days after the Managing Party's receipt of the Contributing Party Deficiency Notice; or (ii) within three business days after the Managing Party's receipt of the Contributing Party Deficiency Notice, send a Major Deficiency Notice to the Contributing Party.

3.2.3.3 Contributing Party's Right to Correct. If the Managing Party neither corrects the Deficiency nor sends a Major Deficiency Notice within the time periods provided in section 3.2.3.2, then the Contributing Party may, but is not obligated to, without giving any notice or commencing any cure period under section 10 of this JOA, correct the Deficiency in any reasonable manner under the circumstances. If the Contributing Party corrects the Deficiency, the Contributing Party will be entitled to reimbursement from the Managing Party, under section 3.2.3.4, below, of the Managing Party's Share of the actual costs incurred by the Contributing Party to correct the Deficiency, whether or not the Deficiency is a Major Deficiency.

3.2.3.4 Correcting Party; Reimbursement. The Party that actually performs the correction of a Deficiency or a Major Deficiency is the "**Correcting Party.**" The Correcting Party is entitled to be reimbursed by the non-correcting Party for the non-correcting Party's Share of the actual costs that the Correcting Party incurs in correcting each Deficiency, as follows:

(a) If the Correcting Party is the Managing Party, the Correcting Party will be reimbursed for the non-correcting Party's Share of the actual costs to correct the Deficiency under section 4 of this JOA; or

(b) If the Correcting Party is the Contributing Party, the Managing Party will reimburse the Contributing Party for the Managing Party's Share of the costs to correct the Deficiency within 30 days after the Contributing Party has delivered to the Managing Party an invoice and reasonable supporting documents evidencing the actual costs to correct the Deficiency.

(c) If the non-correcting Party does not timely reimburse the Correcting Party for the non-correcting Party's Share of the costs of correction, the Correcting Party may offset the non-correcting Party's Share of the costs to correct the Deficiency against any amounts that the Correcting Party owes to the non-correcting Party under this JOA or any other agreement; provided that no offset may be made against the County Facilities Payment.

3.2.3.5 Major Deficiency Correction Plan. If the Managing Party at any time sends the Contributing Party a Major Deficiency Notice, whether under section 3.2.3.1 or section 3.2.3.2 of this JOA, then within 10 days after the Contributing Party's receipt of the Major Deficiency Notice, the Parties will meet and confer, in good faith, in person or by telephone, to determine a plan ("**Correction Plan**") for the correction of the Major Deficiency, including the method, estimated cost, and time period for the correction. If the Managing Party does not thereafter complete the correction of the Major Deficiency in accordance with the Correction Plan, the Contributing Party may, but will not be obligated to, without giving any notice or commencing any cure period under section 10 of this JOA, correct the Major Deficiency in a manner consistent with the Correction Plan, and will thereafter be the Correcting Party for purposes of reimbursement of the Managing Party's Share of the actual costs of correcting the Deficiency under section 3.2.3.4(b) of this JOA.

3.2.3.6 Not Applicable to Emergencies. This section 3.2.3 will not apply to any Deficiency to a Real Property that: (i) arises from an Emergency, and (ii) constitutes an imminent threat (a) to life, safety, health, or security, (b) of reduction in the value of the Contributing Party's Exclusive-Use Area or the Common Area, or (c) to the preservation of the Contributing Party's files, records, and documents located in the Building on that Real Property. Rather, those Deficiencies will be governed by section 3.2.4 of this JOA. Any Deficiency that arises from an Emergency, but that does not constitute an imminent threat to the matters described in (ii) (a), (b), or (c) above, will be governed by section 3.2.3.

3.2.4 Emergencies. If any Emergency occurs, the Parties must immediately notify one another of the Emergency by telephone or any other means reasonable under the circumstances. The Managing Party must promptly take steps to correct any Deficiency that arises from the Emergency and that constitutes an imminent threat (a) to life, safety, health, or security, (b) of reduction in the value of the

Contributing Party's Exclusive-Use Area or the Common Area of that Real Property, or (c) to the preservation of the Contributing Party's files, records, and documents located in the Building on that Real Property. If the Managing Party does not immediately correct any such Deficiency arising from an Emergency, the Contributing Party may, but will not be obligated to, without giving any notice or commencing any cure period under section 10 of this JOA, correct that Deficiency without making any further demand on the Managing Party, and will notify the Managing Party of the steps taken to correct the Deficiency as soon as reasonably possible. The Party that corrects a Deficiency arising from an Emergency under this section 3.2.4 is entitled to reimbursement from the other Party of the non-correcting Party's Share of the actual cost of correcting the Emergency pursuant to section 4 of this JOA. Notwithstanding the foregoing, if a Deficiency arises from an Emergency, but the Deficiency does not constitute an imminent threat to the matters described in (ii) (a), (b), or (c) above, the correction of that Deficiency will be governed by section 3.2.3 of this JOA.

3.2.5 Deficiency and Emergency Notification. All communications and notices between the Parties made under sections 3.2.3 and 3.2.4 of this JOA must be made in accordance with section 4.7 of this JOA.

### 3.3 Parking.

3.3.1 Transferred Parking Area. The AOC is responsible for the Operation and administration of the Transferred Parking Area at no cost to the County Parties.

3.3.2 Provided Parking. The County is responsible for the Operation of the Provided Parking, at no cost to the State Parties. At all times after the Transfer of Responsibility, Court personnel who have been issued a parking pass pursuant to the terms of the Parking License Agreement will have the right to use and occupy the Provided Parking. After the Transfer of Responsibility, if the Provided Parking becomes unavailable for Court use, or if the County wishes to relocate any of the Provided Parking, the County must provide, at the County's sole cost, 43 alternate parking spaces for the Court of comparable convenience to the Buildings, of the type of spaces which were available to the Court as of October 1, 2001. The County must consult with the Court and the AOC before any relocation of the Provided Parking.

3.4 Cooperation. The Parties will cooperate with one another, reasonably and in good faith, to ensure that each Party can peacefully enjoy, possess, use, and occupy its Exclusive-Use Areas the Common Areas. The Owner will cooperate in good faith with, and ensure that, the Non-Owning Party can exercise its rights and responsibilities under this JOA. Subject to any reasonable rules and restrictions, each Party will allow the other Party to enter its Exclusive-Use Areas for any reasonable purpose related to the terms of

this JOA or any other written agreement between the Parties. Either Party may delegate its responsibilities under this JOA to the other Party or to a third party, but that delegation will not relieve the delegating Party from its obligations under this JOA.

3.5 Security-Related Areas. The Parties acknowledge the terms and conditions of the Court Security Agreement effective July 1, 2007 addressing the secure entry, exit, transport, and holding of prisoners attending Court sessions to, from, in, and through, areas of the Property. This JOA and the Agreement do 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. The County and will have the right to enter the Court Exclusive-Use Areas and Security-Related Areas as reasonably necessary for purposes of fulfilling the terms and conditions of the Court Security Agreement.

3.6 Occupancy Agreements. Each Party is responsible for all Occupancy Agreements affecting its Exclusive-Use Areas, and Owner is responsible for all Occupancy Agreements affecting the Common Areas, in each case without contribution from the other Party. The Party that is responsible for each Occupancy Agreement is entitled to all income arising from it. As long as the Buildings are shared use facilities, the Parties agree that all uses arising from Occupancy Agreements shall be compatible with the current use of the Buildings.

3.7 Obtaining Equipment Permits. The Managing Party is responsible for maintaining and renewing the Equipment Permits.

3.8 Information Technology and Telephone Equipment and Services. The Parties acknowledge that the Court receives telecommunication services through a County-owned private branch exchange (“**PBX**”) telephone system. The County will continue to provide telephone and information technology services to the Courts pursuant to the Telephone Systems and Services Agreement dated August 5, 2008, and the Technology Support MOU between Stanislaus County Strategic Business Technology and the Court, and the Court shall pay all costs associated therewith. The County will retain ownership of the County's telecommunications system including the telephone line interface module. Subcomponents of the County's telecommunications system located at the telephone line interface module and from that point to the County telecommunications infrastructure (exterior cabling and PBX and associated hardware) and any services provided via these conduits (e.g., automated attendants, voicemail systems, etc.) (collectively, “Telecommunications Infrastructure”) shall remain the property of the County, who shall have maintenance responsibility therefor. The AOC acknowledges that essential County data, Telecommunications Infrastructure and other utilities run through Parcels A, B, C and D as shown on **Attachment "2-1"**. The AOC shall provide the County with access to said systems and utilities on, under and within the



Land and Buildings and further agrees that it shall not take any action that will directly or indirectly impact the Operation of said systems or utilities without prior written approval by the County. The County will have the right to enter the Court Exclusive-Use Areas, at times reasonably-convenient to the Court and the other Occupants of such Court Exclusive-Use Areas, for purposes of inspecting and Operation of the PBX and any other data equipment, as and when necessary. The Court may in the future elect to renew or terminate its agreement with the County for data and telecommunications services pursuant to the terms of the aforesaid Agreement with the County. The JOA and this Agreement do not supersede, replace, or modify the current agreement or any other agreement currently in effect or entered into in the future between the County and the Court with respect to the provision of data or telecommunication services.

### 3.9 Criminal Background Screening.

3.9.1 Access to Restricted Areas. Only employees and contractors who are screened and approved pursuant to section 3.9.2 of this JOA (“**Approved Persons**”) may have unescorted access to Restricted Areas. Unscreened employees and contractors may access Restricted Areas if they are escorted and monitored by any of the following: (1) an Approved Person, or (2) an employee of the Court if the Court’s Executive Officer, or his or her designee, consents to a Court employee escorting and monitoring the unscreened person relating to access to Court Restricted Areas; or (3) an employee of the County if the County Sheriff, or his or her designee, consents to a County employee escorting and monitoring the unscreened person relating to access to County Restricted Areas. The Managing Party must take all reasonable steps to ensure that Operation in and of all Restricted Areas is at all times consistent with this section 3.9, provided that all screening procedures relating to access to the County Restricted Areas shall be approved by the County Sheriff or his designee.

3.9.2 Screening and Approval Process. When conducting screenings, the Managing Party must utilize a Live Scan background check or, if the Live Scan system becomes unavailable during the Term of this JOA, by other similar or successor system. **Attachment “5”** to this JOA sets forth the criteria for approval based on the results of the screening. In lieu of the Managing Party conducting the screening and approval process set forth herein, the Contributing Party may, but is not obligated to, conduct the screening and approval process.

3.9.3 Identification of Approved Persons. The Managing Party must issue and provide an identification badge to each Approved Person bearing the Approved Person’s name and picture, which badge will indicate that the Approved Person is permitted to access the Restricted Areas. If the Parties issue identification badges to its employees, the Managing Party need not issue a separate badge to Approved Persons who have such identification badges, but may affix a sticker or other marking on the

existing badges of Approved Persons to indicate their right to access Restricted Areas. If the AOC has chosen to conduct the screening and approval of employees or contractor employees, the AOC will either (1) notify the County if an employee is approved, whereupon the County will provide and issue an identification badge for that Approved Person, or (2) provide an identification badge for the Approved Person to the County, and the County will be responsible for issuing the identification badge to that Approved Person. All Approved Persons must wear their identification badges in a readily-visible manner whenever they are in a Restricted Area.

3.9.4 DOJ and DMV Requirements. Notwithstanding anything in this JOA to the contrary, the Parties must comply with background check and clearance requirements of the California Department of Justice (“**DOJ**”) and the California Department of Motor Vehicles (“**DMV**”) relating to any employee or contractor who has physical access to any area which is either connected to, or contains records from, the DOJ criminal computer database, including, without limitation, the California Law Enforcement Telecommunications System (CLETS) and the Criminal Offender Record Information (CORI), or the DMV computer database (collectively the “**Databases**”). Upon request, the Parties must provide to each other suitable documentation evidencing their compliance with the policies, practices, and procedures of the DOJ and the DMV regarding background check and clearance requirements relating to access to the Databases.

3.9.5 Roof Maintenance. Only Approved Parties shall be given access to the roof of the Buildings to ensure that there is no breach of security relating to the County Jail exercise area located on the roof of the Jail adjacent to the Buildings.

3.10 County Facilities Payment. Nothing in this JOA diminishes or modifies the County’s obligations under the Act and the Agreement for payment of the County Facilities Payment.

3.11 Provision of Services. The County may request that the AOC provide non-Emergency Services to the County Exclusive-Use Area in accordance with the provisions set forth in **Attachment “6”** to this JOA.

3.11.1 Level of Service. The AOC shall respond to Services requests from the County in the same manner as the AOC responds to all other AOC requests for the same or similar services in the Modesto area.

3.11.2 Compensation for Services. The County agrees to compensate the AOC for Services requested pursuant to this section 3.11 in accordance with the payment provisions set forth in **Attachment “7”** to this JOA.

3.11.3 Records. The AOC shall maintain a service call log (“**Service Call Log**”) in sufficient detail to enable the County to determine whether Services are completed in accordance with the terms of this section 3.11. The Service Call Log will include the following information: (a) title of the person from the County requesting Service; (b) Service Request number; (c) identification of where the work is to be performed; (d) date the work order was received; (e) date and description of the corrective action; and (f) follow-up action to be taken, if any. The AOC shall also maintain all supporting documentation regarding any amounts charged by the AOC in providing Services requested pursuant to this section 3.11 (“**Invoice Documentation**”) for a minimum retention period of at least five years, or as required by Law.

3.11.4 Inspection of Records. The County may request to inspect the Service Call Log for the 12 months prior to its request for inspection, and the AOC shall make the Service Call Log available for inspection by County representatives at all reasonable times. The County may request Invoice Documentation for invoices submitted within the 12 months prior to the County’s request. The AOC shall provide the Invoice Documentation within 30 days of the County’s request. The County’s payment of any County invoice will not preclude the County from questioning, for a period of up to 12 months following the date of the invoice, the accuracy of the particular invoice provided by the AOC or any information or changes contained therein.

3.12 AOC Access to Boiler in Parcel B. The County hereby grants a nonexclusive license to the AOC to enter the County Jail located on Parcel B to maintain the boiler which serves the Buildings, provided that access to the County Jail shall be subject to security clearance procedures set forth in Section 3.9 of this JOA and shall be granted only to persons who have been approved by the County Sheriff or his designee.

3.13 Common Utility Systems. The Parties mutually agree to provide access to each other for the purposes of maintaining common utility systems which are located on, under or within Parcels A, B, C and D as shown on **Attachment “2-1”**, subject to security clearance procedures set forth in Section 3.9 of this JOA.

3.14 County Underground Area. Notwithstanding anything to the contrary set forth in this JOA, all portions of the County Underground Area, whether or not located on or under the Land, shall be reserved for the exclusive use of the County and will at all times be and remain the exclusive liability and responsibility of the County for Operation, control, and use. The County will have the right, at any time, to discontinue the use of, or to close or abandon, the County Underground Area for any reason whatsoever, and if the County at any time elects to permanently discontinue the use of or to close or abandon the County Underground Area, then the County will be responsible to take all actions, and obtain any and all required permits or approvals, in connection with the permanent closure or abandonment of the County Underground Area in accordance with then-

applicable Law. On and after the TOR Closing Date, the AOC grants to the County the exclusive right to enter, exit, access, and use the County Underground Area that is located on or under the Land, as reasonably necessary for the County's Operation, control, and use, and the County will at all times exercise its rights with respect to the County Underground Area in a way that minimizes interruption to or interference with Court operations in the Buildings. The Grant Deed shall expressly except from the conveyance and reserve to the County the County Underground Area.

#### **4. SHARED COSTS**

4.1 Payment of Estimated Shared Costs. The Managing Party will make timely, direct payment of all Shared Costs owed to third parties, and the Contributing Party is responsible to reimburse the Managing Party for its Share of all Shared Costs under this section 4. Within 90 days after the Effective Date, and within 30 days after the first day of each fiscal year thereafter, the Managing Party will deliver to the Contributing Party statements (the "**Estimate Statements**") itemizing the Estimated Shared Costs for each Real Property, which the Contributing Party will either comment on or approve within 30 days. If the Contributing Party disapproves any of the Estimated Shared Costs in the Estimate Statements, the Parties will promptly meet and discuss the reason for the disapproval. If the Parties reach agreement with respect to all Estimated Shared Costs, the Managing Party will, if necessary, revise the Estimate Statements, which both Parties will approve. The Contributing Party is not obligated to make any payments of its Share of the Shared Costs until it has approved the Estimate Statements in writing. However, until the Contributing Party approves the Estimate Statements, it will pay its Share of the Shared Costs based on the approved Estimate Statements for the prior fiscal year, or, during the initial fiscal year of the Term, based on the County Facilities Payment. Upon approving the Estimate Statements, the Contributing Party will pay its Share of the Estimated Shared Costs based on the approved Estimate Statements, plus all additional amounts owed by the Contributing Party for the period during which the Parties were in the process of reaching agreement as to the Estimate Statements. Payment of Estimated Shared Costs will be made in equal quarterly installments on the first day of each fiscal quarter, subject to this JOA.

4.2 Payment of Actual Shared Costs. Within 30 days after the end of each fiscal quarter, the Managing Party will deliver to the Contributing Party a statement (the "**Quarterly Invoice**") for each Real Property itemizing the actual Shared Costs incurred during the previous fiscal quarter for that Real Property ("**Actual Shared Costs**"). Within 30 days after a written request by the Contributing Party, the Managing Party will also deliver to the Contributing Party copies of supporting documents for any of the Actual Shared Costs shown on a Quarterly Invoice. If the Actual Shared Costs are less than the Estimated Shared Cost for the applicable fiscal quarter, the Managing Party will refund the amount overpaid to the Contributing Party within 30 days after the Managing

Party's delivery of a Quarterly Invoice, except that if the Contributing Party consents, the Managing Party may retain the overpayment and offset it against future amounts owed by the Contributing Party under this JOA. If the Actual Shared Costs for any Real Property are greater than the Estimated Shared Costs for that Real Property for the applicable fiscal quarter ("**Excess Costs**"), the Contributing Party will pay such Excess Costs to the Managing Party within 30 days after its receipt of a Quarterly Invoice, except that (a) if the Excess Costs for a Real Property are more than 10 percent of the Estimated Shared Costs for that Real Property for any fiscal quarter, or (b) if the Contributing Party has requested, but not received, supporting documents for any Excess Costs by 10 days prior to the date that payment is due, the Contributing Party will continue to make payment of its Share of the Shared Costs for the affected Real Property based on the Estimate Statements, or as otherwise agreed under section 4.3 of this JOA, but may defer payment of the Excess Costs for the affected Real Property (or, in the case of (b) above, the Excess Costs to which the supporting documents relate) for that fiscal quarter, until the Parties have met and reached an agreement regarding the amount of the Excess Costs for the affected Real Property, under section 3.2.3.5 or section 4.3 of this JOA, whichever is applicable.

4.3 Notice of Anticipated Excess Costs. Prior to incurring any Shared Cost that the Managing Party reasonably believes will result in Excess Costs in an amount greater than 10 percent of the Estimated Shared Costs shown on a Real Property's Estimate Statement, the Managing Party must give written notice to the Contributing Party describing the amount and reason for those Excess Costs; except that (a) no notice must be given to the Contributing Party if the Excess Costs will be incurred to correct a Deficiency arising from an Emergency under section 3.2.4 of this JOA, and (b) if the Excess Costs will be incurred in connection with the correction of a Deficiency under section 3.2.3 of this JOA, notice of the Excess Costs, and resolution of any issues related to the Excess Costs, will be handled under section 3.2.3, and this section 4.3 will not apply. If the Contributing Party objects in writing to the Excess Costs within 30 days after receiving the Managing Party's notice, the Parties must meet and confer, in person or by telephone, within 10 days to resolve their dispute concerning the Excess Costs. If the Parties do not reach agreement concerning the Excess Costs during that meet and confer process, the Parties will promptly seek to resolve their dispute concerning the Excess Costs under the terms of section 11 of this JOA. If the Contributing Party does not respond to the Managing Party's notice within 30 days of receiving the notice, the Managing Party may proceed with expenditure of the Excess Costs in the amount and for the purpose described in the notice, and the Contributing Party must pay its Share of those Excess Costs.

4.4 Audit Rights. The Contributing Party may, at its sole cost and upon reasonable notice to the Managing Party, inspect the Managing Party's books, records, and supporting documents concerning all Actual Shared Costs incurred for up to 12

calendar months prior to the date of the Contributing Party's inspection. The Parties will cooperate reasonably with each other to ensure that the inspection is performed promptly and without undue interference to either Party. If, after its inspection, the Contributing Party disputes any Actual Shared Costs for any of the immediately-preceding 12 calendar months, the Contributing Party may engage an independent certified public accountant, acceptable to both Parties, to audit the Managing Party's books and records to determine the amount of the Actual Shared Costs in dispute. The results of the audit will be binding on both Parties. If the audit reveals that the Contributing Party overpaid or underpaid Actual Shared Costs for a fiscal quarter, the Parties will make the payments necessary to resolve that overpayment or underpayment within 30 days following the completion of the audit. The Contributing Party must pay the entire cost of the audit. The Contributing Party's payment of Shared Costs will not prevent it from disputing the accuracy of any Actual Shared Costs under this section 4.4.

4.5 Parking Area Costs. The County is responsible, at its sole cost and expense, for all costs incurred with respect to the Operation of the Provided Parking, and those costs and expenses will not be included as a Shared Cost. The AOC is responsible, at its sole cost and expense, for all costs incurred with respect to the Operation of the Transferred Parking Area, and those costs and expenses will not be included as a Shared Cost.

4.6 Changing Certain Property Insurance Costs. Owner will not change any deductible or self-insurance retention amount in respect of the Property Insurance Policies without the prior, written consent of the Non-Owning Party.

4.7 Shared Cost Notifications. Notwithstanding section 12 of this JOA, all communications and notices between the Parties relating to Shared Costs including, without limitation, Estimate Statements, Quarterly Invoices, or any other communication or notice required by this section 4, will be made between the following County and AOC representatives:

If to the AOC:

Administrative Office of the Courts  
Office of Court Construction and Management  
Real Estate and Asset Management  
2880 Gateway Oaks Drive  
Sacramento, CA 95833  
Attention: Northern Regional Manager  
Phone: 916-263-1368  
Fax: 916-263-8140

If to the County:

County of Stanislaus  
Chief Executive Office  
Attention: Jim Kwartz, Associate Management Consultant  
1010 10<sup>th</sup> Street, Suite 6800  
Modesto, CA 95354  
Phone: 209-525-6333  
Fax: 209-544-6226

## **5. RIGHT OF FIRST REFUSAL, COMPATIBLE USES, AND VACATE RIGHTS**

### **5.1 Right of First Refusal and Increase of Space In Buildings**

5.1.1 Right of First Refusal for Excess Area. At least 30 days before a Party rents or otherwise transfers to a third party all or any portion of its Exclusive-Use Area in any Building (“**Excess Area**”), that Party must, by written notice, offer the Excess Area to the other Party on the same terms and conditions set forth in any offer to or from a third party for the Excess Area (“**Third Party Terms**”). For purposes of this section, “third parties” means an entity other than the Court or the County. The Third Party Terms must separate the rent for the Excess Area from any amounts to be paid by the third party for Operation, Utilities, and other costs in respect of the Excess Area. If the other Party elects not to occupy the Excess Area on the Third Party Terms, or fails to respond to the notice within a 30 day period, the Party with the Excess Area may, subject to section 5, permit a third party to occupy and use the Excess Area on the Third Party Terms. Before a third party can occupy the Excess Area on terms that are more favorable to the third party than the Third Party Terms, the Party with the Excess Area must again first offer the Excess Area to the other Party on those more favorable terms under this section 5.1.1. If the other Party elects to accept the Excess Area on the Third Party Terms, the Parties will enter into a separate written agreement setting forth the terms for the other Party’s occupancy and use of the Excess Area, consistent with the Third Party Terms.

5.1.2 Request for Increase of Exclusive-Use Area. If a Party wishes to increase the size of its Exclusive-Use Area (“**Additional Area**”), and the Parties reach agreement on mutually-acceptable terms for the Additional Area, the Parties will enter into a separate written agreement setting forth the terms for the occupancy and use of the Additional Area, which terms may include a reasonable rent, subject to section 5.1.4 of this JOA.

5.1.3 No Adjustment to Shares. If a Party rents any Excess Area or Additional Area under section 5.1.1 or 5.1.2, above, the rental transaction will not result in a change to the Parties' Shares for the applicable Real Property. Rather, the rent paid by the Party renting the Excess Area or the Additional Area will include the Shared Costs applicable to the Excess Area or the Additional Area of the applicable Real Property. The Parties' Shares will only be adjusted if one Party at any time buys the other Party's rights to occupancy and use of any Real Property for fair market value under section 5.3 of this JOA, or otherwise.

5.1.4 Terms of this JOA Not Affected. Any transfer of the Excess Area or the Additional Area to a Party or to a third party will not relieve the Parties of their rights and responsibilities under this JOA with respect to the Excess Area or the Additional Area. Rather, any re-allocation of the Parties' rights and responsibilities under this JOA will be set forth in any separate agreement entered into by the Parties for rental of the Excess Area or the Additional Area.

## 5.2 Compatible Use; Hazardous Substances.

5.2.1 Compatible Use. Each Party must use, and must require that any Occupant use, its Exclusive-Use Areas in a manner that is compatible with the Parties' use of the Buildings on the Effective Date and that does not deteriorate or diminish the other Party's ability to use its Exclusive-Use Areas or the Common Areas effectively. The Managing Party must ensure that any Occupant that occupies any of the Common Areas uses its space in a manner compatible with the Parties' use of the Real Properties in or on which such Common Area is located.

5.2.2 Hazardous Substances. Neither Party will store, use, treat, manufacture, or sell, or allow any other person to store, use, treat, manufacture, or sell, any Hazardous Substance on any of the Real Properties except in compliance with Law.

5.3 Vacate Right Pursuant to Section 70344(b) of the Act. After the Effective Date, if either Party is entitled to and does exercise its rights under section 70344(b) of the Act with respect to any Building, the Party that is required to vacate the Building ("**Vacating Party**") must remove all of its property from, and surrender to the other Party full possession of, the space vacated ("**Vacated Space**") within 90 days after the Parties agree on the amount of compensation to be paid to the Vacating Party for (i) its Equity in the Vacated Space, and (ii) its relocation costs. The Vacating Party must repair, at its sole cost, any damage it causes to any part of the Real Property on which the Vacated Space is located in removing its property from the Vacated Space. If the Parties cannot agree on the value of the Vacating Party's Equity in the Vacated Space, the Parties will select a mutually-acceptable Appraiser or a Broker to determine the fair market value of the Vacating Party's Equity in the Vacated Space. If the Parties cannot agree on the fair



market value of the Vacating Party's relocation costs, the Parties will select a mutually-acceptable relocation expert with at least five years of experience in determining relocation costs in California ("**Expert**"), to determine the fair market value of the Vacating Party's relocation costs. Any Appraiser, Broker, or Expert will deliver to both Parties its determination of value, and each Party will be responsible for one-half of the costs of the Appraiser, Broker, or Expert. Any disputes under this section 5.3 will be resolved under section 11 of this JOA. The Parties will enter into an Equity Rights Purchase Agreement, substantially similar to **Attachment "3"** attached to this JOA, to memorialize the terms of the purchase of the Vacating Party's Equity in the Vacated Space, and the Parties must enter into a Termination Agreement, substantially similar to **Attachment "4"** attached to this JOA, when the Vacating Party has vacated the Vacated Space.

5.4 Amendment to JOA; Equity Rights. If the Parties' Equity rights will be modified, whether under section 7 of this JOA, or as a result of any other purchase of Equity rights to which the Parties may agree under this JOA or the Act, the Parties will amend this JOA to: (i) adjust their Exclusive-Use Areas; and (ii) adjust each Party's Share and their Equity rights in the Real Property.

## 6. INSURANCE

6.1 Property Insurance. Until the Bonded Indebtedness no longer encumbers any part of the Real Property: (i) the terms of the Bonded Indebtedness Documents govern the County's obligation to obtain and maintain in full force and effect the Property Insurance Policies; and (ii) any inconsistency between the terms of this JOA and the terms of the Bonded Indebtedness Documents regarding the County's obligation to insure the Real Property will be resolved in favor of the terms of the Bonded Indebtedness Documents. Subject to the foregoing, the terms of this section 6 will apply and govern the rights and responsibilities of the Parties.

6.1.1 Property Insurance Policies to be Maintained. Owner will provide the Property Insurance Policies for all of the Buildings, and maintain them in full force and effect, and will make direct payment of all Property Insurance Costs, subject to the Non-Owning Party's obligation to pay its portion of those costs, subject to section 4.6 of this JOA, unless the AOC provides written notice to Owner requesting that it no longer provide the Property Insurance Policies under this JOA. Owner 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 insureds or covered parties, as appropriate, and joint loss payees for any Property Damage 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.

6.1.2 Allocation of Risk for Property Damage Claims. While Owner is providing and maintaining the Property Insurance Policies, and the Non-Ownning Party is paying its portion of the Property Insurance Costs under section 4 of this JOA, Owner will bear all of the risk arising from Property Damage Claims, and Owner hereby waives, and will cause the providers of its Property Insurance Policies to waive, all rights of recovery against the other Party and its applicable insurer(s) for any Property Damage Claims payable under, the terms and conditions of the Property Insurance Policies. Owner 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 Damage 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.

6.1.3 Compliance with Property Insurance Policies. While Owner is providing and maintaining the Property Insurance Policies under this JOA, Owner will provide the Non-Ownning Party with verification that the Property Insurance Policies are in full force and effect and, at the request of the Non-Ownning Party, with copies of the Property Insurance Policies, as the Property Insurance Policies may be issued or modified from time to time consistent with section 4.6 of this JOA. 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 Owner has provided to the Non-Ownning Party.

6.1.4 Application of this Section. While the Real Property is subject to the Bonded Indebtedness, this section 6.1.4 will apply, and section 7 of this JOA will be of no force or effect. When the Real Property is no longer subject to the Bonded Indebtedness, this section 6.1.4 will be of no further force or effect whatsoever, and section 7 of this JOA will govern and control.

6.1.4.1 Property Insurance Proceeds. Upon the occurrence of any Property Loss, the Parties will promptly meet and confer, in good faith, to determine how the proceeds of the Property Insurance Policies arising from the Property Damage Claim will be allocated and used, and what notice will be given by the County or the Corporation to the Trustee under the Bonded Indebtedness Documents concerning those insurance proceeds. 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”). The meeting will be held, in person or by telephone, by no later than 30 days before the date that the County must give notice to the Trustee under the

Trust Agreement. In no event will the insurance proceeds arising from a Property Damage Claim be allocated or used in a manner that results in a breach or default by the County or the Corporation under the Bonded Indebtedness Documents. The County must continue to make all payments and perform all of its obligations under the Bonded Indebtedness Documents until the Bonded Indebtedness has been fully repaid and satisfied, notwithstanding the Property Loss.

6.1.4.2 Decision Not to Restore or Replace. If, as a result of the meeting described in section 6.1.4.1 above, the Parties decide that the insurance proceeds arising from the Property Damage Claim will not be used to restore or replace the Damaged Property, and if any of the Court Exclusive-Use Area 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 Court Exclusive-Use Area. The compensation to be paid to the AOC will be determined in the manner described in section 5.3 of this JOA. To the extent covered by the Property Insurance Policies, the AOC will be entitled to that portion of the proceeds from the Property Damage Claim that are directly related to compensation for the AOC's relocation costs arising from Property Loss. If the AOC will no longer occupy the Building due to Property Loss that the Parties decide not to restore or replace, then when the AOC has been compensated for its Equity rights under this section 6.1.4.2, the Parties will terminate this JOA by signing a Termination Agreement and recording it in the County Recorder's Office.

## 6.2 Reporting and Processing Claims.

6.2.1 Incident Reports. The Managing Party will maintain copies of any Incident reports that it prepares for a period of five years, and at the request of the Contributing Party, the Managing Party will provide the Contributing Party with a complete copy of, or reasonable access to, those Incident reports.

6.2.2 Party Responsible for Claims. If either Party receives any demand, complaint, notice, document, or information alleging the existence or occurrence of any incident, event, circumstance, or occurrence in, on, or about the Real Property ("**Incident**") that is or could result in any Property Damage Claim or Liability Claim (each, a "**Claim**", and together, "**Claims**") or an AOC Claim, or if a Party otherwise becomes aware that an Incident has occurred, that Party will make best efforts to promptly notify the other Party of that Incident. Following that notice, the Parties will work together, diligently and in good faith, to determine which of them bears responsibility for the loss or injury alleged, and whether either Party is entitled to indemnification by the other in respect of the Incident under sections 8.1 or 8.2 of this Agreement. If the Parties are not able to so agree, then they will resolve those matters under section 11 of this JOA.

6.3 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 each 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.

6.4 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.

6.5 Personal Property Contents Coverage. Each Party will each maintain its own insurance covering the personal property, equipment and contents within each Party's Exclusive Use Area, and neither Party will have any liability or responsibility for insurance coverage for the personal property or contents of the other Party.

## **7. DAMAGE OR DESTRUCTION**

7.1 Property Loss After Bonded Indebtedness Satisfied. While the Real Property is subject to the Bonded Indebtedness, the terms of section 6.1.4 of this JOA govern in respect of any Property Loss, and this section 7 is of no force or effect. When the Real Property is no longer subject to the Bonded Indebtedness, this section 7 will govern and apply in respect of any Property Loss or Property Damage Claim, and section 6.1.4 of this JOA will be of no further force or effect whatsoever, except only as to any Property Loss or Property Damage Claim that occurred or commenced while the Real Property was subject to the Bonded Indebtedness.

7.1.1 Allocation of Property Insurance Proceeds. In the event of a Property Loss, each Party will be entitled to the proceeds payable under the Property Insurance Policies to the extent the Property Loss is attributable to its Exclusive-Use Area or its Share of the Common Area. If one or more Property Damage Claims is fully and finally resolved in an amount that exceeds the applicable amount payable under all of the Property Insurance Policies, or if any Property Loss is not covered by the Property Insurance Policies through no fault of the County, then if both Parties elect to restore or

replace the Damaged Property, each Party will pay the amounts that exceed the coverage of the Property Insurance Policies to the extent the Property Loss is attributable to its Exclusive-Use Area or its Share of the Common Area. By way of example only, if the total amount of the Property Damage Claim is \$1,250,000, and if 40 percent is attributed to damage in the Court Exclusive-Use Area, 35 percent is attributed to damage in the County Exclusive-Use Area, and 25 percent is attributed to damage in the Common Area, and the total amount payable under the Property Insurance Policies is \$1,000,000, then the AOC would be entitled to insurance proceeds in the amount of \$400,000 (for the damage to the Court Exclusive-Use Area), the County would be entitled to insurance proceeds of \$350,000 (for damage to the County Exclusive-Use Area), and the Parties would share the remaining \$250,000 of insurance proceeds in accordance with their respective Shares. With respect to the uninsured \$250,000 portion of the Property Damage Claim, the AOC would be responsible to pay \$100,000 (40 percent of \$250,000) in respect of its Exclusive-Use Area, plus an amount equal to the AOC Share of the \$62,500 (25 percent of \$250,000) in respect of the Common Area, and the County would be responsible to pay (if both Parties elect to restore or replace the Damaged Property) the balance of the uninsured loss. The County will assign and deliver to the AOC all insurance proceeds owed to the AOC effective upon the County's receipt of those proceeds.

7.2 Damage or Destruction Event. If, due to Property Loss, a Real Property cannot be occupied by one or both Parties, each Party will be solely responsible to arrange for its own relocation to and occupancy of alternate space. Promptly after a Property Loss, the Parties will comply with the provisions of sections 6 and 7.1 of this JOA, and as promptly as possible, but in no event later than 180 days after a Property Loss, each Party will notify the other in writing (“**Restoration Election Notice**”) whether it wishes to restore or replace the Damaged Property.

7.3 Both Parties Elect to Restore or Replace. If both Parties elect to restore or replace the Damaged Property, the Parties will cooperate in good faith to restore or replace the Damaged Property, with each Party contributing the proceeds it receives as indemnity for direct physical loss or damage under the Property Insurance Policies and otherwise paying its portion of the cost to restore or replace the Damaged Property, as set forth in sections 6.1.4 or 7.1 of this JOA. If the Parties restore or replace the Damaged Property in a way that results in a change to the Parties' Shares or their Equity rights, the Parties will each pay the costs and expense to restore or replace the Damaged Property according to their newly-determined Shares or Equity rights.

7.4 Only One Party Elects to Restore or Replace. If, based on the Restoration Election Notices, only one Party elects to restore or replace the Damaged Property, then within 30 days after the Parties' Restoration Election Notices are given, the Parties must meet and confer in good faith to determine how to proceed with respect to (i) the

Damaged Property; (ii) the proceeds of the Property Insurance Policies, if any, to which each Party is entitled as indemnity for direct physical loss or damage under sections 6.1.4 or 7.1 of this JOA, and (iii) compensation for the Equity rights of either Party in the affected Real Property, if applicable. If the Parties cannot agree on those matters, they will proceed as set forth in section 11 of this JOA. Until the Parties have reached a final agreement concerning how the foregoing issues will be resolved, neither Party will use any applicable insurance proceeds that are in dispute. Those insurance proceeds will only be used in accordance with the Parties' final resolution of those issues.

7.5 Neither Party Elects to Restore or Replace. If neither Party elects to restore or replace the Damaged Property, then both Parties will retain the proceeds of the Property Insurance Policies to which they are entitled under section 6.1.4 or 7.1 of this JOA. If any of the Non-Ownning Party's Exclusive-Use Area in any Building is uninhabitable as a result of the Property Loss, then the Owner will compensate the Non-Ownning Party for its Equity rights in the uninhabitable part of the Non-Ownning Party's Exclusive-Use Area in such Building, determined in the manner described in section 5.3 of this JOA, except that all insurance proceeds the Non-Ownning Party has received, or will receive, as indemnity for direct physical loss or damage from final resolution of any Property Damage Claims made in respect of the Damaged Property will be deducted from the Equity rights compensation paid by the Owner to the Non-Ownning Party for its Equity rights in the uninhabitable parts of its Exclusive-Use Area in the Building affected by the Property Loss. To the extent covered by the terms of the Property Insurance Policies, the Non-Ownning Party will be entitled to that portion of the proceeds from the Property Damage Claim that is directly related to compensation for the Non-Ownning Parties' relocation costs arising from the Property Loss. If the Non-Ownning Party will no longer occupy any Building due to Property Loss that neither Party elects to restore or replace, then when the Non-Ownning Party has been compensated for its Equity rights under this section 7.4, the Parties will terminate this JOA with respect to the applicable Building by signing a Termination Agreement and recording it in the County Recorder's Office.

## 8. INDEMNIFICATION

8.1 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, liability, damages, attorney fees, costs, expenses, or losses (referred to in this section 8 as "**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.

8.2 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.

8.3 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 8.1 or 8.2 of this JOA, 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.

8.4 Effect of Indemnification Rights. The rights of a Party to be indemnified under sections 8.1 or 8.2 of this JOA 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.

## 9. CONDEMNATION

If either Party receives written notice advising of an actual or intended condemnation of any of the Real Properties ("**Condemnation Notice**"), that Party will immediately deliver a copy of the Condemnation Notice to the other Party. In the event of an actual condemnation, the Parties will cooperate with each other in good faith to obtain the maximum award that may be obtained from the condemning authority, and each Party will be entitled to its Share of the condemnation proceeds.

## 10. DEFAULT NOTICE AND CURE

Upon a Party's breach or default of any other provision of this JOA, the Parties will comply with the terms for notice of default and cure period set forth in section 10 of the Agreement, which terms are incorporated into this JOA as though fully set forth herein. Notwithstanding anything in this JOA or the Agreement to the contrary, no default or breach will be deemed to have occurred if the AOC is unable to pay any amounts due and owing under this JOA as a result of the State of California's failure to timely approve and adopt a State budget. Should the AOC fail to pay any amounts due and owing under this JOA as a result of the State of California's failure to timely approve

and adopt a State budget, the AOC will promptly pay any previously due and unpaid amounts due and owing under this JOA upon approval and adoption of the State budget.

## **11. DISPUTE RESOLUTION**

In the event of a dispute between the Parties relating to performance of the Parties' obligations under this JOA, the Parties will comply with the terms for dispute resolution set forth in section 12 of the Agreement, which terms are incorporated into this JOA as though fully set forth herein.

## **12. NOTICES**

Subject to section 4.7 of this JOA, any notice or communication required to be sent to a Party under this JOA must be sent in accordance with the terms for giving of notices in section 12 of the Agreement, which terms are incorporated into this JOA as though fully set forth herein.

## **13. MISCELLANEOUS**

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

13.2 Force Majeure. Neither Party is responsible for performance under this JOA 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.

13.3 Assignment. Neither Party may assign this JOA 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.

13.4 Binding Effect. This JOA binds the Parties and their permitted successors and assigns.

13.5 Third Parties Benefited. The Court is an intended beneficiary of all provisions of this JOA for the benefit of the AOC.



13.6 Construction. The headings used in this JOA are for convenience only and will not affect the meaning or interpretation of this JOA. The words “hereof,” “herein,” and “hereunder,” and other words of similar import, refer to this JOA as a whole and not to any subdivision of this JOA. Both Parties have reviewed and negotiated this JOA, and this JOA will not be construed against a 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.

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

13.8 Incorporation By Reference. The Attachments to this JOA are incorporated into and made a part of this JOA for all purposes, and all references to this JOA in any of the Attachments mean and include the entirety of this JOA.

13.9 Severability. If any term of this JOA 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 JOA not affected by the inconsistency will remain in full force and effect.

13.10 Further Assurances. The Parties agree to cooperate reasonably and in good faith with one another to (i) implement the terms and provisions set forth in this JOA and the Act, and (ii) 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 JOA and the Act.

13.11 Conflicts Between JOA and Agreement; Capitalized Terms. The Agreement supersedes and controls to the extent of any conflicts between the terms of the Agreement and this JOA. Capitalized terms used in this JOA and not otherwise defined herein will have the meanings given to them in the Agreement.

13.12 Signature Authority. The individuals signing this JOA on behalf of the AOC and the County certify that they are authorized to do so.

(SIGNATURE PAGE FOLLOWS)

I agree to the terms of this JOA.

APPROVED AS TO FORM:

Administrative Office of the Courts,  
Office of the General Counsel

By: \_\_\_\_\_  
Name: Dianne Barry  
Title: Attorney  
Date: \_\_\_\_\_

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

By: \_\_\_\_\_  
Name: Grant Walker  
Title: Senior Manager, Business Services  
Date: \_\_\_\_\_

ATTEST:

Christine Ferraro Tallman,  
Clerk of the Board

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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

By: \_\_\_\_\_  
Name: Jim DeMartini  
Title: Vice Chairman, Board of Supervisors  
Date: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
John P. Doering  
County Counsel

## LIST OF ATTACHMENTS

Attachment “1”	Legal Description of Courthouse/Jail Block as of the Effective Date
Attachment “2-1”	Parcels A, B, C and D
Attachment “2-2”	AOC Equity Share-County Equity Share
Attachment “2-3”	Floor Plan of Interior of Buildings Depicting Exclusive-Use Areas and Common Areas.
Attachment “2-4”	County Underground Area
Attachment “3”	Form of Equity Rights Purchase Agreement
Attachment “4”	Form of Termination of Joint Occupancy Agreement
Attachment “5”	Criteria for Approving County Employees and County Contractors with Respect to Background Checks
Attachment “6”	Work Order Procedures
Attachment “7”	Payment Provisions

**ATTACHMENT “1” TO JOA**  
**LEGAL DESCRIPTION OF THE COURTHOUSE/JAIL**  
**BLOCK AS OF THE EFFECTIVE DATE**

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

All of Block 83 of the City of Modesto, filed in the Office of the County Recorder of Stanislaus County on December 21, 1942 in Volume 15 of Maps.

APN: 105 025 001

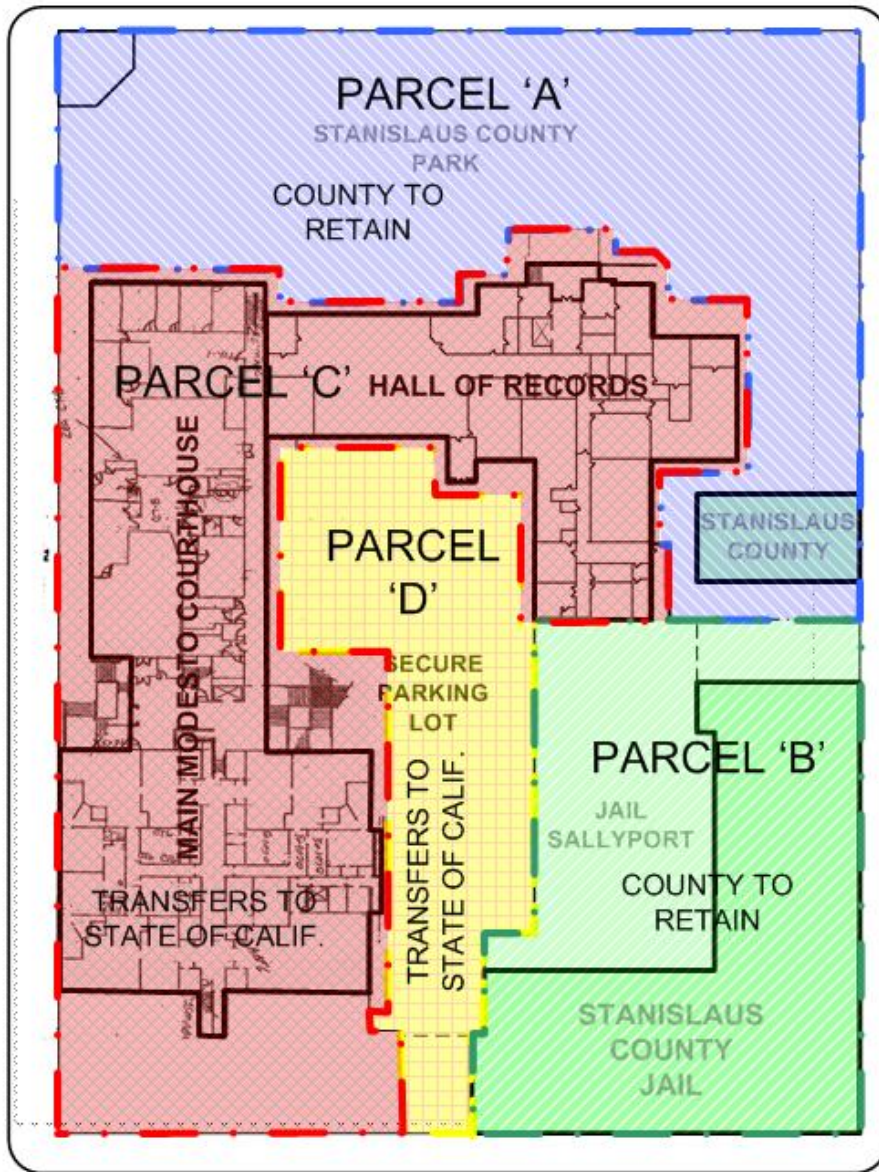
**ATTACHMENT "2-1" TO JOA**

**PARCELS A, B, C AND D**

**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Draft Record of Survey Depicting Parcels A, B, C and D

Conceptual Diagram

I STREET



**ATTACHMENT “2-2” TO JOA**

**AOC/COURT EQUITY SHARE AND COUNTY EQUITY SHARE**

Location	Total SF	County Space SF	% of Space County	AOC/Court Space SF	% of Space AOC/Court
Main Courthouse	64,092	135	.21%	63,957	99.79%
Hall of Records	45,343	24,136	53.23%	21,207	46.77%
<b>TOTAL</b>	<b>109,435</b>	<b>24,271</b>	<b>22.18%*</b>	<b>85,164</b>	<b>77.82%**</b>

\* County Equity Share

\*\* AOC Equity Share

**ATTACHMENT “2-3” TO JOA**

**FLOOR PLAN OF BUILDINGS DEPICTING EXCLUSIVE USE AREAS**

**AND COMMON AREAS**

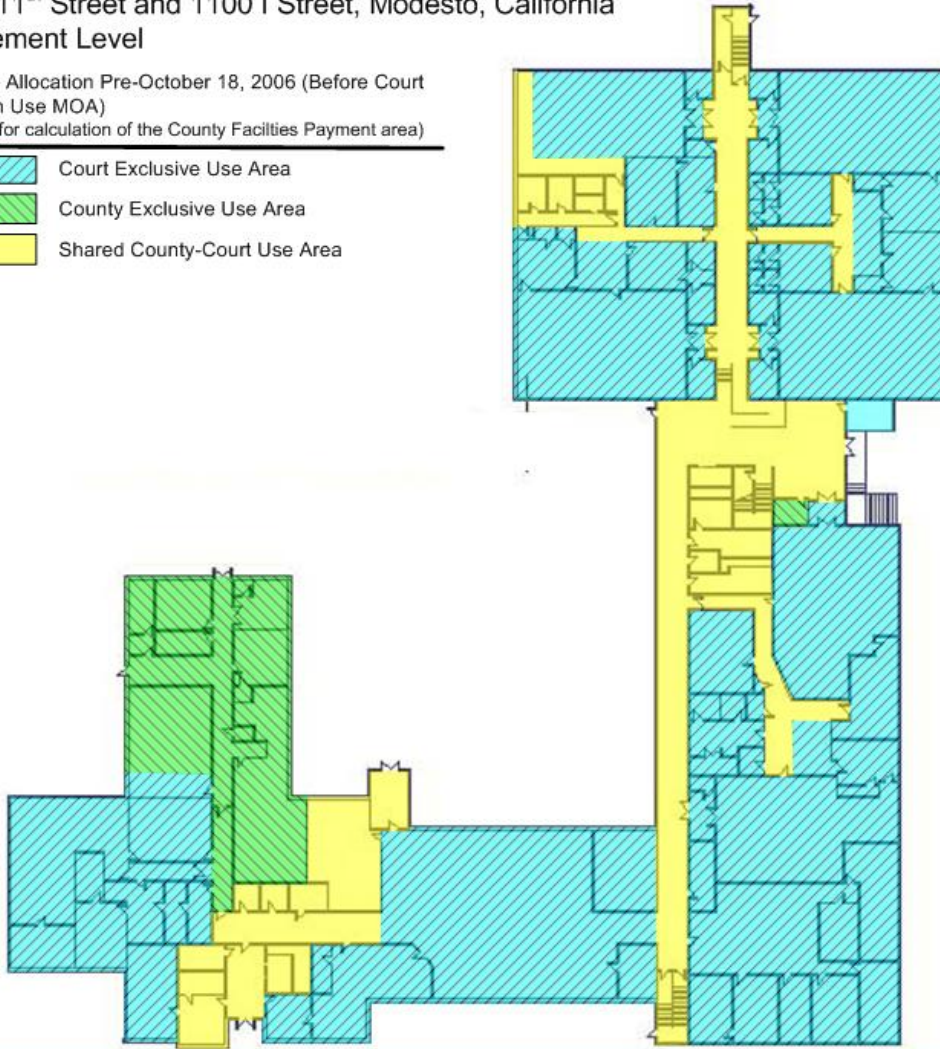
Basement Level

**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS**

800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Basement Level

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area



**ATTACHMENT “2-3” TO JOA**

**FLOOR PLAN OF BUILDINGS DEPICTING EXCLUSIVE USE AREAS**

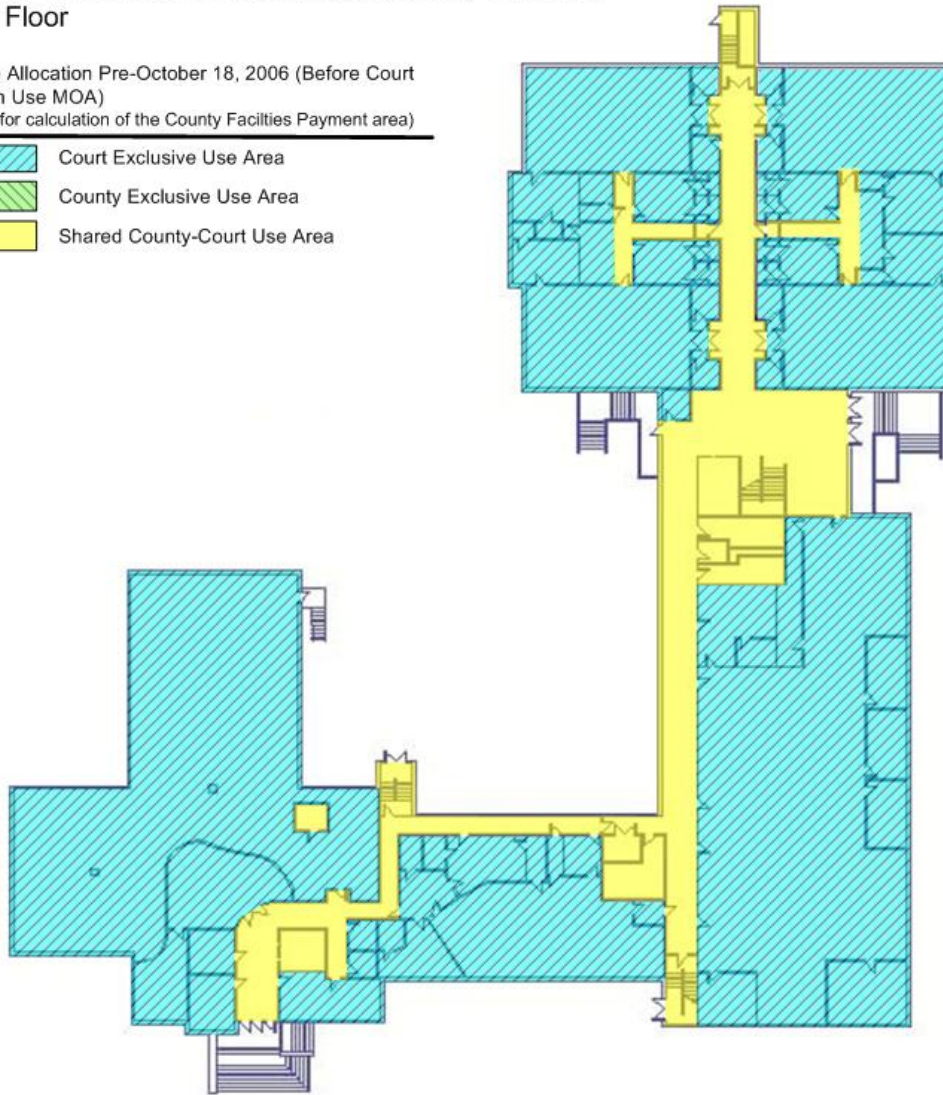
**AND COMMON AREAS**

First Floor

**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
First Floor

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area





**ATTACHMENT “2-3” TO JOA**

**FLOOR PLAN OF BUILDINGS DEPICTING EXCLUSIVE USE AREAS**

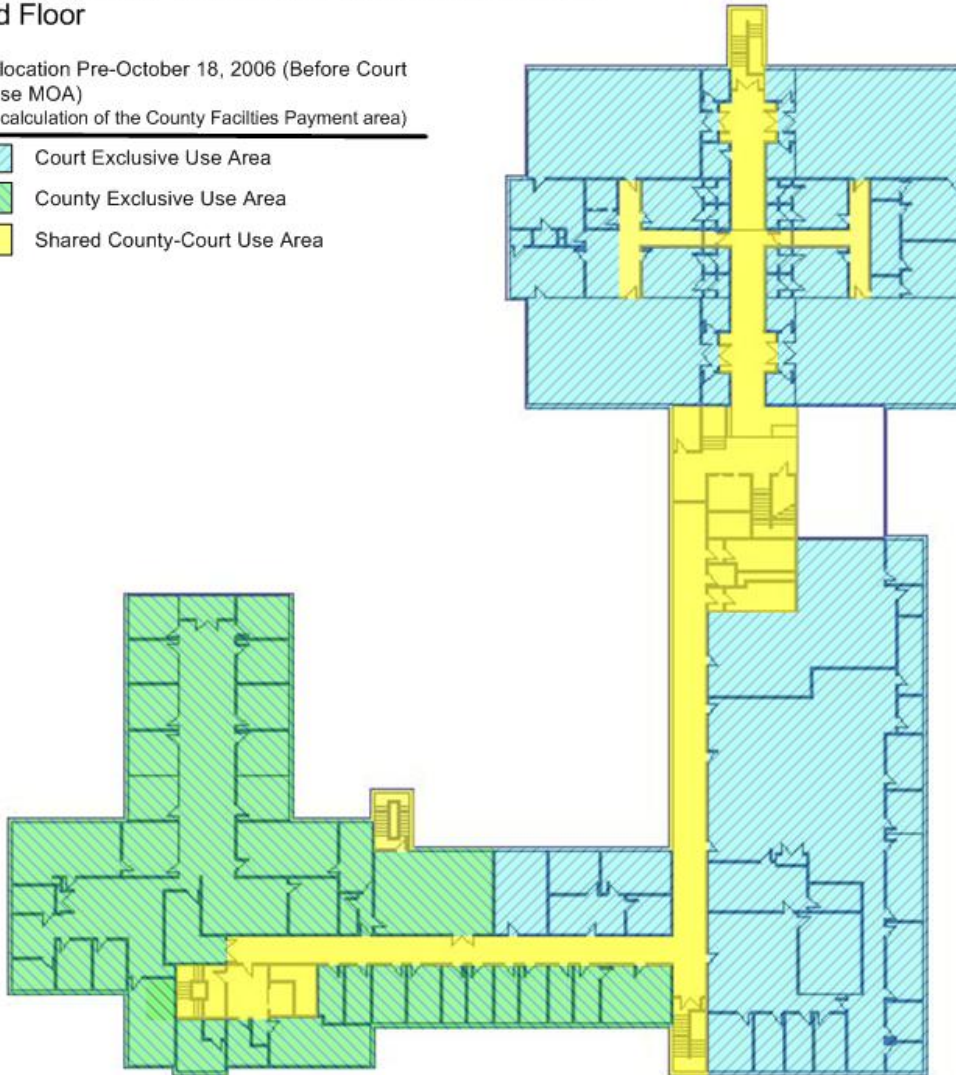
**AND COMMON AREAS**

Second Floor

**Superior Court of California, Stanislaus County**  
**MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Second Floor

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area



**ATTACHMENT “2-3” TO JOA**

**FLOOR PLAN OF BUILDINGS DEPICTING EXCLUSIVE USE AREAS**

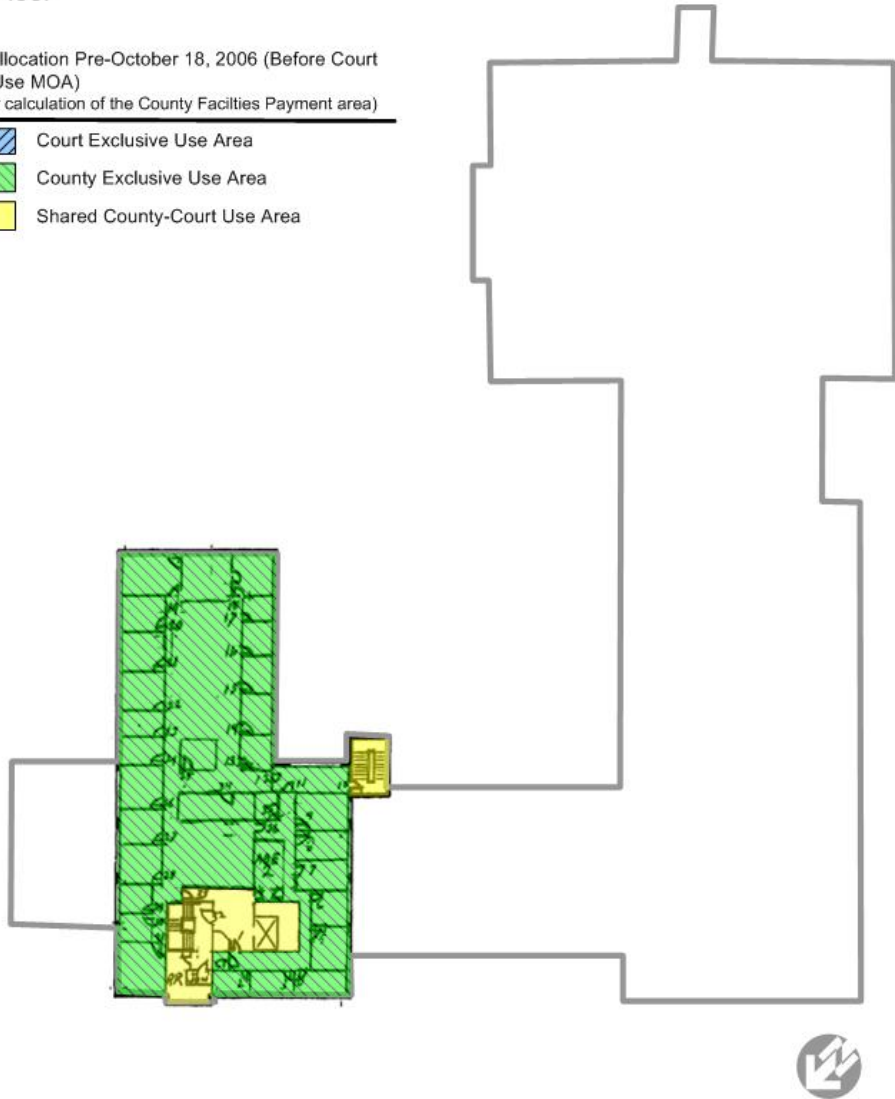
**AND COMMON AREAS**

Third Floor

**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Third Floor

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area



**ATTACHMENT "2-3" TO JOA**

**FLOOR PLAN OF BUILDINGS DEPICTING EXCLUSIVE USE AREAS**

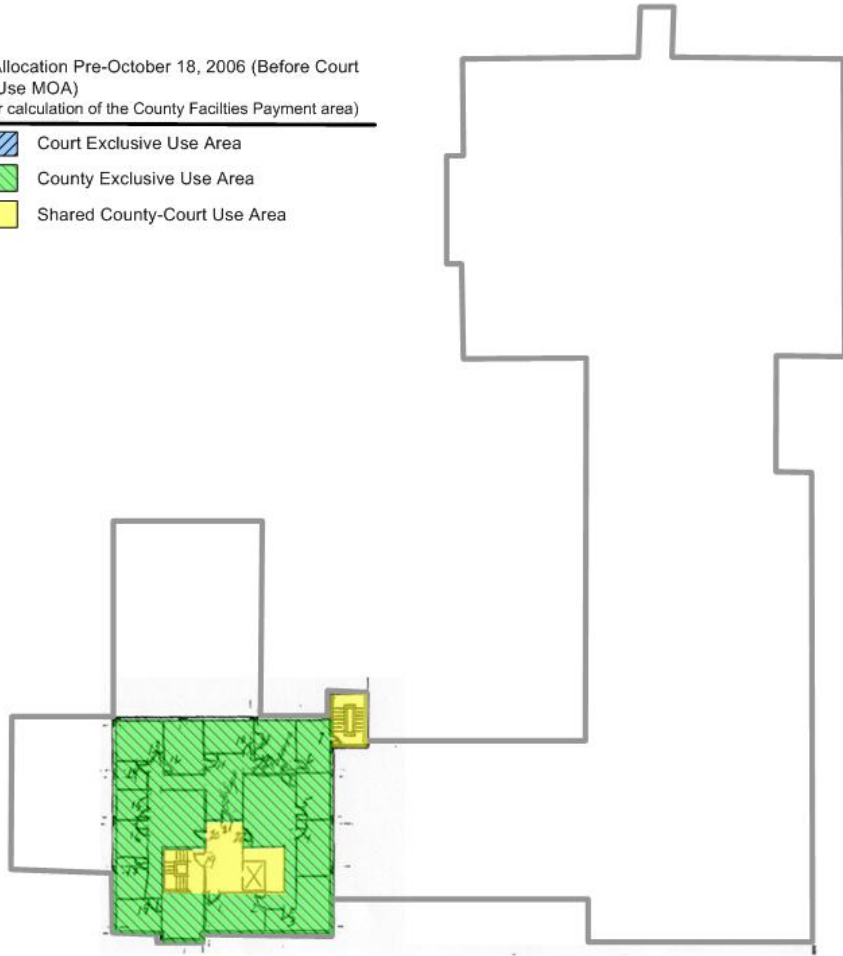
**AND COMMON AREAS**

Fourth Floor

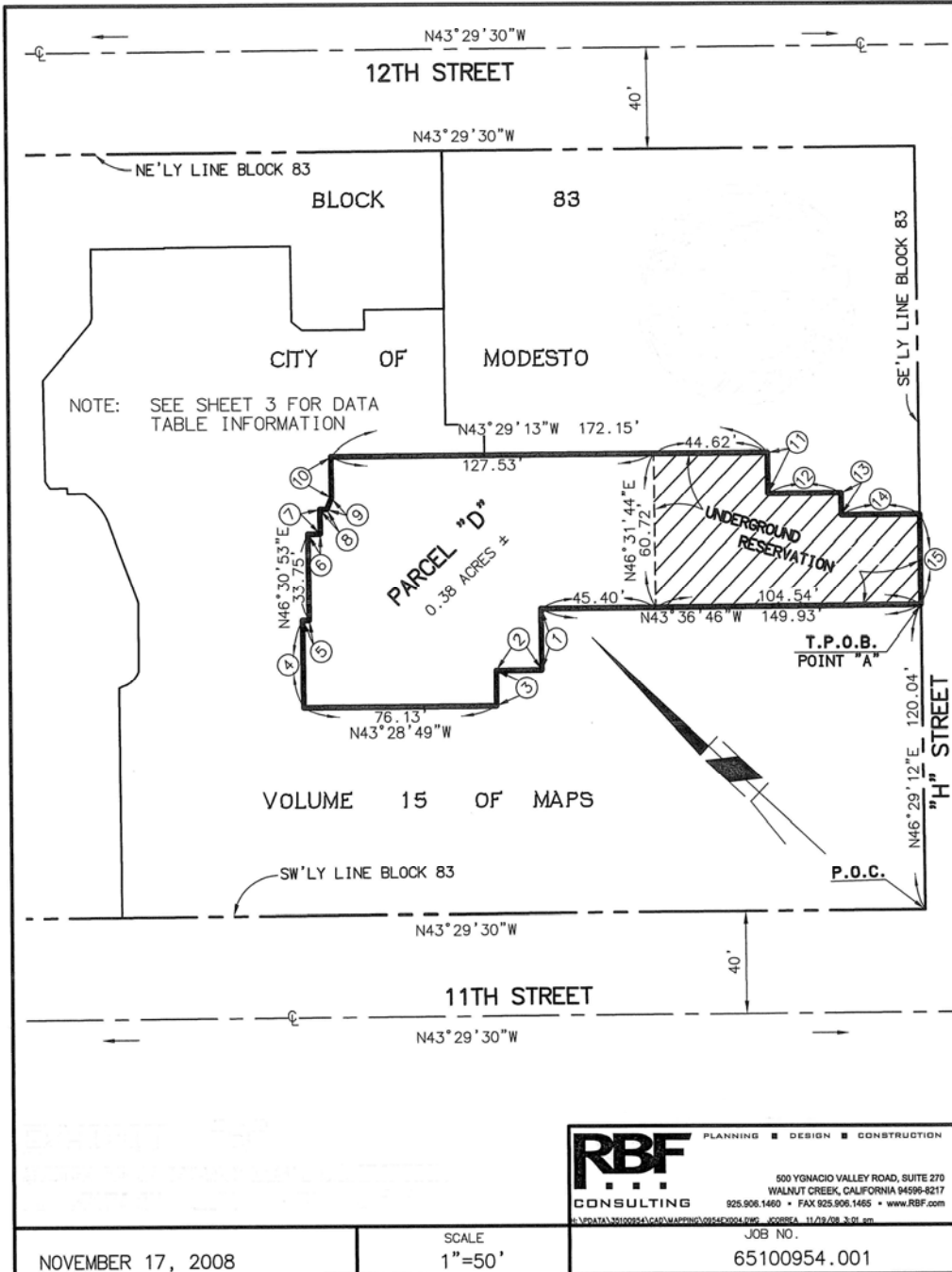
**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Fourth Floor

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area



**ATTACHMENT "2-4" TO JOA  
COUNTY UNDERGROUND AREA**



**ATTACHMENT “3” TO JOA**  
**FORM OF EQUITY RIGHTS PURCHASE AGREEMENT**

**1. PURPOSE**

The Judicial Council of California (“**Council**”), Administrative Office of the Courts (together, the “**AOC**”), and the County of Stanislaus (“**County**”) enter into this Agreement under section 70344(b) of the Trial Court Facilities Act of 2002, Government Code section 70301, *et seq.*, as it exists as of the Effective Date (the “**Act**”), to set forth the terms and conditions for the purchase of Equity Rights in the Real Property.

**2. DEFINITIONS**

“**Agreement**” means this Equity Rights Purchase Agreement.

“**Building**” means the “Building” as defined in the Transfer Agreement.

“**Common Area**” means the “Common Area” as defined in the Transfer Agreement.

“**Compensation**” means the amount paid by the Majority Occupant to the Minority Occupant in exchange for the Minority Occupant’s Equity Rights.

“**Court Facility**” means the trial court facility commonly known as \_\_\_\_\_, as further defined in the Transfer Agreement.

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

“**Equity**” means “equity” as used in section 70344(b) of the Act.

“**Equity Purchase**” means the Majority Occupant’s purchase of the Minority Occupant’s Equity Rights in the Real Property under section 70344(b) of the Act and this Agreement.

“**Equity Rights**” means (1) all rights, interests, and entitlement of the Minority Occupant in and to the \_\_\_\_\_ square feet of space in the Building that is occupied exclusively by the Minority Occupant on the Effective Date, and which space comprises approximately \_\_\_\_ percent of the total Building square footage, as depicted on

**Exhibit “A”** attached to this Agreement, and (2) all non-exclusive rights, interests, and entitlement of the Minority Occupant in and to the Common Area.

**“Majority Occupant”** means the Party that occupies 80 percent or more of the total Building square footage on the Effective Date of this Agreement. For purposes of this Agreement, the AOC is the Majority Occupant.

**“Minority Occupant”** means the Party that occupies 20 percent or less of the total Building square footage on the Effective Date of this Agreement. For purposes of this Agreement, the County is the Minority Occupant.

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

**“Real Property”** means the “Real Property” as defined in the Transfer Agreement.

**“Transfer Agreement”** means the Transfer Agreement For the Transfer of Responsibility For Court Facilities, and all attached Exhibits and Schedules, dated as of \_\_\_\_\_, 2008, which sets forth the terms for the transfer of responsibility for to the Court Facility under the Act.

### **3. PURCHASE OF EQUITY RIGHTS**

3.1 Exercise of Vacate Right. The Majority Occupant has elected to exercise its right to require the Minority Occupant to vacate the Building under section 70344(b) of the Act and has given the Minority Occupant reasonable notice of its election to so exercise.

3.2 Compensation. The Compensation for the Equity Purchase is \$\_\_\_\_\_, which amount will be paid by the Majority Occupant to the Minority Occupant in a lump sum on the date that the Minority Occupant actually vacates the Building.

3.3 Relocation Costs. The Majority Occupant will be responsible for the moving expenses of the Minority Occupant at the fair market rate. The Majority Occupant will, at its sole expense, make arrangements for the furniture, equipment, supplies, and other personal property of the Minority Occupant that are located in the Building to be packed and moved, by a professional business relocation service, from the Real Property to the alternate location specified by the Minority Occupant or, at the sole option of the Minority Occupant, the Minority Occupant may engage its own moving and relocation company to perform its move and the Majority Occupant will reimburse the

Minority Occupant's actual relocation costs in an amount not to exceed the amount that would have been charged by the Majority Occupant's professional relocation company for the same relocation services. In no event will the Majority Occupant be responsible for any costs incurred by the Minority Occupant in searching for, identifying, leasing, purchasing, improving, furnishing, or otherwise preparing for occupancy the Minority Occupant's alternate premises, including without limitation, any brokerage commissions, finders' fees, closing costs, tenant improvement costs, or consultant's fees. The terms of this section 3.3 will survive the consummation of the Equity Purchase until \_\_\_\_\_, 200\_\_.

3.4 Rights and Responsibilities. Upon completion of the Equity Purchase, the rights and responsibilities of the Parties in respect of the Equity Rights purchased by the Majority Occupant will be as set forth in the Transfer Agreement.

3.5 Representations and Warranties. Each Party makes the following representations and warranties to the other to the best of its knowledge after reasonable investigation and inquiry:

3.5.1 The Compensation is equal to the fair market value of the Minority Occupant's Equity Rights in the Real Property;

3.5.2 The person who has signed this Agreement on behalf of the Party has been duly authorized and empowered, by a resolution or other formal action of the Party, to sign this Agreement on its behalf, and no other or further approval or consent is required to authorize or empower the Party to enter into and perform this Agreement; and

3.5.3 This Agreement and the Equity Purchase contemplated in this Agreement do not and will not violate any agreement, obligation, or court order by which the Party is bound or to which it or its assets is subject.

#### **4. CLOSING THE EQUITY PURCHASE TRANSACTION**

4.1 Delivery of Signed Agreement. The last Party to sign this Agreement must deliver to the AOC, within three business days after signing, \_\_\_\_ fully-signed originals of this Agreement.

4.2 When the Equity Purchase Takes Effect. The Equity Purchase will be effective and deemed consummated immediately and automatically upon the Majority Occupant's payment of the Compensation to the Minority Occupant, whether or not the Minority Occupant has then vacated the Real Property.

4.3 When Minority Occupant Must Vacate the Real Property. The Minority Occupant agrees that it will entirely vacate its occupancy of the Real Property by no later than \_\_\_\_\_, 200\_\_. If the Minority Occupant fails to complete its vacation the Real Property by \_\_\_\_\_, 200\_\_ through no fault of the Majority Occupant, the Minority Occupant will be deemed to have fully and forever waived and relinquished its rights, under section 70344(b) of the Act and section 3.3 of this Agreement, to require the Majority Occupant to pay the Minority Occupant's relocation costs.

4.4 Delivery of Possession. When the Equity Purchase has been completed and the Minority Occupant has vacated the Real Property, the Minority Occupant will deliver to the Majority Occupant possession and control of the Equity Rights, and the Minority Occupant will thereafter have no right, claim, or interest in the Equity Rights whatsoever.

## 5. MISCELLANEOUS

5.1 Dispute Resolution. Any dispute between the Parties concerning this Agreement must be resolved under the terms for "Dispute Resolution" in section 11 of the Transfer Agreement.

5.2 Amendments. This Agreement may be amended only by written agreement signed by both of the Parties.

5.3 Waivers. No waiver of any provision of this Agreement will be valid unless it is in writing and signed by both Parties. 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.

5.4 Binding Effect. This Agreement binds the Parties and their permitted successors and assigns. The State Parties are intended beneficiaries of all provisions of this Agreement for the benefit of the AOC. Otherwise, this Agreement is for the benefit only of the Parties, and no third parties are intended to be benefited by this Agreement.

5.5 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.

5.6 Construction. The headings used in this Agreement are for convenience only and will not affect the meaning or interpretation of this Agreement. This Agreement will not be construed against any 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.

5.7 Integration. This Agreement and the Transfer Agreement contain the entire agreement of the Parties with respect to the Equity Purchase, and supersede all previous and concurrent communications, understandings, and agreements, whether verbal, written, express, or implied, between the Parties concerning the subject matter of this Agreement.

5.8 Capitalized Terms. Any capitalized terms that are not otherwise defined in this Agreement will have the meanings given to them in the Transfer Agreement.

5.9 Severability. If any term of this Agreement is inconsistent with applicable law, then upon 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.

5.10 Further Assurances. The County and the AOC agree to cooperate reasonably and in good faith with one another to (1) implement the terms of this Agreement, and (2) consummate the Equity Purchase, and will execute any further agreements and perform any additional acts that are reasonably necessary to carry out the terms of this Agreement.

5.11 Notices. Any notices or other communications to be sent by one Party to the other under this Agreement will be sent and deemed received in accordance with the “Notices” provision of section 13 of the Transfer Agreement.

**[SIGNATURES FOLLOW ON NEXT PAGE]**

I agree to the terms of this Agreement.

**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: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_, Clerk of the Board

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

By: \_\_\_\_\_  
Deputy

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chairperson, Board of Supervisors  
Date: \_\_\_\_\_

**EXHIBIT "A"**

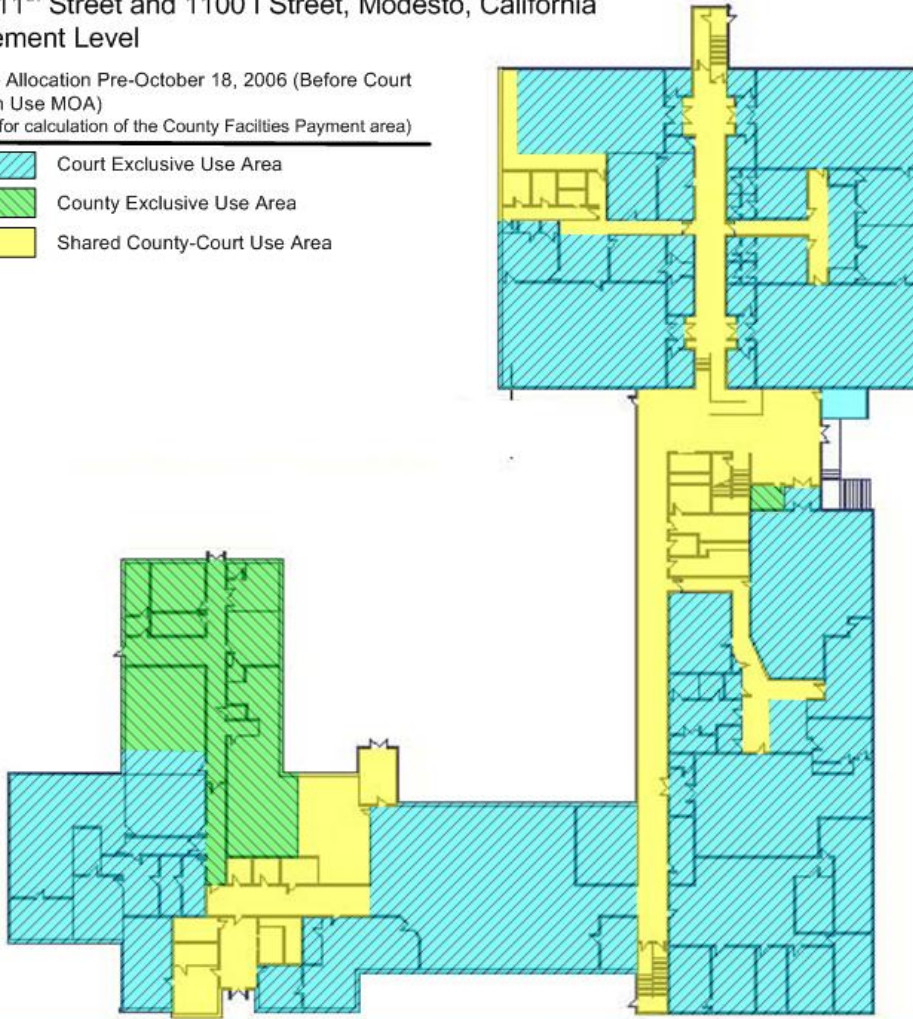
**COPY OF FLOOR PLAN**

Basement

**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Basement Level**

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area



**EXHIBIT "A"**

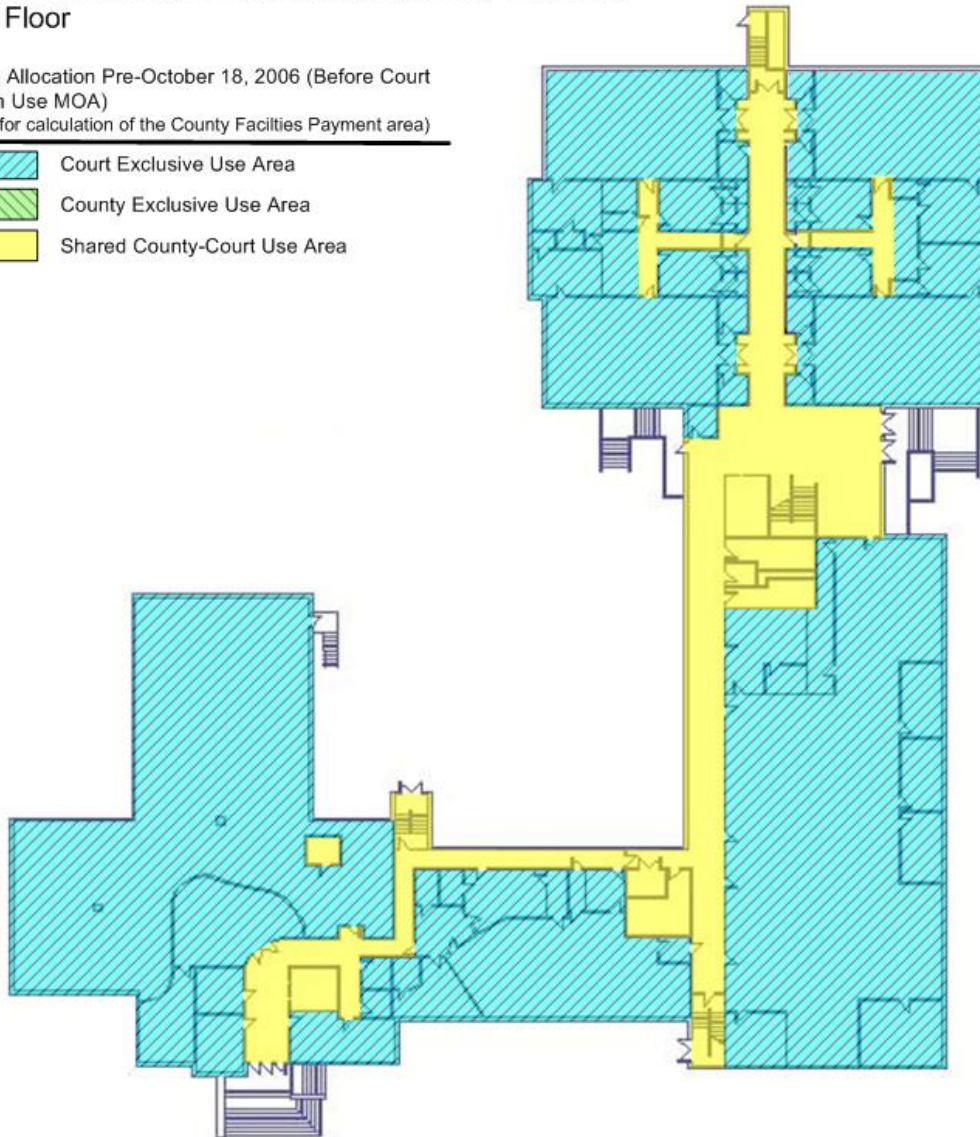
**COPY OF FLOOR PLAN**

First Floor

**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
First Floor

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

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**EXHIBIT "A"**

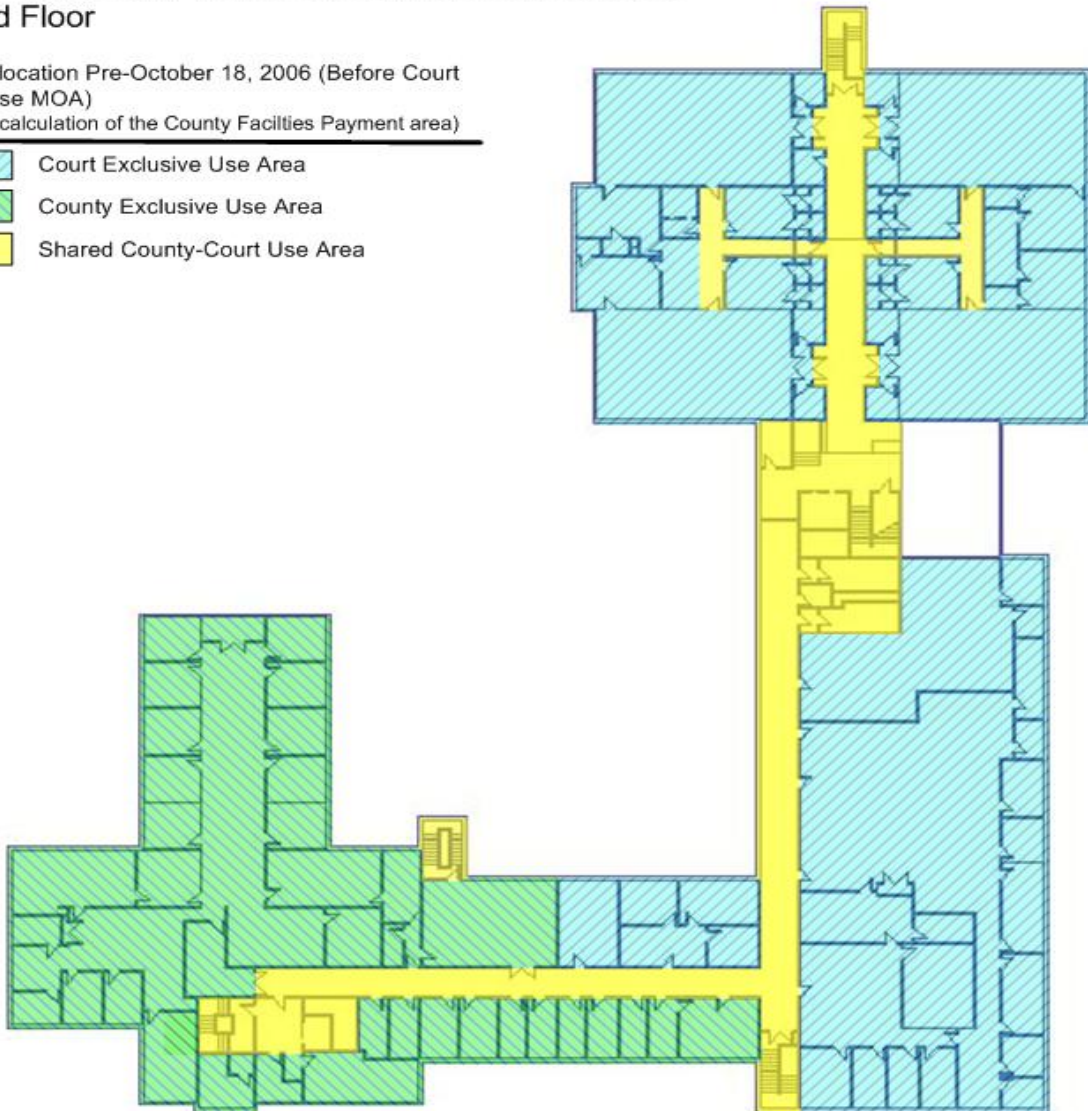
**COPY OF FLOOR PLAN**

Second Floor

**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Second Floor**

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area



**EXHIBIT "A"**

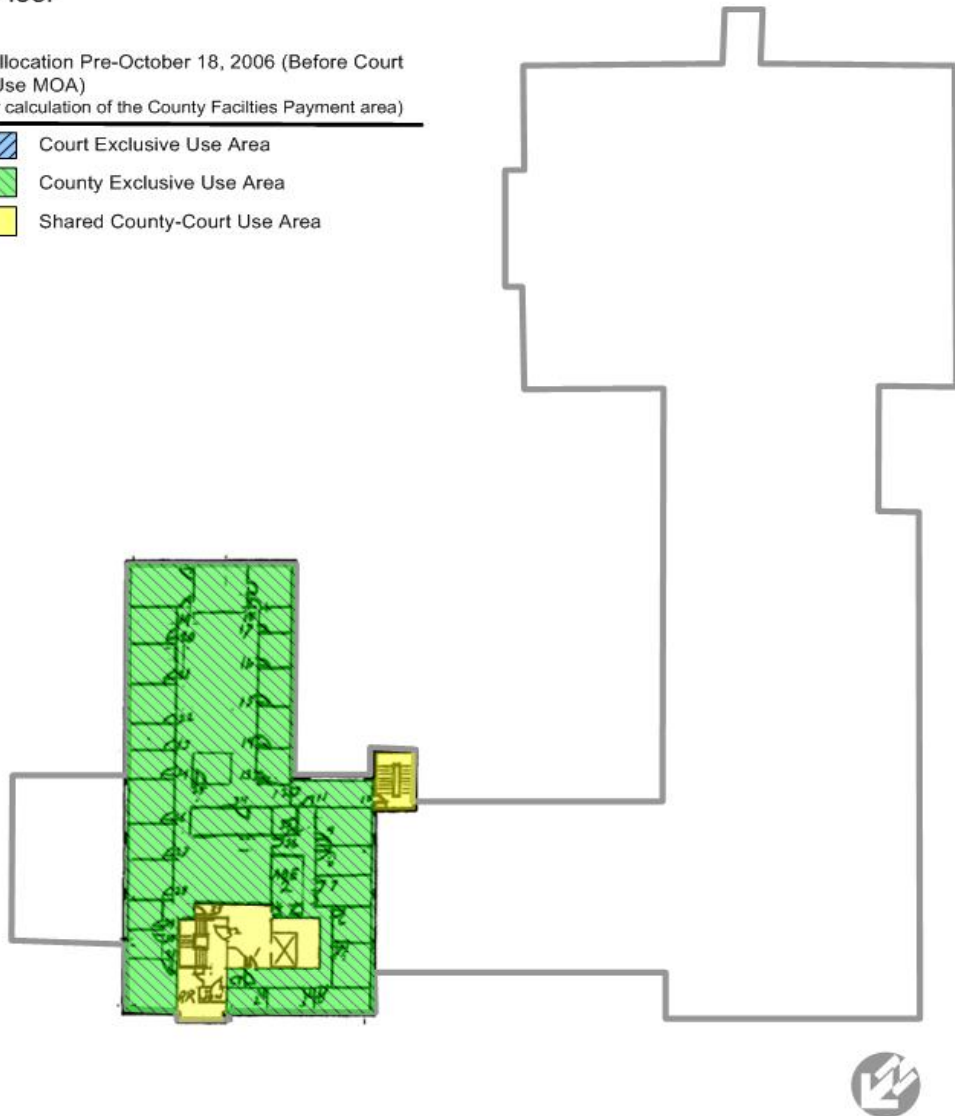
**COPY OF FLOOR PLAN**

Third Floor

**Superior Court of California, Stanislaus County**  
**MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Third Floor

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

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-  County Exclusive Use Area
-  Shared County-Court Use Area



**EXHIBIT "A"**

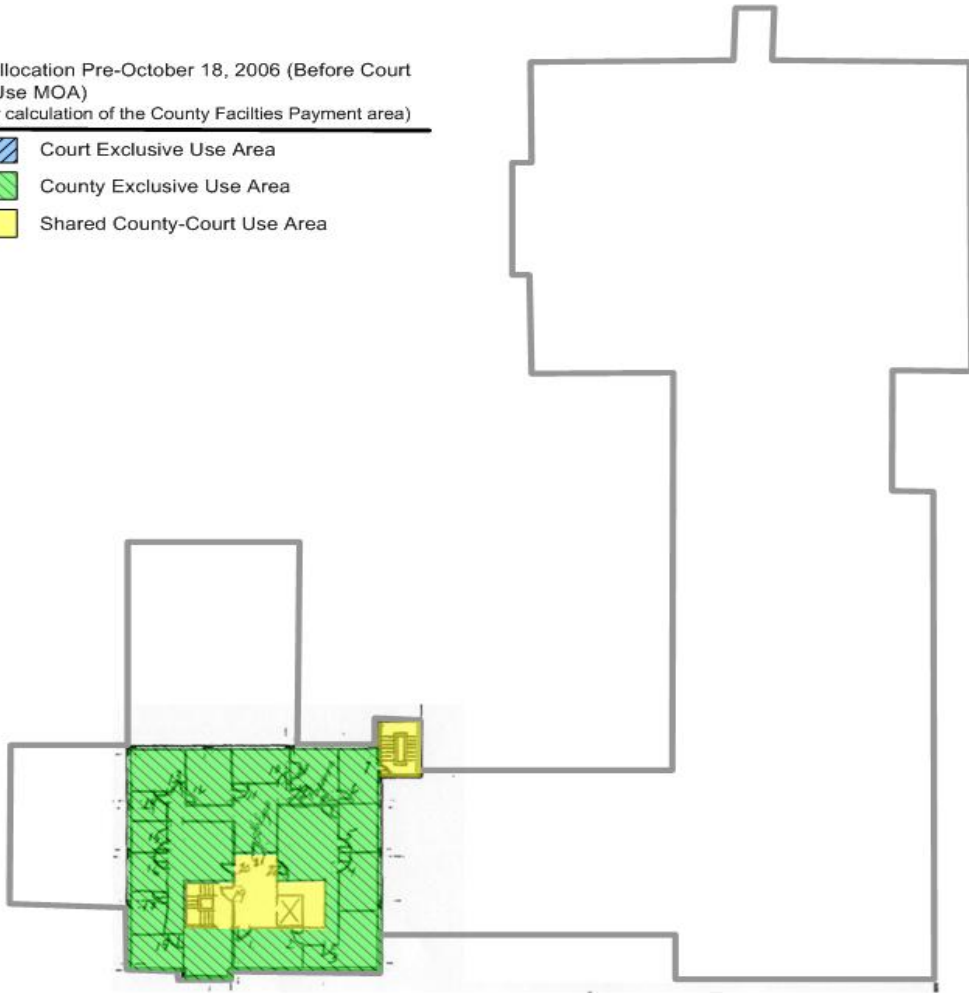
**COPY OF FLOOR PLAN**

Fourth Floor

**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Fourth Floor

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area



**ATTACHMENT "4" TO JOA**

**FORM OF TERMINATION OF JOINT OCCUPANCY 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: Melvin Kennedy, Managing Attorney  
Office of the 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): \_\_\_\_\_; County of Stanislaus

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**TERMINATION OF JOINT OCCUPANCY AGREEMENT**

This Termination of Joint Occupancy Agreement ("**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 \_\_\_\_\_, 2008, the County and the AOC entered into a Transfer Agreement For The Transfer of Responsibility For Court Facilities (the "**Transfer Agreement**"). Under the Transfer Agreement, the County transferred to the AOC responsibility for funding and operation of the [Court Facility Name], which is located in a building on certain real property in the City of Modesto, County of Stanislaus, State of California and having a street address of \_\_\_\_\_ and legally described in **Exhibit 1** attached hereto and made a part hereof (the "[\_\_\_\_\_] **Real Property**").

B. Under the Transfer Agreement, the AOC and the County also entered into a Joint Occupancy Agreement dated \_\_\_\_\_, 2008 ("**JOA**"), setting forth the Parties' respective rights and obligations with respect to the shared occupancy and use of the [\_\_\_\_\_] Real Property.



C. To memorialize the Parties' respective rights and duties under the JOA, the parties signed a Memorandum of Joint Occupancy Agreement ("**Memorandum**"), which was recorded in the Official Records of the County as Instrument No. \_\_\_\_\_.

D. With respect to the [\_\_\_\_\_] Real Property only, the JOA has now been terminated by the County and the AOC, and the JOA is no longer of any force or effect [as it relates to the [\_\_\_\_\_] Real Property], except for the terms of the JOA that expressly survive the termination of the JOA.

E. [Notwithstanding the termination of the JOA in respect of the [\_\_\_\_\_] Real Property, the JOA remains in full force and effect as it relates to the [\_\_\_\_\_] Real Property and the [\_\_\_\_\_] Real Property, as those terms are defined in the JOA.]

F. The County and the AOC now wish to record this Termination to memorialize the termination of the JOA and the Memorandum with respect to the [\_\_\_\_\_] Real Property only.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and AOC do hereby agree as follows:

1. With respect to the [\_\_\_\_\_] Real Property only, the JOA and the Memorandum are terminated and are no longer of any force or effect, except for those terms of the JOA that the parties have expressly agreed in writing will survive the termination of the JOA.

2. This Termination is to be recorded in the Official Records of the County with respect to the [\_\_\_\_\_] Real Property, whereupon the Memorandum will automatically be removed as an encumbrance on the title to the [\_\_\_\_\_] Real Property.

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

APPROVED AS TO FORM:

Administrative Office of the Courts,  
Office of the General Counsel

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

APPROVED AS TO FORM:

County Of Stanislaus  
Office of the County Counsel

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: County Counsel

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_, Clerk of the Board

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**STATE OF CALIFORNIA**  
**COUNTY OF \_\_\_\_\_**

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, 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 \_\_\_\_\_, 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 “1”**

**LEGAL DESCRIPTION OF THE REAL PROPERTY**

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

All of Block 83 of the City of Modesto, filed in the Office of the County Recorder of Stanislaus County on December 21, 1942 in Volume 15 of Maps.

APN: 105 025 001

## ATTACHMENT “5” TO JOA

### CRITERIA FOR APPROVING EMPLOYEES AND CONTRACTORS WITH RESPECT TO BACKGROUND CHECKS

No employee or Contractor may access or work unescorted in any Restricted Area of the Real Property if any of the following applies to that employee or Contractor:

1. Any conviction or charge pending court disposition with respect to felonies or misdemeanors involving violence, weapons, theft, robbery, burglary, embezzlement, dishonesty, moral turpitude, drugs (excluding misdemeanor marijuana convictions), or sexual activity (for a list of crimes constituting moral turpitude, please see **Appendix 1** to this **Attachment “5”**).
2. Any conviction or charge pending court disposition involving a serious felony which is listed in Penal Code section 1192.7(c) or any violent felony which is listed in Penal Code section 667.5(c).
3. Any conviction or charge pending court disposition with respect to felonies or misdemeanors contributing to the delinquency of a minor.
4. Any conviction or charge pending court disposition with respect to felonies or misdemeanors involving mob action (a.k.a. gang activity).
5. Any conviction or charge pending court disposition with respect to felonies or misdemeanors involving any crime (other than a minor traffic violation) not included in paragraphs 1 through 4, above, for which the AOC’s Emergency & Response Unit (“**ERS**”) has not provided a written exemption for that conviction or pending charge.
6. Outstanding bench warrant.
7. Failure to appear in court within six (6) months.

In order to obtain a written exemption with respect to paragraph 5, above, the Parties must submit all relevant information relating to the conviction or pending charge (e.g. type of offense, date of conviction, and sentence) to the Senior Manager of ERS. The Parties will not include the name of the employee with this information. After review of the submitted information, the Senior Manager of ERS will notify the requesting Party in writing if an exemption for that conviction or pending charge will be provided by the AOC.

For purposes of these criteria, “conviction” includes a verdict of guilty, a plea of guilty, a plea of *nolo contendere*, or a forfeiture of bail in Municipal, Superior, or Federal court regardless of whether sentence is imposed by the court.

## APPENDIX 1 TO ATTACHMENT “5”

The appellate courts have determined that the following crimes are crimes of moral turpitude:

1. Property Crimes. Arson; auto theft; attempted auto theft; burglary (any degree); attempted burglary; embezzlement; forgery; grand theft; receiving stolen property; theft; and vandalism (felony).

2. Assaultive Crimes. Assault by force likely to produce grievous bodily injury; assault with deadly weapon; assault with intent to murder; assault with intent to rape; battery of non-inmate by inmate; battery on peace officer; corporal injury to child; discharge a firearm; false imprisonment; robbery; shooting at inhabited dwelling; and spousal battery.

3. Homicide. Murder; second degree murder; and voluntary manslaughter.

4. Sex Crimes. Assault with intent to rape; indecent exposure; lewd act on child; pimping and pandering; rape; statutory rape; and sexual battery.

5. Escape. Escape with or without violence; and evading a peace officer.

6. Drug Crimes. Maintaining a drug house; possession of heroin for sale; possession of marijuana for sale; sale of drugs; and transportation of controlled substance.

7. Weapons. Felon in possession of firearm; possession or conspiracy to possess illegal firearm; and possession of deadly weapon with intent to assault.

8. Other. Felony drunk driving; felony false imprisonment; felony hit and run; kidnapping; terrorist threat; bribery; extortion; and perjury.

**ATTACHMENT “6” TO JOA**  
**WORK ORDER PROCEDURES**

- A. The County may request non-Emergency Services for the County Exclusive-Use Area via a Work Order (“**WO**”). Work performed without a WO, outside the scope of the WO, or beyond the maximum approved cost stated in the WO will not be compensated or paid by the County.
- B. The following personnel (“**Requestor**”) are authorized to issue WOs for the County. A letter will be provided to the AOC with the name of the person(s) filling each position. This letter will be updated from time to time as personnel change.
- 1) Senior Manager for Facility Management
  - 2) Regional Manager for Facility Operations
  - 3) District Supervisor(s) for Facility Operations
  - 4) Area Supervisor(s) for Facility Operations
  - 5) AOC Customer Service Center Personnel
- C. Each WO will be in writing and will include:
- 1) Name and title of the Requestor and point of contact.
  - 2) Identification of where the work is to be performed, description of the work, and any special requirements or authorizations applicable to the WO.
  - 3) Date the WO is transmitted to the AOC.
  - 4) Priority for the work.
  - 5) Maximum approved cost, including all labor and materials.
- D. Within five business days of receiving the WO, the AOC will respond to the Requestor (“**Service Response**”) with one of the following:
- 1) That the AOC is able to comply with the WO; the AOC will provide an estimated timeframe for completion of the work requested.
  - 2) That the AOC needs additional time to determine whether it can fulfill the WO. The AOC will include the reason for the additional time as well as an estimate of how much additional time it will need to evaluate the WO.



- 3) That the AOC is unable to complete the work as submitted in the WO. The AOC will either include an estimated timeframe and cost for completion of the WO or it will state that it cannot perform the Services requested in the WO and provide a brief explanation as to why.
- E. If a Requestor agrees to the work, timeframe and costs stated in the WO, it will approve the Service Response. Upon receiving County approval of the Service Response, the AOC will perform the work specified in each WO in accordance with the requirements of this JOA.
- 1) Any commencement of work prior to the AOC's receipt of approval for a WO will be done at the AOC's own risk.
  - 2) The AOC agrees to complete all work specified in the WO and for no more than the agreed applicable maximum approved cost except as follows:
    - a. If, after commencing the work, the AOC becomes aware that completion of work may exceed the agreed maximum approved cost, the AOC may immediately cease work and must immediately notify the County and provide the County with justification for additional cost and obtain a new maximum approved cost.
    - b. If the AOC and the County cannot agree upon a maximum approved cost for the work, the WO will be cancelled. The County will pay for work reasonably completed prior to the AOC's discovery that the work may exceed the previously-agreed maximum approved cost.
- F. The AOC will notify the County of the completion of the work requested in the WO within five business days of completing the work.
- G. The procedures described in this **Attachment "6"** to the JOA do not apply to Services arising from an Emergency. Work for Emergency Services in the County Exclusive-Use Area will be provided pursuant to section 3.2.4 of the JOA.

**ATTACHMENT “7” TO JOA**  
**PAYMENT PROVISIONS**

A. Invoices

The AOC will invoice, on a quarterly basis, for all Services to the County Exclusive-Use Area performed by the AOC in accordance with **Attachment “6”** to the JOA.

B. Cost Components of Services

The Services may include the following components: (1) labor costs including security escort and travel expenses, (2) materials reimbursement, (3) third-party services and supplies, and (4) compensation for mileage at the then-current rate of compensation per mile as established by the United States Internal Revenue Service. (As of July 1, 2008, the current mileage rate is \$0.585.)

1) Labor Costs

The AOC will invoice the County for the labor costs, which must be based upon the AOC’s then-current hourly rates as established by the AOC from time to time. (The established hourly rates for fiscal year 2008-2009 are set forth in Appendix “A” to this Attachment “7.”) The Parties agree that should the County request a specific project that requires either skills and/or abilities of AOC staff that are not listed in Appendix “A” to this Attachment “7,” or the dedication of staff that are paid at a higher rate (e.g. Senior Architect), the AOC may include a billing rate in the proposal commensurate with the staff person’s fully burdened hourly rate. The County has the right to review the proposed rates for reasonableness based on the specific type of work being performed. If the Parties cannot agree on the proposed rates, the County has the right, subject to this JOA, to utilize Contractors or the County’s own employees to provide such Services. The County shall ensure that any work performed by Contractors or County employees is in compliance with applicable building standards.

2) Materials Reimbursement

a. Provided that materials are necessary to fulfill a WO, the County will reimburse the AOC for materials expenses.

- b. Costs for the materials are limited to those necessary to fulfill a WO and that are actually incurred by the AOC in the performance of the Services.
- c. All expenses for materials must be billed at the AOC's actual cost, and are not subject to any markup. Any rebates, refunds or similar discounts received by the AOC must be passed on to the County.

3) Third-Party Services and Supplies

The Parties agree that should the County submit a WO for work that requires skills, abilities, and/or equipment beyond that of the AOC or its staff, the AOC may contract with a third party for services and/or supplies, for which the County will reimburse the AOC provided that:

- a. The third-party services or supplies contracted for are necessary to fulfill the WO.
- b. The third-party contract is awarded pursuant to the AOC's standard practices for procuring such services and supplies, including consistency with the California Public Contract Code.
- c. The County will not pay more than what the AOC expends in procuring and satisfying the contract.

C. Invoicing Requirements

The AOC shall submit to the County, on a quarterly basis, an invoice for all authorized work performed and that was paid for by the AOC in the prior quarter pursuant to **Attachment "6."**

- 1) Section 1 of the invoice will include basic identifying data to include:
  - a. Name and address of AOC.
  - b. JOA Number.
  - c. A unique invoice number.
  - d. Date of invoice.
  - e. AOC's Taxpayer identification number (FEIN).
  - f. Dates of Service covered in the invoice.
  - g. Preferred remittance address if different from the mailing address.
- 2) Section 2 of the invoice will include a summary and itemization of each WO being billed, including a breakdown of the labor costs and hours,

materials in excess of \$20, and other allowable reimbursements being sought.

- 3) The AOC must submit one original and one copy of invoices to:

County of Stanislaus  
Chief Executive Office  
Attention: Jim Kwartz,  
Associate Management Consultant  
1010 10th Street, Suite 6800  
Modesto, CA 95354  
Phone: 209-525-6333  
Fax: 209-544-6226

D. Payment

The County will make payment, in arrears, for all proper invoices within 30 days after receipt.

E. Budget

Notwithstanding anything in the Agreement to the contrary, should the County become unable to pay any amounts due and owing under these Payment Provisions as a result of the County's failure to timely approve and adopt a budget, the AOC may stop all work on outstanding WOs and refuse to accept any new WOs until such time as the County brings current any unpaid amounts due. The County must promptly pay any previously due payment upon approval and adoption of the budget for the County.

**APPENDIX “A” TO ATTACHMENT “7” TO JOA  
AOC HOURLY RATES**

<b>Job Title</b>	<b>Average Hourly Rate</b>
Building Maintenance Specialist	\$55
Project Manager	\$55

**EXHIBIT “G”**

**FORM OF MEMORANDUM OF JOINT OCCUPANCY 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: Melvin Kennedy, Managing Attorney  
Office of the 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.

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APN(S): 105-025-001; County of Stanislaus

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**MEMORANDUM OF JOINT OCCUPANCY AGREEMENT**

THIS MEMORANDUM OF JOINT OCCUPANCY AGREEMENT (“**Memorandum**”) is made and entered into the \_\_\_\_ day of \_\_\_\_\_, 200\_\_ by and between the County of Stanislaus, whose present address is 1010 10<sup>th</sup> Street, Modesto, California, 95354 (“**County**”), and the Judicial Council of California, Administrative Office of the Courts (“**AOC**”), whose present address is 455 Golden Gate Avenue, San Francisco, CA 94102, Attention: Assistant Director, Office of Court Construction and Management, with respect to the following facts:

**RECITALS**

A. County is the fee owner of that certain real property located in the City of Modesto, County of Stanislaus, State of California, having street addresses of 800 11<sup>th</sup> Street, Modesto, CA 95354, and 1100 I Street, Modesto, CA 95354, as more particularly described on **Attachment 1** to this Memorandum (“**Land**”), together with the improvements located thereon containing the court facilities commonly known as the Modesto Main Courthouse (Facility # 50-A1) and the Hall of Records (Facility # 50-A2), and all other buildings, structures, and improvements located on and/or affixed to the Land (together with the Land, the “**Real Property**”);

B. Under that certain Transfer Agreement For The Transfer of Responsibility For Court Facility between AOC and County dated as of \_\_\_\_\_, 2008, AOC and County have entered into that certain Joint Occupancy Agreement, dated as of \_\_\_\_\_, 2008 (“**JOA**”), setting forth the terms governing the Parties’ respective rights and responsibilities regarding their shared possession, occupancy and use of the Real Property, as more particularly described in the JOA;

C. The JOA provides, among other things, for rights of first refusal and rights of first offer in favor of County and AOC to expand into and occupy, on a paid basis, any portion of the Real Property that County or AOC desire to vacate in accordance with Government Code section 70342(e);

D. Under the terms of the JOA, this Memorandum is to be recorded in the Official Records of County with respect to the Property for the purpose of memorializing the existence of the JOA, the terms of which inure to the benefit of, and bind, AOC, County and their respective successors and assigns. Any third-party interested in obtaining information about the Agreement may contact the parties at their above-referenced addresses.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, this Memorandum has been executed as of the day and year 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  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Grant Walker  
Title: Senior Manager, Business Services  
Date: \_\_\_\_\_

ATTEST:  
Christine Ferraro Tallman, Clerk of  
the Board

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Jim De Martini  
Title: Vice Chairman, Board of Supervisors  
Date: \_\_\_\_\_

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

By: \_\_\_\_\_  
Name: John P. Doering  
Title: County Counsel



AOC AKNOWLEDGMENT

**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)

**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)

COUNTY AKNOWLEDGMENT

**STATE OF CALIFORNIA  
COUNTY OF STANISLAUS**

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public, personally appeared **Jim De Martini**, 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 STANISLAUS**

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public, personally appeared **John P. 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 “G”**  
**LEGAL DESCRIPTION OF THE PROPERTY**

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

All of Block 83 of the City of Modesto, filed in the Office of the County Recorder of Stanislaus County on December 21, 1942 in Volume 15 of Maps.

APN: 105 025 001

## **EXHIBIT “H”**

### **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. County’s Proprietary Locking System
2. County’s Automatic External Defibrillator (AED) Device

**EXHIBIT "T"**  
**FORM OF GRANT DEED**

**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: Melvin Kennedy, Managing Attorney  
Office of the General Counsel, Real Estate Unit

OFFICIAL STATE BUSINESS – EXEMPT FROM RECORDING FEES PURSUANT TO GOVT. CODE SECTION 27383 AND DOCUMENTARY TRANSFER  
TAX PURSUANT TO REVENUE AND TAXATION CODE SECTION 11922.

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APN(S): 105-025-001; County of Stanislaus

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**GRANT DEED**

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 1 page attached hereto and by this reference made a part hereof.

Dated: \_\_\_\_\_, 20\_\_

GRANTOR:

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chairman, Board of Supervisors

I-1

**EXHIBIT “A” TO GRANT DEED**  
**LEGAL DESCRIPTION OF THE LAND**

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

All of Block 83 of the City of Modesto, filed in the Office of the County Recorder of Stanislaus County on December 21, 1942 in Volume 15 of Maps.

APN: 105 025 001

**STATE OF CALIFORNIA  
COUNTY OF STANISLAUS**

On \_\_\_\_\_ before me, \_\_\_\_\_, Clerk of the Board of Supervisors, \_\_\_\_\_ County, State of California, and for said County and state, personally appeared \_\_\_\_\_, 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 “J”

### COPY 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 "K"**

### **INSURANCE REQUIREMENTS FOR PROJECTS**

#### 1) Insurance

a) Contractor shall take out, and maintain during the life of this Agreement, insurance policies with coverage at least as broad as follows:

i) **General Liability.** Comprehensive general liability insurance covering bodily injury, personal injury, property damage, products and completed operations with limits of no less than One Million Dollars (\$1,000,000) per incident or occurrence. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to any act or omission by Contractor under this Agreement or the general aggregate limit shall be twice the required occurrence limit.

ii) **Automobile Liability Insurance.** If the Contractor or the Contractor's officers, employees, agents, representatives or subcontractors utilize a motor vehicle in performing any of the work or services under this Agreement, owned/non-owned automobile liability insurance providing combined single limits covering bodily injury, property damage and transportation related pollution liability with limits of no less than One Million Dollars (\$1,000,000) per incident or occurrence.

iii) **Workers' Compensation Insurance.** Workers' Compensation insurance as required by the California Labor Code. In signing this contract, the Contractor certifies under section 1861 of the Labor Code that the Contractor is aware of the provisions of section 3700 of the Labor Code which requires every employer to be insured against liability for workmen's compensation or to undertake self-insurance in accordance with the provisions of that code, and that the Contractor will comply with such provisions before commencing the performance of the work of this Agreement.

b) Any deductibles, self-insured retentions or named insureds must be declared in writing and approved by County. At the option of the County, either: (a) the insurer shall reduce or eliminate such deductibles, self-insured retentions or named insureds, or (b) the Contractor shall provide a bond, cash, letter of credit, guaranty or other security satisfactory to the County guaranteeing payment of the self-insured retention or deductible and payment of any and all costs, losses, related investigations, claim administration and defense expenses. The County, in its sole discretion, may waive the requirement to reduce or eliminate deductibles or self-insured retentions, in which case, the Contractor agrees that it will be responsible for and pay any self-insured retention or deductible and will pay any and all costs, losses, related investigations, claim

administration and defense expenses related to or arising out of the Contractor's defense and indemnification obligations as set forth in this Agreement.

c) The Contractor shall obtain a specific endorsement to all required insurance policies, except Workers' Compensation insurance and Professional Liability insurance, if any, naming the County and its officers, officials and employees as additional insureds regarding: (a) liability arising from or in connection with the performance or omission to perform any term or condition of this Agreement by or on behalf of the Contractor, including the insured's general supervision of its subcontractors; (b) services, products and completed operations of the Contractor; (c) premises owned, occupied or used by the Contractor; and (d) automobiles owned, leased, hired or borrowed by the Contractor. For Workers' Compensation insurance, the insurance carrier shall agree to waive all rights of subrogation against the County and its officers, officials and employees for losses arising from the performance of or the omission to perform any term or condition of this Agreement by the Contractor.

d) The Contractor's insurance coverage shall be primary insurance regarding the County and County's officers, officials and employees. Any insurance or self-insurance maintained by the County or County's officers, officials and employees shall be excess of the Contractor's insurance and shall not contribute with Contractor's insurance.

e) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the County or its officers, officials, employees or volunteers.

f) The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

g) Each insurance policy required by this section shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party except after thirty (30) days' prior written notice has been given to County. The Contractor shall promptly notify, or cause the insurance carrier to promptly notify, the County of any change in the insurance policy or policies required under this Agreement, including, without limitation, any reduction in coverage or in limits of the required policy or policies.

h) Insurance shall be placed with California admitted insurers (licensed to do business in California) with a current rating by Best's Key Rating Guide acceptable to the County; provided, however, that if no California admitted insurance company provides the required insurance, it is acceptable to provide the required insurance through a United States domiciled carrier that meets the required Best's rating and that is listed on the current List of Eligible Surplus Line Insurers maintained by the California Department of Insurance. A Best's rating of at least A-:VII shall be acceptable to the County; lesser ratings must be approved in writing by the County.

i) Contractor shall require that all of its subcontractors are subject to the insurance and indemnity requirements stated herein, or shall include all subcontractors as additional insureds under its insurance policies.

j) At least ten (10) days prior to the date the Contractor begins performance of its obligations under this Agreement, Contractor shall furnish County with certificates of insurance, and with original endorsements, showing coverage required by this Agreement, including, without limitation, those that verify coverage for subcontractors of the Contractor. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements shall be received and, in County's sole and absolute discretion, approved by County. County reserves the right to require complete copies of all required insurance policies and endorsements, at any time.

k) The limits of insurance described herein shall not limit the liability of the Contractor and Contractor's officers, employees, agents, representatives or subcontractors.

## 2) Defense and Indemnification

a) To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend the County and its agents, officers and employees from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorneys' fees, arising out of, resulting from, or in connection with the performance of this Agreement by the Contractor or Contractor's officers, employees, agents, representatives or subcontractors and resulting in or attributable to personal injury, death, or damage or destruction to tangible or intangible property, including the loss of use; provided, however, such indemnification shall not extend to or cover loss, damage or expense arising from the sole negligence or willful misconduct of the County or its agents, officers and employees.

b) Contractor's obligation to defend, indemnify and hold the County and its agents, officers and employees harmless under the provisions of this paragraph is not limited to or restricted by any requirement in this Agreement for Contractor to procure and maintain a policy of insurance.

Building Names and Addresses:

Modesto Main Courthouse (Facility # 50-A1), 800 11<sup>th</sup> Street, Modesto, CA 95354

Hall of Records (Facility # 50-A2), 1100 I Street, Modesto, CA 95354

**JOINT OCCUPANCY AGREEMENT**  
**BETWEEN**  
**THE JUDICIAL COUNCIL OF CALIFORNIA,**  
**ADMINISTRATIVE OFFICE OF THE COURTS,**  
**AND**  
**THE COUNTY OF STANISLAUS**

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# JOINT OCCUPANCY AGREEMENT

## 1. PURPOSE

A. 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 Parties’ shared possession, occupancy, and use of the Real Properties.

B. Stanislaus County owns that certain real property consisting of an entire city block located in the City of Modesto, State of California, more particularly described on **Attachment “1”** attached hereto (APN 105-025-001). Through a Record of Survey, the Property will be subdivided into the following four Parcels more particularly described on **Attachment “2-1”**: Parcel A (Stanislaus County Park); Parcel B (Stanislaus County Jail and Jail Sallyport); Parcel C (Main Courthouse and Hall of Records) and Parcel D (Transferred Parking Area). To implement the provisions of the Act, the County intends to retain ownership of Parcels A and B, and to transfer title to Parcels C and D to the State of California in accordance with the terms and conditions of the Agreement.

## 2. 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 the Transfer Agreement for the Transfer of Responsibility for Court Facilities, by and between the AOC and the County, under which the County transferred to the AOC responsibility for certain portions of the Real Properties under the Act.

“**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 any Court Facility (e.g., allegations of civil rights violations made by a third party against a Court employee).

“**AOC Equity Share**” means the approximately 85,164 square feet of floor space in the Modesto Main Courthouse and the Hall of Records which includes the Court Exclusive-Use Area and a portion of the Common Area as shown on **Attachment “2-2”**. As of the Effective Date, the AOC Equity Share in the Modesto Main Courthouse and the Hall of Records is 77.82 percent of the total area of the Modesto Main Courthouse and the Hall of Records.

“**AOC Share**” means the percentage of the total square footage of the Buildings which is exclusively occupied by the Court and a portion of the Common Area (excluding space occupied by the Court within a County Exclusive-Use Area under separate agreement) as shown on **Attachment “2-3”**. As of the Effective Date, the AOC Share 77.82 percent of the total square footage of the Buildings.

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

“**Bonded Indebtedness Documents**” means the agreements evidencing and securing the Bonded Indebtedness, including those listed in Exhibit “H” to the Agreement.

“**Bonded Indebtedness**” means “bonded indebtedness” as defined in section 70301(a) of the Act, to which some or all of the Real Property is subject on the Effective Date of the Agreement.

“**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 Properties.

“**Building**” means any one, and “**Buildings**” means both, of (i) the Modesto Main Courthouse and (ii) the Hall of Records, which are situated on that portion of the Land described as Parcel C on **Attachment “2-1”**, all connected or related structures and improvements, and all Building Equipment, as determined by the context in which the term is used.

“**Building Equipment**” means the installed equipment and systems that serve the Buildings generally or the Common Area. The Building Equipment includes equipment and systems that are physically located in a Party’s Exclusive-Use Area but that serve the Common Area of that Building generally, but it does not include any equipment or systems that exclusively serve the Exclusive-Use Area of only one Party.

“**Common Area**” means the areas of the Land and the Buildings that are used non-exclusively and in common by, or for the common benefit of, the County and the Court, and includes (1) those portions of the Buildings depicted as Common Area on **Attachment “2-3”** to this Agreement, including hallways, stairwells, elevators, and restrooms that are not located in either Party’s Exclusive-Use Area, and specifically the security entrance at the Main Courthouse which is the sole secured access to the Court Exclusive-Use Areas in the Main Courthouse and the Hall of Records, (2) foundations, exterior walls, load-bearing walls, support beams, exterior windows, the roof, and other structural parts of the Buildings, (3) Building Equipment and Utilities that do not exclusively serve only one Party’s Exclusive-Use Area, (4) driveways, walkways, and

other means of access over the Land and through each Building to the Court Exclusive-Use Area in each Building and (5) landscaped areas on the Land. The Common Area does not include any part of the Exclusive-Use Area of either Party, except for any Building Equipment that is located in a Party's Exclusive-Use Area.

**“Common Building Equipment”** is any Building Equipment that serves both Buildings, and includes, but is not limited to, all mechanical systems, such as: heating, ventilation and air conditioning; plumbing; main electrical service; hot water; drainage systems; life-safety systems; data equipment; security system; the ADA ramp located in the Main Courthouse which is the only secure access to the Main Courthouse and the Hall of Records; and the boiler located in the County jail facility which serves the Main Courthouse and the Hall of Records.

**“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 Properties with respect to the Operation of the Buildings.

**“Contributing Party”** means the County.

**“Corporation”** means the Stanislaus County Capital Improvements Financing Authority, which is a party to some of the Bonded Indebtedness Documents.

**“County Equity Share”** means the approximately 24,271 square feet of floor space in the Modesto Main Courthouse and the Hall of Records which includes the County Exclusive-Use Area and a portion of the Common Area as shown on **Attachment “2-2”**. As of the Effective Date, the County Equity Share in the Modesto Main Courthouse and the Hall of Records is 22.18 percent of the total area of the Modesto Main Courthouse and the Hall of Records.

**“County Exclusive-Use Area”** means the floor space in a Building that is exclusively occupied and/or used by the County as depicted on **Attachment “2-3”** to this JOA. As of the Effective Date: (i) the County Exclusive-Use Area in the Modesto Main Courthouse is approximately 98 square feet; and (ii) the County Exclusive-Use Area in the Hall of Records is approximately 22,197 square feet. **“County Exclusive-Use Areas”** means, together, the County Exclusive-Use Areas in the Modesto Main Courthouse and the Hall of Records, which constitutes 22,295 square feet of the total square footage of the Modesto Main Courthouse and the Hall of Records.

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

“**County Share**” means the percentage of the total square footage of the Buildings which is exclusively occupied by the County and a portion of the Common Area (or occupied by the Court within a County Exclusive-Use Area under separate agreement) as shown on **Attachment “2-3”**. As of the Effective Date, the County Share is 22.18 percent of the total square footage of the Buildings.

“**County Underground Area**” means the tunnel, holding cell, building maintenance area and evidence room that exists under a portion of Parcel D and connects to Parcel C as shown on **Attachment “2-4”**.

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

“**Court Exclusive-Use Area**” means the floor space in a Building that is exclusively occupied and used by the Court as depicted on **Attachment “2-3”** to this JOA. As of the Effective Date: (i) the Court Exclusive-Use Area in the Modesto Main Courthouse is approximately 48,473 square feet; and (ii) the Court Exclusive-Use Area in the Hall of Records is approximately 17,425 square feet. “**Court Exclusive-Use Areas**” means, together, the Court Exclusive-Use Areas in the Modesto Main Courthouse and the Hall of Records, which constitutes 65,898 square feet of the total square footage of the Modesto Main Courthouse and the Hall of Records.

“**Court Security Agreement**” means the Agreement for Court Security Services between the Superior Court of California, County of Stanislaus; and the County of Stanislaus; and the Stanislaus County Sheriff; effective for the period of time from July 1, 2007 through June 30, 2010, and any new or amended agreement relating to Court Security Services.

“**Days**” means calendar days unless otherwise defined in this JOA.

“**Deficiency**” means any condition of, damage to, or defect in a Common Area that, with respect to the Real Property associated therewith: (1) threatens the life, health, or safety of persons occupying or visiting the Building, (2) unreasonably interferes with, disrupts, or prevents either Party’s occupancy or use of the Real Property, or its ability to conduct its business operations in its Exclusive-Use Area, in an orderly, neat, clean, safe, and functional environment, (3) threatens the security of the employees, guests, invitees, or patrons of either Party, (4) threatens to diminish the value of the Contributing Party’s Exclusive-Use Area or the Common Area, or threatens to damage or destroy the business personal property of the Contributing Party or the Court located in the Buildings, (5) threatens the preservation of the Contributing Party’s files, records, and documents located in the Buildings, or (6) causes or exacerbates an unsafe, unsanitary, unlawful, or non-functional condition affecting the Contributing Party’s Exclusive-Use Area or the Common Area.

“**Effective Date**” means December 22, 2008, the date on which the Transfer of Responsibility is completed under the terms of the Agreement.

“**Emergency**” means a sudden, unexpected event or circumstance, on or affecting a Common Area or a Real Property, that results in a Deficiency.

“**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 all Federal, State, or local 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, and more specifically defined herein as “County Equity Share” and “AOC Equity Share.”

“**Estimated Shared Costs**” means the Managing Party’s reasonable, itemized estimate of the Shared Costs for a Real Property for a fiscal year; provided that, the Managing Party’s first estimate of the Shared Costs will cover the period from the Effective Date to the last day of the fiscal year in which the Effective Date occurs.

“**Exclusive-Use Area**” means a Court Exclusive-Use Area in any one or more of the Buildings, or a County Exclusive-Use Area in any one or more of the Buildings, as determined by the context in which the term is used.

“**Hall of Records**” means the four-story building located on a portion of the Land contiguous to the Modesto Main Courthouse with a street address of 1100 I Street, Modesto, California 95354.

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

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

“**JOA**” means this Joint Occupancy Agreement.

“**Land**” means Parcel C consisting of approximately 1.16 acres associated with the Modesto Main Courthouse and Hall of Records and Parcel D consisting of approximately .38 acres associated with the Transferred Parking, all as described on **Attachment “2-1”** to this JOA, including the Party’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;

excepting and reserving to the County the exclusive right to use and occupy the County Underground Area as shown on **Attachment “2-4”**.

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

“**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 a 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 a Real Property, but excludes all AOC Claims.

“**Major Deficiency**” means any Deficiency: (i) that cannot, with reasonable diligence, be corrected within 10 days, or (ii) as to which the estimated cost to correct will result in Excess Costs in an amount greater than 10 percent of the Estimated Shared Costs for the deficient Real Property for the fiscal quarter in which the Parties anticipate the correction will be performed, under section 4.2 of this JOA.

“**Managing Party**” means AOC which, as of the Effective Date, is the Party responsible for the Operation of the Common Area under this JOA.

“**Memorandum**” means the document titled Memorandum of Joint Occupancy Agreement that has been recorded in the official records of the County as an encumbrance on the Land pursuant to the Agreement.

“**Modesto Main Courthouse**” means the two-story building located on the Land contiguous to the Hall of Records with a street address of 800 11th Street, Modesto, California 95354.

“**Non-Ownning Party**” means the AOC during the Interim Period, and the County upon and after the TOT Closing Date, which in either case is the Party that does not own fee title to the Real Properties.

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

“**Occupant**” means any third party that occupies or uses the Real Property under an Occupancy Agreement.

**“Operation”** means the administration, management, maintenance, and repair of designated areas of the Real Properties, but does not include custodial services, which are not governed by this JOA or the Agreement.

**“Owner”** means the County during the Interim Period, and the AOC upon and after the TOT Closing Date, which in either case is the Party that owns fee title to the Real Properties.

**“Parking Area”** means, together, the Transferred Parking Area as shown on Parcel D of **Attachment “2-1”** (which will be conveyed to the State) and the Provided Parking which collectively satisfy the County’s obligation to provide parking spaces as set forth in Section 70330 of the Act.

**“Parking License Agreement”** means that certain Parking License Agreement between the County and the Court dated March 1, 2006, pursuant to which the County provides the Provided Parking to the Court, which agreement may be amended or revised from time to time. This JOA and the Agreement do not supersede, replace, or modify the current Parking License Agreement or any other agreement currently in effect or entered into in the future between the County and the Court with respect to parking.

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

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

**“Property Insurance Costs”** means all costs of providing the Property Insurance Policies, including premiums, deductibles, and self-insurance retention amounts under Owner’s self-insurance program; provided that, Property Insurance Costs related to the Hall of Records do not include (i) the cost of premiums, deductibles or self-insured retention amounts associated with seismic-related damage or injury to the Hall of Records, or (ii) premiums paid or incurred in respect of any earthquake insurance covering the Hall of Records that the Owner obtains on or after the Effective Date unless the Non-Owning Party has given its prior, written consent to the inclusion of such premiums as Property Insurance Costs.

**“Property Insurance Policies”** means one or more policies of property insurance maintained by the Owner that insure a 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 replacement cost of a Real Property. Owner’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 Owner for a Real Property, or by Owner's participation in a joint powers authority established for the purpose of pooling self-insured claims. While any part of the Real Property is subject to the Bonded Indebtedness, the Property Insurance Policies will include all property insurance coverage the County is required to maintain for the Real Property under the Bonded Indebtedness Documents.

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

**“Provided Parking”** means access cards to 43 parking spaces currently in the County-owned 12th Street Parking Garage located across the street from the Buildings, pursuant to the terms of the Parking License Agreement.

**“Real Property”** means, together, the Land, the Buildings, and the Transferred Parking Area.

**“Restricted Areas”** means all areas (i) within the Court Exclusive-Use Area that are not generally accessible to the public, including , judges' chambers, all non-public restrooms, elevators, break rooms, and corridors, and other non-public spaces that are dedicated for use only by judges or Court staff and employees, public areas of the Common Area and the Court Exclusive-Use Area during non-business hours that are subject to security screening during normal business hours, and other secure areas as reasonably designated by the AOC (“Court Restricted Areas”) and (ii) all areas with the County Exclusive-Use Area and Parcels B and D as shown on **Attachment “2-1”** that are not generally accessible to the public including the District Attorney and Public Defender Office space, the Sheriff's Weight Room and Showers, the Stanislaus County Jail, the Sallyport Area, the County Underground Area, the roof of the Buildings, and other secure areas as reasonably designated by the County (“County Restricted Areas”).

**“Security-Related Areas”** means the parts of the Buildings that are used for secure holding and transport of prisoners, including holding cells and secured elevators, non-public staircases, and non-public corridors.

**“Services”** means (i) the oversight, management, operation, maintenance, repair, or replacement, in good order and condition, and (ii) the renovation, improvement, alteration, addition, or new capital project in any portion of a County Exclusive-Use Area, as and when requested and agreed by the Parties pursuant to **Attachments “6” and “7”** to this JOA.

**“Share”** means the AOC Share or the County Share, as determined by the context in which the term is used.



**“Shared Costs”** means, for the Real Property and subject to section 4 of this JOA: (i) the cost of owned or rented capital replacement items, improvements, equipment, and repairs in or benefiting the Common Area, (ii) the cost of normal, day-to-day Operation of the Common Area including the cost of Utilities provided to the Common Area, and the cost of maintaining Equipment Permits (but excluding any late fees, interest, penalties, or other charges arising from the Managing Party’s failure to timely pay those costs or keep the Equipment Permits in effect), (iii) the cost of Utilities provided to the Exclusive-Use Areas, if Utilities are not separately metered for the Exclusive-Use Areas, and (iv) any Property Insurance Costs, subject to section 4.6 below. Shared Costs do not include: (a) any cost that is primarily for the purpose of benefiting a Party’s Exclusive-Use Area; (b) overtime charges or late fees related to any item that would otherwise be a Shared Cost, unless those overtime expenses or late fees are pre-approved by both Parties, or are necessary to remedy the imminent threat arising from an Emergency; or (c) any fees, fines, penalties, interest, or other charges arising from the Managing Party’s Operation of the Real Property in a negligent manner or a manner that does not comply with Law. Except where the Parties mutually agree to a different allocation of costs, the County shall pay 22.18% of Shared Costs and the AOC shall pay 77.82% of Shared Costs.

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

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

**“Term”** means the term of this JOA, which commences on the Effective Date and continues indefinitely until the Parties enter into a written Termination Agreement terminating this JOA and causing the Memorandum to be terminated and removed as an encumbrance on the Land.

**“Termination Agreement”** means the document titled Termination of Joint Occupancy Agreement in the form and content attached as **Attachment “4”** to this JOA.

**“Total Exclusive-Use Area”** means, together, a Real Property’s Court Exclusive-Use Area and County Exclusive-Use Area. **“Total Exclusive-Use Areas”** means, together, the Total Exclusive-Use Area of the Real Properties.

**“Transferred Parking Area”** means the controlled access parking lot located on a portion of the Land shown as Parcel D of **Attachment “2-1”** containing a total of 44 parking spaces for use by judges and staff of the Court as determined by the Court.

**“Trustee”** means BNY Western Trust Company, the Trustee in respect of the Bonded Indebtedness, and any successor trustees appointed under the Bonded Indebtedness Documents.

“**Utilities**” means the utilities services provided to the Real Property, except for telephone, cable, internet, and other data services, which are governed by section 3.7 of this JOA.

“**Vending Facility**” means “vending facility” as defined in section 19626 of the California Welfare and Institutions Code, as amended.

### **3. RIGHTS AND RESPONSIBILITIES**

3.1 Rights to Exclusive-Use Areas and Common Areas. Under the Act, the Agreement, and this JOA, the AOC has the right to exclusively occupy and use the Court Exclusive-Use Areas, and the non-exclusive right to occupy and use the Common Areas, and the County has the right to exclusively occupy and use the County Exclusive-Use Areas, and the non-exclusive right to occupy and use the Common Areas. Each Party’s non-exclusive right to use the Common Areas must: (i) not interfere with the other Party’s use of its Exclusive-Use Areas or the Common Areas; (ii) not materially increase the other Party’s obligations under this JOA; and (iii) comply with Law. The Parties may from time to time agree on reasonable rules and regulations for their shared use of the Common Areas. The Parties acknowledge that access to the Common Areas shall be available at all times, including during non-business hours.

#### 3.2 Responsibility for Exclusive-Use Areas and Common Areas.

3.2.1 Exclusive-Use Areas. During the Term, each Party is responsible for the Operation of its Exclusive-Use Areas, at its sole cost and expense. Each Party may make alterations and additions to its Exclusive-Use Areas, as long as those alterations and additions do not unreasonably interfere with the other Party’s use of its Exclusive-Use Area in the applicable Building or the Common Area of the applicable Real Property. Where Utilities are not separately metered for each Party’s Exclusive-Use Area, the Managing Party shall provide and pay for Utilities to the Real Property under this JOA, subject to the Contributing Party’s obligations under section 4 of this JOA.

3.2.2 Common Areas. The Managing Party is responsible for the Operation of the Common Areas and shall provide and pay for Utilities to the Common Areas under this JOA, subject to the Contributing Party’s obligations under section 4 of this JOA. The Managing Party may make reasonable additions and alterations to the Common Areas, the cost of which will be a Shared Cost, but the Managing Party must first obtain the written consent of the Contributing Party to those additions or alterations, which consent will not be unreasonably withheld, conditioned, or delayed. If the Contributing Party neither consents, nor provides to the Managing Party a reasonably-detailed description of its reasons for withholding its consent, within 30 days after the Contributing Party’s receipt of the Managing Party’s request for consent to the Common

Area additions or alterations, the Contributing Party will be deemed to have consented, and will be responsible to pay its Share of the costs and expenses incurred by the Managing Party in making the Common Area alterations or additions described in the Managing Party's request for consent.

### 3.2.3 Correction of Deficiencies.

3.2.3.1 Deficiency. Upon the Managing Party's discovery of a Deficiency, the Managing Party must either (i) correct the Deficiency within 10 days, or (ii) if the Deficiency is a Major Deficiency, send a written notice to the Contributing Party, within three business days, describing the Major Deficiency and providing an estimate of the cost and time needed to correct the Major Deficiency ("**Major Deficiency Notice**").

3.2.3.2 Contributing Party Deficiency Notice. The Contributing Party may at any time, but is not obligated to, send a written notice to the Managing Party describing the Deficiency (the "**Contributing Party Deficiency Notice**"). Upon receipt of any Contributing Party Deficiency Notice, the Managing Party must either: (i) correct the Deficiency by no later than 10 days after the Managing Party's receipt of the Contributing Party Deficiency Notice; or (ii) within three business days after the Managing Party's receipt of the Contributing Party Deficiency Notice, send a Major Deficiency Notice to the Contributing Party.

3.2.3.3 Contributing Party's Right to Correct. If the Managing Party neither corrects the Deficiency nor sends a Major Deficiency Notice within the time periods provided in section 3.2.3.2, then the Contributing Party may, but is not obligated to, without giving any notice or commencing any cure period under section 10 of this JOA, correct the Deficiency in any reasonable manner under the circumstances. If the Contributing Party corrects the Deficiency, the Contributing Party will be entitled to reimbursement from the Managing Party, under section 3.2.3.4, below, of the Managing Party's Share of the actual costs incurred by the Contributing Party to correct the Deficiency, whether or not the Deficiency is a Major Deficiency.

3.2.3.4 Correcting Party; Reimbursement. The Party that actually performs the correction of a Deficiency or a Major Deficiency is the "**Correcting Party.**" The Correcting Party is entitled to be reimbursed by the non-correcting Party for the non-correcting Party's Share of the actual costs that the Correcting Party incurs in correcting each Deficiency, as follows:

(a) If the Correcting Party is the Managing Party, the Correcting Party will be reimbursed for the non-correcting Party's Share of the actual costs to correct the Deficiency under section 4 of this JOA; or

(b) If the Correcting Party is the Contributing Party, the Managing Party will reimburse the Contributing Party for the Managing Party's Share of the costs to correct the Deficiency within 30 days after the Contributing Party has delivered to the Managing Party an invoice and reasonable supporting documents evidencing the actual costs to correct the Deficiency.

(c) If the non-correcting Party does not timely reimburse the Correcting Party for the non-correcting Party's Share of the costs of correction, the Correcting Party may offset the non-correcting Party's Share of the costs to correct the Deficiency against any amounts that the Correcting Party owes to the non-correcting Party under this JOA or any other agreement; provided that no offset may be made against the County Facilities Payment.

3.2.3.5 Major Deficiency Correction Plan. If the Managing Party at any time sends the Contributing Party a Major Deficiency Notice, whether under section 3.2.3.1 or section 3.2.3.2 of this JOA, then within 10 days after the Contributing Party's receipt of the Major Deficiency Notice, the Parties will meet and confer, in good faith, in person or by telephone, to determine a plan ("**Correction Plan**") for the correction of the Major Deficiency, including the method, estimated cost, and time period for the correction. If the Managing Party does not thereafter complete the correction of the Major Deficiency in accordance with the Correction Plan, the Contributing Party may, but will not be obligated to, without giving any notice or commencing any cure period under section 10 of this JOA, correct the Major Deficiency in a manner consistent with the Correction Plan, and will thereafter be the Correcting Party for purposes of reimbursement of the Managing Party's Share of the actual costs of correcting the Deficiency under section 3.2.3.4(b) of this JOA.

3.2.3.6 Not Applicable to Emergencies. This section 3.2.3 will not apply to any Deficiency to a Real Property that: (i) arises from an Emergency, and (ii) constitutes an imminent threat (a) to life, safety, health, or security, (b) of reduction in the value of the Contributing Party's Exclusive-Use Area or the Common Area, or (c) to the preservation of the Contributing Party's files, records, and documents located in the Building on that Real Property. Rather, those Deficiencies will be governed by section 3.2.4 of this JOA. Any Deficiency that arises from an Emergency, but that does not constitute an imminent threat to the matters described in (ii) (a), (b), or (c) above, will be governed by section 3.2.3.

3.2.4 Emergencies. If any Emergency occurs, the Parties must immediately notify one another of the Emergency by telephone or any other means reasonable under the circumstances. The Managing Party must promptly take steps to correct any Deficiency that arises from the Emergency and that constitutes an imminent threat (a) to life, safety, health, or security, (b) of reduction in the value of the

Contributing Party's Exclusive-Use Area or the Common Area of that Real Property, or (c) to the preservation of the Contributing Party's files, records, and documents located in the Building on that Real Property. If the Managing Party does not immediately correct any such Deficiency arising from an Emergency, the Contributing Party may, but will not be obligated to, without giving any notice or commencing any cure period under section 10 of this JOA, correct that Deficiency without making any further demand on the Managing Party, and will notify the Managing Party of the steps taken to correct the Deficiency as soon as reasonably possible. The Party that corrects a Deficiency arising from an Emergency under this section 3.2.4 is entitled to reimbursement from the other Party of the non-correcting Party's Share of the actual cost of correcting the Emergency pursuant to section 4 of this JOA. Notwithstanding the foregoing, if a Deficiency arises from an Emergency, but the Deficiency does not constitute an imminent threat to the matters described in (ii) (a), (b), or (c) above, the correction of that Deficiency will be governed by section 3.2.3 of this JOA.

3.2.5 Deficiency and Emergency Notification. All communications and notices between the Parties made under sections 3.2.3 and 3.2.4 of this JOA must be made in accordance with section 4.7 of this JOA.

### 3.3 Parking.

3.3.1 Transferred Parking Area. The AOC is responsible for the Operation and administration of the Transferred Parking Area at no cost to the County Parties.

3.3.2 Provided Parking. The County is responsible for the Operation of the Provided Parking, at no cost to the State Parties. At all times after the Transfer of Responsibility, Court personnel who have been issued a parking pass pursuant to the terms of the Parking License Agreement will have the right to use and occupy the Provided Parking. After the Transfer of Responsibility, if the Provided Parking becomes unavailable for Court use, or if the County wishes to relocate any of the Provided Parking, the County must provide, at the County's sole cost, 43 alternate parking spaces for the Court of comparable convenience to the Buildings, of the type of spaces which were available to the Court as of October 1, 2001. The County must consult with the Court and the AOC before any relocation of the Provided Parking.

3.4 Cooperation. The Parties will cooperate with one another, reasonably and in good faith, to ensure that each Party can peacefully enjoy, possess, use, and occupy its Exclusive-Use Areas the Common Areas. The Owner will cooperate in good faith with, and ensure that, the Non-Owning Party can exercise its rights and responsibilities under this JOA. Subject to any reasonable rules and restrictions, each Party will allow the other Party to enter its Exclusive-Use Areas for any reasonable purpose related to the terms of

this JOA or any other written agreement between the Parties. Either Party may delegate its responsibilities under this JOA to the other Party or to a third party, but that delegation will not relieve the delegating Party from its obligations under this JOA.

3.5 Security-Related Areas. The Parties acknowledge the terms and conditions of the Court Security Agreement effective July 1, 2007 addressing the secure entry, exit, transport, and holding of prisoners attending Court sessions to, from, in, and through, areas of the Property. This JOA and the Agreement do 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. The County and will have the right to enter the Court Exclusive-Use Areas and Security-Related Areas as reasonably necessary for purposes of fulfilling the terms and conditions of the Court Security Agreement.

3.6 Occupancy Agreements. Each Party is responsible for all Occupancy Agreements affecting its Exclusive-Use Areas, and Owner is responsible for all Occupancy Agreements affecting the Common Areas, in each case without contribution from the other Party. The Party that is responsible for each Occupancy Agreement is entitled to all income arising from it. As long as the Buildings are shared use facilities, the Parties agree that all uses arising from Occupancy Agreements shall be compatible with the current use of the Buildings.

3.7 Obtaining Equipment Permits. The Managing Party is responsible for maintaining and renewing the Equipment Permits.

3.8 Information Technology and Telephone Equipment and Services. The Parties acknowledge that the Court receives telecommunication services through a County-owned private branch exchange (“**PBX**”) telephone system. The County will continue to provide telephone and information technology services to the Courts pursuant to the Telephone Systems and Services Agreement dated August 5, 2008, and the Technology Support MOU between Stanislaus County Strategic Business Technology and the Court, and the Court shall pay all costs associated therewith. The County will retain ownership of the County's telecommunications system including the telephone line interface module. Subcomponents of the County's telecommunications system located at the telephone line interface module and from that point to the County telecommunications infrastructure (exterior cabling and PBX and associated hardware) and any services provided via these conduits (e.g., automated attendants, voicemail systems, etc.) (collectively, “Telecommunications Infrastructure”) shall remain the property of the County, who shall have maintenance responsibility therefor. The AOC acknowledges that essential County data, Telecommunications Infrastructure and other utilities run through Parcels A, B, C and D as shown on **Attachment "2-1"**. The AOC shall provide the County with access to said systems and utilities on, under and within the

Land and Buildings and further agrees that it shall not take any action that will directly or indirectly impact the Operation of said systems or utilities without prior written approval by the County. The County will have the right to enter the Court Exclusive-Use Areas, at times reasonably-convenient to the Court and the other Occupants of such Court Exclusive-Use Areas, for purposes of inspecting and Operation of the PBX and any other data equipment, as and when necessary. The Court may in the future elect to renew or terminate its agreement with the County for data and telecommunications services pursuant to the terms of the aforesaid Agreement with the County. The JOA and this Agreement do not supersede, replace, or modify the current agreement or any other agreement currently in effect or entered into in the future between the County and the Court with respect to the provision of data or telecommunication services.

### 3.9 Criminal Background Screening.

3.9.1 Access to Restricted Areas. Only employees and contractors who are screened and approved pursuant to section 3.9.2 of this JOA (“**Approved Persons**”) may have unescorted access to Restricted Areas. Unscreened employees and contractors may access Restricted Areas if they are escorted and monitored by any of the following: (1) an Approved Person, or (2) an employee of the Court if the Court’s Executive Officer, or his or her designee, consents to a Court employee escorting and monitoring the unscreened person relating to access to Court Restricted Areas; or (3) an employee of the County if the County Sheriff, or his or her designee, consents to a County employee escorting and monitoring the unscreened person relating to access to County Restricted Areas. The Managing Party must take all reasonable steps to ensure that Operation in and of all Restricted Areas is at all times consistent with this section 3.9, provided that all screening procedures relating to access to the County Restricted Areas shall be approved by the County Sheriff or his designee.

3.9.2 Screening and Approval Process. When conducting screenings, the Managing Party must utilize a Live Scan background check or, if the Live Scan system becomes unavailable during the Term of this JOA, by other similar or successor system. **Attachment “5”** to this JOA sets forth the criteria for approval based on the results of the screening. In lieu of the Managing Party conducting the screening and approval process set forth herein, the Contributing Party may, but is not obligated to, conduct the screening and approval process.

3.9.3 Identification of Approved Persons. The Managing Party must issue and provide an identification badge to each Approved Person bearing the Approved Person’s name and picture, which badge will indicate that the Approved Person is permitted to access the Restricted Areas. If the Parties issue identification badges to its employees, the Managing Party need not issue a separate badge to Approved Persons who have such identification badges, but may affix a sticker or other marking on the

existing badges of Approved Persons to indicate their right to access Restricted Areas. If the AOC has chosen to conduct the screening and approval of employees or contractor employees, the AOC will either (1) notify the County if an employee is approved, whereupon the County will provide and issue an identification badge for that Approved Person, or (2) provide an identification badge for the Approved Person to the County, and the County will be responsible for issuing the identification badge to that Approved Person. All Approved Persons must wear their identification badges in a readily-visible manner whenever they are in a Restricted Area.

3.9.4 DOJ and DMV Requirements. Notwithstanding anything in this JOA to the contrary, the Parties must comply with background check and clearance requirements of the California Department of Justice (“**DOJ**”) and the California Department of Motor Vehicles (“**DMV**”) relating to any employee or contractor who has physical access to any area which is either connected to, or contains records from, the DOJ criminal computer database, including, without limitation, the California Law Enforcement Telecommunications System (CLETS) and the Criminal Offender Record Information (CORI), or the DMV computer database (collectively the “**Databases**”). Upon request, the Parties must provide to each other suitable documentation evidencing their compliance with the policies, practices, and procedures of the DOJ and the DMV regarding background check and clearance requirements relating to access to the Databases.

3.9.5 Roof Maintenance. Only Approved Parties shall be given access to the roof of the Buildings to ensure that there is no breach of security relating to the County Jail exercise area located on the roof of the Jail adjacent to the Buildings.

3.10 County Facilities Payment. Nothing in this JOA diminishes or modifies the County’s obligations under the Act and the Agreement for payment of the County Facilities Payment.

3.11 Provision of Services. The County may request that the AOC provide non-Emergency Services to the County Exclusive-Use Area in accordance with the provisions set forth in **Attachment “6”** to this JOA.

3.11.1 Level of Service. The AOC shall respond to Services requests from the County in the same manner as the AOC responds to all other AOC requests for the same or similar services in the Modesto area.

3.11.2 Compensation for Services. The County agrees to compensate the AOC for Services requested pursuant to this section 3.11 in accordance with the payment provisions set forth in **Attachment “7”** to this JOA.



3.11.3 Records. The AOC shall maintain a service call log (“**Service Call Log**”) in sufficient detail to enable the County to determine whether Services are completed in accordance with the terms of this section 3.11. The Service Call Log will include the following information: (a) title of the person from the County requesting Service; (b) Service Request number; (c) identification of where the work is to be performed; (d) date the work order was received; (e) date and description of the corrective action; and (f) follow-up action to be taken, if any. The AOC shall also maintain all supporting documentation regarding any amounts charged by the AOC in providing Services requested pursuant to this section 3.11 (“**Invoice Documentation**”) for a minimum retention period of at least five years, or as required by Law.

3.11.4 Inspection of Records. The County may request to inspect the Service Call Log for the 12 months prior to its request for inspection, and the AOC shall make the Service Call Log available for inspection by County representatives at all reasonable times. The County may request Invoice Documentation for invoices submitted within the 12 months prior to the County’s request. The AOC shall provide the Invoice Documentation within 30 days of the County’s request. The County’s payment of any County invoice will not preclude the County from questioning, for a period of up to 12 months following the date of the invoice, the accuracy of the particular invoice provided by the AOC or any information or changes contained therein.

3.12 AOC Access to Boiler in Parcel B. The County hereby grants a nonexclusive license to the AOC to enter the County Jail located on Parcel B to maintain the boiler which serves the Buildings, provided that access to the County Jail shall be subject to security clearance procedures set forth in Section 3.9 of this JOA and shall be granted only to persons who have been approved by the County Sheriff or his designee.

3.13 Common Utility Systems. The Parties mutually agree to provide access to each other for the purposes of maintaining common utility systems which are located on, under or within Parcels A, B, C and D as shown on **Attachment “2-1”**, subject to security clearance procedures set forth in Section 3.9 of this JOA.

3.14 County Underground Area. Notwithstanding anything to the contrary set forth in this JOA, all portions of the County Underground Area, whether or not located on or under the Land, shall be reserved for the exclusive use of the County and will at all times be and remain the exclusive liability and responsibility of the County for Operation, control, and use. The County will have the right, at any time, to discontinue the use of, or to close or abandon, the County Underground Area for any reason whatsoever, and if the County at any time elects to permanently discontinue the use of or to close or abandon the County Underground Area, then the County will be responsible to take all actions, and obtain any and all required permits or approvals, in connection with the permanent closure or abandonment of the County Underground Area in accordance with then-

applicable Law. On and after the TOR Closing Date, the AOC grants to the County the exclusive right to enter, exit, access, and use the County Underground Area that is located on or under the Land, as reasonably necessary for the County's Operation, control, and use, and the County will at all times exercise its rights with respect to the County Underground Area in a way that minimizes interruption to or interference with Court operations in the Buildings. The Grant Deed shall expressly except from the conveyance and reserve to the County the County Underground Area.

#### 4. SHARED COSTS

4.1 Payment of Estimated Shared Costs. The Managing Party will make timely, direct payment of all Shared Costs owed to third parties, and the Contributing Party is responsible to reimburse the Managing Party for its Share of all Shared Costs under this section 4. Within 90 days after the Effective Date, and within 30 days after the first day of each fiscal year thereafter, the Managing Party will deliver to the Contributing Party statements (the "**Estimate Statements**") itemizing the Estimated Shared Costs for each Real Property, which the Contributing Party will either comment on or approve within 30 days. If the Contributing Party disapproves any of the Estimated Shared Costs in the Estimate Statements, the Parties will promptly meet and discuss the reason for the disapproval. If the Parties reach agreement with respect to all Estimated Shared Costs, the Managing Party will, if necessary, revise the Estimate Statements, which both Parties will approve. The Contributing Party is not obligated to make any payments of its Share of the Shared Costs until it has approved the Estimate Statements in writing. However, until the Contributing Party approves the Estimate Statements, it will pay its Share of the Shared Costs based on the approved Estimate Statements for the prior fiscal year, or, during the initial fiscal year of the Term, based on the County Facilities Payment. Upon approving the Estimate Statements, the Contributing Party will pay its Share of the Estimated Shared Costs based on the approved Estimate Statements, plus all additional amounts owed by the Contributing Party for the period during which the Parties were in the process of reaching agreement as to the Estimate Statements. Payment of Estimated Shared Costs will be made in equal quarterly installments on the first day of each fiscal quarter, subject to this JOA.

4.2 Payment of Actual Shared Costs. Within 30 days after the end of each fiscal quarter, the Managing Party will deliver to the Contributing Party a statement (the "**Quarterly Invoice**") for each Real Property itemizing the actual Shared Costs incurred during the previous fiscal quarter for that Real Property ("**Actual Shared Costs**"). Within 30 days after a written request by the Contributing Party, the Managing Party will also deliver to the Contributing Party copies of supporting documents for any of the Actual Shared Costs shown on a Quarterly Invoice. If the Actual Shared Costs are less than the Estimated Shared Cost for the applicable fiscal quarter, the Managing Party will refund the amount overpaid to the Contributing Party within 30 days after the Managing

Party's delivery of a Quarterly Invoice, except that if the Contributing Party consents, the Managing Party may retain the overpayment and offset it against future amounts owed by the Contributing Party under this JOA. If the Actual Shared Costs for any Real Property are greater than the Estimated Shared Costs for that Real Property for the applicable fiscal quarter ("**Excess Costs**"), the Contributing Party will pay such Excess Costs to the Managing Party within 30 days after its receipt of a Quarterly Invoice, except that (a) if the Excess Costs for a Real Property are more than 10 percent of the Estimated Shared Costs for that Real Property for any fiscal quarter, or (b) if the Contributing Party has requested, but not received, supporting documents for any Excess Costs by 10 days prior to the date that payment is due, the Contributing Party will continue to make payment of its Share of the Shared Costs for the affected Real Property based on the Estimate Statements, or as otherwise agreed under section 4.3 of this JOA, but may defer payment of the Excess Costs for the affected Real Property (or, in the case of (b) above, the Excess Costs to which the supporting documents relate) for that fiscal quarter, until the Parties have met and reached an agreement regarding the amount of the Excess Costs for the affected Real Property, under section 3.2.3.5 or section 4.3 of this JOA, whichever is applicable.

4.3 Notice of Anticipated Excess Costs. Prior to incurring any Shared Cost that the Managing Party reasonably believes will result in Excess Costs in an amount greater than 10 percent of the Estimated Shared Costs shown on a Real Property's Estimate Statement, the Managing Party must give written notice to the Contributing Party describing the amount and reason for those Excess Costs; except that (a) no notice must be given to the Contributing Party if the Excess Costs will be incurred to correct a Deficiency arising from an Emergency under section 3.2.4 of this JOA, and (b) if the Excess Costs will be incurred in connection with the correction of a Deficiency under section 3.2.3 of this JOA, notice of the Excess Costs, and resolution of any issues related to the Excess Costs, will be handled under section 3.2.3, and this section 4.3 will not apply. If the Contributing Party objects in writing to the Excess Costs within 30 days after receiving the Managing Party's notice, the Parties must meet and confer, in person or by telephone, within 10 days to resolve their dispute concerning the Excess Costs. If the Parties do not reach agreement concerning the Excess Costs during that meet and confer process, the Parties will promptly seek to resolve their dispute concerning the Excess Costs under the terms of section 11 of this JOA. If the Contributing Party does not respond to the Managing Party's notice within 30 days of receiving the notice, the Managing Party may proceed with expenditure of the Excess Costs in the amount and for the purpose described in the notice, and the Contributing Party must pay its Share of those Excess Costs.

4.4 Audit Rights. The Contributing Party may, at its sole cost and upon reasonable notice to the Managing Party, inspect the Managing Party's books, records, and supporting documents concerning all Actual Shared Costs incurred for up to 12

calendar months prior to the date of the Contributing Party's inspection. The Parties will cooperate reasonably with each other to ensure that the inspection is performed promptly and without undue interference to either Party. If, after its inspection, the Contributing Party disputes any Actual Shared Costs for any of the immediately-preceding 12 calendar months, the Contributing Party may engage an independent certified public accountant, acceptable to both Parties, to audit the Managing Party's books and records to determine the amount of the Actual Shared Costs in dispute. The results of the audit will be binding on both Parties. If the audit reveals that the Contributing Party overpaid or underpaid Actual Shared Costs for a fiscal quarter, the Parties will make the payments necessary to resolve that overpayment or underpayment within 30 days following the completion of the audit. The Contributing Party must pay the entire cost of the audit. The Contributing Party's payment of Shared Costs will not prevent it from disputing the accuracy of any Actual Shared Costs under this section 4.4.

4.5 Parking Area Costs. The County is responsible, at its sole cost and expense, for all costs incurred with respect to the Operation of the Provided Parking, and those costs and expenses will not be included as a Shared Cost. The AOC is responsible, at its sole cost and expense, for all costs incurred with respect to the Operation of the Transferred Parking Area, and those costs and expenses will not be included as a Shared Cost.

4.6 Changing Certain Property Insurance Costs. Owner will not change any deductible or self-insurance retention amount in respect of the Property Insurance Policies without the prior, written consent of the Non-Owning Party.

4.7 Shared Cost Notifications. Notwithstanding section 12 of this JOA, all communications and notices between the Parties relating to Shared Costs including, without limitation, Estimate Statements, Quarterly Invoices, or any other communication or notice required by this section 4, will be made between the following County and AOC representatives:

If to the AOC:

Administrative Office of the Courts  
Office of Court Construction and Management  
Real Estate and Asset Management  
2880 Gateway Oaks Drive  
Sacramento, CA 95833  
Attention: Northern Regional Manager  
Phone: 916-263-1368  
Fax: 916-263-8140

If to the County:

County of Stanislaus  
Chief Executive Office  
Attention: Jim Kwartz, Associate Management Consultant  
1010 10<sup>th</sup> Street, Suite 6800  
Modesto, CA 95354  
Phone: 209-525-6333  
Fax: 209-544-6226

## **5. RIGHT OF FIRST REFUSAL, COMPATIBLE USES, AND VACATE RIGHTS**

### **5.1 Right of First Refusal and Increase of Space In Buildings**

5.1.1 Right of First Refusal for Excess Area. At least 30 days before a Party rents or otherwise transfers to a third party all or any portion of its Exclusive-Use Area in any Building (“**Excess Area**”), that Party must, by written notice, offer the Excess Area to the other Party on the same terms and conditions set forth in any offer to or from a third party for the Excess Area (“**Third Party Terms**”). For purposes of this section, “third parties” means an entity other than the Court or the County. The Third Party Terms must separate the rent for the Excess Area from any amounts to be paid by the third party for Operation, Utilities, and other costs in respect of the Excess Area. If the other Party elects not to occupy the Excess Area on the Third Party Terms, or fails to respond to the notice within a 30 day period, the Party with the Excess Area may, subject to section 5, permit a third party to occupy and use the Excess Area on the Third Party Terms. Before a third party can occupy the Excess Area on terms that are more favorable to the third party than the Third Party Terms, the Party with the Excess Area must again first offer the Excess Area to the other Party on those more favorable terms under this section 5.1.1. If the other Party elects to accept the Excess Area on the Third Party Terms, the Parties will enter into a separate written agreement setting forth the terms for the other Party’s occupancy and use of the Excess Area, consistent with the Third Party Terms.

5.1.2 Request for Increase of Exclusive-Use Area. If a Party wishes to increase the size of its Exclusive-Use Area (“**Additional Area**”), and the Parties reach agreement on mutually-acceptable terms for the Additional Area, the Parties will enter into a separate written agreement setting forth the terms for the occupancy and use of the Additional Area, which terms may include a reasonable rent, subject to section 5.1.4 of this JOA.

5.1.3 No Adjustment to Shares. If a Party rents any Excess Area or Additional Area under section 5.1.1 or 5.1.2, above, the rental transaction will not result in a change to the Parties' Shares for the applicable Real Property. Rather, the rent paid by the Party renting the Excess Area or the Additional Area will include the Shared Costs applicable to the Excess Area or the Additional Area of the applicable Real Property. The Parties' Shares will only be adjusted if one Party at any time buys the other Party's rights to occupancy and use of any Real Property for fair market value under section 5.3 of this JOA, or otherwise.

5.1.4 Terms of this JOA Not Affected. Any transfer of the Excess Area or the Additional Area to a Party or to a third party will not relieve the Parties of their rights and responsibilities under this JOA with respect to the Excess Area or the Additional Area. Rather, any re-allocation of the Parties' rights and responsibilities under this JOA will be set forth in any separate agreement entered into by the Parties for rental of the Excess Area or the Additional Area.

## 5.2 Compatible Use; Hazardous Substances.

5.2.1 Compatible Use. Each Party must use, and must require that any Occupant use, its Exclusive-Use Areas in a manner that is compatible with the Parties' use of the Buildings on the Effective Date and that does not deteriorate or diminish the other Party's ability to use its Exclusive-Use Areas or the Common Areas effectively. The Managing Party must ensure that any Occupant that occupies any of the Common Areas uses its space in a manner compatible with the Parties' use of the Real Properties in or on which such Common Area is located.

5.2.2 Hazardous Substances. Neither Party will store, use, treat, manufacture, or sell, or allow any other person to store, use, treat, manufacture, or sell, any Hazardous Substance on any of the Real Properties except in compliance with Law.

5.3 Vacate Right Pursuant to Section 70344(b) of the Act. After the Effective Date, if either Party is entitled to and does exercise its rights under section 70344(b) of the Act with respect to any Building, the Party that is required to vacate the Building ("**Vacating Party**") must remove all of its property from, and surrender to the other Party full possession of, the space vacated ("**Vacated Space**") within 90 days after the Parties agree on the amount of compensation to be paid to the Vacating Party for (i) its Equity in the Vacated Space, and (ii) its relocation costs. The Vacating Party must repair, at its sole cost, any damage it causes to any part of the Real Property on which the Vacated Space is located in removing its property from the Vacated Space. If the Parties cannot agree on the value of the Vacating Party's Equity in the Vacated Space, the Parties will select a mutually-acceptable Appraiser or a Broker to determine the fair market value of the Vacating Party's Equity in the Vacated Space. If the Parties cannot agree on the fair

market value of the Vacating Party's relocation costs, the Parties will select a mutually-acceptable relocation expert with at least five years of experience in determining relocation costs in California ("**Expert**"), to determine the fair market value of the Vacating Party's relocation costs. Any Appraiser, Broker, or Expert will deliver to both Parties its determination of value, and each Party will be responsible for one-half of the costs of the Appraiser, Broker, or Expert. Any disputes under this section 5.3 will be resolved under section 11 of this JOA. The Parties will enter into an Equity Rights Purchase Agreement, substantially similar to **Attachment "3"** attached to this JOA, to memorialize the terms of the purchase of the Vacating Party's Equity in the Vacated Space, and the Parties must enter into a Termination Agreement, substantially similar to **Attachment "4"** attached to this JOA, when the Vacating Party has vacated the Vacated Space.

5.4 Amendment to JOA; Equity Rights. If the Parties' Equity rights will be modified, whether under section 7 of this JOA, or as a result of any other purchase of Equity rights to which the Parties may agree under this JOA or the Act, the Parties will amend this JOA to: (i) adjust their Exclusive-Use Areas; and (ii) adjust each Party's Share and their Equity rights in the Real Property.

## 6. INSURANCE

6.1 Property Insurance. Until the Bonded Indebtedness no longer encumbers any part of the Real Property: (i) the terms of the Bonded Indebtedness Documents govern the County's obligation to obtain and maintain in full force and effect the Property Insurance Policies; and (ii) any inconsistency between the terms of this JOA and the terms of the Bonded Indebtedness Documents regarding the County's obligation to insure the Real Property will be resolved in favor of the terms of the Bonded Indebtedness Documents. Subject to the foregoing, the terms of this section 6 will apply and govern the rights and responsibilities of the Parties.

6.1.1 Property Insurance Policies to be Maintained. Owner will provide the Property Insurance Policies for all of the Buildings, and maintain them in full force and effect, and will make direct payment of all Property Insurance Costs, subject to the Non-Owning Party's obligation to pay its portion of those costs, subject to section 4.6 of this JOA, unless the AOC provides written notice to Owner requesting that it no longer provide the Property Insurance Policies under this JOA. Owner 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 insureds or covered parties, as appropriate, and joint loss payees for any Property Damage 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.

6.1.2 Allocation of Risk for Property Damage Claims. While Owner is providing and maintaining the Property Insurance Policies, and the Non-Ownning Party is paying its portion of the Property Insurance Costs under section 4 of this JOA, Owner will bear all of the risk arising from Property Damage Claims, and Owner hereby waives, and will cause the providers of its Property Insurance Policies to waive, all rights of recovery against the other Party and its applicable insurer(s) for any Property Damage Claims payable under, the terms and conditions of the Property Insurance Policies. Owner 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 Damage 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.

6.1.3 Compliance with Property Insurance Policies. While Owner is providing and maintaining the Property Insurance Policies under this JOA, Owner will provide the Non-Ownning Party with verification that the Property Insurance Policies are in full force and effect and, at the request of the Non-Ownning Party, with copies of the Property Insurance Policies, as the Property Insurance Policies may be issued or modified from time to time consistent with section 4.6 of this JOA. 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 Owner has provided to the Non-Ownning Party.

6.1.4 Application of this Section. While the Real Property is subject to the Bonded Indebtedness, this section 6.1.4 will apply, and section 7 of this JOA will be of no force or effect. When the Real Property is no longer subject to the Bonded Indebtedness, this section 6.1.4 will be of no further force or effect whatsoever, and section 7 of this JOA will govern and control.

6.1.4.1 Property Insurance Proceeds. Upon the occurrence of any Property Loss, the Parties will promptly meet and confer, in good faith, to determine how the proceeds of the Property Insurance Policies arising from the Property Damage Claim will be allocated and used, and what notice will be given by the County or the Corporation to the Trustee under the Bonded Indebtedness Documents concerning those insurance proceeds. 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”). The meeting will be held, in person or by telephone, by no later than 30 days before the date that the County must give notice to the Trustee under the



Trust Agreement. In no event will the insurance proceeds arising from a Property Damage Claim be allocated or used in a manner that results in a breach or default by the County or the Corporation under the Bonded Indebtedness Documents. The County must continue to make all payments and perform all of its obligations under the Bonded Indebtedness Documents until the Bonded Indebtedness has been fully repaid and satisfied, notwithstanding the Property Loss.

6.1.4.2 Decision Not to Restore or Replace. If, as a result of the meeting described in section 6.1.4.1 above, the Parties decide that the insurance proceeds arising from the Property Damage Claim will not be used to restore or replace the Damaged Property, and if any of the Court Exclusive-Use Area 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 Court Exclusive-Use Area. The compensation to be paid to the AOC will be determined in the manner described in section 5.3 of this JOA. To the extent covered by the Property Insurance Policies, the AOC will be entitled to that portion of the proceeds from the Property Damage Claim that are directly related to compensation for the AOC's relocation costs arising from Property Loss. If the AOC will no longer occupy the Building due to Property Loss that the Parties decide not to restore or replace, then when the AOC has been compensated for its Equity rights under this section 6.1.4.2, the Parties will terminate this JOA by signing a Termination Agreement and recording it in the County Recorder's Office.

## 6.2 Reporting and Processing Claims.

6.2.1 Incident Reports. The Managing Party will maintain copies of any Incident reports that it prepares for a period of five years, and at the request of the Contributing Party, the Managing Party will provide the Contributing Party with a complete copy of, or reasonable access to, those Incident reports.

6.2.2 Party Responsible for Claims. If either Party receives any demand, complaint, notice, document, or information alleging the existence or occurrence of any incident, event, circumstance, or occurrence in, on, or about the Real Property ("**Incident**") that is or could result in any Property Damage Claim or Liability Claim (each, a "**Claim**", and together, "**Claims**") or an AOC Claim, or if a Party otherwise becomes aware that an Incident has occurred, that Party will make best efforts to promptly notify the other Party of that Incident. Following that notice, the Parties will work together, diligently and in good faith, to determine which of them bears responsibility for the loss or injury alleged, and whether either Party is entitled to indemnification by the other in respect of the Incident under sections 8.1 or 8.2 of this Agreement. If the Parties are not able to so agree, then they will resolve those matters under section 11 of this JOA.

6.3 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 each 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.

6.4 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.

6.5 Personal Property Contents Coverage. Each Party will each maintain its own insurance covering the personal property, equipment and contents within each Party's Exclusive Use Area, and neither Party will have any liability or responsibility for insurance coverage for the personal property or contents of the other Party.

## **7. DAMAGE OR DESTRUCTION**

7.1 Property Loss After Bonded Indebtedness Satisfied. While the Real Property is subject to the Bonded Indebtedness, the terms of section 6.1.4 of this JOA govern in respect of any Property Loss, and this section 7 is of no force or effect. When the Real Property is no longer subject to the Bonded Indebtedness, this section 7 will govern and apply in respect of any Property Loss or Property Damage Claim, and section 6.1.4 of this JOA will be of no further force or effect whatsoever, except only as to any Property Loss or Property Damage Claim that occurred or commenced while the Real Property was subject to the Bonded Indebtedness.

7.1.1 Allocation of Property Insurance Proceeds. In the event of a Property Loss, each Party will be entitled to the proceeds payable under the Property Insurance Policies to the extent the Property Loss is attributable to its Exclusive-Use Area or its Share of the Common Area. If one or more Property Damage Claims is fully and finally resolved in an amount that exceeds the applicable amount payable under all of the Property Insurance Policies, or if any Property Loss is not covered by the Property Insurance Policies through no fault of the County, then if both Parties elect to restore or

replace the Damaged Property, each Party will pay the amounts that exceed the coverage of the Property Insurance Policies to the extent the Property Loss is attributable to its Exclusive-Use Area or its Share of the Common Area. By way of example only, if the total amount of the Property Damage Claim is \$1,250,000, and if 40 percent is attributed to damage in the Court Exclusive-Use Area, 35 percent is attributed to damage in the County Exclusive-Use Area, and 25 percent is attributed to damage in the Common Area, and the total amount payable under the Property Insurance Policies is \$1,000,000, then the AOC would be entitled to insurance proceeds in the amount of \$400,000 (for the damage to the Court Exclusive-Use Area), the County would be entitled to insurance proceeds of \$350,000 (for damage to the County Exclusive-Use Area), and the Parties would share the remaining \$250,000 of insurance proceeds in accordance with their respective Shares. With respect to the uninsured \$250,000 portion of the Property Damage Claim, the AOC would be responsible to pay \$100,000 (40 percent of \$250,000) in respect of its Exclusive-Use Area, plus an amount equal to the AOC Share of the \$62,500 (25 percent of \$250,000) in respect of the Common Area, and the County would be responsible to pay (if both Parties elect to restore or replace the Damaged Property) the balance of the uninsured loss. The County will assign and deliver to the AOC all insurance proceeds owed to the AOC effective upon the County's receipt of those proceeds.

7.2 Damage or Destruction Event. If, due to Property Loss, a Real Property cannot be occupied by one or both Parties, each Party will be solely responsible to arrange for its own relocation to and occupancy of alternate space. Promptly after a Property Loss, the Parties will comply with the provisions of sections 6 and 7.1 of this JOA, and as promptly as possible, but in no event later than 180 days after a Property Loss, each Party will notify the other in writing (“**Restoration Election Notice**”) whether it wishes to restore or replace the Damaged Property.

7.3 Both Parties Elect to Restore or Replace. If both Parties elect to restore or replace the Damaged Property, the Parties will cooperate in good faith to restore or replace the Damaged Property, with each Party contributing the proceeds it receives as indemnity for direct physical loss or damage under the Property Insurance Policies and otherwise paying its portion of the cost to restore or replace the Damaged Property, as set forth in sections 6.1.4 or 7.1 of this JOA. If the Parties restore or replace the Damaged Property in a way that results in a change to the Parties' Shares or their Equity rights, the Parties will each pay the costs and expense to restore or replace the Damaged Property according to their newly-determined Shares or Equity rights.

7.4 Only One Party Elects to Restore or Replace. If, based on the Restoration Election Notices, only one Party elects to restore or replace the Damaged Property, then within 30 days after the Parties' Restoration Election Notices are given, the Parties must meet and confer in good faith to determine how to proceed with respect to (i) the

Damaged Property; (ii) the proceeds of the Property Insurance Policies, if any, to which each Party is entitled as indemnity for direct physical loss or damage under sections 6.1.4 or 7.1 of this JOA, and (iii) compensation for the Equity rights of either Party in the affected Real Property, if applicable. If the Parties cannot agree on those matters, they will proceed as set forth in section 11 of this JOA. Until the Parties have reached a final agreement concerning how the foregoing issues will be resolved, neither Party will use any applicable insurance proceeds that are in dispute. Those insurance proceeds will only be used in accordance with the Parties' final resolution of those issues.

7.5 Neither Party Elects to Restore or Replace. If neither Party elects to restore or replace the Damaged Property, then both Parties will retain the proceeds of the Property Insurance Policies to which they are entitled under section 6.1.4 or 7.1 of this JOA. If any of the Non-Ownning Party's Exclusive-Use Area in any Building is uninhabitable as a result of the Property Loss, then the Owner will compensate the Non-Ownning Party for its Equity rights in the uninhabitable part of the Non-Ownning Party's Exclusive-Use Area in such Building, determined in the manner described in section 5.3 of this JOA, except that all insurance proceeds the Non-Ownning Party has received, or will receive, as indemnity for direct physical loss or damage from final resolution of any Property Damage Claims made in respect of the Damaged Property will be deducted from the Equity rights compensation paid by the Owner to the Non-Ownning Party for its Equity rights in the uninhabitable parts of its Exclusive-Use Area in the Building affected by the Property Loss. To the extent covered by the terms of the Property Insurance Policies, the Non-Ownning Party will be entitled to that portion of the proceeds from the Property Damage Claim that is directly related to compensation for the Non-Ownning Parties' relocation costs arising from the Property Loss. If the Non-Ownning Party will no longer occupy any Building due to Property Loss that neither Party elects to restore or replace, then when the Non-Ownning Party has been compensated for its Equity rights under this section 7.4, the Parties will terminate this JOA with respect to the applicable Building by signing a Termination Agreement and recording it in the County Recorder's Office.

## 8. INDEMNIFICATION

8.1 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, liability, damages, attorney fees, costs, expenses, or losses (referred to in this section 8 as "**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.

8.2 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.

8.3 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 8.1 or 8.2 of this JOA, 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.

8.4 Effect of Indemnification Rights. The rights of a Party to be indemnified under sections 8.1 or 8.2 of this JOA 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.

## **9. CONDEMNATION**

If either Party receives written notice advising of an actual or intended condemnation of any of the Real Properties ("**Condemnation Notice**"), that Party will immediately deliver a copy of the Condemnation Notice to the other Party. In the event of an actual condemnation, the Parties will cooperate with each other in good faith to obtain the maximum award that may be obtained from the condemning authority, and each Party will be entitled to its Share of the condemnation proceeds.

## **10. DEFAULT NOTICE AND CURE**

Upon a Party's breach or default of any other provision of this JOA, the Parties will comply with the terms for notice of default and cure period set forth in section 10 of the Agreement, which terms are incorporated into this JOA as though fully set forth herein. Notwithstanding anything in this JOA or the Agreement to the contrary, no default or breach will be deemed to have occurred if the AOC is unable to pay any amounts due and owing under this JOA as a result of the State of California's failure to timely approve and adopt a State budget. Should the AOC fail to pay any amounts due and owing under this JOA as a result of the State of California's failure to timely approve

and adopt a State budget, the AOC will promptly pay any previously due and unpaid amounts due and owing under this JOA upon approval and adoption of the State budget.

## **11. DISPUTE RESOLUTION**

In the event of a dispute between the Parties relating to performance of the Parties' obligations under this JOA, the Parties will comply with the terms for dispute resolution set forth in section 12 of the Agreement, which terms are incorporated into this JOA as though fully set forth herein.

## **12. NOTICES**

Subject to section 4.7 of this JOA, any notice or communication required to be sent to a Party under this JOA must be sent in accordance with the terms for giving of notices in section 12 of the Agreement, which terms are incorporated into this JOA as though fully set forth herein.

## **13. MISCELLANEOUS**

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

13.2 Force Majeure. Neither Party is responsible for performance under this JOA 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.

13.3 Assignment. Neither Party may assign this JOA 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.

13.4 Binding Effect. This JOA binds the Parties and their permitted successors and assigns.

13.5 Third Parties Benefited. The Court is an intended beneficiary of all provisions of this JOA for the benefit of the AOC.

13.6 Construction. The headings used in this JOA are for convenience only and will not affect the meaning or interpretation of this JOA. The words “hereof,” “herein,” and “hereunder,” and other words of similar import, refer to this JOA as a whole and not to any subdivision of this JOA. Both Parties have reviewed and negotiated this JOA, and this JOA will not be construed against a 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.

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

13.8 Incorporation By Reference. The Attachments to this JOA are incorporated into and made a part of this JOA for all purposes, and all references to this JOA in any of the Attachments mean and include the entirety of this JOA.

13.9 Severability. If any term of this JOA 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 JOA not affected by the inconsistency will remain in full force and effect.

13.10 Further Assurances. The Parties agree to cooperate reasonably and in good faith with one another to (i) implement the terms and provisions set forth in this JOA and the Act, and (ii) 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 JOA and the Act.

13.11 Conflicts Between JOA and Agreement; Capitalized Terms. The Agreement supersedes and controls to the extent of any conflicts between the terms of the Agreement and this JOA. Capitalized terms used in this JOA and not otherwise defined herein will have the meanings given to them in the Agreement.

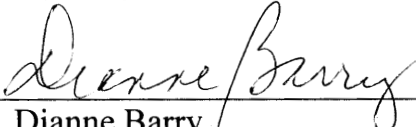
13.12 Signature Authority. The individuals signing this JOA on behalf of the AOC and the County certify that they are authorized to do so.

(SIGNATURE PAGE FOLLOWS)


I agree to the terms of this JOA.

APPROVED AS TO FORM:

Administrative Office of the Courts,  
Office of the General Counsel


By:   
Name: Dianne Barry  
Title: Attorney  
Date: 12/5/08

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

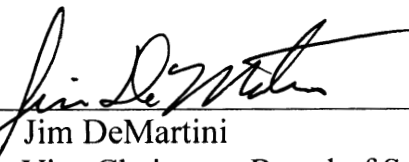
By:   
Name: Grant Walker  
Title: Senior Manager, Business Services  
Date: 12/5/08

ATTEST:

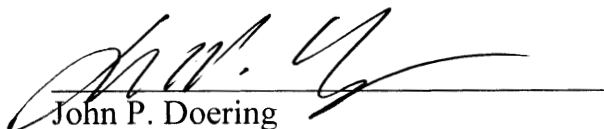
Christine Ferraro Tallman,  
Clerk of the Board

By:   
Name: CHRISTINE FERRARO TALLMAN  
Title: Clerk of the Board  
Date: Dec. 9, 2008

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

By:   
Name: Jim DeMartini  
Title: Vice Chairman, Board of Supervisors  
Date: Dec. 9, 2008

APPROVED AS TO FORM:

  
John P. Doering  
County Counsel



LIST OF ATTACHMENTS

- Attachment “1”      Legal Description of Courthouse/Jail Block as of the Effective Date
  
- Attachment “2-1”    Parcels A, B, C and D
  
- Attachment “2-2”    AOC Equity Share-County Equity Share
  
- Attachment “2-3”    Floor Plan of Interior of Buildings Depicting Exclusive-Use Areas and Common Areas.
  
- Attachment “2-4”    County Underground Area
  
- Attachment “3”      Form of Equity Rights Purchase Agreement
  
- Attachment “4”      Form of Termination of Joint Occupancy Agreement
  
- Attachment “5”      Criteria for Approving County Employees and County Contractors with Respect to Background Checks
  
- Attachment “6”      Work Order Procedures
  
- Attachment “7”      Payment Provisions

**ATTACHMENT “1” TO JOA**  
**LEGAL DESCRIPTION OF THE COURTHOUSE/JAIL**  
**BLOCK AS OF THE EFFECTIVE DATE**

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

All of Block 83 of the City of Modesto, filed in the Office of the County Recorder of Stanislaus County on December 21, 1942 in Volume 15 of Maps.

APN: 105 025 001

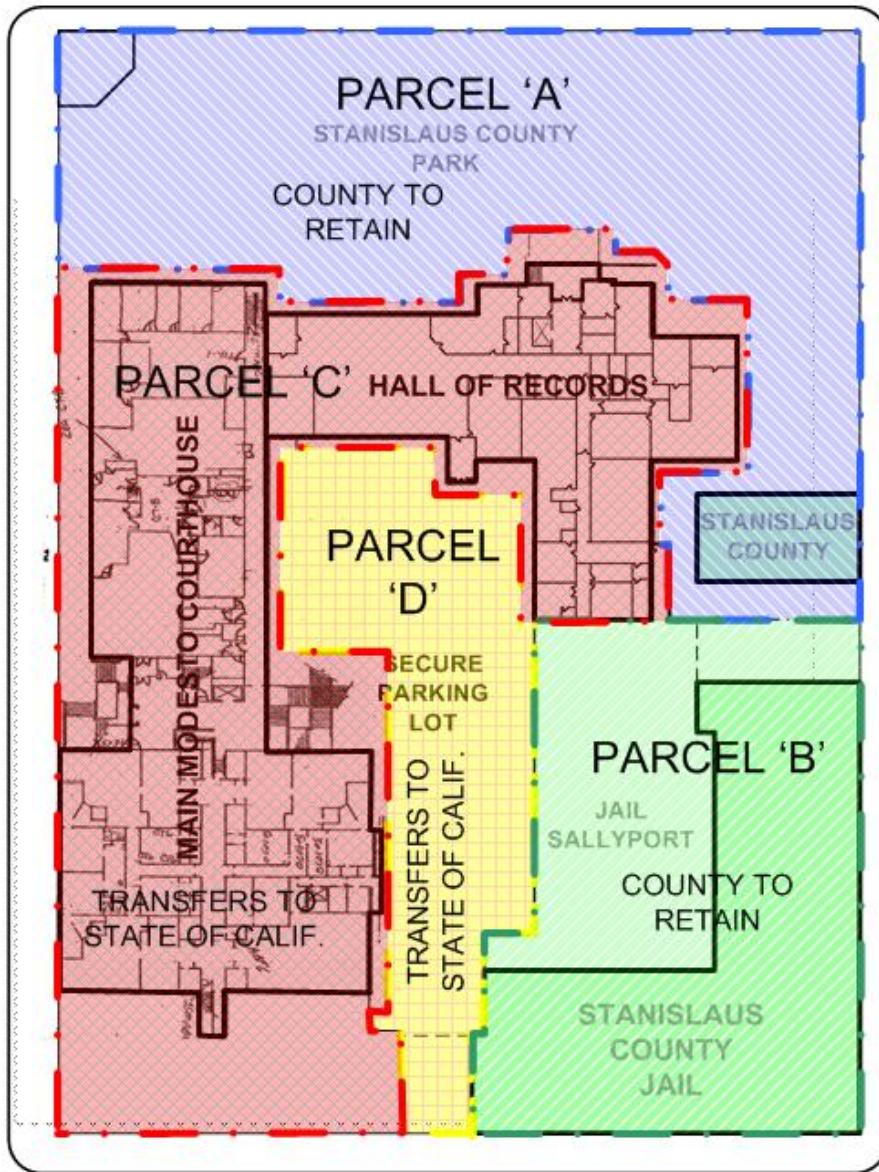
**ATTACHMENT "2-1" TO JOA**

**PARCELS A, B, C AND D**

**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Draft Record of Survey Depicting Parcels A, B, C and D

Conceptual Diagram

I STREET



**ATTACHMENT “2-2” TO JOA**

**AOC/COURT EQUITY SHARE AND COUNTY EQUITY SHARE**

Location	Total SF	County Space SF	% of Space County	AOC/Court Space SF	% of Space AOC/Court
Main Courthouse	64,092	135	.21%	63,957	99.79%
Hall of Records	45,343	24,136	53.23%	21,207	46.77%
<b>TOTAL</b>	<b>109,435</b>	<b>24,271</b>	<b>22.18%*</b>	<b>85,164</b>	<b>77.82%**</b>

\* County Equity Share

\*\* AOC Equity Share

**ATTACHMENT “2-3” TO JOA**

**FLOOR PLAN OF BUILDINGS DEPICTING EXCLUSIVE USE AREAS**

**AND COMMON AREAS**

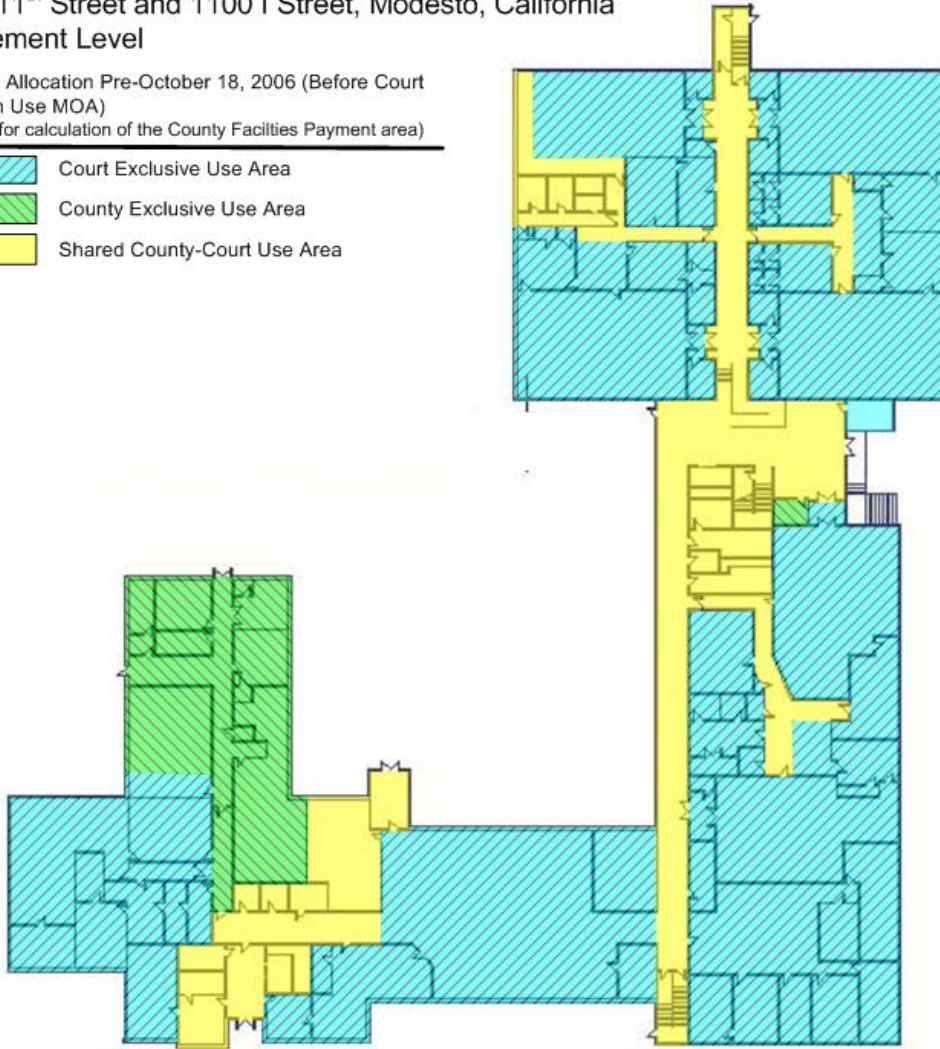
Basement Level

**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS**

800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Basement Level

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area



**ATTACHMENT “2-3” TO JOA**

**FLOOR PLAN OF BUILDINGS DEPICTING EXCLUSIVE USE AREAS**

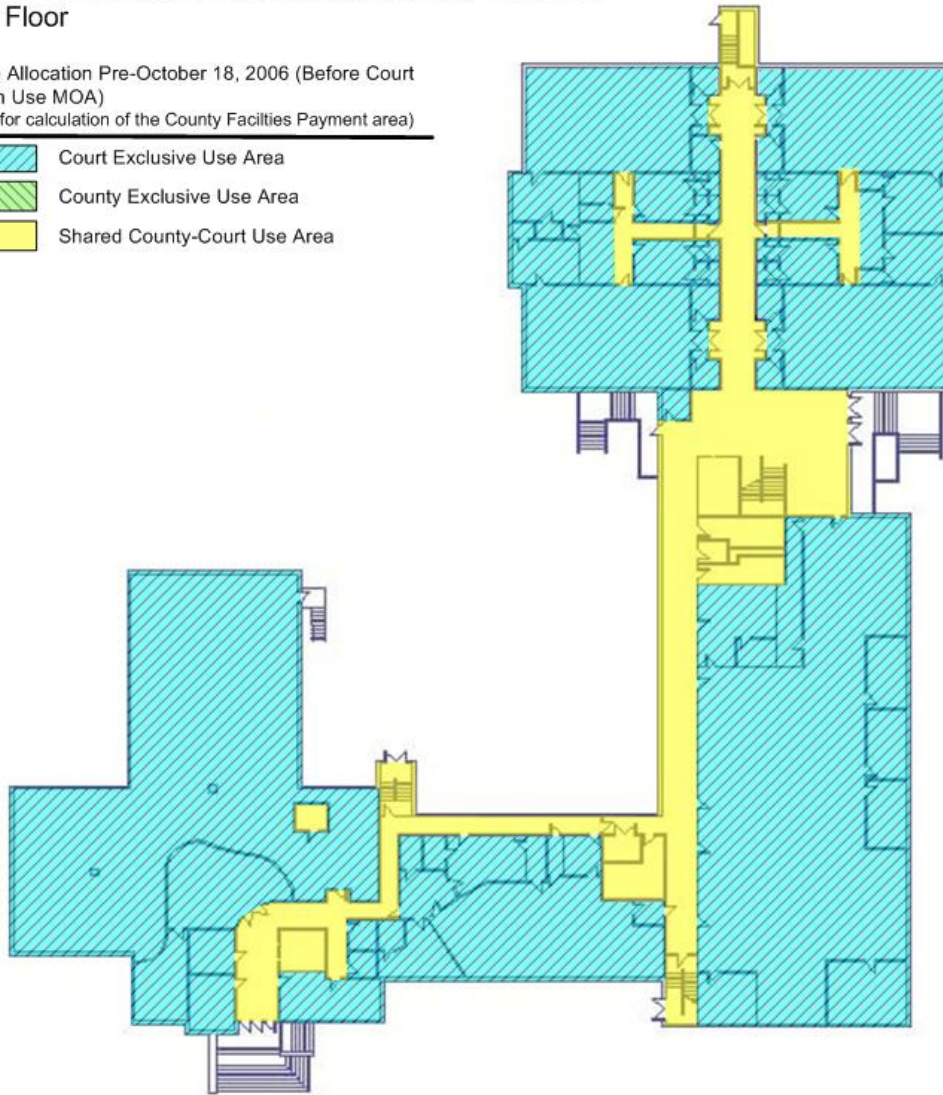
**AND COMMON AREAS**

First Floor

**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
First Floor

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area



**ATTACHMENT "2-3" TO JOA**

**FLOOR PLAN OF BUILDINGS DEPICTING EXCLUSIVE USE AREAS**

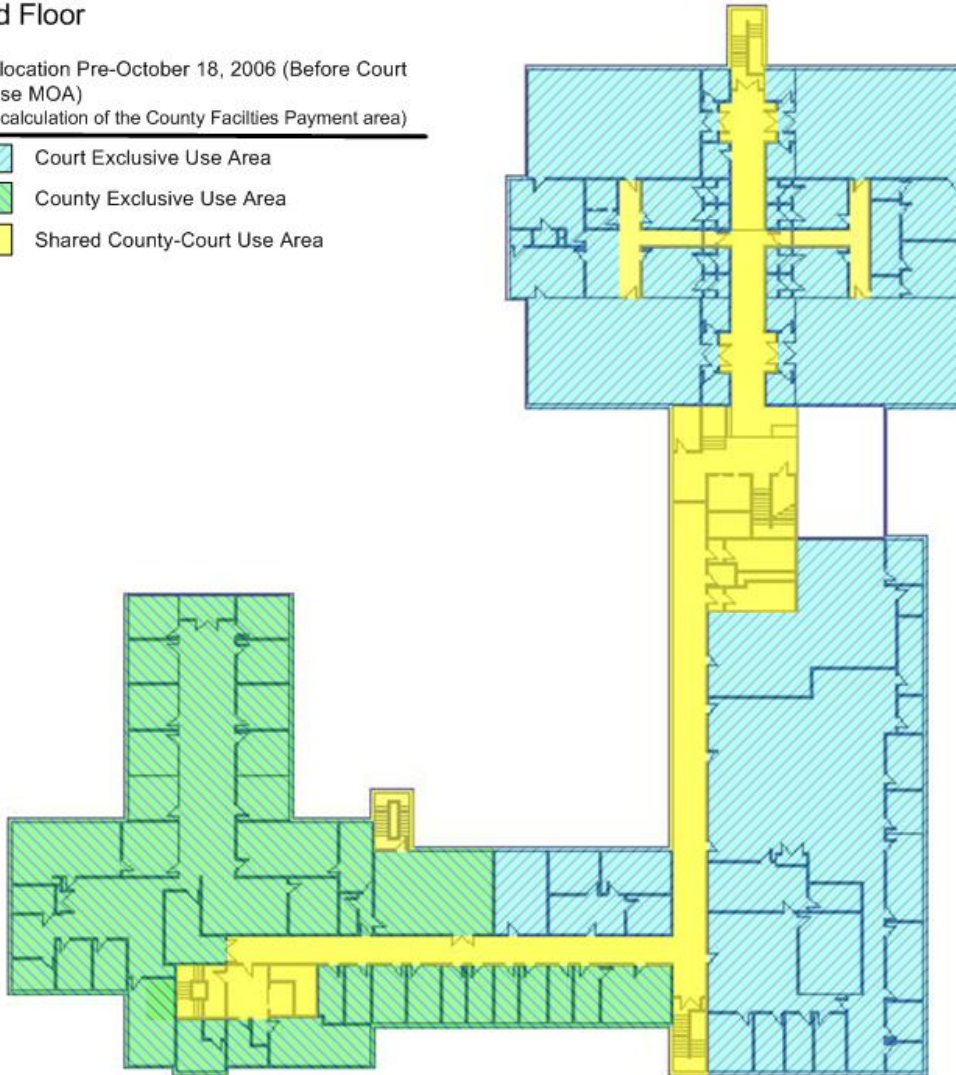
**AND COMMON AREAS**

Second Floor

**Superior Court of California, Stanislaus County**  
**MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Second Floor

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area



**ATTACHMENT “2-3” TO JOA**

**FLOOR PLAN OF BUILDINGS DEPICTING EXCLUSIVE USE AREAS**

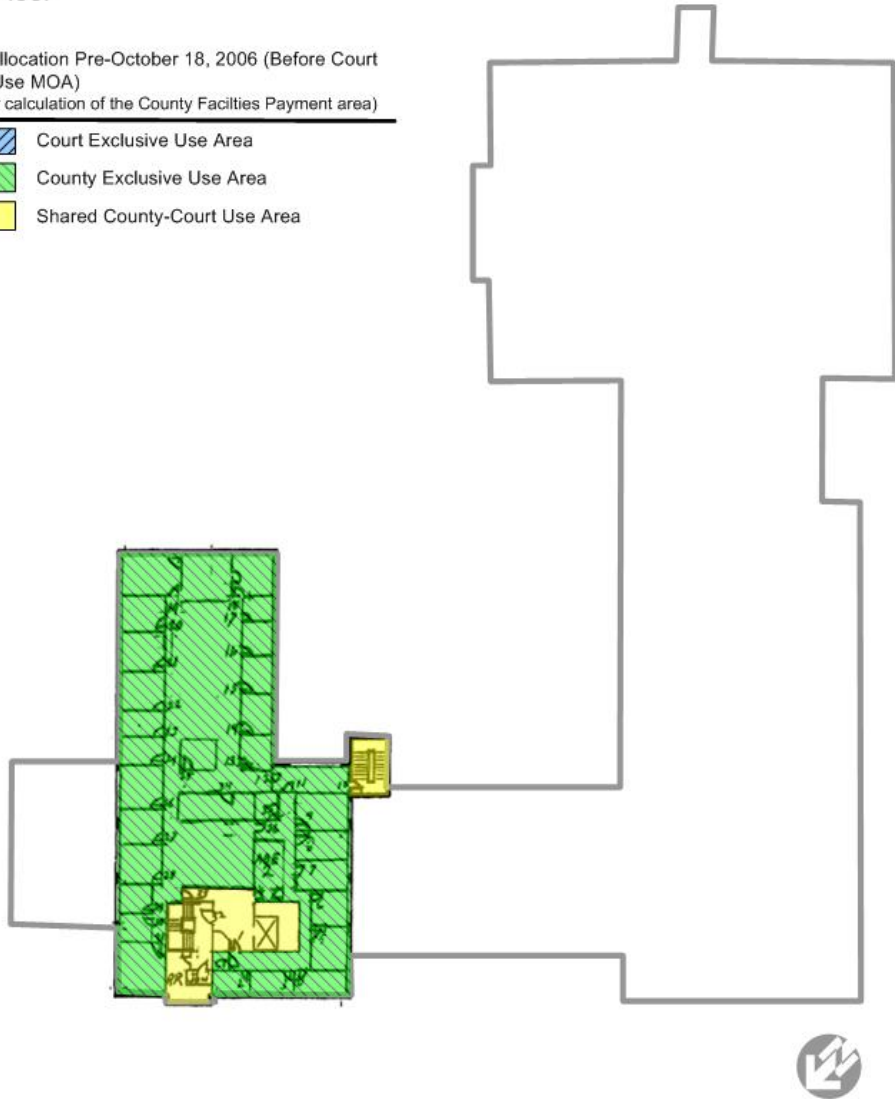
**AND COMMON AREAS**

Third Floor

**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Third Floor

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area





**ATTACHMENT "2-3" TO JOA**

**FLOOR PLAN OF BUILDINGS DEPICTING EXCLUSIVE USE AREAS**

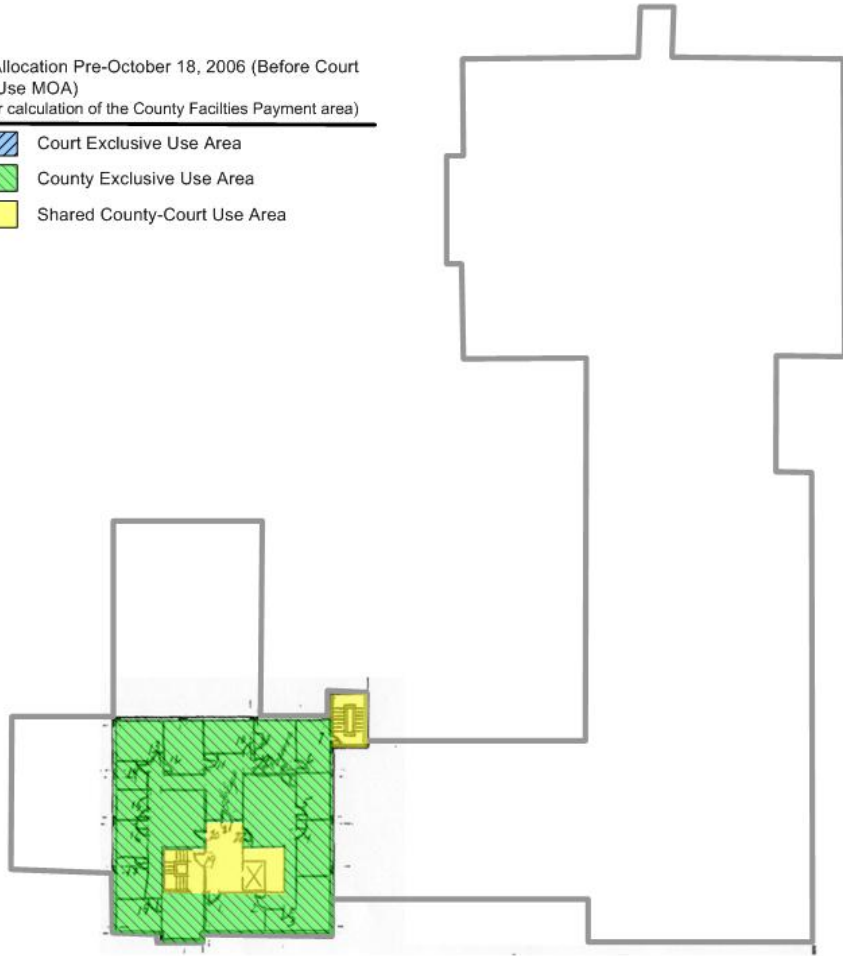
**AND COMMON AREAS**

Fourth Floor

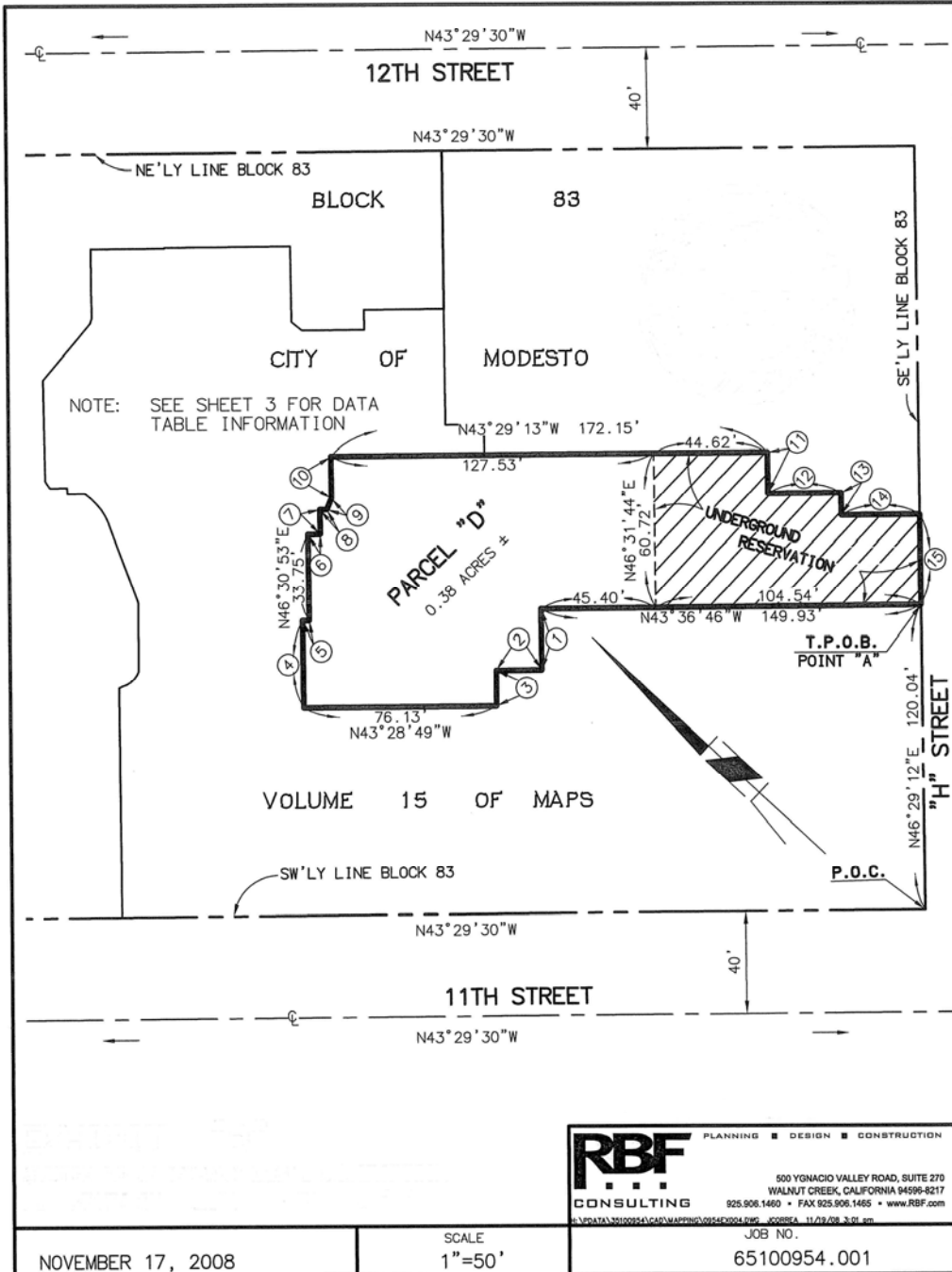
**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Fourth Floor

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area



**ATTACHMENT "2-4" TO JOA  
COUNTY UNDERGROUND AREA**



**ATTACHMENT “3” TO JOA**  
**FORM OF EQUITY RIGHTS PURCHASE AGREEMENT**

**1. PURPOSE**

The Judicial Council of California (“**Council**”), Administrative Office of the Courts (together, the “**AOC**”), and the County of Stanislaus (“**County**”) enter into this Agreement under section 70344(b) of the Trial Court Facilities Act of 2002, Government Code section 70301, *et seq.*, as it exists as of the Effective Date (the “**Act**”), to set forth the terms and conditions for the purchase of Equity Rights in the Real Property.

**2. DEFINITIONS**

“**Agreement**” means this Equity Rights Purchase Agreement.

“**Building**” means the “Building” as defined in the Transfer Agreement.

“**Common Area**” means the “Common Area” as defined in the Transfer Agreement.

“**Compensation**” means the amount paid by the Majority Occupant to the Minority Occupant in exchange for the Minority Occupant’s Equity Rights.

“**Court Facility**” means the trial court facility commonly known as \_\_\_\_\_, as further defined in the Transfer Agreement.

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

“**Equity**” means “equity” as used in section 70344(b) of the Act.

“**Equity Purchase**” means the Majority Occupant’s purchase of the Minority Occupant’s Equity Rights in the Real Property under section 70344(b) of the Act and this Agreement.

“**Equity Rights**” means (1) all rights, interests, and entitlement of the Minority Occupant in and to the \_\_\_\_\_ square feet of space in the Building that is occupied exclusively by the Minority Occupant on the Effective Date, and which space comprises approximately \_\_\_\_ percent of the total Building square footage, as depicted on

**Exhibit “A”** attached to this Agreement, and (2) all non-exclusive rights, interests, and entitlement of the Minority Occupant in and to the Common Area.

**“Majority Occupant”** means the Party that occupies 80 percent or more of the total Building square footage on the Effective Date of this Agreement. For purposes of this Agreement, the AOC is the Majority Occupant.

**“Minority Occupant”** means the Party that occupies 20 percent or less of the total Building square footage on the Effective Date of this Agreement. For purposes of this Agreement, the County is the Minority Occupant.

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

**“Real Property”** means the “Real Property” as defined in the Transfer Agreement.

**“Transfer Agreement”** means the Transfer Agreement For the Transfer of Responsibility For Court Facilities, and all attached Exhibits and Schedules, dated as of \_\_\_\_\_, 2008, which sets forth the terms for the transfer of responsibility for to the Court Facility under the Act.

### **3. PURCHASE OF EQUITY RIGHTS**

3.1 Exercise of Vacate Right. The Majority Occupant has elected to exercise its right to require the Minority Occupant to vacate the Building under section 70344(b) of the Act and has given the Minority Occupant reasonable notice of its election to so exercise.

3.2 Compensation. The Compensation for the Equity Purchase is \$\_\_\_\_\_, which amount will be paid by the Majority Occupant to the Minority Occupant in a lump sum on the date that the Minority Occupant actually vacates the Building.

3.3 Relocation Costs. The Majority Occupant will be responsible for the moving expenses of the Minority Occupant at the fair market rate. The Majority Occupant will, at its sole expense, make arrangements for the furniture, equipment, supplies, and other personal property of the Minority Occupant that are located in the Building to be packed and moved, by a professional business relocation service, from the Real Property to the alternate location specified by the Minority Occupant or, at the sole option of the Minority Occupant, the Minority Occupant may engage its own moving and relocation company to perform its move and the Majority Occupant will reimburse the

Minority Occupant's actual relocation costs in an amount not to exceed the amount that would have been charged by the Majority Occupant's professional relocation company for the same relocation services. In no event will the Majority Occupant be responsible for any costs incurred by the Minority Occupant in searching for, identifying, leasing, purchasing, improving, furnishing, or otherwise preparing for occupancy the Minority Occupant's alternate premises, including without limitation, any brokerage commissions, finders' fees, closing costs, tenant improvement costs, or consultant's fees. The terms of this section 3.3 will survive the consummation of the Equity Purchase until \_\_\_\_\_, 200\_\_.

3.4 Rights and Responsibilities. Upon completion of the Equity Purchase, the rights and responsibilities of the Parties in respect of the Equity Rights purchased by the Majority Occupant will be as set forth in the Transfer Agreement.

3.5 Representations and Warranties. Each Party makes the following representations and warranties to the other to the best of its knowledge after reasonable investigation and inquiry:

3.5.1 The Compensation is equal to the fair market value of the Minority Occupant's Equity Rights in the Real Property;

3.5.2 The person who has signed this Agreement on behalf of the Party has been duly authorized and empowered, by a resolution or other formal action of the Party, to sign this Agreement on its behalf, and no other or further approval or consent is required to authorize or empower the Party to enter into and perform this Agreement; and

3.5.3 This Agreement and the Equity Purchase contemplated in this Agreement do not and will not violate any agreement, obligation, or court order by which the Party is bound or to which it or its assets is subject.

#### **4. CLOSING THE EQUITY PURCHASE TRANSACTION**

4.1 Delivery of Signed Agreement. The last Party to sign this Agreement must deliver to the AOC, within three business days after signing, \_\_\_\_ fully-signed originals of this Agreement.

4.2 When the Equity Purchase Takes Effect. The Equity Purchase will be effective and deemed consummated immediately and automatically upon the Majority Occupant's payment of the Compensation to the Minority Occupant, whether or not the Minority Occupant has then vacated the Real Property.

4.3 When Minority Occupant Must Vacate the Real Property. The Minority Occupant agrees that it will entirely vacate its occupancy of the Real Property by no later than \_\_\_\_\_, 200\_\_\_. If the Minority Occupant fails to complete its vacation the Real Property by \_\_\_\_\_, 200\_\_ through no fault of the Majority Occupant, the Minority Occupant will be deemed to have fully and forever waived and relinquished its rights, under section 70344(b) of the Act and section 3.3 of this Agreement, to require the Majority Occupant to pay the Minority Occupant's relocation costs.

4.4 Delivery of Possession. When the Equity Purchase has been completed and the Minority Occupant has vacated the Real Property, the Minority Occupant will deliver to the Majority Occupant possession and control of the Equity Rights, and the Minority Occupant will thereafter have no right, claim, or interest in the Equity Rights whatsoever.

## 5. MISCELLANEOUS

5.1 Dispute Resolution. Any dispute between the Parties concerning this Agreement must be resolved under the terms for "Dispute Resolution" in section 11 of the Transfer Agreement.

5.2 Amendments. This Agreement may be amended only by written agreement signed by both of the Parties.

5.3 Waivers. No waiver of any provision of this Agreement will be valid unless it is in writing and signed by both Parties. 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.

5.4 Binding Effect. This Agreement binds the Parties and their permitted successors and assigns. The State Parties are intended beneficiaries of all provisions of this Agreement for the benefit of the AOC. Otherwise, this Agreement is for the benefit only of the Parties, and no third parties are intended to be benefited by this Agreement.

5.5 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.

5.6 Construction. The headings used in this Agreement are for convenience only and will not affect the meaning or interpretation of this Agreement. This Agreement will not be construed against any 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.

5.7 Integration. This Agreement and the Transfer Agreement contain the entire agreement of the Parties with respect to the Equity Purchase, and supersede all previous and concurrent communications, understandings, and agreements, whether verbal, written, express, or implied, between the Parties concerning the subject matter of this Agreement.

5.8 Capitalized Terms. Any capitalized terms that are not otherwise defined in this Agreement will have the meanings given to them in the Transfer Agreement.

5.9 Severability. If any term of this Agreement is inconsistent with applicable law, then upon 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.

5.10 Further Assurances. The County and the AOC agree to cooperate reasonably and in good faith with one another to (1) implement the terms of this Agreement, and (2) consummate the Equity Purchase, and will execute any further agreements and perform any additional acts that are reasonably necessary to carry out the terms of this Agreement.

5.11 Notices. Any notices or other communications to be sent by one Party to the other under this Agreement will be sent and deemed received in accordance with the “Notices” provision of section 13 of the Transfer Agreement.

**[SIGNATURES FOLLOW ON NEXT PAGE]**

I agree to the terms of this Agreement.

**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: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_, Clerk of the Board

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

By: \_\_\_\_\_  
Deputy

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chairperson, Board of Supervisors  
Date: \_\_\_\_\_



**EXHIBIT "A"**

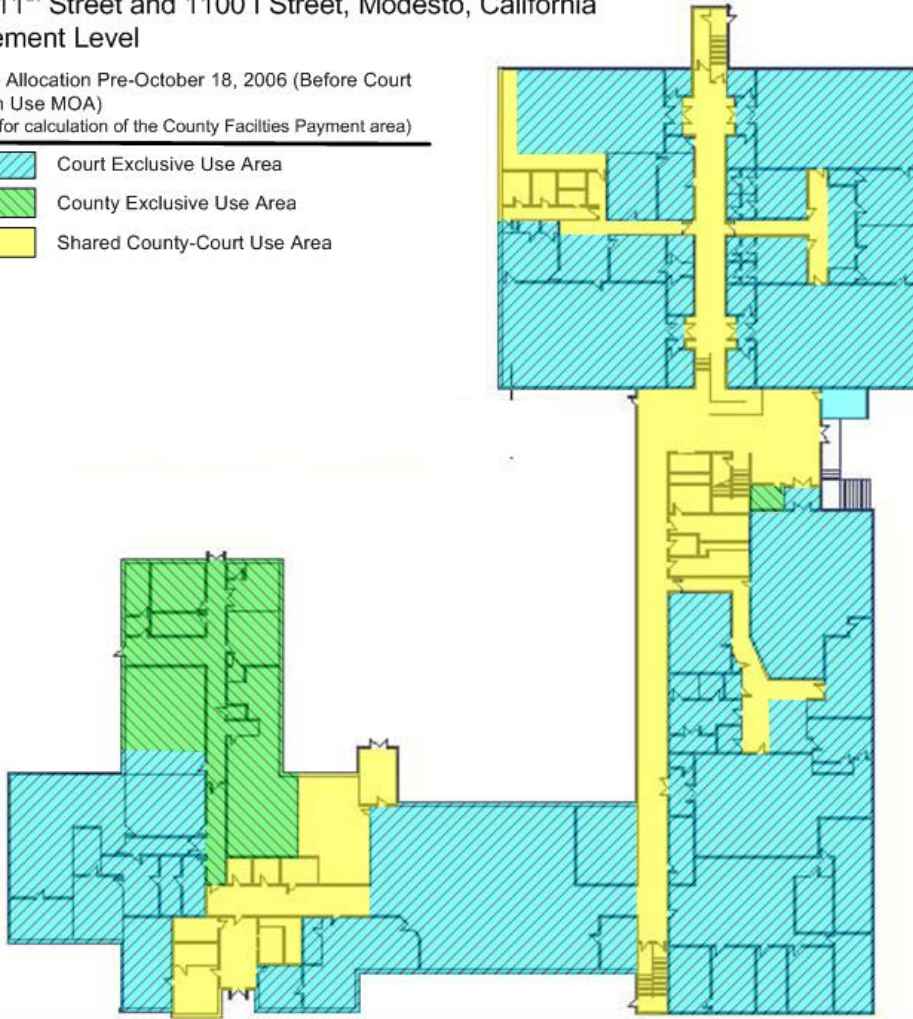
**COPY OF FLOOR PLAN**

Basement

**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Basement Level**

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area



**EXHIBIT "A"**

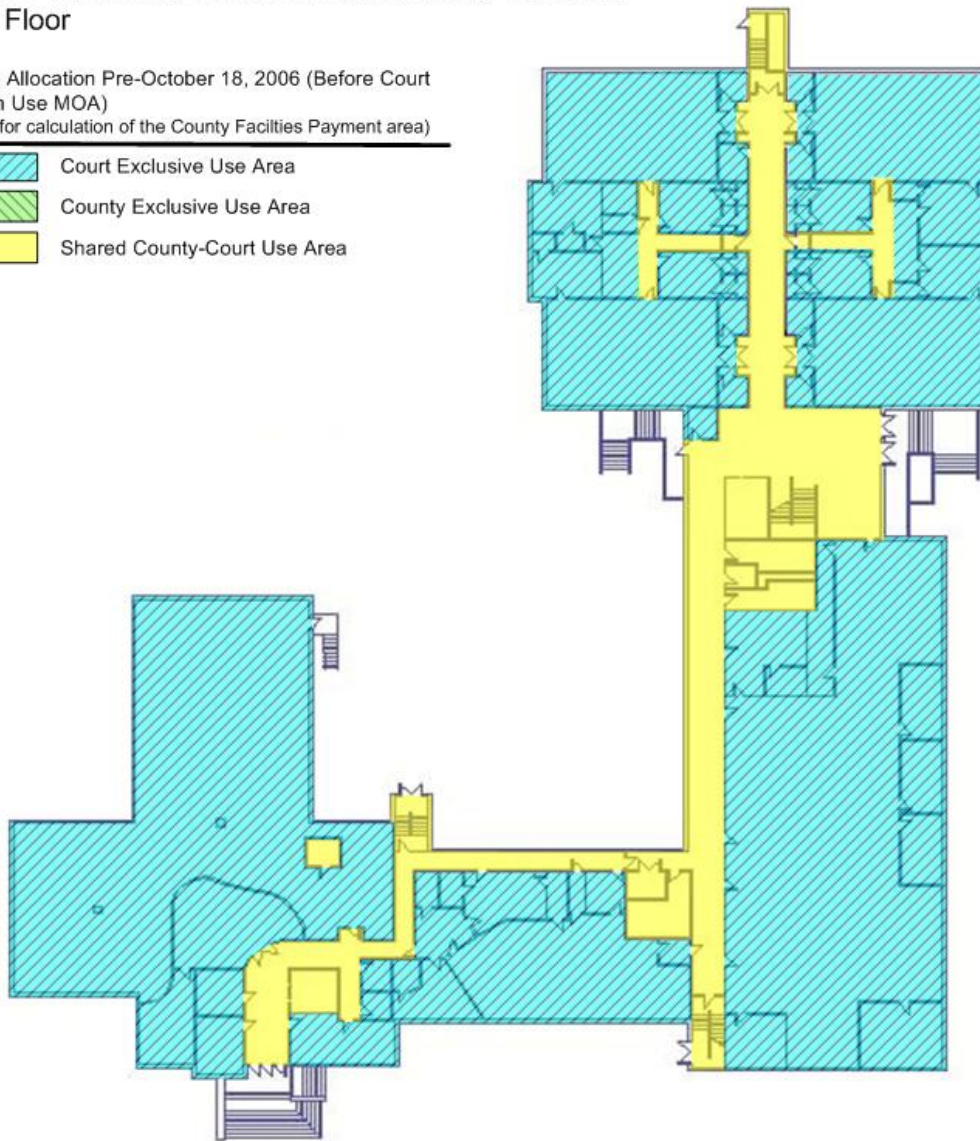
**COPY OF FLOOR PLAN**

First Floor

**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
First Floor

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area



**EXHIBIT "A"**

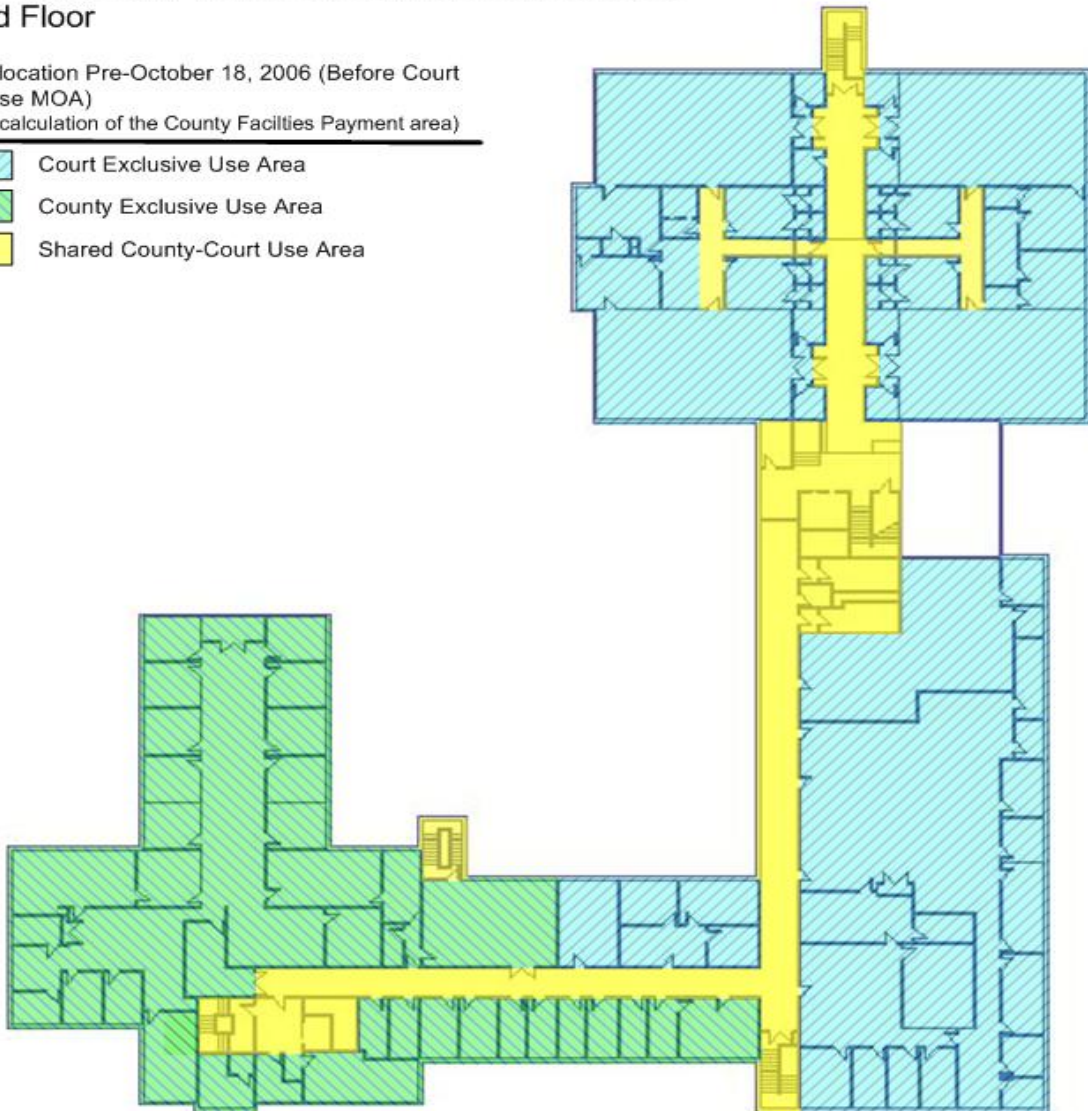
**COPY OF FLOOR PLAN**

Second Floor

**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Second Floor

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area




**EXHIBIT "A"**

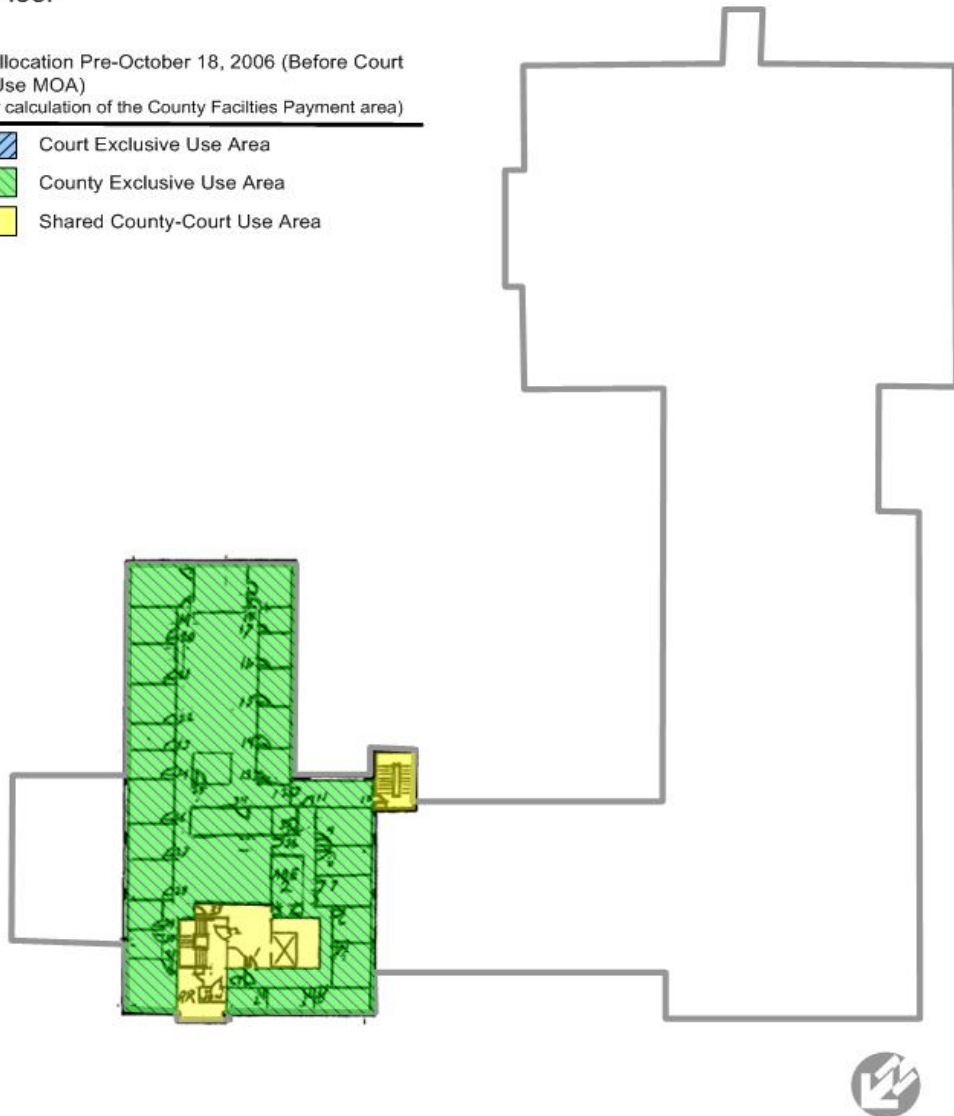
**COPY OF FLOOR PLAN**

Third Floor

**Superior Court of California, Stanislaus County**  
**MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Third Floor

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area



**EXHIBIT "A"**

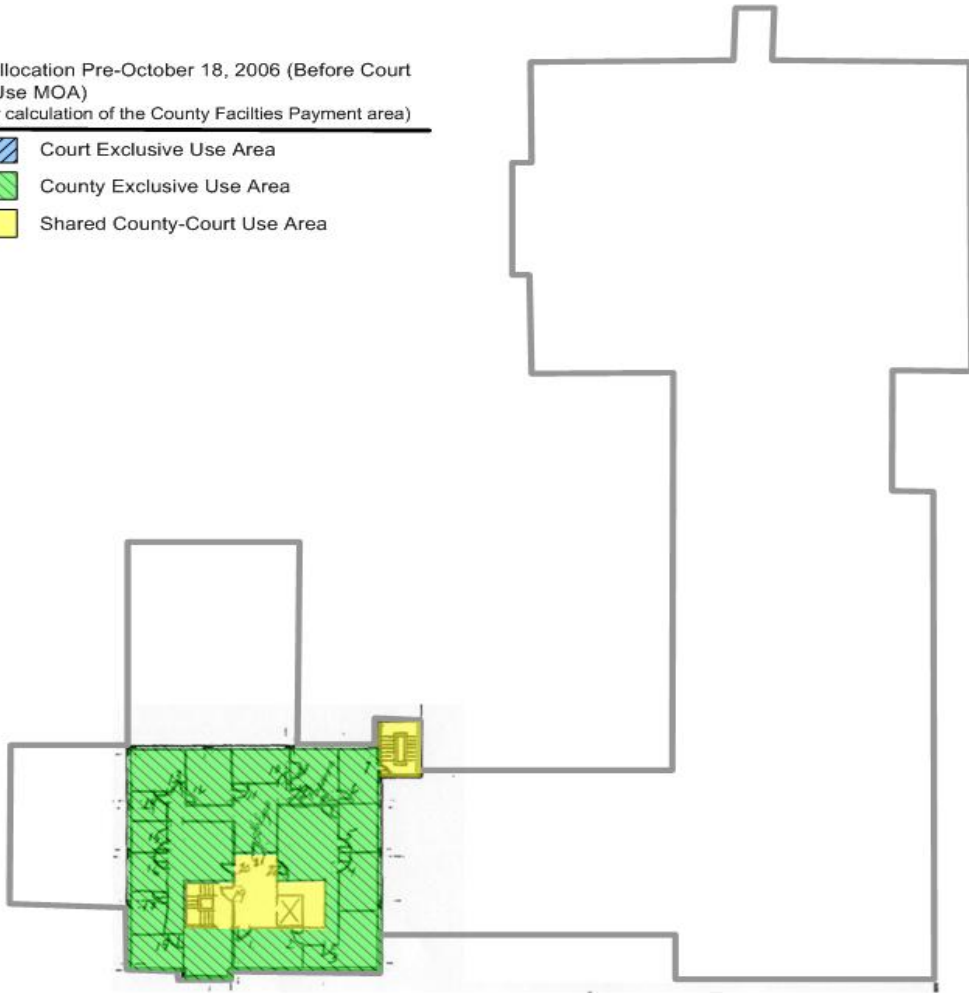
**COPY OF FLOOR PLAN**

Fourth Floor

**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Fourth Floor

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area



**ATTACHMENT "4" TO JOA**

**FORM OF TERMINATION OF JOINT OCCUPANCY 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: Melvin Kennedy, Managing Attorney  
Office of the 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): \_\_\_\_\_; County of Stanislaus

**TERMINATION OF JOINT OCCUPANCY AGREEMENT**

This Termination of Joint Occupancy Agreement ("**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 \_\_\_\_\_, 2008, the County and the AOC entered into a Transfer Agreement For The Transfer of Responsibility For Court Facilities (the "**Transfer Agreement**"). Under the Transfer Agreement, the County transferred to the AOC responsibility for funding and operation of the [Court Facility Name], which is located in a building on certain real property in the City of Modesto, County of Stanislaus, State of California and having a street address of \_\_\_\_\_ and legally described in **Exhibit 1** attached hereto and made a part hereof (the "[\_\_\_\_\_] **Real Property**").

B. Under the Transfer Agreement, the AOC and the County also entered into a Joint Occupancy Agreement dated \_\_\_\_\_, 2008 ("**JOA**"), setting forth the Parties' respective rights and obligations with respect to the shared occupancy and use of the [\_\_\_\_\_] Real Property.

C. To memorialize the Parties' respective rights and duties under the JOA, the parties signed a Memorandum of Joint Occupancy Agreement ("**Memorandum**"), which was recorded in the Official Records of the County as Instrument No. \_\_\_\_\_.

D. With respect to the [\_\_\_\_\_] Real Property only, the JOA has now been terminated by the County and the AOC, and the JOA is no longer of any force or effect [as it relates to the [\_\_\_\_\_] Real Property], except for the terms of the JOA that expressly survive the termination of the JOA.

E. [Notwithstanding the termination of the JOA in respect of the [\_\_\_\_\_] Real Property, the JOA remains in full force and effect as it relates to the [\_\_\_\_\_] Real Property and the [\_\_\_\_\_] Real Property, as those terms are defined in the JOA.]

F. The County and the AOC now wish to record this Termination to memorialize the termination of the JOA and the Memorandum with respect to the [\_\_\_\_\_] Real Property only.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and AOC do hereby agree as follows:

1. With respect to the [\_\_\_\_\_] Real Property only, the JOA and the Memorandum are terminated and are no longer of any force or effect, except for those terms of the JOA that the parties have expressly agreed in writing will survive the termination of the JOA.

2. This Termination is to be recorded in the Official Records of the County with respect to the [\_\_\_\_\_] Real Property, whereupon the Memorandum will automatically be removed as an encumbrance on the title to the [\_\_\_\_\_] Real Property.

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

APPROVED AS TO FORM:

Administrative Office of the Courts,  
Office of the General Counsel

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

APPROVED AS TO FORM:

County Of Stanislaus  
Office of the County Counsel

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: County Counsel

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_, Clerk of the Board

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



**STATE OF CALIFORNIA**  
**COUNTY OF \_\_\_\_\_**

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, 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 \_\_\_\_\_, 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 “1”**

**LEGAL DESCRIPTION OF THE REAL PROPERTY**

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

All of Block 83 of the City of Modesto, filed in the Office of the County Recorder of Stanislaus County on December 21, 1942 in Volume 15 of Maps.

APN: 105 025 001

## ATTACHMENT “5” TO JOA

### CRITERIA FOR APPROVING EMPLOYEES AND CONTRACTORS WITH RESPECT TO BACKGROUND CHECKS

No employee or Contractor may access or work unescorted in any Restricted Area of the Real Property if any of the following applies to that employee or Contractor:

1. Any conviction or charge pending court disposition with respect to felonies or misdemeanors involving violence, weapons, theft, robbery, burglary, embezzlement, dishonesty, moral turpitude, drugs (excluding misdemeanor marijuana convictions), or sexual activity (for a list of crimes constituting moral turpitude, please see **Appendix 1** to this **Attachment “5”**).
2. Any conviction or charge pending court disposition involving a serious felony which is listed in Penal Code section 1192.7(c) or any violent felony which is listed in Penal Code section 667.5(c).
3. Any conviction or charge pending court disposition with respect to felonies or misdemeanors contributing to the delinquency of a minor.
4. Any conviction or charge pending court disposition with respect to felonies or misdemeanors involving mob action (a.k.a. gang activity).
5. Any conviction or charge pending court disposition with respect to felonies or misdemeanors involving any crime (other than a minor traffic violation) not included in paragraphs 1 through 4, above, for which the AOC’s Emergency & Response Unit (“**ERS**”) has not provided a written exemption for that conviction or pending charge.
6. Outstanding bench warrant.
7. Failure to appear in court within six (6) months.

In order to obtain a written exemption with respect to paragraph 5, above, the Parties must submit all relevant information relating to the conviction or pending charge (e.g. type of offense, date of conviction, and sentence) to the Senior Manager of ERS. The Parties will not include the name of the employee with this information. After review of the submitted information, the Senior Manager of ERS will notify the requesting Party in writing if an exemption for that conviction or pending charge will be provided by the AOC.

For purposes of these criteria, “conviction” includes a verdict of guilty, a plea of guilty, a plea of *nolo contendere*, or a forfeiture of bail in Municipal, Superior, or Federal court regardless of whether sentence is imposed by the court.

## APPENDIX 1 TO ATTACHMENT “5”

The appellate courts have determined that the following crimes are crimes of moral turpitude:

1. Property Crimes. Arson; auto theft; attempted auto theft; burglary (any degree); attempted burglary; embezzlement; forgery; grand theft; receiving stolen property; theft; and vandalism (felony).

2. Assaultive Crimes. Assault by force likely to produce grievous bodily injury; assault with deadly weapon; assault with intent to murder; assault with intent to rape; battery of non-inmate by inmate; battery on peace officer; corporal injury to child; discharge a firearm; false imprisonment; robbery; shooting at inhabited dwelling; and spousal battery.

3. Homicide. Murder; second degree murder; and voluntary manslaughter.

4. Sex Crimes. Assault with intent to rape; indecent exposure; lewd act on child; pimping and pandering; rape; statutory rape; and sexual battery.

5. Escape. Escape with or without violence; and evading a peace officer.

6. Drug Crimes. Maintaining a drug house; possession of heroin for sale; possession of marijuana for sale; sale of drugs; and transportation of controlled substance.

7. Weapons. Felon in possession of firearm; possession or conspiracy to possess illegal firearm; and possession of deadly weapon with intent to assault.

8. Other. Felony drunk driving; felony false imprisonment; felony hit and run; kidnapping; terrorist threat; bribery; extortion; and perjury.

**ATTACHMENT “6” TO JOA**  
**WORK ORDER PROCEDURES**

- A. The County may request non-Emergency Services for the County Exclusive-Use Area via a Work Order (“**WO**”). Work performed without a WO, outside the scope of the WO, or beyond the maximum approved cost stated in the WO will not be compensated or paid by the County.
- B. The following personnel (“**Requestor**”) are authorized to issue WOs for the County. A letter will be provided to the AOC with the name of the person(s) filling each position. This letter will be updated from time to time as personnel change.
- 1) Senior Manager for Facility Management
  - 2) Regional Manager for Facility Operations
  - 3) District Supervisor(s) for Facility Operations
  - 4) Area Supervisor(s) for Facility Operations
  - 5) AOC Customer Service Center Personnel
- C. Each WO will be in writing and will include:
- 1) Name and title of the Requestor and point of contact.
  - 2) Identification of where the work is to be performed, description of the work, and any special requirements or authorizations applicable to the WO.
  - 3) Date the WO is transmitted to the AOC.
  - 4) Priority for the work.
  - 5) Maximum approved cost, including all labor and materials.
- D. Within five business days of receiving the WO, the AOC will respond to the Requestor (“**Service Response**”) with one of the following:
- 1) That the AOC is able to comply with the WO; the AOC will provide an estimated timeframe for completion of the work requested.
  - 2) That the AOC needs additional time to determine whether it can fulfill the WO. The AOC will include the reason for the additional time as well as an estimate of how much additional time it will need to evaluate the WO.

- 3) That the AOC is unable to complete the work as submitted in the WO. The AOC will either include an estimated timeframe and cost for completion of the WO or it will state that it cannot perform the Services requested in the WO and provide a brief explanation as to why.
- E. If a Requestor agrees to the work, timeframe and costs stated in the WO, it will approve the Service Response. Upon receiving County approval of the Service Response, the AOC will perform the work specified in each WO in accordance with the requirements of this JOA.
- 1) Any commencement of work prior to the AOC's receipt of approval for a WO will be done at the AOC's own risk.
  - 2) The AOC agrees to complete all work specified in the WO and for no more than the agreed applicable maximum approved cost except as follows:
    - a. If, after commencing the work, the AOC becomes aware that completion of work may exceed the agreed maximum approved cost, the AOC may immediately cease work and must immediately notify the County and provide the County with justification for additional cost and obtain a new maximum approved cost.
    - b. If the AOC and the County cannot agree upon a maximum approved cost for the work, the WO will be cancelled. The County will pay for work reasonably completed prior to the AOC's discovery that the work may exceed the previously-agreed maximum approved cost.
- F. The AOC will notify the County of the completion of the work requested in the WO within five business days of completing the work.
- G. The procedures described in this **Attachment "6"** to the JOA do not apply to Services arising from an Emergency. Work for Emergency Services in the County Exclusive-Use Area will be provided pursuant to section 3.2.4 of the JOA.

**ATTACHMENT “7” TO JOA**  
**PAYMENT PROVISIONS**

A. Invoices

The AOC will invoice, on a quarterly basis, for all Services to the County Exclusive-Use Area performed by the AOC in accordance with **Attachment “6”** to the JOA.

B. Cost Components of Services

The Services may include the following components: (1) labor costs including security escort and travel expenses, (2) materials reimbursement, (3) third-party services and supplies, and (4) compensation for mileage at the then-current rate of compensation per mile as established by the United States Internal Revenue Service. (As of July 1, 2008, the current mileage rate is \$0.585.)

1) Labor Costs

The AOC will invoice the County for the labor costs, which must be based upon the AOC’s then-current hourly rates as established by the AOC from time to time. (The established hourly rates for fiscal year 2008-2009 are set forth in Appendix “A” to this Attachment “7.”) The Parties agree that should the County request a specific project that requires either skills and/or abilities of AOC staff that are not listed in Appendix “A” to this Attachment “7,” or the dedication of staff that are paid at a higher rate (e.g. Senior Architect), the AOC may include a billing rate in the proposal commensurate with the staff person’s fully burdened hourly rate. The County has the right to review the proposed rates for reasonableness based on the specific type of work being performed. If the Parties cannot agree on the proposed rates, the County has the right, subject to this JOA, to utilize Contractors or the County’s own employees to provide such Services. The County shall ensure that any work performed by Contractors or County employees is in compliance with applicable building standards.

2) Materials Reimbursement

a. Provided that materials are necessary to fulfill a WO, the County will reimburse the AOC for materials expenses.



- b. Costs for the materials are limited to those necessary to fulfill a WO and that are actually incurred by the AOC in the performance of the Services.
- c. All expenses for materials must be billed at the AOC's actual cost, and are not subject to any markup. Any rebates, refunds or similar discounts received by the AOC must be passed on to the County.

3) Third-Party Services and Supplies

The Parties agree that should the County submit a WO for work that requires skills, abilities, and/or equipment beyond that of the AOC or its staff, the AOC may contract with a third party for services and/or supplies, for which the County will reimburse the AOC provided that:

- a. The third-party services or supplies contracted for are necessary to fulfill the WO.
- b. The third-party contract is awarded pursuant to the AOC's standard practices for procuring such services and supplies, including consistency with the California Public Contract Code.
- c. The County will not pay more than what the AOC expends in procuring and satisfying the contract.

C. Invoicing Requirements

The AOC shall submit to the County, on a quarterly basis, an invoice for all authorized work performed and that was paid for by the AOC in the prior quarter pursuant to **Attachment "6."**

- 1) Section 1 of the invoice will include basic identifying data to include:
  - a. Name and address of AOC.
  - b. JOA Number.
  - c. A unique invoice number.
  - d. Date of invoice.
  - e. AOC's Taxpayer identification number (FEIN).
  - f. Dates of Service covered in the invoice.
  - g. Preferred remittance address if different from the mailing address.
- 2) Section 2 of the invoice will include a summary and itemization of each WO being billed, including a breakdown of the labor costs and hours,

materials in excess of \$20, and other allowable reimbursements being sought.

- 3) The AOC must submit one original and one copy of invoices to:

County of Stanislaus  
Chief Executive Office  
Attention: Jim Kwartz,  
Associate Management Consultant  
1010 10th Street, Suite 6800  
Modesto, CA 95354  
Phone: 209-525-6333  
Fax: 209-544-6226

D. Payment

The County will make payment, in arrears, for all proper invoices within 30 days after receipt.

E. Budget

Notwithstanding anything in the Agreement to the contrary, should the County become unable to pay any amounts due and owing under these Payment Provisions as a result of the County's failure to timely approve and adopt a budget, the AOC may stop all work on outstanding WOs and refuse to accept any new WOs until such time as the County brings current any unpaid amounts due. The County must promptly pay any previously due payment upon approval and adoption of the budget for the County.

**APPENDIX “A” TO ATTACHMENT “7” TO JOA  
AOC HOURLY RATES**

<b>Job Title</b>	<b>Average Hourly Rate</b>
Building Maintenance Specialist	\$55
Project Manager	\$55



## Judicial Council of California

ADMINISTRATIVE OFFICE OF THE COURTS

OFFICE OF THE GENERAL COUNSEL

455 Golden Gate Avenue • San Francisco, California 94102-3688  
Telephone 415-865-7446 • Fax 415-865-7664 • TDD 415-865-4272

RONALD M. GEORGE  
*Chief Justice of California*  
*Chair of the Judicial Council*

WILLIAM C. VICKREY  
*Administrative Director of the Courts*

RONALD G. OVERHOLT  
*Chief Deputy Director*

MARY M. ROBERTS  
*General Counsel*

December 24, 2008

Ms. Lee Lundrigan  
Clerk/Recorder  
County of Stanislaus  
1021 "I" Street, Suite 101  
Modesto, California 95353

**Re: Recording of Memorandum of Joint Occupancy Agreement for the Modesto Main Courthouse (#50-A1) located at 800 11<sup>th</sup> Street, Modesto, CA 95354 and the Hall of Records (#50-A2) located 1100 I Street, Modesto, CA, 95354**

Dear Ms. Lundrigan:

For the property listed above, enclosed please find an original and a copy of a Memorandum of Occupancy Agreement between the Judicial Council of California and the County of Stanislaus. Please record the original Memorandum and after recordation, return the original to the address set forth on the first page of the Memorandum. Please note that this document is exempt from recording fees pursuant to Government Code § 27383 and documentary transfer tax pursuant to Revenue and Taxation Code § 11922.

Also, please conform the copy of the Memorandum and return the conformed copy to my attention. I have enclosed a UPS Ground shipping form to be used for the return of the conformed copy.

Thank you for your assistance and should you have any questions or concerns, please do not hesitate to contact me directly at (415) 865-4019.

Sincerely,

Tami Washington  
Administrative Coordinator

Enclosures

REC'T # 0002654958  
December 31, 2008 ----- 10:30:45

Stanislaus County Recorder  
Lee Lundrigan Co Recorder Office

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

Official #08-0136485-00

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: Melvin Kennedy, Managing Attorney  
Office of the General Counsel, Real Estate Unit

RECD BY  
Free Issue

Total fee ..... \$0.00  
Amount Tendered... \$0.00

Change ..... \$0.00  
CHK/R2/1/8

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): 105-025-001; County of Stanislaus

**MEMORANDUM OF JOINT OCCUPANCY AGREEMENT**

THIS MEMORANDUM OF JOINT OCCUPANCY AGREEMENT (“Memorandum”) is made and entered into the 9<sup>th</sup> day of Dec., 2008 by and between the County of Stanislaus, whose present address is 1010 10<sup>th</sup> Street, Modesto, California, 95354 (“County”), and the Judicial Council of California, Administrative Office of the Courts (“AOC”), whose present address is 455 Golden Gate Avenue, San Francisco, CA 94102, Attention: Assistant Director, Office of Court Construction and Management, with respect to the following facts:

**RECITALS**

A. County is the fee owner of that certain real property located in the City of Modesto, County of Stanislaus, State of California, having street addresses of 800 11<sup>th</sup> Street, Modesto, CA 95354, and 1100 I Street, Modesto, CA 95354, as more particularly described on **Attachment 1** to this Memorandum (“Land”), together with the improvements located thereon containing the court facilities commonly known as the Modesto Main Courthouse (Facility # 50-A1) and the Hall of Records (Facility # 50-A2), and all other buildings, structures, and improvements located on and/or affixed to the Land (together with the Land, the “Real Property”);

B. Under that certain Transfer Agreement For The Transfer of Responsibility For Court Facility between AOC and County dated as of 12/09, 2008, AOC and County have entered into that certain Joint Occupancy Agreement, dated as of Dec. 9, 2008 (“JOA”), setting forth the terms governing the Parties’ respective rights and responsibilities regarding their shared possession, occupancy and use of the Real Property, as more particularly described in the JOA;

C. The JOA provides, among other things, for rights of first refusal and rights of first offer in favor of County and AOC to expand into and occupy, on a paid basis, any portion of the Real Property that County or AOC desire to vacate in accordance with Government Code section 70342(e);


D. Under the terms of the JOA, this Memorandum is to be recorded in the Official Records of County with respect to the Property for the purpose of memorializing the existence of the JOA, the terms of which inure to the benefit of, and bind, AOC, County and their respective successors and assigns. Any third-party interested in obtaining information about the Agreement may contact the parties at their above-referenced addresses.

(SIGNATURE PAGE FOLLOWS)


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

APPROVED AS TO FORM:

Administrative Office of the Courts  
Office of the General Counsel


By:   
Name: Dianne Barry  
Title: Attorney  
Date: 12/5/08

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

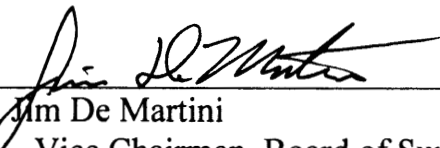
By:   
Name: Grant Walker  
Title: Senior Manager, Business Services  
Date: 12/5/08

ATTEST:

Christine Ferraro Tallman, Clerk of  
the Board

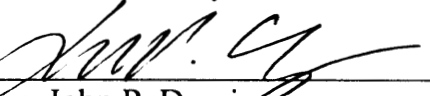
By:   
Name: CHRISTINE FERRARO TALLMAN  
Title: Clerk of the Board  
Date: DEC. 9, 2008

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

By:   
Name: Jim De Martini  
Title: Vice Chairman, Board of Supervisors  
Date: Dec. 9, 2008

APPROVED AS TO FORM:

County of Stanislaus  
Office of the County Counsel

By:   
Name: John P. Doering  
Title: County Counsel

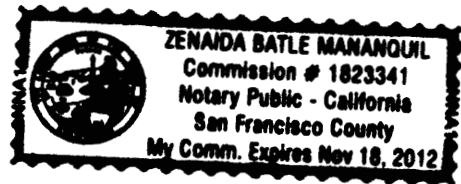
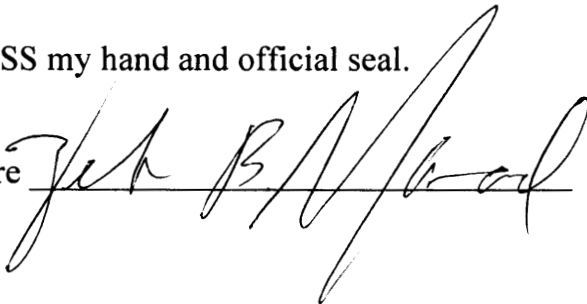
STATE OF CALIFORNIA  
COUNTY OF SAN FRANCISCO

On 5 DECEMBER 2008 before me, ZENaida BATLE MANANQUI, 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)

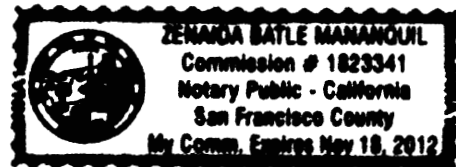
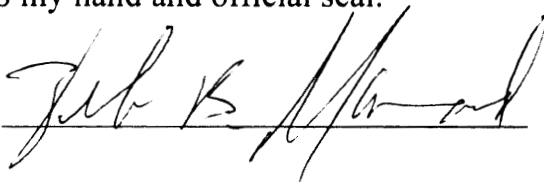
STATE OF CALIFORNIA  
COUNTY OF SAN FRANCISCO

On 5 DECEMBER 2008 before me, ZENaida BATLE MANANQUI, 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)



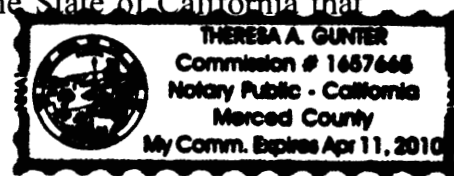
COUNTY ACKNOWLEDGMENT

**STATE OF CALIFORNIA  
COUNTY OF STANISLAUS**

On DEC. 9, 2008 before me, THERESA A. GUNTER, Notary Public, personally appeared **Jim De Martini**, 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.

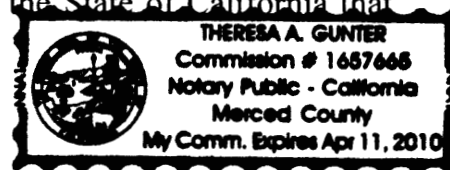
(Seal)

**STATE OF CALIFORNIA  
COUNTY OF STANISLAUS**

On DEC. 9, 2008 before me, THERESA A. GUNTER, Notary Public, personally appeared **John P. 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 T.A.G.

(Seal)

**ATTACHMENT 1**

**LEGAL DESCRIPTION OF THE PROPERTY**

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

All of Block 83 of the City of Modesto, filed in the Office of the County Recorder of Stanislaus County on December 21, 1942 in Volume 15 of Maps.

APN: 105-025-001



## LEASE AGREEMENT

Between the California Judicial Council, Administrative Office of the Courts on behalf of the Superior Court of California, Stanislaus County, and the County of Stanislaus, California  
for Space at  
**801 11<sup>th</sup> Street, Modesto, California**

- 1. Parties.** This Lease (“**Lease**”) dated February 8, 2010 is made by and between the California Judicial Council, Administrative Office of the Courts (the “**Lessee**”) and the County of Stanislaus (the “**Lessor**”), for the benefit of the Superior Court of California, Stanislaus County, (the “**Court**”). Lessee and Lessor will hereinafter be collectively referred to as the “**Parties**” or individually as a “**Party**.”
- 2. Property.** Lessor is the record owner of that certain parcel of real property located in the State of California, County of Stanislaus, City of Modesto (the “**Property**”), and the building located at 801 11<sup>th</sup> Street, Modesto, California (hereafter, the “**Building**”) as of the effective date of this agreement.
- 3. Lease of Premises.** Lessor hereby leases to Lessee, and Lessee leases from Lessor, the Department 16 and the IV-D rooms located on the first floor and the third floor respectively of the 801 11<sup>th</sup> Street Building, Modesto, California totaling 6,784 square feet as shown on the floor plans attached hereto as **Exhibit “A”** and incorporated herein, together with all improvements therein (“**Premises**”).
- 4. Common Area.** Common areas of the building are all publicly-accessible corridors, lobbies, elevators and stairwells, public and staff restrooms, loading and unloading zones, trash areas, exterior walkways, driveways and landscaped plaza. The Lessee shall have access to shared use of all common areas of the building.
- 5. Term.** This Lease will be effective on the date of its full execution (the “**Effective Date**”), but its term (the “**Initial Term**”) will commence on July 1, 2009 at 12:01 a.m. (“**Commencement Date**”) and end at 11:59 p.m. on June 30, 2010 (“**Expiration Date**”) subject to annual renewal options to extend pursuant to the terms of this Lease. Lessee shall have the right to extend its tenancy beyond the Initial Term for four optional renewal terms of one year each on the same terms, covenants, and conditions (“**Renewal Term**”) of the Lease. Lessee will exercise such option by giving written notice to Lessor not less than ninety (90) days prior to the expiration of the Initial Term or any renewal thereof. Rent for the Renewal Term shall be adjusted on the date of the commencement of the Renewal Term (“**Adjustment Date**”) by an amount equal to three (3) percent of the then current rent as provided in paragraph 6 of this Lease.

Termination Due To Title IV B funds Appropriation And Availability: The AOC’s obligations under this Agreement are subject to the availability of Title IV B funds authorized for this Lease. Expected or actual Title IV B funding may be withdrawn, reduced, or limited prior to the expiration or other termination of this Agreement. Funding beyond the current Appropriation Year is conditioned upon appropriation of sufficient Title IV B funds to support the activities described in this

Agreement. Upon Notice, the AOC may terminate this Agreement in whole or in part, without prejudice to any right or remedy of the AOC, for lack of appropriation of Title IV B funds. Upon termination, the AOC will pay the County for the lease time provided prior to the termination, not to exceed the total Agreement amount.

**6. Basic Monthly Rent and Payments.** The Lessee shall pay to the Lessor the amount of Nine Thousand Nine Hundred Four dollars and sixty-four cents (\$9,904.64) monthly (\$1.46 per square foot per month x 6,784 square feet) in arrears, commencing on the last day of the first full month following the Commencement Date (“Rent Due Date”), without setoff, deduction, prior notice or demand.. The rental rate shall increase three percent (3%) each 12 months on the anniversary of the Commencement Date in accordance with the following table:

1	7/1/2009-6/30/2010	\$9,904.64
2*	7/1/2010-6/30/2011	\$10,201.78
3*	7/1/2011-6/30/2012	\$10,507.83
4*	7/1/2012-6/30/2013	\$10,823.07
5*	7/1/2013-6/30/2014	\$11,147.76

\* Optional Years

**7. Holding Over.** In case Lessee remains in possession of the leased premises (“holds over”) beyond the end of the term herein provided, with the express or implied consent of Lessor, such tenancy shall be from month to month only, subject to the terms and conditions of this lease, but shall not be a renewal thereof, and the rent to be paid therefore shall be at the rate prevailing under the terms of this lease pro-rated on a monthly basis.

**8. Use.** The Premises will be primarily used as administrative offices and/or the Family Law Court (Department 16) or any other non-custody Court-related proceedings conducted by the Lessee.. Any change in the use of the Premises shall be subject to the prior written approval of the Lessor. Lessee agrees to secure the facility at the end of each day since the facility must be locked to ensure against the risk of theft, vandalism.

**9. Alterations.** Lessee will not make or allow any alterations, installations, additions, or improvements in or to the Premises (collectively, “Alterations”) other than non-structural alterations within the Premises or alternations which do not adversely affect any of the Building's systems, including structural, mechanical, electrical, plumbing, fire protection, access or exiting without Lessor's prior consent, which will not be unreasonably withheld, conditioned or delayed. Any alterations to the Premises exceeding a value of five thousand dollars (\$5,000,00) shall require the review of, and prior written consent by the Lessor.

**10. Possession of Premises;** The Parties acknowledge and agree that Lessee has been in possession of the Premises since late 2003 and that Lessee’s use of the Premises is not subject to nor in any way governed by the terms of the terms of the Trial Courts Facilities Act of 2002, nor included in the 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 Facilities dated December 9, 2008, nor the Joint Occupancy Agreement Between the Judicial Council of California, Administrative Office of the Courts and the County of Stanislaus dated December 9, 2008.

**11. Utilities.** Lessor will provide, or cause to be provided, all utility services, including, but not limited to, water, natural gas, electrical, refuse collection and sewer services but not telephone or telecommunications, as may be required in the maintenance, operation and use of the Premises. The Court shall provide all custodial and janitorial services and shall provide telecommunications and data services at its sole costs and expense. The terms of this Lease does not supercede any agreement for security services between the Court and the County.

**12. Repairs and Maintenance.** Lessor shall keep in good repair and maintain at its own expense the entire premises including, but not limited to walls, including glass, windows, ceilings, roofs, floors, hall and entrance ways, sidewalks, parking spaces, heating equipment, cooling equipment, plumbing, lighting and electrical wiring and fixtures. Excluding heating and cooling equipment, and normal wear and tear, Lessee shall be responsible for repairs for damages caused by Lessee negligence. Responsibility for the operation of the common area will be the responsibility of the Lessor.

**13. Compliance with Laws.** Lessor warrants and represents that the Premises, the improvements in the Premises and the Property comply with all applicable Federal, State and local laws, regulations, ordinances, codes and orders including the Americans with Disabilities Act and similar State and local laws addressing accessibility by individuals with disabilities at the time this lease is executed.

Lessee warrants and represents that any improvements in the Premises and the Property comply with all applicable Federal, State and local laws, regulations, ordinances, codes and orders including the Americans with Disabilities Act and similar State and local laws addressing accessibility by individuals with disabilities, , regardless of the use to which the Lessee will put the Premises and the time this Lease is executed.

**14. Indemnification.** Lessee and Lessor agree to hold the other harmless from any and all liabilities, penalties, losses, damages, costs, expenses, causes of action, claims, or judgments (including reasonable attorney's fees and costs) occurring on the Premises and arising out of the ownership, use, or occupancy of the Premises, as the case maybe or misrepresentations in this Lease by the indemnifying party. Lessee assumes no liability for any loss caused by the sole negligence of Lessor. . Lessor assumes no liability for any loss caused by the sole negligence of Lessee.

**15. Loss.** Lessor agrees that should the leased premises be so badly damaged by fire, incidents of war, earthquake, or other violent action of the elements as to render them wholly unfit for Lessee's occupancy, then this lease shall be terminated immediately upon the happening of any such event and Lessee shall surrender the premises immediately and shall not be liable for any further payments. In the event of any lesser damage by any such cause, Lessor shall restore the premises to the condition it was in immediately prior to the event causing the damage, and the lease payment shall abate in proportion to the area not used by Lessee during the period of restoration. If the Premises are partially damaged or destroyed and if Lessor should fail to pursue said restoration work with reasonable diligence to completion, Lessee, at its sole option may surrender the premises and Lessee shall not be liable for any further lease payments under this Lease and Agreement.

**16. Successors.** Each and all of the terms and agreements herein contained shall be binding upon and shall inure to the benefit of the successors in interest of Lessor, and wherever the context permits or requires, the successors in interest to Lessee.

**17. Trade Fixtures.** Lessee shall install such fixtures, equipment, and personal property as may be necessary and convenient for its operation. Such fixtures, equipment, and personal property may be removed at any time during Lessee's tenancy or within a reasonable time thereafter not to exceed sixty (60) days, and shall not be considered part of the premises. Removal of the same shall not damage or deface the premises, and if the premises shall be so damaged, Lessee shall repair such damage at its own expense.

**18. Fire and Other Perils Insurance.** The parties agree to be responsible for damage by the perils of fire, and vandalism to those items of real and personal property for which they hold title or for which they have assumed liability to others.

**19. Mutual Indemnity Clause.** Lessee agrees to hold Lessor harmless from loss occurring on the premises and arising out of Lessee's occupancy of the premises. Lessee assumes no liability for any loss caused by the sole negligence of Lessor. Lessor agrees to hold Lessee harmless from loss occurring on the premises and arising out of the Lessor's ownership and its operation of the premises. Lessor assumes no liability for any loss caused by the sole negligence of Lessee.

**20. CAL/OSHA Inspections** If the premises, as described in Section one (1) if this Lease, is cited by CAL/OSHA, Lessor shall be required to abate said citations. Provided, however, that Lessor may terminate this lease should it decide that abatement costs, do not merit the continuance of this lease. Lessee shall be given notice by Lessor of said decision and notice shall provide Lessee ninety(90) days to make other arrangements, and Lessee shall not be liable for any further lease payments or any repair obligations beyond the date Lessor terminates this Lease and Agreement.

**21. Default and Remedies.**

**21.1. Default.** After expiration of the applicable grace period, each of the following will constitute an event of default under this Lease:

(a) Lessee's failure to pay any amount in full when it is due under the Lease following fifteen (15) days written notice from Lessor to Lessee. All Rent shall be due and payable in arrears as provided in Section 6; that the warrants may be State of California warrants or form of compensation, or any other warrant from any account utilized by the AOC, and that failure to pay Rent shall not be considered an event of default under the Lease unless the Lessee fails to pay such Rent within fifteen (15) days after written notice that the same is due, owing, and payable under the Lease. An event of default shall not occur if the AOC is unable to pay any Rent because of the State of California's failure to timely approve and adopt a State budget. The AOC shall promptly pay any previously due and unpaid Rent upon approval and adoption of the State budget.

(b) Lessee's failure to observe or perform any other provision of this Lease, or the breach of any of Lessee's representation or warranty hereunder, if such failure or breach continues for thirty (30) days after written notice from Lessor of the failure or breach specifying in reasonably sufficient detail the nature of the failure or breach; but if the default is such that it is capable of being cured, but cannot be completely cured within the thirty (30) day period, Lessee will not have defaulted if Lessee begins to cure within the thirty (30) day period and diligently performs the cure to completion.

(c) Lessor's failure to comply with any term, condition or covenant of this Lease will constitute an event of default by Lessor under the Lease if the failure continues for thirty (30) days after the giving of written notice thereof by Lessee to Lessor. If the required performance cannot be completed within thirty (30) days, Lessor's failure to perform will constitute an event of default under the Lease unless Lessor undertakes to cure the failure within thirty (30) days and diligently performs the cure to completion.

**21.2 Lessor's Remedies.** Upon the occurrence of an event of default by Lessee, Lessor, in addition to any other rights or remedies available to Lessor at law or in equity, will have the right to terminate this Lease by giving Lessee written notice thereof and to recover from Lessee the aggregate sum of (a) the worth at the time of award of any unpaid rent which had been earned at the time of such termination, (b) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss Lessee proves could have been reasonably avoided, and (c) any other amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom. The "**worth at the time of award**" is computed by allowing interest at the rate of ten percent (10%) per annum.

**21.3 Lessee's Remedies.** Upon the occurrence of an event of default by Lessor, Lessee, in addition to any other rights or remedies available to Lessee at law or in equity, will have the right to elect to terminate the Lease, or to cure any default by Lessor following the thirty (30) day notice and cure period and to deduct the cost of such cure from rent due hereunder upon presentation of an accounting of such costs to Lessor.

**22. Intentionally Omitted..**

**23. Notices.** Every notice required by this Lease shall be delivered either by (i) personal delivery (including delivery by an overnight courier service which obtains confirmation of receipt) or (ii) postage prepaid return receipt requested certified mail addressed to the party for whom intended at the addresses given below. A party may change its address by written notice to the other party.

If to Lessor: County of Stanislaus  
Chief Executive Office  
1010 10th Street, Suite 6800  
Modesto, CA 95354  
Telephone: 209-525-6333  
Fax: 209-544-6226

With a copy to: County of Stanislaus  
GSA-Purchasing Division  
1010 10th Street, Suite 5400  
Modesto, CA 95354  
Telephone: 209-525-6319

If to Lessee: Administrative Office of the Courts  
Office of Court Construction and Management

Attn: Portfolio Administration Analyst  
for the Northern /Central Regional 455 Golden Gate Avenue  
San Francisco, CA 94102-3688  
Voice: 415-865-4048  
Fax: 415-865-8885

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

And a copy to: Superior Court of California, Stanislaus County  
Court Executive Officer  
800 11<sup>th</sup> Street  
Modesto, CA 95354  
Telephone: (209) 525-6302

In addition, all notices relating to termination of the Lease or an alleged breach or default by Lessee must also be sent to:

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

All notices and correspondence to Lessee must reference the address of the Premises and the name of the entity occupying the Premises.

## **24. Miscellaneous**

**24.1 Waivers; Amendments.** Any waiver of any right under this Lease must be in writing and signed by the waiving party. This Lease may be modified only in writing and only if signed by the Parties at the time of the modification.

**24.2 Binding on Successors.** The terms and conditions herein contained will apply to and bind the heirs, successors in interest, executors, administrators, representatives and assigns of all the Parties hereto.

**24.3 Entire Lease; Severability.** This Lease is the entire understanding between the Parties relating to the subjects it covers. Any agreement or representations respecting the Premises or



their leasing by Lessor to Lessee not expressly set forth in this instrument are void. The invalidity of any provision in this Lease as determined by a court of competent jurisdiction will in no way affect the validity of any other provision hereof.

**24.4 Governing Law.** This Lease will be governed and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the Parties hereto have executed this Lease at the place and/or the dates specified below their respective signature.

APPROVED AS TO FORM:

Administrative Office of the Courts  
Office of General Counsel

By: *Dianne Barry*  
Name: Dianne Barry  
Title: Attorney  
Date: Feb 22, 2010

LESSEE: CALIFORNIA JUDICIAL  
COUNCIL, ADMINISTRATIVE OFFICE  
OF THE COURTS

By: *G. Walker*  
Name: Grant Walker  
Title: Senior Manager, Business Services  
Date: 2/23/10

CONCURRED: SUPERIOR COURT OF  
CALIFORNIA, STANISLAUS COUNTY

By: *Michael A. Tozzi*  
Name: Michael A. Tozzi  
Title: Court Executive Officer  
Date: February 8, 2010

APPROVED AS TO FORM:

County Of Stanislaus  
Office of the County Counsel

By: *Dean Wright*  
Name: Dean Wright  
Title: Deputy County Counsel  
Date: 3-9-2010

LESSOR: COUNTY OF STANISLAUS, a  
political subdivision of the State of California

By: *Rick W. Robinson*  
Name: Rick W. Robinson  
Title: Chief Executive Officer  
Date: 3/11/10

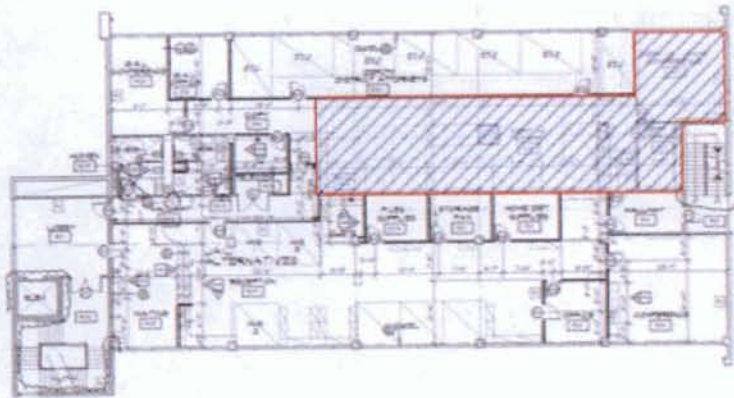
Reference: Board of Supervisors Agenda  
December 9, 2008, Item B-7, Recommendation  
7.

**Exhibit A**

Floorplan – 801 11<sup>th</sup> Street, Modesto, California (1<sup>st</sup> and 3<sup>rd</sup> Floors)

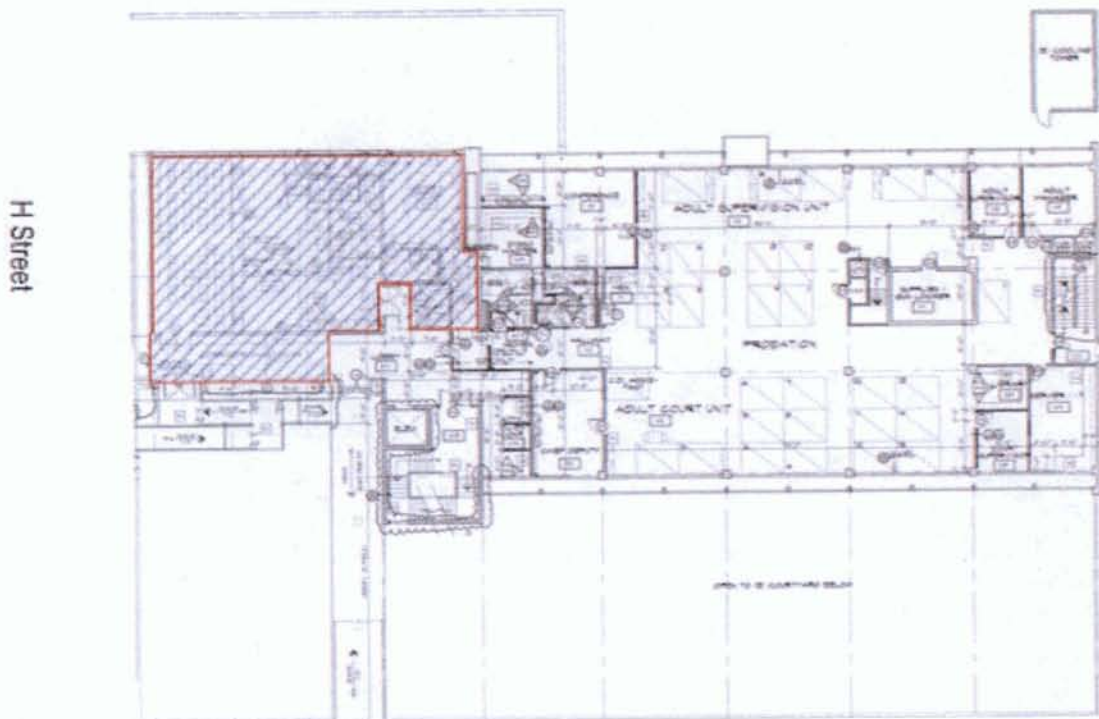


Superior Court of California, Stanislaus County  
Department 16 (Family Law Court)



**Third Floor, 801 11<sup>th</sup> Street, Modesto, CA**

Gallo Center for the Arts



**First Floor, 801 11<sup>th</sup> Street, Modesto, CA**

11<sup>th</sup> Street



BOARD OF SUPERVISORS

2010 MAY 17 P 1:52

**Judicial Council of California  
Administrative Office of the Courts  
Office of Court Construction and Management  
455 Golden Gate Avenue, San Francisco, CA 94102-3688**

For the benefit of: Superior Court of California, County of Stanislaus

Location of Premises: 1100 I Street, a portion of the 2nd Floor and 3rd Floor of the Hall of Records, Modesto, California

---

**LEASE AGREEMENT**

---

**1. Parties.** This Lease (“Lease”) is made by and between the Judicial Council of California, Administrative Office of the Courts, (the “Lessee”) and the County of Stanislaus (the “Lessor”), for the benefit of the Superior Court of California, County of Stanislaus (“Court”). Lessee and Lessor will hereinafter be collectively referred to as the “Parties” or individually as a “Party.”

**2. Property.** Lessor is the record owner of that certain parcel of real property located in the State of California, County of Stanislaus, City of Modesto (the “Property”), and the building located on it commonly known as the “Hall of Records” (Building #50-A-2; hereafter, the “Building”) with a street address of 1100 I Street as of the effective date of this agreement. The Parties acknowledge and agree that responsibility for the existing Court facility located in the Building was transferred from Lessor to Lessee on December 22, 2008, pursuant to the “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” with the same effective date as the Effective Date (defined below) of this Lease (the “Transfer Agreement”) which is incorporated into this Lease by this reference, and that management of the Common Areas (defined below) and other matters related to the Parties’ joint use of the Building are controlled by that certain “Joint Occupancy Agreement Between the Judicial Council of California, Administrative Office of the Courts and the County of Stanislaus” with the same effective date as the Effective Date of this Lease (the “JOA”) a copy of which is attached as **Exhibit “A”** and incorporated in this Lease. In any conflict between the terms and conditions of this Lease and the Transfer Agreement or the JOA, the terms and conditions of the Transfer Agreement or JOA shall prevail. The Parties acknowledge and agree that pursuant to the Transfer Agreement and JOA, the Lessor retains an Equity Interest (as defined in section 2 of the JOA) in the Building and that this Lease has no effect whatsoever on the Equity Interest, and that the Premises will for all purposes be considered part of the County Exclusive-Use Area (as defined in section 2 of the JOA), and not an increase in the Court Exclusive Use Area (as defined in section 2 of the JOA).

3. **Lease of Premises.** Lessor hereby leases to Lessee, and Lessee leases from Lessor, that portion of the Building generally described as follows: approximately 6,178 square feet of space located on 2nd floor, and approximately 9,936 square feet of space located on the third floor of the Building as shown on the floor plans attached hereto as **Exhibit "B"** and incorporated herein, together with all improvements therein ("**Premises**").

4. **Common Area.** The term "**Common Area**" as used in this Lease shall have the same meaning as set forth in section 2 of the JOA. The Parties' rights and responsibilities with respect to the Common Areas are set forth in sections 3.1 and 3.2.2 of the JOA.

5. **Term.** This Lease will be effective on the date of its full execution (the "**Effective Date**"), but its term (the "**Initial Term**") will commence on January 1, 2009, ("**Commencement Date**") and end on December 31, 2012, ("**Expiration Date**") subject to a delay in delivery, options to extend, or early termination pursuant to the terms of this Lease. Lessee shall have the right to extend its tenancy beyond the Initial Term for two (2) additional successive optional renewal terms of two (2) years each on the same terms, covenants and conditions (except as to the remaining option terms) as are contained in this Lease (each, a "**Renewal Term**"). Lessee will exercise each option, if at all, by giving written notice to Lessor not less than ninety (90) days prior to the expiration of the then current term. Rent for the renewal term will be equal to the then County Shared Costs per square foot per year the determination of which shall be based on the JOA attached hereto as Exhibit A.

6. **Reimbursement of Operations and Maintenance Costs/Rent.** Lessee will pay Rent to Lessor in arrears within 60 calendar days of the billing date, at an annual rate of \$5.57 per square foot per year or actual costs for all Shared Costs, as defined in section 4 of the JOA associated with use of the leased space, whichever is greater. Reimbursement for actual operations and maintenance costs for any partial month will be prorated based on the actual number of days of the month.

7. **Use.** The Premises will be primarily used as administrative offices or any other legal use which is reasonably comparable thereto.

8. **Alterations.** Lessee will not make or allow any alterations, installations, additions, or improvements in or to the Premises (collectively, "**Alterations**") other than non-structural alterations within the Premises or alternations which do not adversely affect any of the Building's systems, including mechanical, electrical, plumbing, fire protection, access or exiting without Lessor's prior consent, which will not be unreasonably withheld, conditioned or delayed.

9. **Possession of Premises; Previous Agreement.** The Parties acknowledge and agree that Lessee has been in possession of the Premises since October 18, 2006 pursuant to that certain "Letter of Understanding Between Stanislaus County and the Superior Court Concerning Use of County Space" dated October 18, 2006, (the "**Letter Agreement**"). The Parties further acknowledge and agree that this Lease supersedes and replaces those

provisions of the Letter Agreement governing Lessee's rights and obligations with respect to the Premises.

**10. Utilities.** Lessor will provide, or cause to be provided, all utility services, including, but not limited to, water, natural gas, electrical, refuse collection and sewer services but not telephone or telecommunications, as may be required in the maintenance, operation and use of the Premises. Because the Premises continues to be a part of the County Exclusive Use Area under the JOA, the AOC will charge the County for all costs and expenses of providing such utilities to the Premises. All utility costs, except for any future separately metered areas, are considered Shared Costs, as defined in section 4 of the JOA. Such costs will be billed to the Superior Court by the County for the Superior Court's use of the space. Court will pay directly for all telephone or telecommunications services, security services and custodial services used in connection with the Premises. The terms of this lease do not supercede any agreement for security services and custodial services between Court and County.

**11. Repairs and Maintenance.**

**11.1 Premises.** Insofar as the Premises are part of County Exclusive-Use Area (as defined in the JOA), then pursuant to section 3.2.1 of the JOA, its Operation (as defined in the JOA) including all maintenance and repair obligations, will be the responsibility of Lessor except for all necessary janitorial and custodial services which will be the responsibility of the Court. Notwithstanding the foregoing, Lessee will, at its sole cost and expense, promptly repair any damage or injury to the Premises (reasonable wear and tear excepted) caused by the negligence or intentional act or omission of Lessee, its employees, agents or visitors, guests, invitees or licensees; provided, however, that Lessor shall have the right, but not the obligation, to select a contractor to oversee such repairs by Lessee.

**11.2 Common Area.** Responsibility for Operation of the Common Area will continue to be as set forth in section 3.2.2 of the JOA.

**12. Compliance with Laws.** Lessor warrants and represents that the Premises, the improvements in the Premises and the Property comply with all applicable Federal, State and local laws, regulations, ordinances, codes and orders including the Americans with Disabilities Act and similar State and local laws addressing accessibility by individuals with disabilities at the time this lease is executed.

Lessee warrants and represents that any improvements that Lessee will construct or install in the Premises and the Property will comply with all applicable Federal, State and local laws, regulations, ordinances, codes and orders including the Americans with Disabilities Act and similar State and local laws addressing accessibility by individuals with disabilities, regardless of the use to which the Lessee will put the premises and in any tenant improvement or modification to the leased premises, including adherence to applicable Public Contract Code, Government Code and Building Code provisions as are applicable to the Lessor, except that Lessee will not be solely responsible for code compliance improvement requirements to the Premises arising from latent defects or for defects not directly caused by Lessee's

improvements to the Premises. If the code compliance improvement requirement is indirectly caused by Lessee's improvements, Lessor shall share the cost of such improvements based on its percentage occupancy of the floor where those improvements are located. Such expenses will be treated as Shared Costs and the responsibility of the parties will be as set forth in section 4.1; 4.2; 4.3; and 4.4 of the JOA.

**13. Indemnification.** The Parties acknowledge and agree that the indemnification provisions of section 8 of the JOA will apply with respect to the rights and obligations arising out of this Lease and Lessee's use and occupancy of the Premises.

**14. Insurance.**

**14.1 Property Insurance.** The Parties acknowledge and agree that the property insurance provisions of sections 6.1 and 6.2 of the JOA shall continue to apply with respect to the Property, Building and Premises.

**14.2 Lessee Insurance.** Lessor acknowledges and accepts that Lessee does not maintain commercial insurance coverage for property, general liability or motor vehicle claims, but instead self-insures. Lessee shall be responsible for insuring its contents, property and liabilities separately.

**14.3 Workers Compensation.** The Parties acknowledge and agree that the property insurance provisions of section 6.4 of the JOA shall continue to apply with respect to the Property, Building and Premises.

**15. Damage and Destruction.**

**15.1** The Parties acknowledge and agree that in the event of a Property Loss (as defined in section 2 of the JOA), the provisions of section 7 of the JOA shall apply, and that the Premises remains part of the County Exclusive-Use Area.

**15.2** In the event that the Damaged Property (as defined in section 6.1.4 of the JOA) is to be restored or replaced pursuant to section 7 of the JOA, and the Property Loss materially and adversely interferes with Lessee's business operations, and/or Lessee's use of, and access to, the Premises and Real Property (as reasonably determined by Lessee) then Lessor shall diligently and promptly pursue the repair and restoration of the Damaged Property at Lessor's sole cost and expense, and until such restoration or replacement is completed, Rent due under this Lease shall be equitably abated. In the event that the Damaged Property is not restored or replaced pursuant to section 7 of the JOA, then this Lease shall be deemed terminated and Lessee's obligation to pay Rent shall cease as of the date of the Property Loss.

**16. Eminent Domain.** If all or any portion of the Premises are condemned or are transferred in lieu of condemnation, Lessor or Lessee may, upon written notice given within sixty (60) days after the taking or transfer, terminate this Lease. Lessor shall be entitled to all compensation that may be paid in connection with the taking except for any portion specifically awarded to Lessee for moving expenses, fixtures, or equipment.

## 17. Default and Remedies.

**17.1 Default.** After expiration of the applicable grace period, each of the following will constitute an event of default under this Lease unless specifically stated otherwise:

(a) All Rent shall be due and payable in arrears as provided in Section 6, that the warrants may be State of California warrants or form of compensation, or any other warrant from any account utilized by the AOC, and that a failure to pay any amount that constitutes Rent shall not be considered an event of default under the Lease unless the AOC fails to pay such Rent within ten (10) business days after written notice that the same is due, owing, and payable under the Lease. An event of default shall not occur if the AOC is unable to pay any Rent because of the State of California's failure to timely approve and adopt a State budget. The AOC shall promptly pay any previously due and unpaid Rent upon approval and adoption of the State budget.

(b) Lessee's failure to observe or perform any other provision of this Lease, or the breach of any of Lessee's representations or warranties hereunder, if such failure or breach continues for thirty (30) days after written notice from Lessor of the failure or breach specifying in reasonably sufficient detail the nature of the failure or breach; but if the default is such that it is capable of being cured, but cannot be completely cured within the thirty (30) day period, Lessee will not have defaulted if Lessee begins to cure within the thirty (30) day period and diligently performs the cure to completion.

(c) Lessor's failure to comply with any term, condition or covenant of this Lease will constitute an event of default by Lessor under the Lease if the failure continues for thirty (30) days after the giving of written notice thereof by Lessee to Lessor. If the required performance cannot be completed within thirty (30) days, Lessor's failure to perform will constitute an event of default under the Lease unless Lessor undertakes to cure the failure within thirty (30) days and diligently performs the cure to completion.

**17.2 Lessor's Remedies.** Upon the occurrence of an event of default by Lessee, Lessor, in addition to any other rights or remedies available to Lessor at law or in equity, will have the right to terminate this Lease by giving Lessee written notice thereof and to recover from Lessee the aggregate sum of (a) the worth at the time of award of any unpaid rent which had been earned at the time of such termination, (b) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss Lessee proves could have been reasonably avoided, and (c) any other amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom. The "**worth at the time of award**" is computed by allowing interest at the rate of ten percent (10%) per annum.

**17.3 Lessee's Remedies.** Upon the occurrence of an event of default by Lessor, Lessee, in addition to any other rights or remedies available to Lessee at law or in equity, will



have the right to elect to terminate the Lease, or to cure any default by Lessor following the thirty (30) day notice and cure period and to deduct the cost of such cure from rent due hereunder upon presentation of an accounting of such costs to Lessor.

**18. Quiet Enjoyment.** Lessor represents and warrants that Lessor has legal right to possession of the Premises and the power and the right to enter into this Lease and that Lessee, upon the faithful performance of all of the terms, conditions and obligations of Lessee contained in this Lease, will peaceably and quietly hold and enjoy the Premises upon the terms, covenants and conditions set forth in this Lease throughout the term of this Lease and any extensions thereof. The Lessee's use of shared space as defined in Exhibit 1 shall be subject to the provisions of the Joint Occupancy Agreement.

**19. Surrender.** Lessee will, after the last day of the term of any extension thereof or upon any earlier termination of such term, surrender and yield up to Lessor the Premises in good order, condition and state of repair, reasonable wear and tear and damage by fire or other casualty excepted.

**20. Authority.** If Lessor is a corporation, general or limited partnership or individual owner, each individual executing this Lease on behalf of said corporation, partnership or individual represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said corporation, in accordance with bylaws of said corporation, or as a partner or individual is authorized to execute this Lease and that this Lease is binding upon said corporation and/or partnership or individual.

**21. Holding Over.** Any holding over by Lessee after the expiration of the Term (if not extended) or the last Renewal Term exercised will be deemed a month-to-month tenancy upon the same terms and conditions as set forth in this Lease.

**22. Notices.** Every notice required by this Lease shall be delivered either by (i) personal delivery (including delivery by an overnight courier service which obtains confirmation of receipt) or (ii) postage prepaid return receipt requested certified mail addressed to the party for whom intended at the addresses given below. A party may change its address by written notice to the other party.

If to Lessor: County of Stanislaus  
Chief Executive Office  
1010 10th Street, Suite 6800  
Modesto, CA 95354  
Telephone: 209-525-6333  
Fax: 209-544-6226

With a copy to: County of Stanislaus  
GSA-Purchasing Division  
1010 10th Street, Suite 5400  
Modesto, CA 95354  
Telephone: 209-525-6319

If to Lessee: Administrative Office of the Courts  
Office of Court Construction and Management  
Attn: Portfolio Administration Analyst for the  
Northern/Central Regional Office  
455 Golden Gate Avenue  
San Francisco, CA 94102-3688  
Telephone: 415-865-4986  
Fax: 415-865-8885

With a copy to: Administrative Office of the Courts  
Office of Court Construction and Management  
Attn: Manager, Real Estate  
455 Golden Gate Avenue  
San Francisco, CA 94102-3688  
Telephone: 415-865-4048  
Fax: 415-865-8885

And a copy to: Superior Court of California, Stanislaus County  
Court Executive Officer  
800 11<sup>th</sup> Street  
Modesto, CA 95354  
Telephone: 209-525-6302

In addition, all notices relating to termination of the Lease or an alleged breach or default by Lessee must also be sent to:

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

All notices and correspondence to Lessee must reference the address of the Premises and the name of the entity occupying the Premises.

**23. Lessor Right of Entry.** Subject to sections 3.4 and 3.5 of the JOA, Lessor and Lessor's agents shall have the right to enter the Premises at reasonable times for the purpose

of inspecting the same and making such alterations, repairs, improvements or additions to the Premises or to the Building as Lessor may deem necessary or desirable provided, however, that to the extent all or any part of the Premises as used by Lessee are functionally the same as Restricted Areas as defined in section 2 of the JOA, the provisions of section 3.9 of the JOA apply.

**24. Miscellaneous**

**24.1 Waivers; Amendments.** Any waiver of any right under this Lease must be in writing and signed by the waiving party. This Lease may be modified only in writing and only if signed by the Parties at the time of the modification.

**24.2 Binding on Successors.** The terms and conditions herein contained will apply to and bind the heirs, successors in interest, executors, administrators, representatives and assigns of all the Parties hereto.


**24.3 Entire Lease; Severability.** This Lease is the entire understanding between the Parties relating to the subjects it covers. Any agreement or representations respecting the Premises or their leasing by Lessor to Lessee not expressly set forth in this instrument are void. The invalidity of any provision in this Lease as determined by a court of competent jurisdiction will in no way affect the validity of any other provision hereof.

**24.4 Governing Law.** This Lease will be governed and construed in accordance with the laws of the State of California.


**[SIGNATURE PAGE TO IMMEDIATELY FOLLOW]**

**IN WITNESS WHEREOF**, the Parties hereto have executed this Lease at the place and/or the dates specified below their respective signature.


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

By:   
Name: Dianne Barry  
Title: Attorney

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

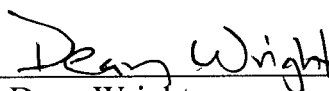
By:   
Name: Grant Walker  
Title: Senior Manager, Business Services  
Date: 5/6/10

**CONCURRED: SUPERIOR COURT OF CALIFORNIA, COUNTY OF STANISLAUS**


By:   
Name: Patricia Jacobs  
Title: Presiding Judge  
Date: 5-13-10

APPROVED AS TO FORM:

County Of Stanislaus  
Office of the County Counsel

By:   
Name: Dean Wright  
Title: Deputy County Counsel  
Date: 5-12-2010

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

By:   
Name: Rick W. Robinson  
Title: Chief Executive Officer  
Date: 5/14/2010

Reference: Board of Supervisors Agenda  
December 9, 2008, Item B-7,  
Recommendation 7.

**EXHIBIT "A"**

**JOA**

**Building Names and Addresses:**

Modesto Main Courthouse (Facility # 50-A1), 800 11<sup>th</sup> Street, Modesto, CA 95354

Hall of Records (Facility # 50-A2), 1100 I Street, Modesto, CA 95354

**JOINT OCCUPANCY AGREEMENT**

**BETWEEN**

**THE JUDICIAL COUNCIL OF CALIFORNIA,**

**ADMINISTRATIVE OFFICE OF THE COURTS,**

**AND**

**THE COUNTY OF STANISLAUS**

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## JOINT OCCUPANCY AGREEMENT

### 1. PURPOSE

A. 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 Parties’ shared possession, occupancy, and use of the Real Properties.

B. Stanislaus County owns that certain real property consisting of an entire city block located in the City of Modesto, State of California, more particularly described on **Attachment “1”** attached hereto (APN 105-025-001). Through a Record of Survey, the Property will be subdivided into the following four Parcels more particularly described on **Attachment “2-1”**: Parcel A (Stanislaus County Park); Parcel B (Stanislaus County Jail and Jail Sallyport); Parcel C (Main Courthouse and Hall of Records) and Parcel D (Transferred Parking Area). To implement the provisions of the Act, the County intends to retain ownership of Parcels A and B, and to transfer title to Parcels C and D to the State of California in accordance with the terms and conditions of the Agreement.

### 2. 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 the Transfer Agreement for the Transfer of Responsibility for Court Facilities, by and between the AOC and the County, under which the County transferred to the AOC responsibility for certain portions of the Real Properties under the Act.

“**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 any Court Facility (e.g., allegations of civil rights violations made by a third party against a Court employee).

“**AOC Equity Share**” means the approximately 85,164 square feet of floor space in the Modesto Main Courthouse and the Hall of Records which includes the Court Exclusive-Use Area and a portion of the Common Area as shown on **Attachment “2-2”**. As of the Effective Date, the AOC Equity Share in the Modesto Main Courthouse and the Hall of Records is 77.82 percent of the total area of the Modesto Main Courthouse and the Hall of Records.

“**AOC Share**” means the percentage of the total square footage of the Buildings which is exclusively occupied by the Court and a portion of the Common Area (excluding space occupied by the Court within a County Exclusive-Use Area under separate agreement) as shown on **Attachment “2-3”**. As of the Effective Date, the AOC Share 77.82 percent of the total square footage of the Buildings.

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

“**Bonded Indebtedness Documents**” means the agreements evidencing and securing the Bonded Indebtedness, including those listed in Exhibit “H” to the Agreement.

“**Bonded Indebtedness**” means “bonded indebtedness” as defined in section 70301(a) of the Act, to which some or all of the Real Property is subject on the Effective Date of the Agreement.

“**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 Properties.

“**Building**” means any one, and “**Buildings**” means both, of (i) the Modesto Main Courthouse and (ii) the Hall of Records, which are situated on that portion of the Land described as Parcel C on **Attachment “2-1”**, all connected or related structures and improvements, and all Building Equipment, as determined by the context in which the term is used.

“**Building Equipment**” means the installed equipment and systems that serve the Buildings generally or the Common Area. The Building Equipment includes equipment and systems that are physically located in a Party’s Exclusive-Use Area but that serve the Common Area of that Building generally, but it does not include any equipment or systems that exclusively serve the Exclusive-Use Area of only one Party.

“**Common Area**” means the areas of the Land and the Buildings that are used non-exclusively and in common by, or for the common benefit of, the County and the Court, and includes (1) those portions of the Buildings depicted as Common Area on **Attachment “2-3”** to this Agreement, including hallways, stairwells, elevators, and restrooms that are not located in either Party’s Exclusive-Use Area, and specifically the security entrance at the Main Courthouse which is the sole secured access to the Court Exclusive-Use Areas in the Main Courthouse and the Hall of Records, (2) foundations, exterior walls, load-bearing walls, support beams, exterior windows, the roof, and other structural parts of the Buildings, (3) Building Equipment and Utilities that do not exclusively serve only one Party’s Exclusive-Use Area, (4) driveways, walkways, and

other means of access over the Land and through each Building to the Court Exclusive-Use Area in each Building and (5) landscaped areas on the Land. The Common Area does not include any part of the Exclusive-Use Area of either Party, except for any Building Equipment that is located in a Party's Exclusive-Use Area.

**“Common Building Equipment”** is any Building Equipment that serves both Buildings, and includes, but is not limited to, all mechanical systems, such as: heating, ventilation and air conditioning; plumbing; main electrical service; hot water; drainage systems; life-safety systems; data equipment; security system; the ADA ramp located in the Main Courthouse which is the only secure access to the Main Courthouse and the Hall of Records; and the boiler located in the County jail facility which serves the Main Courthouse and the Hall of Records.

**“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 Properties with respect to the Operation of the Buildings.

**“Contributing Party”** means the County.

**“Corporation”** means the Stanislaus County Capital Improvements Financing Authority, which is a party to some of the Bonded Indebtedness Documents.

**“County Equity Share”** means the approximately 24,271 square feet of floor space in the Modesto Main Courthouse and the Hall of Records which includes the County Exclusive-Use Area and a portion of the Common Area as shown on **Attachment “2-2”**. As of the Effective Date, the County Equity Share in the Modesto Main Courthouse and the Hall of Records is 22.18 percent of the total area of the Modesto Main Courthouse and the Hall of Records.

**“County Exclusive-Use Area”** means the floor space in a Building that is exclusively occupied and/or used by the County as depicted on **Attachment “2-3”** to this JOA. As of the Effective Date: (i) the County Exclusive-Use Area in the Modesto Main Courthouse is approximately 98 square feet; and (ii) the County Exclusive-Use Area in the Hall of Records is approximately 22,197 square feet. **“County Exclusive-Use Areas”** means, together, the County Exclusive-Use Areas in the Modesto Main Courthouse and the Hall of Records, which constitutes 22,295 square feet of the total square footage of the Modesto Main Courthouse and the Hall of Records.

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

“**County Share**” means the percentage of the total square footage of the Buildings which is exclusively occupied by the County and a portion of the Common Area (or occupied by the Court within a County Exclusive-Use Area under separate agreement) as shown on **Attachment “2-3”**. As of the Effective Date, the County Share is 22.18 percent of the total square footage of the Buildings.

“**County Underground Area**” means the tunnel, holding cell, building maintenance area and evidence room that exists under a portion of Parcel D and connects to Parcel C as shown on **Attachment “2-4”**.

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

“**Court Exclusive-Use Area**” means the floor space in a Building that is exclusively occupied and used by the Court as depicted on **Attachment “2-3”** to this JOA. As of the Effective Date: (i) the Court Exclusive-Use Area in the Modesto Main Courthouse is approximately 48,473 square feet; and (ii) the Court Exclusive-Use Area in the Hall of Records is approximately 17,425 square feet. “**Court Exclusive-Use Areas**” means, together, the Court Exclusive-Use Areas in the Modesto Main Courthouse and the Hall of Records, which constitutes 65,898 square feet of the total square footage of the Modesto Main Courthouse and the Hall of Records.

“**Court Security Agreement**” means the Agreement for Court Security Services between the Superior Court of California, County of Stanislaus; and the County of Stanislaus; and the Stanislaus County Sheriff; effective for the period of time from July 1, 2007 through June 30, 2010, and any new or amended agreement relating to Court Security Services.

“**Days**” means calendar days unless otherwise defined in this JOA.

“**Deficiency**” means any condition of, damage to, or defect in a Common Area that, with respect to the Real Property associated therewith: (1) threatens the life, health, or safety of persons occupying or visiting the Building, (2) unreasonably interferes with, disrupts, or prevents either Party’s occupancy or use of the Real Property, or its ability to conduct its business operations in its Exclusive-Use Area, in an orderly, neat, clean, safe, and functional environment, (3) threatens the security of the employees, guests, invitees, or patrons of either Party, (4) threatens to diminish the value of the Contributing Party’s Exclusive-Use Area or the Common Area, or threatens to damage or destroy the business personal property of the Contributing Party or the Court located in the Buildings, (5) threatens the preservation of the Contributing Party’s files, records, and documents located in the Buildings, or (6) causes or exacerbates an unsafe, unsanitary, unlawful, or non-functional condition affecting the Contributing Party’s Exclusive-Use Area or the Common Area.

**“Effective Date”** means December 22, 2008, the date on which the Transfer of Responsibility is completed under the terms of the Agreement.

**“Emergency”** means a sudden, unexpected event or circumstance, on or affecting a Common Area or a Real Property, that results in a Deficiency.

**“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 all Federal, State, or local 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, and more specifically defined herein as “County Equity Share” and “AOC Equity Share.”

**“Estimated Shared Costs”** means the Managing Party’s reasonable, itemized estimate of the Shared Costs for a Real Property for a fiscal year; provided that, the Managing Party’s first estimate of the Shared Costs will cover the period from the Effective Date to the last day of the fiscal year in which the Effective Date occurs.

**“Exclusive-Use Area”** means a Court Exclusive-Use Area in any one or more of the Buildings, or a County Exclusive-Use Area in any one or more of the Buildings, as determined by the context in which the term is used.

**“Hall of Records”** means the four-story building located on a portion of the Land contiguous to the Modesto Main Courthouse with a street address of 1100 I Street, Modesto, California 95354.

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

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

**“JOA”** means this Joint Occupancy Agreement.

**“Land”** means Parcel C consisting of approximately 1.16 acres associated with the Modesto Main Courthouse and Hall of Records and Parcel D consisting of approximately .38 acres associated with the Transferred Parking, all as described on **Attachment “2-1”** to this JOA, including the Party’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;

excepting and reserving to the County the exclusive right to use and occupy the County Underground Area as shown on **Attachment “2-4”**.

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

“**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 a 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 a Real Property, but excludes all AOC Claims.

“**Major Deficiency**” means any Deficiency: (i) that cannot, with reasonable diligence, be corrected within 10 days, or (ii) as to which the estimated cost to correct will result in Excess Costs in an amount greater than 10 percent of the Estimated Shared Costs for the deficient Real Property for the fiscal quarter in which the Parties anticipate the correction will be performed, under section 4.2 of this JOA.

“**Managing Party**” means AOC which, as of the Effective Date, is the Party responsible for the Operation of the Common Area under this JOA.

“**Memorandum**” means the document titled Memorandum of Joint Occupancy Agreement that has been recorded in the official records of the County as an encumbrance on the Land pursuant to the Agreement.

“**Modesto Main Courthouse**” means the two-story building located on the Land contiguous to the Hall of Records with a street address of 800 11th Street, Modesto, California 95354.

“**Non-Owning Party**” means the AOC during the Interim Period, and the County upon and after the TOT Closing Date, which in either case is the Party that does not own fee title to the Real Properties.

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

“**Occupant**” means any third party that occupies or uses the Real Property under an Occupancy Agreement.

**“Operation”** means the administration, management, maintenance, and repair of designated areas of the Real Properties, but does not include custodial services, which are not governed by this JOA or the Agreement.

**“Owner”** means the County during the Interim Period, and the AOC upon and after the TOT Closing Date, which in either case is the Party that owns fee title to the Real Properties.

**“Parking Area”** means, together, the Transferred Parking Area as shown on Parcel D of Attachment **“2-1”** (which will be conveyed to the State) and the Provided Parking which collectively satisfy the County’s obligation to provide parking spaces as set forth in Section 70330 of the Act.

**“Parking License Agreement”** means that certain Parking License Agreement between the County and the Court dated March 1, 2006, pursuant to which the County provides the Provided Parking to the Court, which agreement may be amended or revised from time to time. This JOA and the Agreement do not supersede, replace, or modify the current Parking License Agreement or any other agreement currently in effect or entered into in the future between the County and the Court with respect to parking.

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

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

**“Property Insurance Costs”** means all costs of providing the Property Insurance Policies, including premiums, deductibles, and self-insurance retention amounts under Owner’s self-insurance program; provided that, Property Insurance Costs related to the Hall of Records do not include (i) the cost of premiums, deductibles or self-insured retention amounts associated with seismic-related damage or injury to the Hall of Records, or (ii) premiums paid or incurred in respect of any earthquake insurance covering the Hall of Records that the Owner obtains on or after the Effective Date unless the Non-Owning Party has given its prior, written consent to the inclusion of such premiums as Property Insurance Costs.

**“Property Insurance Policies”** means one or more policies of property insurance maintained by the Owner that insure a 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 replacement cost of a Real Property. Owner’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 Owner for a Real Property, or by Owner's participation in a joint powers authority established for the purpose of pooling self-insured claims. While any part of the Real Property is subject to the Bonded Indebtedness, the Property Insurance Policies will include all property insurance coverage the County is required to maintain for the Real Property under the Bonded Indebtedness Documents.

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

**"Provided Parking"** means access cards to 43 parking spaces currently in the County-owned 12th Street Parking Garage located across the street from the Buildings, pursuant to the terms of the Parking License Agreement.

**"Real Property"** means, together, the Land, the Buildings, and the Transferred Parking Area.

**"Restricted Areas"** means all areas (i) within the Court Exclusive-Use Area that are not generally accessible to the public, including , judges' chambers, all non-public restrooms, elevators, break rooms, and corridors, and other non-public spaces that are dedicated for use only by judges or Court staff and employees, public areas of the Common Area and the Court Exclusive-Use Area during non-business hours that are subject to security screening during normal business hours, and other secure areas as reasonably designated by the AOC ("Court Restricted Areas") and (ii) all areas within the County Exclusive-Use Area and Parcels B and D as shown on **Attachment "2-1"** that are not generally accessible to the public including the District Attorney and Public Defender Office space, the Sheriff's Weight Room and Showers, the Stanislaus County Jail, the Sallyport Area, the County Underground Area, the roof of the Buildings, and other secure areas as reasonably designated by the County ("County Restricted Areas").

**"Security-Related Areas"** means the parts of the Buildings that are used for secure holding and transport of prisoners, including holding cells and secured elevators, non-public staircases, and non-public corridors.

**"Services"** means (i) the oversight, management, operation, maintenance, repair, or replacement, in good order and condition, and (ii) the renovation, improvement, alteration, addition, or new capital project in any portion of a County Exclusive-Use Area, as and when requested and agreed by the Parties pursuant to **Attachments "6" and "7"** to this JOA.

**"Share"** means the AOC Share or the County Share, as determined by the context in which the term is used.

**“Shared Costs”** means, for the Real Property and subject to section 4 of this JOA: (i) the cost of owned or rented capital replacement items, improvements, equipment, and repairs in or benefiting the Common Area, (ii) the cost of normal, day-to-day Operation of the Common Area including the cost of Utilities provided to the Common Area, and the cost of maintaining Equipment Permits (but excluding any late fees, interest, penalties, or other charges arising from the Managing Party’s failure to timely pay those costs or keep the Equipment Permits in effect), (iii) the cost of Utilities provided to the Exclusive-Use Areas, if Utilities are not separately metered for the Exclusive-Use Areas, and (iv) any Property Insurance Costs, subject to section 4.6 below. Shared Costs do not include: (a) any cost that is primarily for the purpose of benefiting a Party’s Exclusive-Use Area; (b) overtime charges or late fees related to any item that would otherwise be a Shared Cost, unless those overtime expenses or late fees are pre-approved by both Parties, or are necessary to remedy the imminent threat arising from an Emergency; or (c) any fees, fines, penalties, interest, or other charges arising from the Managing Party’s Operation of the Real Property in a negligent manner or a manner that does not comply with Law. Except where the Parties mutually agree to a different allocation of costs, the County shall pay 22.18% of Shared Costs and the AOC shall pay 77.82% of Shared Costs.

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

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

**“Term”** means the term of this JOA, which commences on the Effective Date and continues indefinitely until the Parties enter into a written Termination Agreement terminating this JOA and causing the Memorandum to be terminated and removed as an encumbrance on the Land.

**“Termination Agreement”** means the document titled Termination of Joint Occupancy Agreement in the form and content attached as **Attachment “4”** to this JOA.

**“Total Exclusive-Use Area”** means, together, a Real Property’s Court Exclusive-Use Area and County Exclusive-Use Area. **“Total Exclusive-Use Areas”** means, together, the Total Exclusive-Use Area of the Real Properties.

**“Transferred Parking Area”** means the controlled access parking lot located on a portion of the Land shown as Parcel D of **Attachment “2-1”** containing a total of 44 parking spaces for use by judges and staff of the Court as determined by the Court.

**“Trustee”** means BNY Western Trust Company, the Trustee in respect of the Bonded Indebtedness, and any successor trustees appointed under the Bonded Indebtedness Documents.

“**Utilities**” means the utilities services provided to the Real Property, except for telephone, cable, internet, and other data services, which are governed by section 3.7 of this JOA.

“**Vending Facility**” means “vending facility” as defined in section 19626 of the California Welfare and Institutions Code, as amended.

### **3. RIGHTS AND RESPONSIBILITIES**

3.1 Rights to Exclusive-Use Areas and Common Areas. Under the Act, the Agreement, and this JOA, the AOC has the right to exclusively occupy and use the Court Exclusive-Use Areas, and the non-exclusive right to occupy and use the Common Areas, and the County has the right to exclusively occupy and use the County Exclusive-Use Areas, and the non-exclusive right to occupy and use the Common Areas. Each Party’s non-exclusive right to use the Common Areas must: (i) not interfere with the other Party’s use of its Exclusive-Use Areas or the Common Areas; (ii) not materially increase the other Party’s obligations under this JOA; and (iii) comply with Law. The Parties may from time to time agree on reasonable rules and regulations for their shared use of the Common Areas. The Parties acknowledge that access to the Common Areas shall be available at all times, including during non-business hours.

#### 3.2 Responsibility for Exclusive-Use Areas and Common Areas.

3.2.1 Exclusive-Use Areas. During the Term, each Party is responsible for the Operation of its Exclusive-Use Areas, at its sole cost and expense. Each Party may make alterations and additions to its Exclusive-Use Areas, as long as those alterations and additions do not unreasonably interfere with the other Party’s use of its Exclusive-Use Area in the applicable Building or the Common Area of the applicable Real Property. Where Utilities are not separately metered for each Party’s Exclusive-Use Area, the Managing Party shall provide and pay for Utilities to the Real Property under this JOA, subject to the Contributing Party’s obligations under section 4 of this JOA.

3.2.2 Common Areas. The Managing Party is responsible for the Operation of the Common Areas and shall provide and pay for Utilities to the Common Areas under this JOA, subject to the Contributing Party’s obligations under section 4 of this JOA. The Managing Party may make reasonable additions and alterations to the Common Areas, the cost of which will be a Shared Cost, but the Managing Party must first obtain the written consent of the Contributing Party to those additions or alterations, which consent will not be unreasonably withheld, conditioned, or delayed. If the Contributing Party neither consents, nor provides to the Managing Party a reasonably-detailed description of its reasons for withholding its consent, within 30 days after the Contributing Party’s receipt of the Managing Party’s request for consent to the Common

Area additions or alterations, the Contributing Party will be deemed to have consented, and will be responsible to pay its Share of the costs and expenses incurred by the Managing Party in making the Common Area alterations or additions described in the Managing Party's request for consent.

### 3.2.3 Correction of Deficiencies.

3.2.3.1 Deficiency. Upon the Managing Party's discovery of a Deficiency, the Managing Party must either (i) correct the Deficiency within 10 days, or (ii) if the Deficiency is a Major Deficiency, send a written notice to the Contributing Party, within three business days, describing the Major Deficiency and providing an estimate of the cost and time needed to correct the Major Deficiency ("**Major Deficiency Notice**").

3.2.3.2 Contributing Party Deficiency Notice. The Contributing Party may at any time, but is not obligated to, send a written notice to the Managing Party describing the Deficiency (the "**Contributing Party Deficiency Notice**"). Upon receipt of any Contributing Party Deficiency Notice, the Managing Party must either: (i) correct the Deficiency by no later than 10 days after the Managing Party's receipt of the Contributing Party Deficiency Notice; or (ii) within three business days after the Managing Party's receipt of the Contributing Party Deficiency Notice, send a Major Deficiency Notice to the Contributing Party.

3.2.3.3 Contributing Party's Right to Correct. If the Managing Party neither corrects the Deficiency nor sends a Major Deficiency Notice within the time periods provided in section 3.2.3.2, then the Contributing Party may, but is not obligated to, without giving any notice or commencing any cure period under section 10 of this JOA, correct the Deficiency in any reasonable manner under the circumstances. If the Contributing Party corrects the Deficiency, the Contributing Party will be entitled to reimbursement from the Managing Party, under section 3.2.3.4, below, of the Managing Party's Share of the actual costs incurred by the Contributing Party to correct the Deficiency, whether or not the Deficiency is a Major Deficiency.

3.2.3.4 Correcting Party; Reimbursement. The Party that actually performs the correction of a Deficiency or a Major Deficiency is the "**Correcting Party.**" The Correcting Party is entitled to be reimbursed by the non-correcting Party for the non-correcting Party's Share of the actual costs that the Correcting Party incurs in correcting each Deficiency, as follows:

(a) If the Correcting Party is the Managing Party, the Correcting Party will be reimbursed for the non-correcting Party's Share of the actual costs to correct the Deficiency under section 4 of this JOA; or

(b) If the Correcting Party is the Contributing Party, the Managing Party will reimburse the Contributing Party for the Managing Party's Share of the costs to correct the Deficiency within 30 days after the Contributing Party has delivered to the Managing Party an invoice and reasonable supporting documents evidencing the actual costs to correct the Deficiency.

(c) If the non-correcting Party does not timely reimburse the Correcting Party for the non-correcting Party's Share of the costs of correction, the Correcting Party may offset the non-correcting Party's Share of the costs to correct the Deficiency against any amounts that the Correcting Party owes to the non-correcting Party under this JOA or any other agreement; provided that no offset may be made against the County Facilities Payment.

3.2.3.5 Major Deficiency Correction Plan. If the Managing Party at any time sends the Contributing Party a Major Deficiency Notice, whether under section 3.2.3.1 or section 3.2.3.2 of this JOA, then within 10 days after the Contributing Party's receipt of the Major Deficiency Notice, the Parties will meet and confer, in good faith, in person or by telephone, to determine a plan ("**Correction Plan**") for the correction of the Major Deficiency, including the method, estimated cost, and time period for the correction. If the Managing Party does not thereafter complete the correction of the Major Deficiency in accordance with the Correction Plan, the Contributing Party may, but will not be obligated to, without giving any notice or commencing any cure period under section 10 of this JOA, correct the Major Deficiency in a manner consistent with the Correction Plan, and will thereafter be the Correcting Party for purposes of reimbursement of the Managing Party's Share of the actual costs of correcting the Deficiency under section 3.2.3.4(b) of this JOA.

3.2.3.6 Not Applicable to Emergencies. This section 3.2.3 will not apply to any Deficiency to a Real Property that: (i) arises from an Emergency, and (ii) constitutes an imminent threat (a) to life, safety, health, or security, (b) of reduction in the value of the Contributing Party's Exclusive-Use Area or the Common Area, or (c) to the preservation of the Contributing Party's files, records, and documents located in the Building on that Real Property. Rather, those Deficiencies will be governed by section 3.2.4 of this JOA. Any Deficiency that arises from an Emergency, but that does not constitute an imminent threat to the matters described in (ii) (a), (b), or (c) above, will be governed by section 3.2.3.

3.2.4 Emergencies. If any Emergency occurs, the Parties must immediately notify one another of the Emergency by telephone or any other means reasonable under the circumstances. The Managing Party must promptly take steps to correct any Deficiency that arises from the Emergency and that constitutes an imminent threat (a) to life, safety, health, or security, (b) of reduction in the value of the

Contributing Party's Exclusive-Use Area or the Common Area of that Real Property, or (c) to the preservation of the Contributing Party's files, records, and documents located in the Building on that Real Property. If the Managing Party does not immediately correct any such Deficiency arising from an Emergency, the Contributing Party may, but will not be obligated to, without giving any notice or commencing any cure period under section 10 of this JOA, correct that Deficiency without making any further demand on the Managing Party, and will notify the Managing Party of the steps taken to correct the Deficiency as soon as reasonably possible. The Party that corrects a Deficiency arising from an Emergency under this section 3.2.4 is entitled to reimbursement from the other Party of the non-correcting Party's Share of the actual cost of correcting the Emergency pursuant to section 4 of this JOA. Notwithstanding the foregoing, if a Deficiency arises from an Emergency, but the Deficiency does not constitute an imminent threat to the matters described in (ii) (a), (b), or (c) above, the correction of that Deficiency will be governed by section 3.2.3 of this JOA.

3.2.5 Deficiency and Emergency Notification. All communications and notices between the Parties made under sections 3.2.3 and 3.2.4 of this JOA must be made in accordance with section 4.7 of this JOA.

### 3.3 Parking.

3.3.1 Transferred Parking Area. The AOC is responsible for the Operation and administration of the Transferred Parking Area at no cost to the County Parties.

3.3.2 Provided Parking. The County is responsible for the Operation of the Provided Parking, at no cost to the State Parties. At all times after the Transfer of Responsibility, Court personnel who have been issued a parking pass pursuant to the terms of the Parking License Agreement will have the right to use and occupy the Provided Parking. After the Transfer of Responsibility, if the Provided Parking becomes unavailable for Court use, or if the County wishes to relocate any of the Provided Parking, the County must provide, at the County's sole cost, 43 alternate parking spaces for the Court of comparable convenience to the Buildings, of the type of spaces which were available to the Court as of October 1, 2001. The County must consult with the Court and the AOC before any relocation of the Provided Parking.

3.4 Cooperation. The Parties will cooperate with one another, reasonably and in good faith, to ensure that each Party can peacefully enjoy, possess, use, and occupy its Exclusive-Use Areas the Common Areas. The Owner will cooperate in good faith with, and ensure that, the Non-Owning Party can exercise its rights and responsibilities under this JOA. Subject to any reasonable rules and restrictions, each Party will allow the other Party to enter its Exclusive-Use Areas for any reasonable purpose related to the terms of

this JOA or any other written agreement between the Parties. Either Party may delegate its responsibilities under this JOA to the other Party or to a third party, but that delegation will not relieve the delegating Party from its obligations under this JOA.

3.5 Security-Related Areas. The Parties acknowledge the terms and conditions of the Court Security Agreement effective July 1, 2007 addressing the secure entry, exit, transport, and holding of prisoners attending Court sessions to, from, in, and through, areas of the Property. This JOA and the Agreement do 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. The County and will have the right to enter the Court Exclusive-Use Areas and Security-Related Areas as reasonably necessary for purposes of fulfilling the terms and conditions of the Court Security Agreement.

3.6 Occupancy Agreements. Each Party is responsible for all Occupancy Agreements affecting its Exclusive-Use Areas, and Owner is responsible for all Occupancy Agreements affecting the Common Areas, in each case without contribution from the other Party. The Party that is responsible for each Occupancy Agreement is entitled to all income arising from it. As long as the Buildings are shared use facilities, the Parties agree that all uses arising from Occupancy Agreements shall be compatible with the current use of the Buildings.

3.7 Obtaining Equipment Permits. The Managing Party is responsible for maintaining and renewing the Equipment Permits.

3.8 Information Technology and Telephone Equipment and Services. The Parties acknowledge that the Court receives telecommunication services through a County-owned private branch exchange (“PBX”) telephone system. The County will continue to provide telephone and information technology services to the Courts pursuant to the Telephone Systems and Services Agreement dated August 5, 2008, and the Technology Support MOU between Stanislaus County Strategic Business Technology and the Court, and the Court shall pay all costs associated therewith. The County will retain ownership of the County's telecommunications system including the telephone line interface module. Subcomponents of the County's telecommunications system located at the telephone line interface module and from that point to the County telecommunications infrastructure (exterior cabling and PBX and associated hardware) and any services provided via these conduits (e.g., automated attendants, voicemail systems, etc.) (collectively, “Telecommunications Infrastructure”) shall remain the property of the County, who shall have maintenance responsibility therefor. The AOC acknowledges that essential County data, Telecommunications Infrastructure and other utilities run through Parcels A, B, C and D as shown on **Attachment "2-1"**. The AOC shall provide the County with access to said systems and utilities on, under and within the

Land and Buildings and further agrees that it shall not take any action that will directly or indirectly impact the Operation of said systems or utilities without prior written approval by the County. The County will have the right to enter the Court Exclusive-Use Areas, at times reasonably-convenient to the Court and the other Occupants of such Court Exclusive-Use Areas, for purposes of inspecting and Operation of the PBX and any other data equipment, as and when necessary. The Court may in the future elect to renew or terminate its agreement with the County for data and telecommunications services pursuant to the terms of the aforesaid Agreement with the County. The JOA and this Agreement do not supersede, replace, or modify the current agreement or any other agreement currently in effect or entered into in the future between the County and the Court with respect to the provision of data or telecommunication services.

### 3.9 Criminal Background Screening.

3.9.1 Access to Restricted Areas. Only employees and contractors who are screened and approved pursuant to section 3.9.2 of this JOA (“**Approved Persons**”) may have unescorted access to Restricted Areas. Unscreened employees and contractors may access Restricted Areas if they are escorted and monitored by any of the following: (1) an Approved Person, or (2) an employee of the Court if the Court’s Executive Officer, or his or her designee, consents to a Court employee escorting and monitoring the unscreened person relating to access to Court Restricted Areas; or (3) an employee of the County if the County Sheriff, or his or her designee, consents to a County employee escorting and monitoring the unscreened person relating to access to County Restricted Areas. The Managing Party must take all reasonable steps to ensure that Operation in and of all Restricted Areas is at all times consistent with this section 3.9, provided that all screening procedures relating to access to the County Restricted Areas shall be approved by the County Sheriff or his designee.

3.9.2 Screening and Approval Process. When conducting screenings, the Managing Party must utilize a Live Scan background check or, if the Live Scan system becomes unavailable during the Term of this JOA, by other similar or successor system. **Attachment “5”** to this JOA sets forth the criteria for approval based on the results of the screening. In lieu of the Managing Party conducting the screening and approval process set forth herein, the Contributing Party may, but is not obligated to, conduct the screening and approval process.

3.9.3 Identification of Approved Persons. The Managing Party must issue and provide an identification badge to each Approved Person bearing the Approved Person’s name and picture, which badge will indicate that the Approved Person is permitted to access the Restricted Areas. If the Parties issue identification badges to its employees, the Managing Party need not issue a separate badge to Approved Persons who have such identification badges, but may affix a sticker or other marking on the



existing badges of Approved Persons to indicate their right to access Restricted Areas. If the AOC has chosen to conduct the screening and approval of employees or contractor employees, the AOC will either (1) notify the County if an employee is approved, whereupon the County will provide and issue an identification badge for that Approved Person, or (2) provide an identification badge for the Approved Person to the County, and the County will be responsible for issuing the identification badge to that Approved Person. All Approved Persons must wear their identification badges in a readily-visible manner whenever they are in a Restricted Area.

3.9.4 DOJ and DMV Requirements. Notwithstanding anything in this JOA to the contrary, the Parties must comply with background check and clearance requirements of the California Department of Justice (“**DOJ**”) and the California Department of Motor Vehicles (“**DMV**”) relating to any employee or contractor who has physical access to any area which is either connected to, or contains records from, the DOJ criminal computer database, including, without limitation, the California Law Enforcement Telecommunications System (CLETS) and the Criminal Offender Record Information (CORI), or the DMV computer database (collectively the “**Databases**”). Upon request, the Parties must provide to each other suitable documentation evidencing their compliance with the policies, practices, and procedures of the DOJ and the DMV regarding background check and clearance requirements relating to access to the Databases.

3.9.5 Roof Maintenance. Only Approved Parties shall be given access to the roof of the Buildings to ensure that there is no breach of security relating to the County Jail exercise area located on the roof of the Jail adjacent to the Buildings.

3.10 County Facilities Payment. Nothing in this JOA diminishes or modifies the County’s obligations under the Act and the Agreement for payment of the County Facilities Payment.

3.11 Provision of Services. The County may request that the AOC provide non-Emergency Services to the County Exclusive-Use Area in accordance with the provisions set forth in **Attachment “6”** to this JOA.

3.11.1 Level of Service. The AOC shall respond to Services requests from the County in the same manner as the AOC responds to all other AOC requests for the same or similar services in the Modesto area.

3.11.2 Compensation for Services. The County agrees to compensate the AOC for Services requested pursuant to this section 3.11 in accordance with the payment provisions set forth in **Attachment “7”** to this JOA.

3.11.3 Records. The AOC shall maintain a service call log (“**Service Call Log**”) in sufficient detail to enable the County to determine whether Services are completed in accordance with the terms of this section 3.11. The Service Call Log will include the following information: (a) title of the person from the County requesting Service; (b) Service Request number; (c) identification of where the work is to be performed; (d) date the work order was received; (e) date and description of the corrective action; and (f) follow-up action to be taken, if any. The AOC shall also maintain all supporting documentation regarding any amounts charged by the AOC in providing Services requested pursuant to this section 3.11 (“**Invoice Documentation**”) for a minimum retention period of at least five years, or as required by Law.

3.11.4 Inspection of Records. The County may request to inspect the Service Call Log for the 12 months prior to its request for inspection, and the AOC shall make the Service Call Log available for inspection by County representatives at all reasonable times. The County may request Invoice Documentation for invoices submitted within the 12 months prior to the County’s request. The AOC shall provide the Invoice Documentation within 30 days of the County’s request. The County’s payment of any County invoice will not preclude the County from questioning, for a period of up to 12 months following the date of the invoice, the accuracy of the particular invoice provided by the AOC or any information or changes contained therein.

3.12 AOC Access to Boiler in Parcel B. The County hereby grants a nonexclusive license to the AOC to enter the County Jail located on Parcel B to maintain the boiler which serves the Buildings, provided that access to the County Jail shall be subject to security clearance procedures set forth in Section 3.9 of this JOA and shall be granted only to persons who have been approved by the County Sheriff or his designee.

3.13 Common Utility Systems. The Parties mutually agree to provide access to each other for the purposes of maintaining common utility systems which are located on, under or within Parcels A, B, C and D as shown on **Attachment “2-1”**, subject to security clearance procedures set forth in Section 3.9 of this JOA.

3.14 County Underground Area. Notwithstanding anything to the contrary set forth in this JOA, all portions of the County Underground Area, whether or not located on or under the Land, shall be reserved for the exclusive use of the County and will at all times be and remain the exclusive liability and responsibility of the County for Operation, control, and use. The County will have the right, at any time, to discontinue the use of, or to close or abandon, the County Underground Area for any reason whatsoever, and if the County at any time elects to permanently discontinue the use of or to close or abandon the County Underground Area, then the County will be responsible to take all actions, and obtain any and all required permits or approvals, in connection with the permanent closure or abandonment of the County Underground Area in accordance with then-

applicable Law. On and after the TOR Closing Date, the AOC grants to the County the exclusive right to enter, exit, access, and use the County Underground Area that is located on or under the Land, as reasonably necessary for the County's Operation, control, and use, and the County will at all times exercise its rights with respect to the County Underground Area in a way that minimizes interruption to or interference with Court operations in the Buildings. The Grant Deed shall expressly except from the conveyance and reserve to the County the County Underground Area.

#### **4. SHARED COSTS**

4.1 Payment of Estimated Shared Costs. The Managing Party will make timely, direct payment of all Shared Costs owed to third parties, and the Contributing Party is responsible to reimburse the Managing Party for its Share of all Shared Costs under this section 4. Within 90 days after the Effective Date, and within 30 days after the first day of each fiscal year thereafter, the Managing Party will deliver to the Contributing Party statements (the "**Estimate Statements**") itemizing the Estimated Shared Costs for each Real Property, which the Contributing Party will either comment on or approve within 30 days. If the Contributing Party disapproves any of the Estimated Shared Costs in the Estimate Statements, the Parties will promptly meet and discuss the reason for the disapproval. If the Parties reach agreement with respect to all Estimated Shared Costs, the Managing Party will, if necessary, revise the Estimate Statements, which both Parties will approve. The Contributing Party is not obligated to make any payments of its Share of the Shared Costs until it has approved the Estimate Statements in writing. However, until the Contributing Party approves the Estimate Statements, it will pay its Share of the Shared Costs based on the approved Estimate Statements for the prior fiscal year, or, during the initial fiscal year of the Term, based on the County Facilities Payment. Upon approving the Estimate Statements, the Contributing Party will pay its Share of the Estimated Shared Costs based on the approved Estimate Statements, plus all additional amounts owed by the Contributing Party for the period during which the Parties were in the process of reaching agreement as to the Estimate Statements. Payment of Estimated Shared Costs will be made in equal quarterly installments on the first day of each fiscal quarter, subject to this JOA.

4.2 Payment of Actual Shared Costs. Within 30 days after the end of each fiscal quarter, the Managing Party will deliver to the Contributing Party a statement (the "**Quarterly Invoice**") for each Real Property itemizing the actual Shared Costs incurred during the previous fiscal quarter for that Real Property ("**Actual Shared Costs**"). Within 30 days after a written request by the Contributing Party, the Managing Party will also deliver to the Contributing Party copies of supporting documents for any of the Actual Shared Costs shown on a Quarterly Invoice. If the Actual Shared Costs are less than the Estimated Shared Cost for the applicable fiscal quarter, the Managing Party will refund the amount overpaid to the Contributing Party within 30 days after the Managing

Party's delivery of a Quarterly Invoice, except that if the Contributing Party consents, the Managing Party may retain the overpayment and offset it against future amounts owed by the Contributing Party under this JOA. If the Actual Shared Costs for any Real Property are greater than the Estimated Shared Costs for that Real Property for the applicable fiscal quarter ("**Excess Costs**"), the Contributing Party will pay such Excess Costs to the Managing Party within 30 days after its receipt of a Quarterly Invoice, except that (a) if the Excess Costs for a Real Property are more than 10 percent of the Estimated Shared Costs for that Real Property for any fiscal quarter, or (b) if the Contributing Party has requested, but not received, supporting documents for any Excess Costs by 10 days prior to the date that payment is due, the Contributing Party will continue to make payment of its Share of the Shared Costs for the affected Real Property based on the Estimate Statements, or as otherwise agreed under section 4.3 of this JOA, but may defer payment of the Excess Costs for the affected Real Property (or, in the case of (b) above, the Excess Costs to which the supporting documents relate) for that fiscal quarter, until the Parties have met and reached an agreement regarding the amount of the Excess Costs for the affected Real Property, under section 3.2.3.5 or section 4.3 of this JOA, whichever is applicable.

4.3 Notice of Anticipated Excess Costs. Prior to incurring any Shared Cost that the Managing Party reasonably believes will result in Excess Costs in an amount greater than 10 percent of the Estimated Shared Costs shown on a Real Property's Estimate Statement, the Managing Party must give written notice to the Contributing Party describing the amount and reason for those Excess Costs; except that (a) no notice must be given to the Contributing Party if the Excess Costs will be incurred to correct a Deficiency arising from an Emergency under section 3.2.4 of this JOA, and (b) if the Excess Costs will be incurred in connection with the correction of a Deficiency under section 3.2.3 of this JOA, notice of the Excess Costs, and resolution of any issues related to the Excess Costs, will be handled under section 3.2.3, and this section 4.3 will not apply. If the Contributing Party objects in writing to the Excess Costs within 30 days after receiving the Managing Party's notice, the Parties must meet and confer, in person or by telephone, within 10 days to resolve their dispute concerning the Excess Costs. If the Parties do not reach agreement concerning the Excess Costs during that meet and confer process, the Parties will promptly seek to resolve their dispute concerning the Excess Costs under the terms of section 11 of this JOA. If the Contributing Party does not respond to the Managing Party's notice within 30 days of receiving the notice, the Managing Party may proceed with expenditure of the Excess Costs in the amount and for the purpose described in the notice, and the Contributing Party must pay its Share of those Excess Costs.

4.4 Audit Rights. The Contributing Party may, at its sole cost and upon reasonable notice to the Managing Party, inspect the Managing Party's books, records, and supporting documents concerning all Actual Shared Costs incurred for up to 12

calendar months prior to the date of the Contributing Party's inspection. The Parties will cooperate reasonably with each other to ensure that the inspection is performed promptly and without undue interference to either Party. If, after its inspection, the Contributing Party disputes any Actual Shared Costs for any of the immediately-preceding 12 calendar months, the Contributing Party may engage an independent certified public accountant, acceptable to both Parties, to audit the Managing Party's books and records to determine the amount of the Actual Shared Costs in dispute. The results of the audit will be binding on both Parties. If the audit reveals that the Contributing Party overpaid or underpaid Actual Shared Costs for a fiscal quarter, the Parties will make the payments necessary to resolve that overpayment or underpayment within 30 days following the completion of the audit. The Contributing Party must pay the entire cost of the audit. The Contributing Party's payment of Shared Costs will not prevent it from disputing the accuracy of any Actual Shared Costs under this section 4.4.

4.5 Parking Area Costs. The County is responsible, at its sole cost and expense, for all costs incurred with respect to the Operation of the Provided Parking, and those costs and expenses will not be included as a Shared Cost. The AOC is responsible, at its sole cost and expense, for all costs incurred with respect to the Operation of the Transferred Parking Area, and those costs and expenses will not be included as a Shared Cost.

4.6 Changing Certain Property Insurance Costs. Owner will not change any deductible or self-insurance retention amount in respect of the Property Insurance Policies without the prior, written consent of the Non-Owning Party.

4.7 Shared Cost Notifications. Notwithstanding section 12 of this JOA, all communications and notices between the Parties relating to Shared Costs including, without limitation, Estimate Statements, Quarterly Invoices, or any other communication or notice required by this section 4, will be made between the following County and AOC representatives:

If to the AOC:

Administrative Office of the Courts  
Office of Court Construction and Management  
Real Estate and Asset Management  
2880 Gateway Oaks Drive  
Sacramento, CA 95833  
Attention: Northern Regional Manager  
Phone: 916-263-1368  
Fax: 916-263-8140

If to the County:

County of Stanislaus  
Chief Executive Office  
Attention: Jim Kwartz, Associate Management Consultant  
1010 10<sup>th</sup> Street, Suite 6800  
Modesto, CA 95354  
Phone: 209-525-6333  
Fax: 209-544-6226

## **5. RIGHT OF FIRST REFUSAL, COMPATIBLE USES, AND VACATE RIGHTS**

### **5.1 Right of First Refusal and Increase of Space In Buildings**

5.1.1 Right of First Refusal for Excess Area. At least 30 days before a Party rents or otherwise transfers to a third party all or any portion of its Exclusive-Use Area in any Building (“**Excess Area**”), that Party must, by written notice, offer the Excess Area to the other Party on the same terms and conditions set forth in any offer to or from a third party for the Excess Area (“**Third Party Terms**”). For purposes of this section, “third parties” means an entity other than the Court or the County. The Third Party Terms must separate the rent for the Excess Area from any amounts to be paid by the third party for Operation, Utilities, and other costs in respect of the Excess Area. If the other Party elects not to occupy the Excess Area on the Third Party Terms, or fails to respond to the notice within a 30 day period, the Party with the Excess Area may, subject to section 5, permit a third party to occupy and use the Excess Area on the Third Party Terms. Before a third party can occupy the Excess Area on terms that are more favorable to the third party than the Third Party Terms, the Party with the Excess Area must again first offer the Excess Area to the other Party on those more favorable terms under this section 5.1.1. If the other Party elects to accept the Excess Area on the Third Party Terms, the Parties will enter into a separate written agreement setting forth the terms for the other Party’s occupancy and use of the Excess Area, consistent with the Third Party Terms.

5.1.2 Request for Increase of Exclusive-Use Area. If a Party wishes to increase the size of its Exclusive-Use Area (“**Additional Area**”), and the Parties reach agreement on mutually-acceptable terms for the Additional Area, the Parties will enter into a separate written agreement setting forth the terms for the occupancy and use of the Additional Area, which terms may include a reasonable rent, subject to section 5.1.4 of this JOA.

5.1.3 No Adjustment to Shares. If a Party rents any Excess Area or Additional Area under section 5.1.1 or 5.1.2, above, the rental transaction will not result in a change to the Parties' Shares for the applicable Real Property. Rather, the rent paid by the Party renting the Excess Area or the Additional Area will include the Shared Costs applicable to the Excess Area or the Additional Area of the applicable Real Property. The Parties' Shares will only be adjusted if one Party at any time buys the other Party's rights to occupancy and use of any Real Property for fair market value under section 5.3 of this JOA, or otherwise.

5.1.4 Terms of this JOA Not Affected. Any transfer of the Excess Area or the Additional Area to a Party or to a third party will not relieve the Parties of their rights and responsibilities under this JOA with respect to the Excess Area or the Additional Area. Rather, any re-allocation of the Parties' rights and responsibilities under this JOA will be set forth in any separate agreement entered into by the Parties for rental of the Excess Area or the Additional Area.

## 5.2 Compatible Use; Hazardous Substances.

5.2.1 Compatible Use. Each Party must use, and must require that any Occupant use, its Exclusive-Use Areas in a manner that is compatible with the Parties' use of the Buildings on the Effective Date and that does not deteriorate or diminish the other Party's ability to use its Exclusive-Use Areas or the Common Areas effectively. The Managing Party must ensure that any Occupant that occupies any of the Common Areas uses its space in a manner compatible with the Parties' use of the Real Properties in or on which such Common Area is located.

5.2.2 Hazardous Substances. Neither Party will store, use, treat, manufacture, or sell, or allow any other person to store, use, treat, manufacture, or sell, any Hazardous Substance on any of the Real Properties except in compliance with Law.

5.3 Vacate Right Pursuant to Section 70344(b) of the Act. After the Effective Date, if either Party is entitled to and does exercise its rights under section 70344(b) of the Act with respect to any Building, the Party that is required to vacate the Building ("**Vacating Party**") must remove all of its property from, and surrender to the other Party full possession of, the space vacated ("**Vacated Space**") within 90 days after the Parties agree on the amount of compensation to be paid to the Vacating Party for (i) its Equity in the Vacated Space, and (ii) its relocation costs. The Vacating Party must repair, at its sole cost, any damage it causes to any part of the Real Property on which the Vacated Space is located in removing its property from the Vacated Space. If the Parties cannot agree on the value of the Vacating Party's Equity in the Vacated Space, the Parties will select a mutually-acceptable Appraiser or a Broker to determine the fair market value of the Vacating Party's Equity in the Vacated Space. If the Parties cannot agree on the fair

market value of the Vacating Party's relocation costs, the Parties will select a mutually-acceptable relocation expert with at least five years of experience in determining relocation costs in California ("**Expert**"), to determine the fair market value of the Vacating Party's relocation costs. Any Appraiser, Broker, or Expert will deliver to both Parties its determination of value, and each Party will be responsible for one-half of the costs of the Appraiser, Broker, or Expert. Any disputes under this section 5.3 will be resolved under section 11 of this JOA. The Parties will enter into an Equity Rights Purchase Agreement, substantially similar to **Attachment "3"** attached to this JOA, to memorialize the terms of the purchase of the Vacating Party's Equity in the Vacated Space, and the Parties must enter into a Termination Agreement, substantially similar to **Attachment "4"** attached to this JOA, when the Vacating Party has vacated the Vacated Space.

5.4 Amendment to JOA; Equity Rights. If the Parties' Equity rights will be modified, whether under section 7 of this JOA, or as a result of any other purchase of Equity rights to which the Parties may agree under this JOA or the Act, the Parties will amend this JOA to: (i) adjust their Exclusive-Use Areas; and (ii) adjust each Party's Share and their Equity rights in the Real Property.

## 6. INSURANCE

6.1 Property Insurance. Until the Bonded Indebtedness no longer encumbers any part of the Real Property: (i) the terms of the Bonded Indebtedness Documents govern the County's obligation to obtain and maintain in full force and effect the Property Insurance Policies; and (ii) any inconsistency between the terms of this JOA and the terms of the Bonded Indebtedness Documents regarding the County's obligation to insure the Real Property will be resolved in favor of the terms of the Bonded Indebtedness Documents. Subject to the foregoing, the terms of this section 6 will apply and govern the rights and responsibilities of the Parties.

6.1.1 Property Insurance Policies to be Maintained. Owner will provide the Property Insurance Policies for all of the Buildings, and maintain them in full force and effect, and will make direct payment of all Property Insurance Costs, subject to the Non-Owning Party's obligation to pay its portion of those costs, subject to section 4.6 of this JOA, unless the AOC provides written notice to Owner requesting that it no longer provide the Property Insurance Policies under this JOA. Owner 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 insureds or covered parties, as appropriate, and joint loss payees for any Property Damage 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.



6.1.2 Allocation of Risk for Property Damage Claims. While Owner is providing and maintaining the Property Insurance Policies, and the Non-Owning Party is paying its portion of the Property Insurance Costs under section 4 of this JOA, Owner will bear all of the risk arising from Property Damage Claims, and Owner hereby waives, and will cause the providers of its Property Insurance Policies to waive, all rights of recovery against the other Party and its applicable insurer(s) for any Property Damage Claims payable under, the terms and conditions of the Property Insurance Policies. Owner 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 Damage 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.

6.1.3 Compliance with Property Insurance Policies. While Owner is providing and maintaining the Property Insurance Policies under this JOA, Owner will provide the Non-Owning Party with verification that the Property Insurance Policies are in full force and effect and, at the request of the Non-Owning Party, with copies of the Property Insurance Policies, as the Property Insurance Policies may be issued or modified from time to time consistent with section 4.6 of this JOA. 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 Owner has provided to the Non-Owning Party.

6.1.4 Application of this Section. While the Real Property is subject to the Bonded Indebtedness, this section 6.1.4 will apply, and section 7 of this JOA will be of no force or effect. When the Real Property is no longer subject to the Bonded Indebtedness, this section 6.1.4 will be of no further force or effect whatsoever, and section 7 of this JOA will govern and control.

6.1.4.1 Property Insurance Proceeds. Upon the occurrence of any Property Loss, the Parties will promptly meet and confer, in good faith, to determine how the proceeds of the Property Insurance Policies arising from the Property Damage Claim will be allocated and used, and what notice will be given by the County or the Corporation to the Trustee under the Bonded Indebtedness Documents concerning those insurance proceeds. 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”). The meeting will be held, in person or by telephone, by no later than 30 days before the date that the County must give notice to the Trustee under the

Trust Agreement. In no event will the insurance proceeds arising from a Property Damage Claim be allocated or used in a manner that results in a breach or default by the County or the Corporation under the Bonded Indebtedness Documents. The County must continue to make all payments and perform all of its obligations under the Bonded Indebtedness Documents until the Bonded Indebtedness has been fully repaid and satisfied, notwithstanding the Property Loss.

6.1.4.2 Decision Not to Restore or Replace. If, as a result of the meeting described in section 6.1.4.1 above, the Parties decide that the insurance proceeds arising from the Property Damage Claim will not be used to restore or replace the Damaged Property, and if any of the Court Exclusive-Use Area 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 Court Exclusive-Use Area. The compensation to be paid to the AOC will be determined in the manner described in section 5.3 of this JOA. To the extent covered by the Property Insurance Policies, the AOC will be entitled to that portion of the proceeds from the Property Damage Claim that are directly related to compensation for the AOC's relocation costs arising from Property Loss. If the AOC will no longer occupy the Building due to Property Loss that the Parties decide not to restore or replace, then when the AOC has been compensated for its Equity rights under this section 6.1.4.2, the Parties will terminate this JOA by signing a Termination Agreement and recording it in the County Recorder's Office.

## 6.2 Reporting and Processing Claims.

6.2.1 Incident Reports. The Managing Party will maintain copies of any Incident reports that it prepares for a period of five years, and at the request of the Contributing Party, the Managing Party will provide the Contributing Party with a complete copy of, or reasonable access to, those Incident reports.

6.2.2 Party Responsible for Claims. If either Party receives any demand, complaint, notice, document, or information alleging the existence or occurrence of any incident, event, circumstance, or occurrence in, on, or about the Real Property ("**Incident**") that is or could result in any Property Damage Claim or Liability Claim (each, a "**Claim**", and together, "**Claims**") or an AOC Claim, or if a Party otherwise becomes aware that an Incident has occurred, that Party will make best efforts to promptly notify the other Party of that Incident. Following that notice, the Parties will work together, diligently and in good faith, to determine which of them bears responsibility for the loss or injury alleged, and whether either Party is entitled to indemnification by the other in respect of the Incident under sections 8.1 or 8.2 of this Agreement. If the Parties are not able to so agree, then they will resolve those matters under section 11 of this JOA.

6.3 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 each 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.

6.4 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.

6.5 Personal Property Contents Coverage. Each Party will each maintain its own insurance covering the personal property, equipment and contents within each Party's Exclusive Use Area, and neither Party will have any liability or responsibility for insurance coverage for the personal property or contents of the other Party.

## **7. DAMAGE OR DESTRUCTION**

7.1 Property Loss After Bonded Indebtedness Satisfied. While the Real Property is subject to the Bonded Indebtedness, the terms of section 6.1.4 of this JOA govern in respect of any Property Loss, and this section 7 is of no force or effect. When the Real Property is no longer subject to the Bonded Indebtedness, this section 7 will govern and apply in respect of any Property Loss or Property Damage Claim, and section 6.1.4 of this JOA will be of no further force or effect whatsoever, except only as to any Property Loss or Property Damage Claim that occurred or commenced while the Real Property was subject to the Bonded Indebtedness.

7.1.1 Allocation of Property Insurance Proceeds. In the event of a Property Loss, each Party will be entitled to the proceeds payable under the Property Insurance Policies to the extent the Property Loss is attributable to its Exclusive-Use Area or its Share of the Common Area. If one or more Property Damage Claims is fully and finally resolved in an amount that exceeds the applicable amount payable under all of the Property Insurance Policies, or if any Property Loss is not covered by the Property Insurance Policies through no fault of the County, then if both Parties elect to restore or

replace the Damaged Property, each Party will pay the amounts that exceed the coverage of the Property Insurance Policies to the extent the Property Loss is attributable to its Exclusive-Use Area or its Share of the Common Area. By way of example only, if the total amount of the Property Damage Claim is \$1,250,000, and if 40 percent is attributed to damage in the Court Exclusive-Use Area, 35 percent is attributed to damage in the County Exclusive-Use Area, and 25 percent is attributed to damage in the Common Area, and the total amount payable under the Property Insurance Policies is \$1,000,000, then the AOC would be entitled to insurance proceeds in the amount of \$400,000 (for the damage to the Court Exclusive-Use Area), the County would be entitled to insurance proceeds of \$350,000 (for damage to the County Exclusive-Use Area), and the Parties would share the remaining \$250,000 of insurance proceeds in accordance with their respective Shares. With respect to the uninsured \$250,000 portion of the Property Damage Claim, the AOC would be responsible to pay \$100,000 (40 percent of \$250,000) in respect of its Exclusive-Use Area, plus an amount equal to the AOC Share of the \$62,500 (25 percent of \$250,000) in respect of the Common Area, and the County would be responsible to pay (if both Parties elect to restore or replace the Damaged Property) the balance of the uninsured loss. The County will assign and deliver to the AOC all insurance proceeds owed to the AOC effective upon the County's receipt of those proceeds.

7.2 Damage or Destruction Event. If, due to Property Loss, a Real Property cannot be occupied by one or both Parties, each Party will be solely responsible to arrange for its own relocation to and occupancy of alternate space. Promptly after a Property Loss, the Parties will comply with the provisions of sections 6 and 7.1 of this JOA, and as promptly as possible, but in no event later than 180 days after a Property Loss, each Party will notify the other in writing ("**Restoration Election Notice**") whether it wishes to restore or replace the Damaged Property.

7.3 Both Parties Elect to Restore or Replace. If both Parties elect to restore or replace the Damaged Property, the Parties will cooperate in good faith to restore or replace the Damaged Property, with each Party contributing the proceeds it receives as indemnity for direct physical loss or damage under the Property Insurance Policies and otherwise paying its portion of the cost to restore or replace the Damaged Property, as set forth in sections 6.1.4 or 7.1 of this JOA. If the Parties restore or replace the Damaged Property in a way that results in a change to the Parties' Shares or their Equity rights, the Parties will each pay the costs and expense to restore or replace the Damaged Property according to their newly-determined Shares or Equity rights.

7.4 Only One Party Elects to Restore or Replace. If, based on the Restoration Election Notices, only one Party elects to restore or replace the Damaged Property, then within 30 days after the Parties' Restoration Election Notices are given, the Parties must meet and confer in good faith to determine how to proceed with respect to (i) the

Damaged Property; (ii) the proceeds of the Property Insurance Policies, if any, to which each Party is entitled as indemnity for direct physical loss or damage under sections 6.1.4 or 7.1 of this JOA, and (iii) compensation for the Equity rights of either Party in the affected Real Property, if applicable. If the Parties cannot agree on those matters, they will proceed as set forth in section 11 of this JOA. Until the Parties have reached a final agreement concerning how the foregoing issues will be resolved, neither Party will use any applicable insurance proceeds that are in dispute. Those insurance proceeds will only be used in accordance with the Parties' final resolution of those issues.

7.5 Neither Party Elects to Restore or Replace. If neither Party elects to restore or replace the Damaged Property, then both Parties will retain the proceeds of the Property Insurance Policies to which they are entitled under section 6.1.4 or 7.1 of this JOA. If any of the Non-Owning Party's Exclusive-Use Area in any Building is uninhabitable as a result of the Property Loss, then the Owner will compensate the Non-Owning Party for its Equity rights in the uninhabitable part of the Non-Owning Party's Exclusive-Use Area in such Building, determined in the manner described in section 5.3 of this JOA, except that all insurance proceeds the Non-Owning Party has received, or will receive, as indemnity for direct physical loss or damage from final resolution of any Property Damage Claims made in respect of the Damaged Property will be deducted from the Equity rights compensation paid by the Owner to the Non-Owning Party for its Equity rights in the uninhabitable parts of its Exclusive-Use Area in the Building affected by the Property Loss. To the extent covered by the terms of the Property Insurance Policies, the Non-Owning Party will be entitled to that portion of the proceeds from the Property Damage Claim that is directly related to compensation for the Non-Owning Parties' relocation costs arising from the Property Loss. If the Non-Owning Party will no longer occupy any Building due to Property Loss that neither Party elects to restore or replace, then when the Non-Owning Party has been compensated for its Equity rights under this section 7.4, the Parties will terminate this JOA with respect to the applicable Building by signing a Termination Agreement and recording it in the County Recorder's Office.

## 8. INDEMNIFICATION

8.1 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, liability, damages, attorney fees, costs, expenses, or losses (referred to in this section 8 as "**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.

8.2 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.

8.3 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 8.1 or 8.2 of this JOA, 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.

8.4 Effect of Indemnification Rights. The rights of a Party to be indemnified under sections 8.1 or 8.2 of this JOA 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.

## 9. CONDEMNATION

If either Party receives written notice advising of an actual or intended condemnation of any of the Real Properties ("**Condemnation Notice**"), that Party will immediately deliver a copy of the Condemnation Notice to the other Party. In the event of an actual condemnation, the Parties will cooperate with each other in good faith to obtain the maximum award that may be obtained from the condemning authority, and each Party will be entitled to its Share of the condemnation proceeds.

## 10. DEFAULT NOTICE AND CURE

Upon a Party's breach or default of any other provision of this JOA, the Parties will comply with the terms for notice of default and cure period set forth in section 10 of the Agreement, which terms are incorporated into this JOA as though fully set forth herein. Notwithstanding anything in this JOA or the Agreement to the contrary, no default or breach will be deemed to have occurred if the AOC is unable to pay any amounts due and owing under this JOA as a result of the State of California's failure to timely approve and adopt a State budget. Should the AOC fail to pay any amounts due and owing under this JOA as a result of the State of California's failure to timely approve

and adopt a State budget, the AOC will promptly pay any previously due and unpaid amounts due and owing under this JOA upon approval and adoption of the State budget.

## **11. DISPUTE RESOLUTION**

In the event of a dispute between the Parties relating to performance of the Parties' obligations under this JOA, the Parties will comply with the terms for dispute resolution set forth in section 12 of the Agreement, which terms are incorporated into this JOA as though fully set forth herein.

## **12. NOTICES**

Subject to section 4.7 of this JOA, any notice or communication required to be sent to a Party under this JOA must be sent in accordance with the terms for giving of notices in section 12 of the Agreement, which terms are incorporated into this JOA as though fully set forth herein.

## **13. MISCELLANEOUS**

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

13.2 Force Majeure. Neither Party is responsible for performance under this JOA 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.

13.3 Assignment. Neither Party may assign this JOA 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.

13.4 Binding Effect. This JOA binds the Parties and their permitted successors and assigns.

13.5 Third Parties Benefited. The Court is an intended beneficiary of all provisions of this JOA for the benefit of the AOC.

13.6 Construction. The headings used in this JOA are for convenience only and will not affect the meaning or interpretation of this JOA. The words “hereof,” “herein,” and “hereunder,” and other words of similar import, refer to this JOA as a whole and not to any subdivision of this JOA. Both Parties have reviewed and negotiated this JOA, and this JOA will not be construed against a 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.

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

13.8 Incorporation By Reference. The Attachments to this JOA are incorporated into and made a part of this JOA for all purposes, and all references to this JOA in any of the Attachments mean and include the entirety of this JOA.

13.9 Severability. If any term of this JOA 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 JOA not affected by the inconsistency will remain in full force and effect.

13.10 Further Assurances. The Parties agree to cooperate reasonably and in good faith with one another to (i) implement the terms and provisions set forth in this JOA and the Act, and (ii) 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 JOA and the Act.

13.11 Conflicts Between JOA and Agreement; Capitalized Terms. The Agreement supersedes and controls to the extent of any conflicts between the terms of the Agreement and this JOA. Capitalized terms used in this JOA and not otherwise defined herein will have the meanings given to them in the Agreement.

13.12 Signature Authority. The individuals signing this JOA on behalf of the AOC and the County certify that they are authorized to do so.

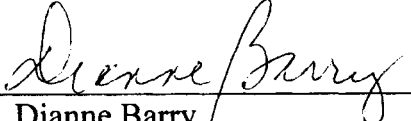
(SIGNATURE PAGE FOLLOWS)




I agree to the terms of this JOA.

APPROVED AS TO FORM:

Administrative Office of the Courts,  
Office of the General Counsel


By:   
Name: Dianne Barry  
Title: Attorney  
Date: 12/5/08

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

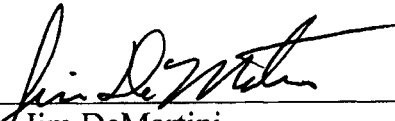
By:   
Name: Grant Walker  
Title: Senior Manager, Business Services  
Date: 12/5/08

ATTEST:

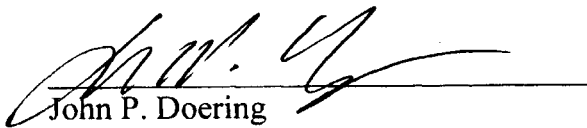
Christine Ferraro Tallman,  
Clerk of the Board

By:   
Name: CHRISTINE Ferraro Tallman  
Title: Clerk of the Board  
Date: Dec. 9, 2008

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

By:   
Name: Jim DeMartini  
Title: Vice Chairman, Board of Supervisors  
Date: Dec. 9, 2008

APPROVED AS TO FORM:

  
John P. Doering  
County Counsel

## LIST OF ATTACHMENTS

Attachment "1"	Legal Description of Courthouse/Jail Block as of the Effective Date
Attachment "2-1"	Parcels A, B, C and D
Attachment "2-2"	AOC Equity Share-County Equity Share
Attachment "2-3"	Floor Plan of Interior of Buildings Depicting Exclusive-Use Areas and Common Areas.
Attachment "2-4"	County Underground Area
Attachment "3"	Form of Equity Rights Purchase Agreement
Attachment "4"	Form of Termination of Joint Occupancy Agreement
Attachment "5"	Criteria for Approving County Employees and County Contractors with Respect to Background Checks
Attachment "6"	Work Order Procedures
Attachment "7"	Payment Provisions

**ATTACHMENT "1" TO JOA**  
**LEGAL DESCRIPTION OF THE COURTHOUSE/JAIL**  
**BLOCK AS OF THE EFFECTIVE DATE**

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

All of Block 83 of the City of Modesto, filed in the Office of the County Recorder of Stanislaus County on December 21, 1942 in Volume 15 of Maps.

APN: 105 025 001

**ATTACHMENT "2-1" TO JOA**

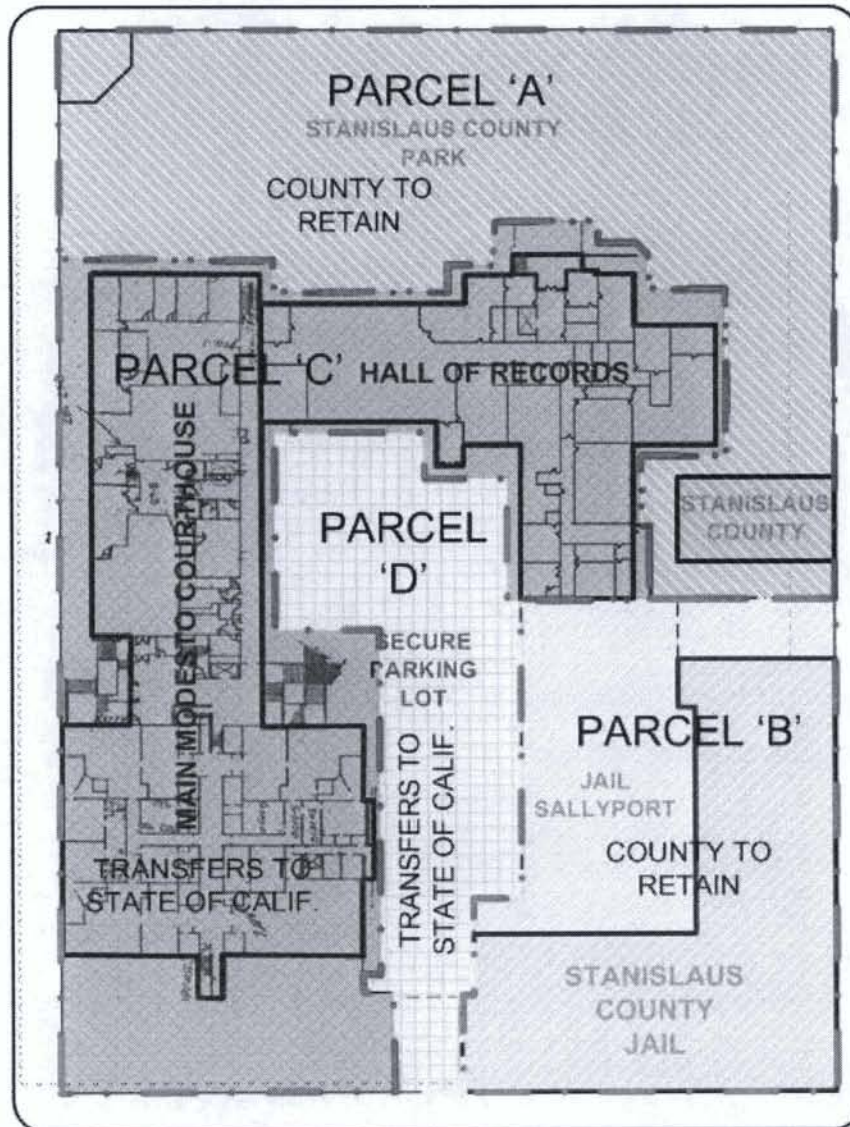
**PARCELS A, B, C AND D**

**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS**

800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Draft Record of Survey Depicting Parcels A, B, C and D

Conceptual Diagram

I STREET



**ATTACHMENT "2-2" TO JOA**

**AOC/COURT EQUITY SHARE AND COUNTY EQUITY SHARE**

Location	Total SF	County Space SF	% of Space County	AOC/Court Space SF	% of Space AOC/Court
Main Courthouse	64,092	135	.21%	63,957	99.79%
Hall of Records	45,343	24,136	53.23%	21,207	46.77%
<b>TOTAL</b>	<b>109,435</b>	<b>24,271</b>	<b>22.18%*</b>	<b>85,164</b>	<b>77.82%**</b>

\* County Equity Share

\*\* AOC Equity Share




**ATTACHMENT "2-3" TO JOA**

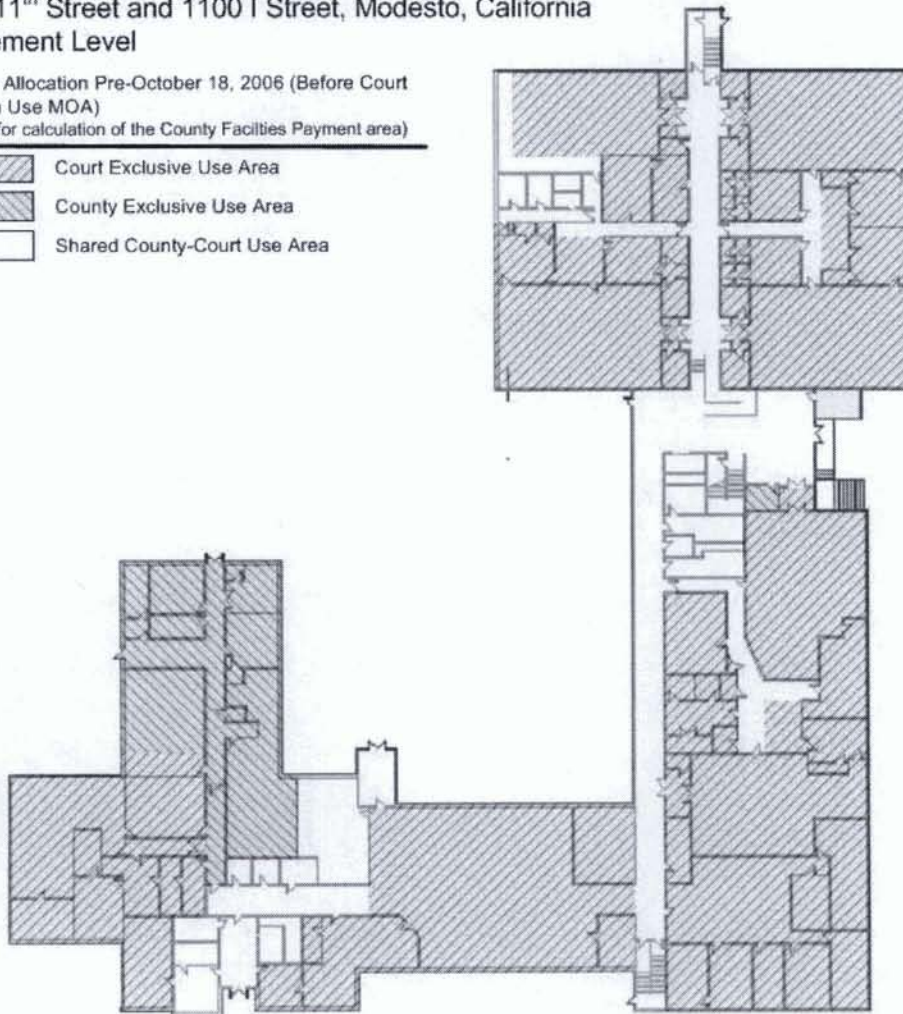
**FLOOR PLAN OF BUILDINGS DEPICTING EXCLUSIVE USE AREAS  
AND COMMON AREAS**

Basement Level

**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Basement Level

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area



**ATTACHMENT "2-3" TO JOA**

**FLOOR PLAN OF BUILDINGS DEPICTING EXCLUSIVE USE AREAS**

**AND COMMON AREAS**




First Floor

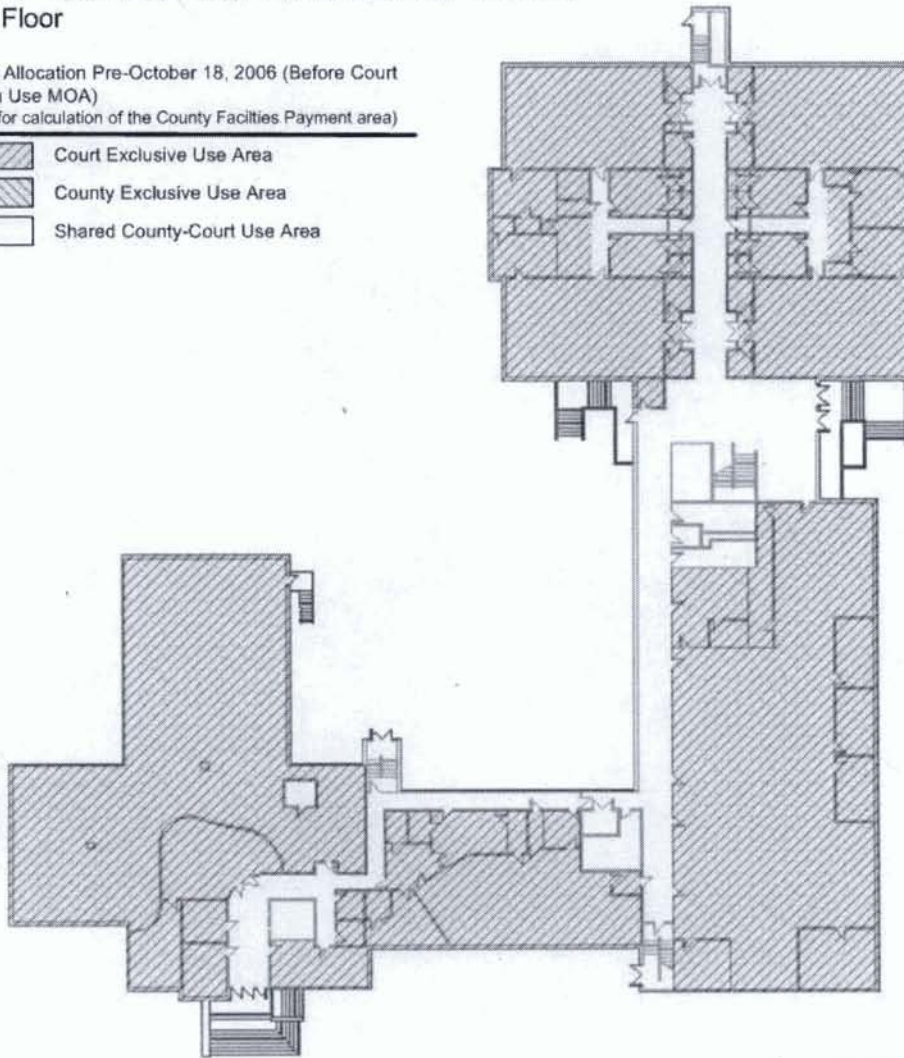
**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS**

800 11<sup>th</sup> Street and 1100 I Street, Modesto, California

First Floor

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area






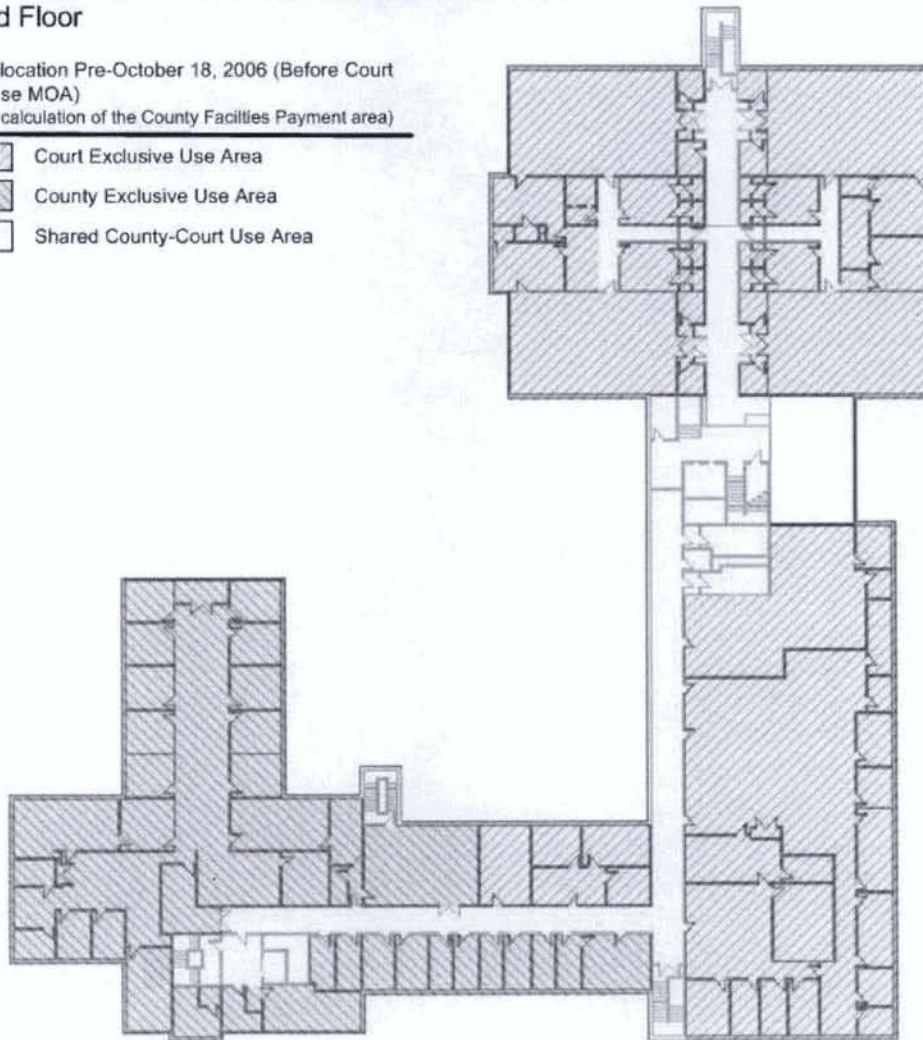
**ATTACHMENT "2-3" TO JOA**  
**FLOOR PLAN OF BUILDINGS DEPICTING EXCLUSIVE USE AREAS**  
**AND COMMON AREAS**

Second Floor

**Superior Court of California, Stanislaus County**  
**MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Second Floor

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area








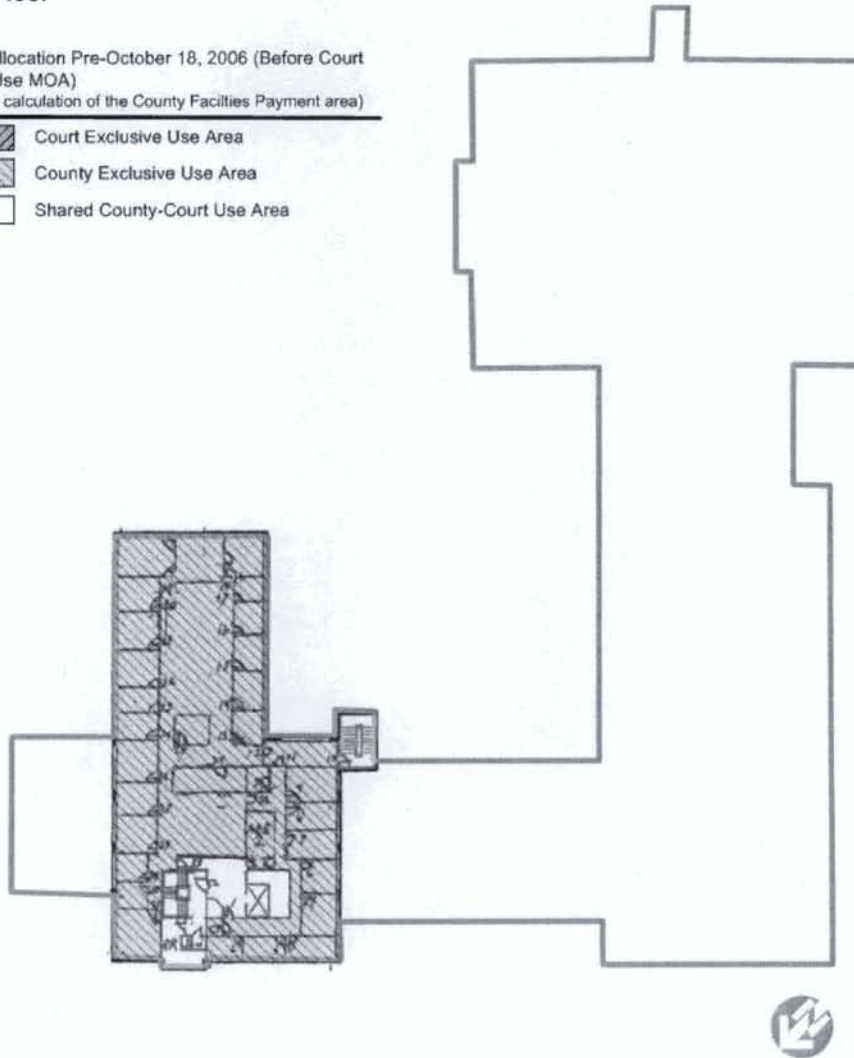
**ATTACHMENT "2-3" TO JOA**  
**FLOOR PLAN OF BUILDINGS DEPICTING EXCLUSIVE USE AREAS**  
**AND COMMON AREAS**

Third Floor

**Superior Court of California, Stanislaus County**  
**MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Third Floor

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

- |   |                              |
|---|------------------------------|
|  | Court Exclusive Use Area     |
|  | County Exclusive Use Area    |
|  | Shared County-Court Use Area |






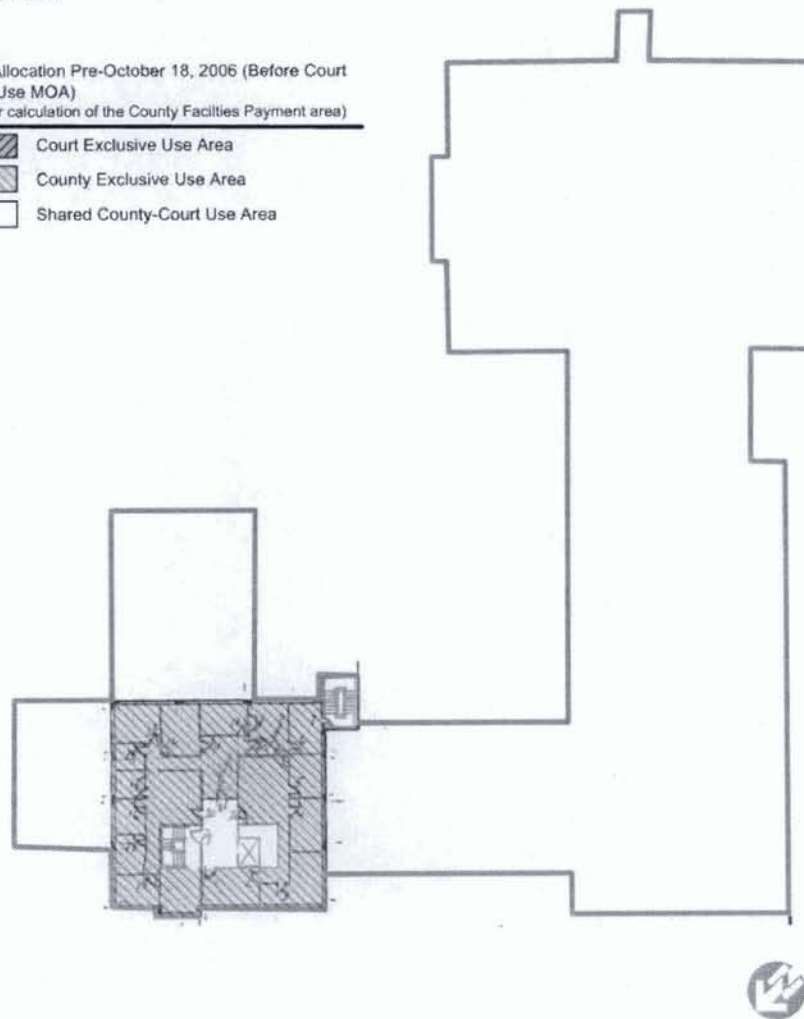
**ATTACHMENT "2-3" TO JOA**  
**FLOOR PLAN OF BUILDINGS DEPICTING EXCLUSIVE USE AREAS**  
**AND COMMON AREAS**

Fourth Floor

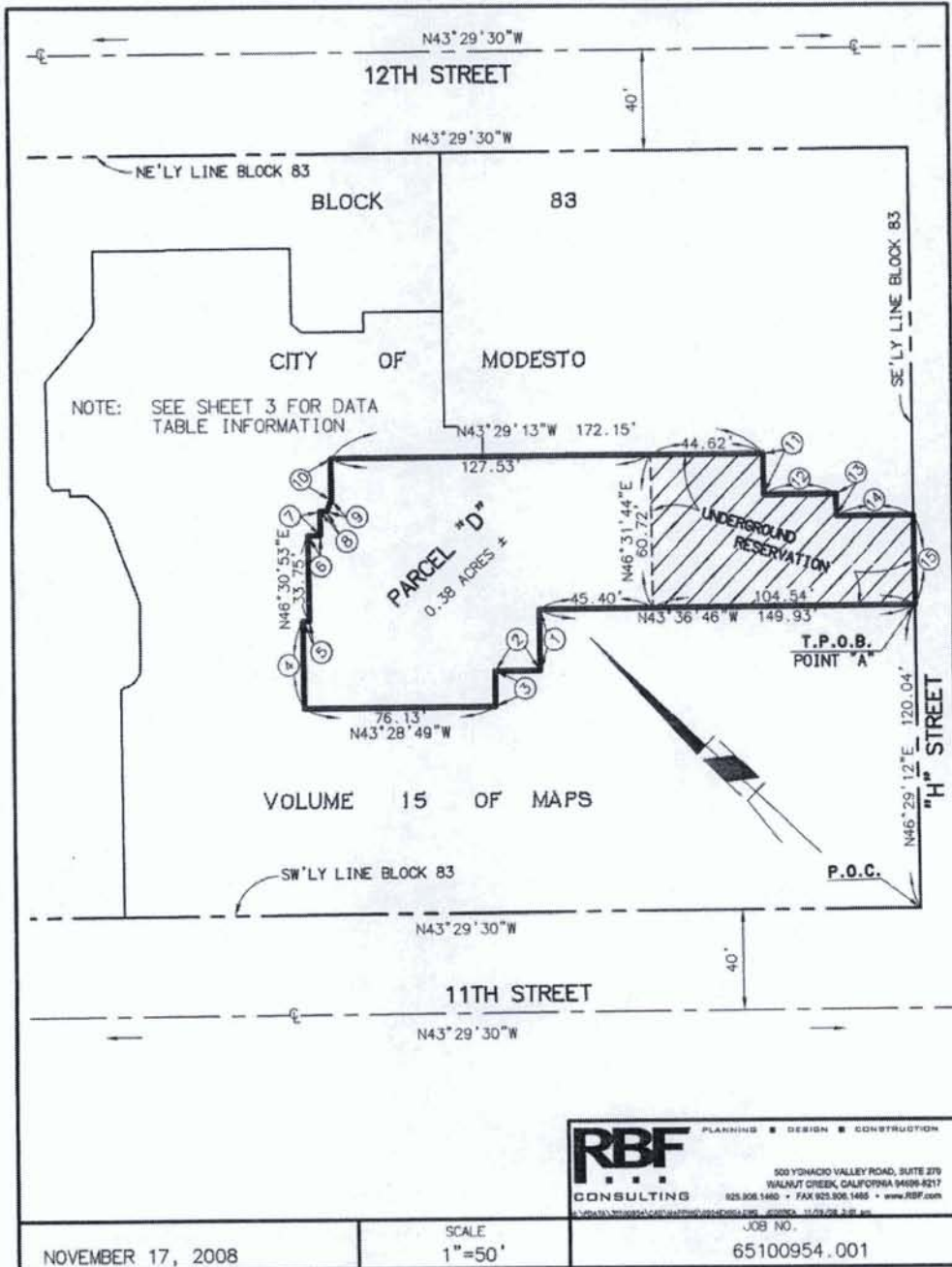
**Superior Court of California, Stanislaus County**  
**MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Fourth Floor

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area



**ATTACHMENT "2-4" TO JOA  
COUNTY UNDERGROUND AREA**



**ATTACHMENT “3” TO JOA**  
**FORM OF EQUITY RIGHTS PURCHASE AGREEMENT**

**1. PURPOSE**

The Judicial Council of California (“**Council**”), Administrative Office of the Courts (together, the “**AOC**”), and the County of Stanislaus (“**County**”) enter into this Agreement under section 70344(b) of the Trial Court Facilities Act of 2002, Government Code section 70301, *et seq.*, as it exists as of the Effective Date (the “**Act**”), to set forth the terms and conditions for the purchase of Equity Rights in the Real Property.

**2. DEFINITIONS**

“**Agreement**” means this Equity Rights Purchase Agreement.

“**Building**” means the “Building” as defined in the Transfer Agreement.

“**Common Area**” means the “Common Area” as defined in the Transfer Agreement.

“**Compensation**” means the amount paid by the Majority Occupant to the Minority Occupant in exchange for the Minority Occupant’s Equity Rights.

“**Court Facility**” means the trial court facility commonly known as \_\_\_\_\_, as further defined in the Transfer Agreement.

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

“**Equity**” means “equity” as used in section 70344(b) of the Act.

“**Equity Purchase**” means the Majority Occupant’s purchase of the Minority Occupant’s Equity Rights in the Real Property under section 70344(b) of the Act and this Agreement.

“**Equity Rights**” means (1) all rights, interests, and entitlement of the Minority Occupant in and to the \_\_\_\_\_ square feet of space in the Building that is occupied exclusively by the Minority Occupant on the Effective Date, and which space comprises approximately \_\_\_\_ percent of the total Building square footage, as depicted on

**Exhibit “A”** attached to this Agreement, and (2) all non-exclusive rights, interests, and entitlement of the Minority Occupant in and to the Common Area.

**“Majority Occupant”** means the Party that occupies 80 percent or more of the total Building square footage on the Effective Date of this Agreement. For purposes of this Agreement, the AOC is the Majority Occupant.

**“Minority Occupant”** means the Party that occupies 20 percent or less of the total Building square footage on the Effective Date of this Agreement. For purposes of this Agreement, the County is the Minority Occupant.

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

**“Real Property”** means the “Real Property” as defined in the Transfer Agreement.

**“Transfer Agreement”** means the Transfer Agreement For the Transfer of Responsibility For Court Facilities, and all attached Exhibits and Schedules, dated as of \_\_\_\_\_, 2008, which sets forth the terms for the transfer of responsibility for to the Court Facility under the Act.

### **3. PURCHASE OF EQUITY RIGHTS**

3.1 Exercise of Vacate Right. The Majority Occupant has elected to exercise its right to require the Minority Occupant to vacate the Building under section 70344(b) of the Act and has given the Minority Occupant reasonable notice of its election to so exercise.

3.2 Compensation. The Compensation for the Equity Purchase is \$\_\_\_\_\_, which amount will be paid by the Majority Occupant to the Minority Occupant in a lump sum on the date that the Minority Occupant actually vacates the Building.

3.3 Relocation Costs. The Majority Occupant will be responsible for the moving expenses of the Minority Occupant at the fair market rate. The Majority Occupant will, at its sole expense, make arrangements for the furniture, equipment, supplies, and other personal property of the Minority Occupant that are located in the Building to be packed and moved, by a professional business relocation service, from the Real Property to the alternate location specified by the Minority Occupant or, at the sole option of the Minority Occupant, the Minority Occupant may engage its own moving and relocation company to perform its move and the Majority Occupant will reimburse the

Minority Occupant's actual relocation costs in an amount not to exceed the amount that would have been charged by the Majority Occupant's professional relocation company for the same relocation services. In no event will the Majority Occupant be responsible for any costs incurred by the Minority Occupant in searching for, identifying, leasing, purchasing, improving, furnishing, or otherwise preparing for occupancy the Minority Occupant's alternate premises, including without limitation, any brokerage commissions, finders' fees, closing costs, tenant improvement costs, or consultant's fees. The terms of this section 3.3 will survive the consummation of the Equity Purchase until \_\_\_\_\_, 200\_\_.

3.4 Rights and Responsibilities. Upon completion of the Equity Purchase, the rights and responsibilities of the Parties in respect of the Equity Rights purchased by the Majority Occupant will be as set forth in the Transfer Agreement.

3.5 Representations and Warranties. Each Party makes the following representations and warranties to the other to the best of its knowledge after reasonable investigation and inquiry:

3.5.1 The Compensation is equal to the fair market value of the Minority Occupant's Equity Rights in the Real Property;

3.5.2 The person who has signed this Agreement on behalf of the Party has been duly authorized and empowered, by a resolution or other formal action of the Party, to sign this Agreement on its behalf, and no other or further approval or consent is required to authorize or empower the Party to enter into and perform this Agreement; and

3.5.3 This Agreement and the Equity Purchase contemplated in this Agreement do not and will not violate any agreement, obligation, or court order by which the Party is bound or to which it or its assets is subject.

#### **4. CLOSING THE EQUITY PURCHASE TRANSACTION**

4.1 Delivery of Signed Agreement. The last Party to sign this Agreement must deliver to the AOC, within three business days after signing, \_\_\_\_ fully-signed originals of this Agreement.

4.2 When the Equity Purchase Takes Effect. The Equity Purchase will be effective and deemed consummated immediately and automatically upon the Majority Occupant's payment of the Compensation to the Minority Occupant, whether or not the Minority Occupant has then vacated the Real Property.

4.3 When Minority Occupant Must Vacate the Real Property. The Minority Occupant agrees that it will entirely vacate its occupancy of the Real Property by no later than \_\_\_\_\_, 200\_\_. If the Minority Occupant fails to complete its vacation the Real Property by \_\_\_\_\_, 200\_\_ through no fault of the Majority Occupant, the Minority Occupant will be deemed to have fully and forever waived and relinquished its rights, under section 70344(b) of the Act and section 3.3 of this Agreement, to require the Majority Occupant to pay the Minority Occupant's relocation costs.

4.4 Delivery of Possession. When the Equity Purchase has been completed and the Minority Occupant has vacated the Real Property, the Minority Occupant will deliver to the Majority Occupant possession and control of the Equity Rights, and the Minority Occupant will thereafter have no right, claim, or interest in the Equity Rights whatsoever.

## 5. MISCELLANEOUS

5.1 Dispute Resolution. Any dispute between the Parties concerning this Agreement must be resolved under the terms for "Dispute Resolution" in section 11 of the Transfer Agreement.

5.2 Amendments. This Agreement may be amended only by written agreement signed by both of the Parties.

5.3 Waivers. No waiver of any provision of this Agreement will be valid unless it is in writing and signed by both Parties. 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.

5.4 Binding Effect. This Agreement binds the Parties and their permitted successors and assigns. The State Parties are intended beneficiaries of all provisions of this Agreement for the benefit of the AOC. Otherwise, this Agreement is for the benefit only of the Parties, and no third parties are intended to be benefited by this Agreement.

5.5 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.

5.6 Construction. The headings used in this Agreement are for convenience only and will not affect the meaning or interpretation of this Agreement. This Agreement will not be construed against any 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.

5.7 Integration. This Agreement and the Transfer Agreement contain the entire agreement of the Parties with respect to the Equity Purchase, and supersede all previous and concurrent communications, understandings, and agreements, whether verbal, written, express, or implied, between the Parties concerning the subject matter of this Agreement.

5.8 Capitalized Terms. Any capitalized terms that are not otherwise defined in this Agreement will have the meanings given to them in the Transfer Agreement.

5.9 Severability. If any term of this Agreement is inconsistent with applicable law, then upon 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.

5.10 Further Assurances. The County and the AOC agree to cooperate reasonably and in good faith with one another to (1) implement the terms of this Agreement, and (2) consummate the Equity Purchase, and will execute any further agreements and perform any additional acts that are reasonably necessary to carry out the terms of this Agreement.

5.11 Notices. Any notices or other communications to be sent by one Party to the other under this Agreement will be sent and deemed received in accordance with the “Notices” provision of section 13 of the Transfer Agreement.

**[SIGNATURES FOLLOW ON NEXT PAGE]**



I agree to the terms of this Agreement.

APPROVED AS TO FORM:

Administrative Office of the Courts,  
Office of the General Counsel

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_, Clerk of the Board

By: \_\_\_\_\_  
Deputy

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chairperson, Board of Supervisors  
Date: \_\_\_\_\_




**EXHIBIT "A"**

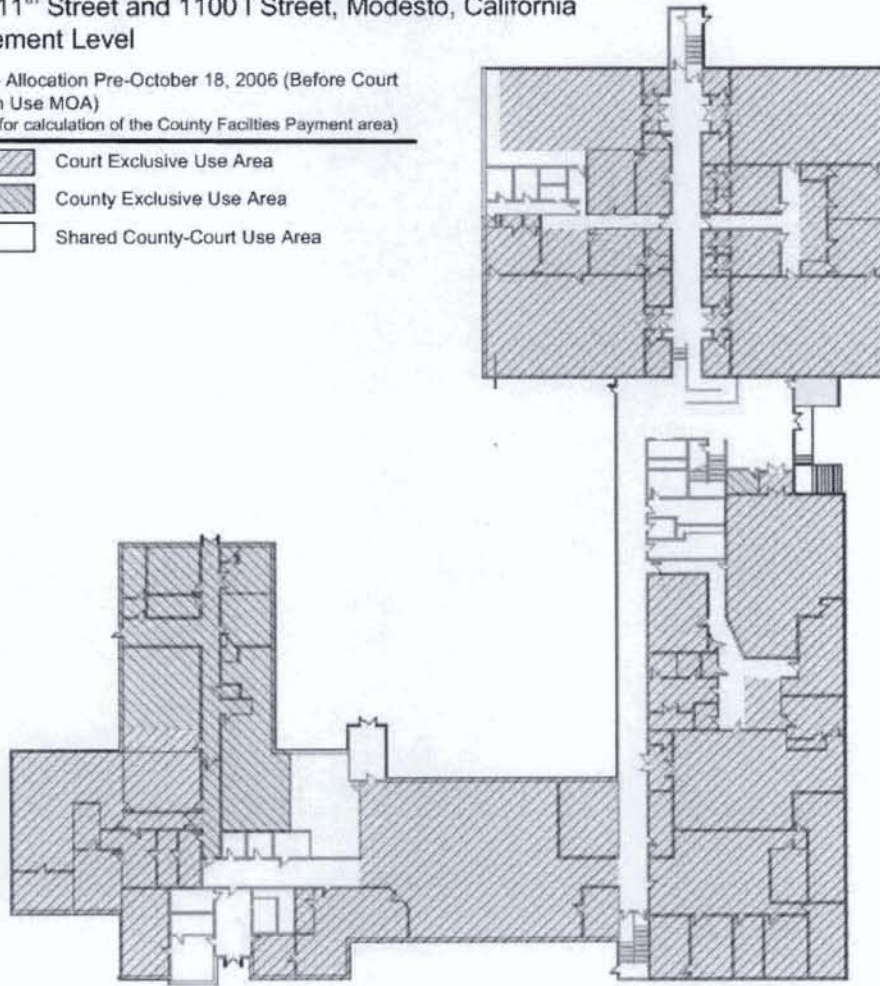
**COPY OF FLOOR PLAN**

**Basement**

**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Basement Level**

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area






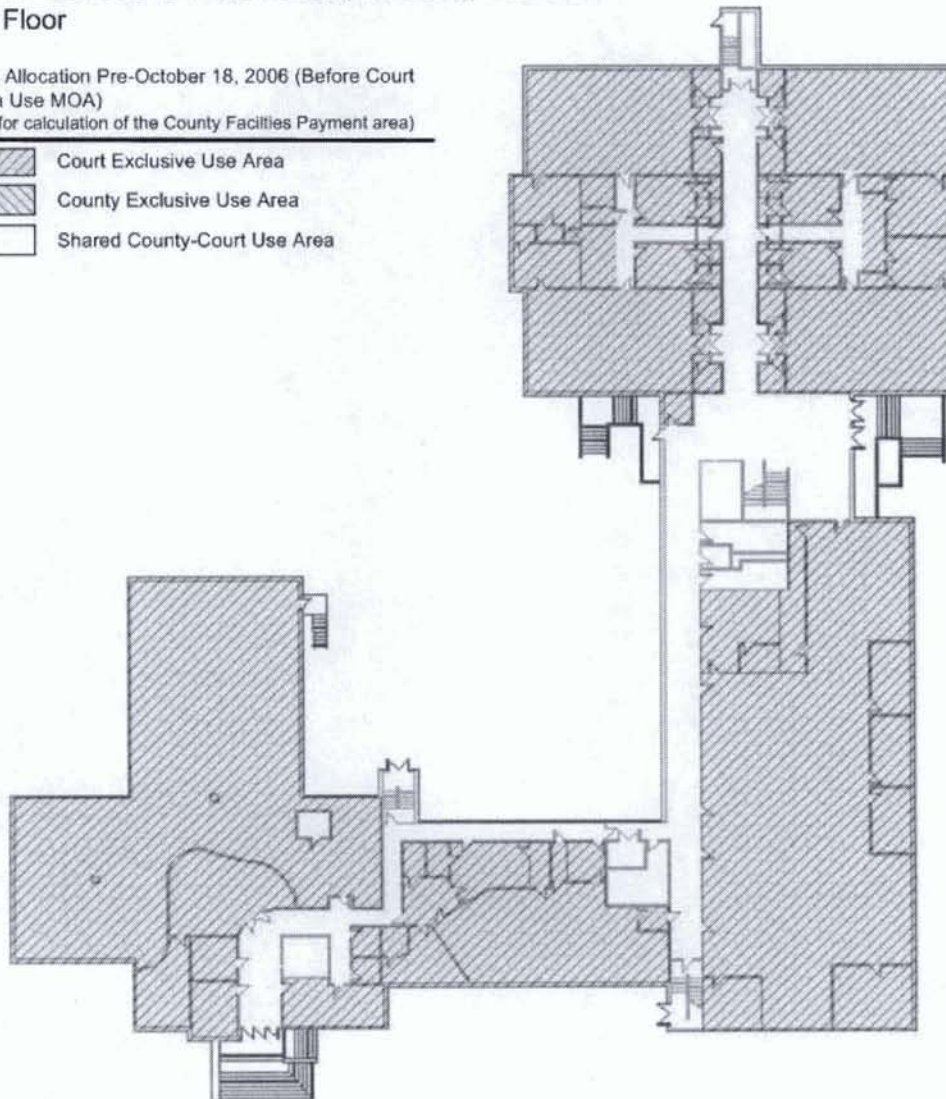
**EXHIBIT "A"**  
**COPY OF FLOOR PLAN**

First Floor

**Superior Court of California, Stanislaus County**  
**MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
First Floor

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**EXHIBIT "A"**

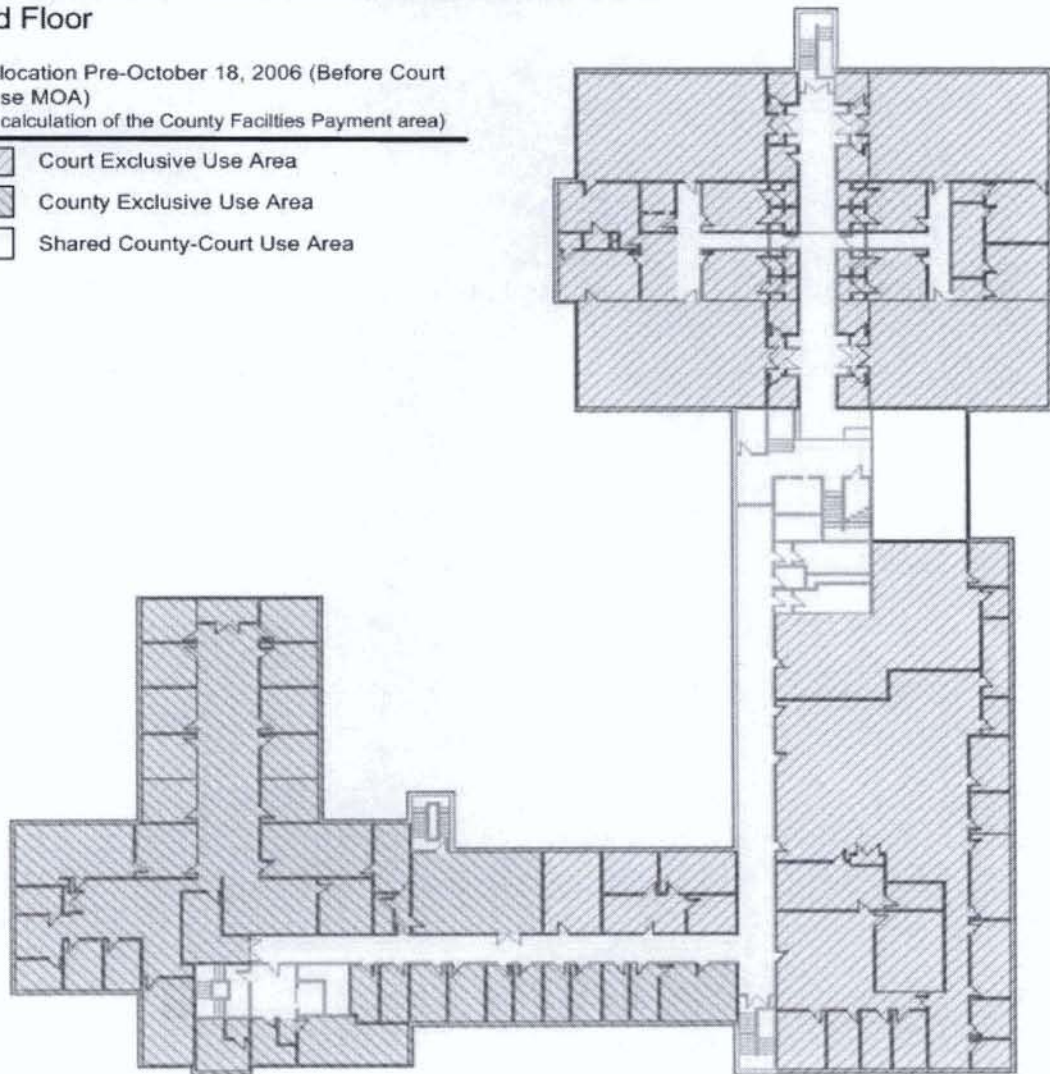
**COPY OF FLOOR PLAN**

Second Floor

**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Second Floor**

Space Allocation Pre-October 18, 2006 (Before Court  
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(Basis for calculation of the County Facilities Payment area)

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-  County Exclusive Use Area
-  Shared County-Court Use Area






# EXHIBIT "A"

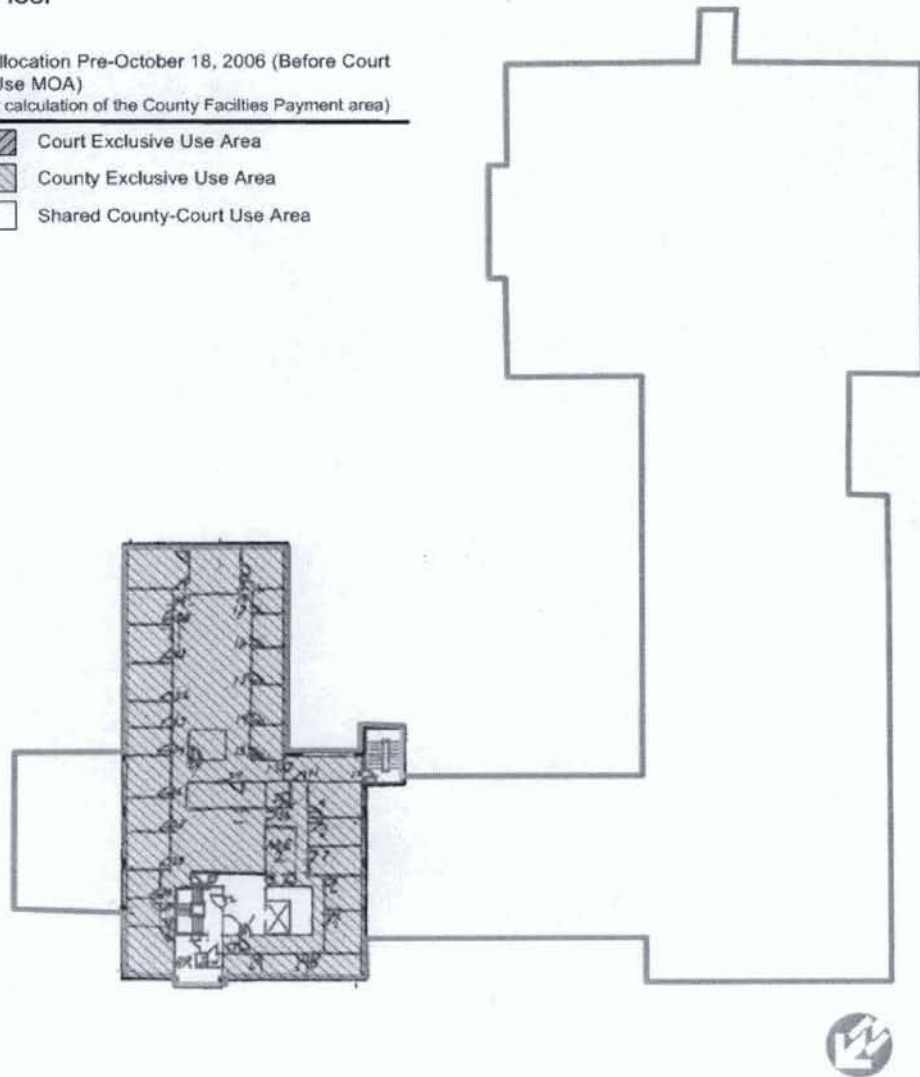
## COPY OF FLOOR PLAN

Third Floor

**Superior Court of California, Stanislaus County  
MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Third Floor

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(Basis for calculation of the County Facilities Payment area)

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-  County Exclusive Use Area
-  Shared County-Court Use Area



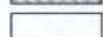


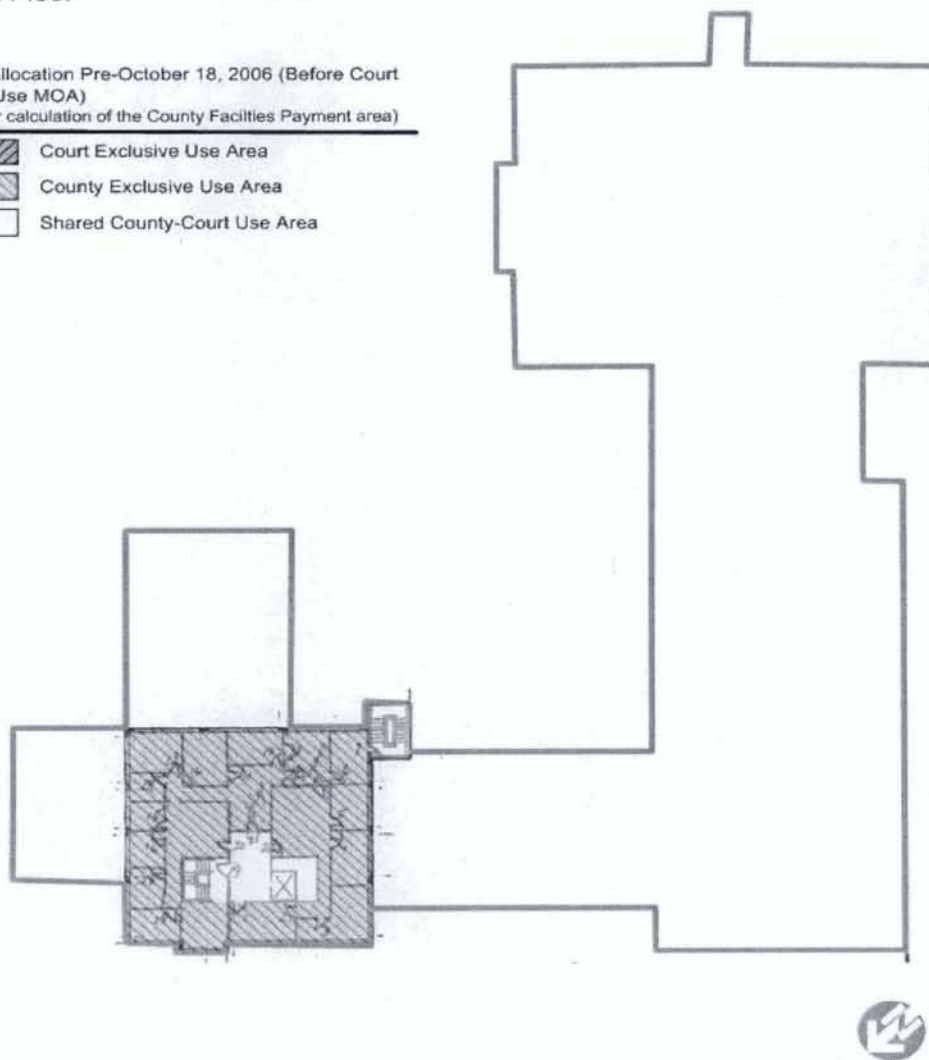
**EXHIBIT "A"**  
**COPY OF FLOOR PLAN**

Fourth Floor

**Superior Court of California, Stanislaus County**  
**MAIN MODESTO COURTHOUSE and HALL OF RECORDS**  
800 11<sup>th</sup> Street and 1100 I Street, Modesto, California  
Fourth Floor

Space Allocation Pre-October 18, 2006 (Before Court  
Interim Use MOA)  
(Basis for calculation of the County Facilities Payment area)

-  Court Exclusive Use Area
-  County Exclusive Use Area
-  Shared County-Court Use Area



**ATTACHMENT "4" TO JOA**

**FORM OF TERMINATION OF JOINT OCCUPANCY 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: Melvin Kennedy, Managing Attorney  
Office of the General Counsel, Real Estate Unit

OFFICIAL STATE BUSINESS – EXEMPT FROM RECORDING FEES PURSUANT TO GOVT. CODE SECTION 27383 AND DOCUMENTARY TRANSFER TAX PURSUANT TO REVENUE AND TAXATION CODE SECTION 11922.

APN(S): \_\_\_\_\_ ; County of Stanislaus

**TERMINATION OF JOINT OCCUPANCY AGREEMENT**

This Termination of Joint Occupancy Agreement ("**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 \_\_\_\_\_, 2008, the County and the AOC entered into a Transfer Agreement For The Transfer of Responsibility For Court Facilities (the "**Transfer Agreement**"). Under the Transfer Agreement, the County transferred to the AOC responsibility for funding and operation of the [Court Facility Name], which is located in a building on certain real property in the City of Modesto, County of Stanislaus, State of California and having a street address of \_\_\_\_\_ and legally described in **Exhibit 1** attached hereto and made a part hereof (the "[\_\_\_\_\_] **Real Property**").

B. Under the Transfer Agreement, the AOC and the County also entered into a Joint Occupancy Agreement dated \_\_\_\_\_, 2008 ("**JOA**"), setting forth the Parties' respective rights and obligations with respect to the shared occupancy and use of the [\_\_\_\_\_] Real Property.

C. To memorialize the Parties' respective rights and duties under the JOA, the parties signed a Memorandum of Joint Occupancy Agreement ("**Memorandum**"), which was recorded in the Official Records of the County as Instrument No. \_\_\_\_\_.

D. With respect to the [\_\_\_\_\_] Real Property only, the JOA has now been terminated by the County and the AOC, and the JOA is no longer of any force or effect [as it relates to the [\_\_\_\_\_] Real Property], except for the terms of the JOA that expressly survive the termination of the JOA.

E. [Notwithstanding the termination of the JOA in respect of the [\_\_\_\_\_] Real Property, the JOA remains in full force and effect as it relates to the [\_\_\_\_\_] Real Property and the [\_\_\_\_\_] Real Property, as those terms are defined in the JOA.]

F. The County and the AOC now wish to record this Termination to memorialize the termination of the JOA and the Memorandum with respect to the [\_\_\_\_\_] Real Property only.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and AOC do hereby agree as follows:

1. With respect to the [\_\_\_\_\_] Real Property only, the JOA and the Memorandum are terminated and are no longer of any force or effect, except for those terms of the JOA that the parties have expressly agreed in writing will survive the termination of the JOA.

2. This Termination is to be recorded in the Official Records of the County with respect to the [\_\_\_\_\_] Real Property, whereupon the Memorandum will automatically be removed as an encumbrance on the title to the [\_\_\_\_\_] Real Property.



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

APPROVED AS TO FORM:

Administrative Office of the Courts,  
Office of the General Counsel

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

APPROVED AS TO FORM:

County Of Stanislaus  
Office of the County Counsel

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: County Counsel

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_, Clerk of the Board

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**STATE OF CALIFORNIA**  
**COUNTY OF \_\_\_\_\_**

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, 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 \_\_\_\_\_, 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 "1"**

**LEGAL DESCRIPTION OF THE REAL PROPERTY**

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

All of Block 83 of the City of Modesto, filed in the Office of the County Recorder of Stanislaus County on December 21, 1942 in Volume 15 of Maps.

APN: 105 025 001

## ATTACHMENT "5" TO JOA

### CRITERIA FOR APPROVING EMPLOYEES AND CONTRACTORS WITH RESPECT TO BACKGROUND CHECKS

No employee or Contractor may access or work unescorted in any Restricted Area of the Real Property if any of the following applies to that employee or Contractor:

1. Any conviction or charge pending court disposition with respect to felonies or misdemeanors involving violence, weapons, theft, robbery, burglary, embezzlement, dishonesty, moral turpitude, drugs (excluding misdemeanor marijuana convictions), or sexual activity (for a list of crimes constituting moral turpitude, please see **Appendix 1** to this **Attachment "5"**).
2. Any conviction or charge pending court disposition involving a serious felony which is listed in Penal Code section 1192.7(c) or any violent felony which is listed in Penal Code section 667.5(c).
3. Any conviction or charge pending court disposition with respect to felonies or misdemeanors contributing to the delinquency of a minor.
4. Any conviction or charge pending court disposition with respect to felonies or misdemeanors involving mob action (a.k.a. gang activity).
5. Any conviction or charge pending court disposition with respect to felonies or misdemeanors involving any crime (other than a minor traffic violation) not included in paragraphs 1 through 4, above, for which the AOC's Emergency & Response Unit ("**ERS**") has not provided a written exemption for that conviction or pending charge.
6. Outstanding bench warrant.
7. Failure to appear in court within six (6) months.

In order to obtain a written exemption with respect to paragraph 5, above, the Parties must submit all relevant information relating to the conviction or pending charge (e.g. type of offense, date of conviction, and sentence) to the Senior Manager of ERS. The Parties will not include the name of the employee with this information. After review of the submitted information, the Senior Manager of ERS will notify the requesting Party in writing if an exemption for that conviction or pending charge will be provided by the AOC.

For purposes of these criteria, “conviction” includes a verdict of guilty, a plea of guilty, a plea of *nolo contendere*, or a forfeiture of bail in Municipal, Superior, or Federal court regardless of whether sentence is imposed by the court.

## APPENDIX 1 TO ATTACHMENT "5"

The appellate courts have determined that the following crimes are crimes of moral turpitude:

1. Property Crimes. Arson; auto theft; attempted auto theft; burglary (any degree); attempted burglary; embezzlement; forgery; grand theft; receiving stolen property; theft; and vandalism (felony).

2. Assaultive Crimes. Assault by force likely to produce grievous bodily injury; assault with deadly weapon; assault with intent to murder; assault with intent to rape; battery of non-inmate by inmate; battery on peace officer; corporal injury to child; discharge a firearm; false imprisonment; robbery; shooting at inhabited dwelling; and spousal battery.

3. Homicide. Murder; second degree murder; and voluntary manslaughter.

4. Sex Crimes. Assault with intent to rape; indecent exposure; lewd act on child; pimping and pandering; rape; statutory rape; and sexual battery.

5. Escape. Escape with or without violence; and evading a peace officer.

6. Drug Crimes. Maintaining a drug house; possession of heroin for sale; possession of marijuana for sale; sale of drugs; and transportation of controlled substance.

7. Weapons. Felon in possession of firearm; possession or conspiracy to possess illegal firearm; and possession of deadly weapon with intent to assault.

8. Other. Felony drunk driving; felony false imprisonment; felony hit and run; kidnapping; terrorist threat; bribery; extortion; and perjury.

**ATTACHMENT “6” TO JOA**  
**WORK ORDER PROCEDURES**

- A. The County may request non-Emergency Services for the County Exclusive-Use Area via a Work Order (“WO”). Work performed without a WO, outside the scope of the WO, or beyond the maximum approved cost stated in the WO will not be compensated or paid by the County.
- B. The following personnel (“Requestor”) are authorized to issue WOs for the County. A letter will be provided to the AOC with the name of the person(s) filling each position. This letter will be updated from time to time as personnel change.
- 1) Senior Manager for Facility Management
  - 2) Regional Manager for Facility Operations
  - 3) District Supervisor(s) for Facility Operations
  - 4) Area Supervisor(s) for Facility Operations
  - 5) AOC Customer Service Center Personnel
- C. Each WO will be in writing and will include:
- 1) Name and title of the Requestor and point of contact.
  - 2) Identification of where the work is to be performed, description of the work, and any special requirements or authorizations applicable to the WO.
  - 3) Date the WO is transmitted to the AOC.
  - 4) Priority for the work.
  - 5) Maximum approved cost, including all labor and materials.
- D. Within five business days of receiving the WO, the AOC will respond to the Requestor (“Service Response”) with one of the following:
- 1) That the AOC is able to comply with the WO; the AOC will provide an estimated timeframe for completion of the work requested.
  - 2) That the AOC needs additional time to determine whether it can fulfill the WO. The AOC will include the reason for the additional time as well as an estimate of how much additional time it will need to evaluate the WO.

- 3) That the AOC is unable to complete the work as submitted in the WO. The AOC will either include an estimated timeframe and cost for completion of the WO or it will state that it cannot perform the Services requested in the WO and provide a brief explanation as to why.
- E. If a Requestor agrees to the work, timeframe and costs stated in the WO, it will approve the Service Response. Upon receiving County approval of the Service Response, the AOC will perform the work specified in each WO in accordance with the requirements of this JOA.
- 1) Any commencement of work prior to the AOC's receipt of approval for a WO will be done at the AOC's own risk.
  - 2) The AOC agrees to complete all work specified in the WO and for no more than the agreed applicable maximum approved cost except as follows:
    - a. If, after commencing the work, the AOC becomes aware that completion of work may exceed the agreed maximum approved cost, the AOC may immediately cease work and must immediately notify the County and provide the County with justification for additional cost and obtain a new maximum approved cost.
    - b. If the AOC and the County cannot agree upon a maximum approved cost for the work, the WO will be cancelled. The County will pay for work reasonably completed prior to the AOC's discovery that the work may exceed the previously-agreed maximum approved cost.
- F. The AOC will notify the County of the completion of the work requested in the WO within five business days of completing the work.
- G. The procedures described in this **Attachment "6"** to the JOA do not apply to Services arising from an Emergency. Work for Emergency Services in the County Exclusive-Use Area will be provided pursuant to section 3.2.4 of the JOA.



**ATTACHMENT “7” TO JOA**  
**PAYMENT PROVISIONS**

A. Invoices

The AOC will invoice, on a quarterly basis, for all Services to the County Exclusive-Use Area performed by the AOC in accordance with **Attachment “6”** to the JOA.

B. Cost Components of Services

The Services may include the following components: (1) labor costs including security escort and travel expenses, (2) materials reimbursement, (3) third-party services and supplies, and (4) compensation for mileage at the then-current rate of compensation per mile as established by the United States Internal Revenue Service. (As of July 1, 2008, the current mileage rate is \$0.585.)

1) Labor Costs

The AOC will invoice the County for the labor costs, which must be based upon the AOC’s then-current hourly rates as established by the AOC from time to time. (The established hourly rates for fiscal year 2008-2009 are set forth in Appendix “A” to this Attachment “7.”) The Parties agree that should the County request a specific project that requires either skills and/or abilities of AOC staff that are not listed in Appendix “A” to this Attachment “7,” or the dedication of staff that are paid at a higher rate (e.g. Senior Architect), the AOC may include a billing rate in the proposal commensurate with the staff person’s fully burdened hourly rate. The County has the right to review the proposed rates for reasonableness based on the specific type of work being performed. If the Parties cannot agree on the proposed rates, the County has the right, subject to this JOA, to utilize Contractors or the County’s own employees to provide such Services. The County shall ensure that any work performed by Contractors or County employees is in compliance with applicable building standards.

2) Materials Reimbursement

a. Provided that materials are necessary to fulfill a WO, the County will reimburse the AOC for materials expenses.

- b. Costs for the materials are limited to those necessary to fulfill a WO and that are actually incurred by the AOC in the performance of the Services.
- c. All expenses for materials must be billed at the AOC's actual cost, and are not subject to any markup. Any rebates, refunds or similar discounts received by the AOC must be passed on to the County.

3) Third-Party Services and Supplies

The Parties agree that should the County submit a WO for work that requires skills, abilities, and/or equipment beyond that of the AOC or its staff, the AOC may contract with a third party for services and/or supplies, for which the County will reimburse the AOC provided that:

- a. The third-party services or supplies contracted for are necessary to fulfill the WO.
- b. The third-party contract is awarded pursuant to the AOC's standard practices for procuring such services and supplies, including consistency with the California Public Contract Code.
- c. The County will not pay more than what the AOC expends in procuring and satisfying the contract.

C. Invoicing Requirements

The AOC shall submit to the County, on a quarterly basis, an invoice for all authorized work performed and that was paid for by the AOC in the prior quarter pursuant to **Attachment "6."**

- 1) Section 1 of the invoice will include basic identifying data to include:
  - a. Name and address of AOC.
  - b. JOA Number.
  - c. A unique invoice number.
  - d. Date of invoice.
  - e. AOC's Taxpayer identification number (FEIN).
  - f. Dates of Service covered in the invoice.
  - g. Preferred remittance address if different from the mailing address.
- 2) Section 2 of the invoice will include a summary and itemization of each WO being billed, including a breakdown of the labor costs and hours,

materials in excess of \$20, and other allowable reimbursements being sought.

- 3) The AOC must submit one original and one copy of invoices to:

County of Stanislaus  
Chief Executive Office  
Attention: Jim Kwartz,  
Associate Management Consultant  
1010 10th Street, Suite 6800  
Modesto, CA 95354  
Phone: 209-525-6333  
Fax: 209-544-6226

D. Payment

The County will make payment, in arrears, for all proper invoices within 30 days after receipt.

E. Budget

Notwithstanding anything in the Agreement to the contrary, should the County become unable to pay any amounts due and owing under these Payment Provisions as a result of the County's failure to timely approve and adopt a budget, the AOC may stop all work on outstanding WOs and refuse to accept any new WOs until such time as the County brings current any unpaid amounts due. The County must promptly pay any previously due payment upon approval and adoption of the budget for the County.

**APPENDIX "A" TO ATTACHMENT "7" TO JOA**  
**AOC HOURLY RATES**

<b>Job Title</b>	<b>Average Hourly Rate</b>
Building Maintenance Specialist	\$55
Project Manager	\$55

**EXHIBIT "B"**


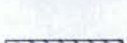
**PREMISES**

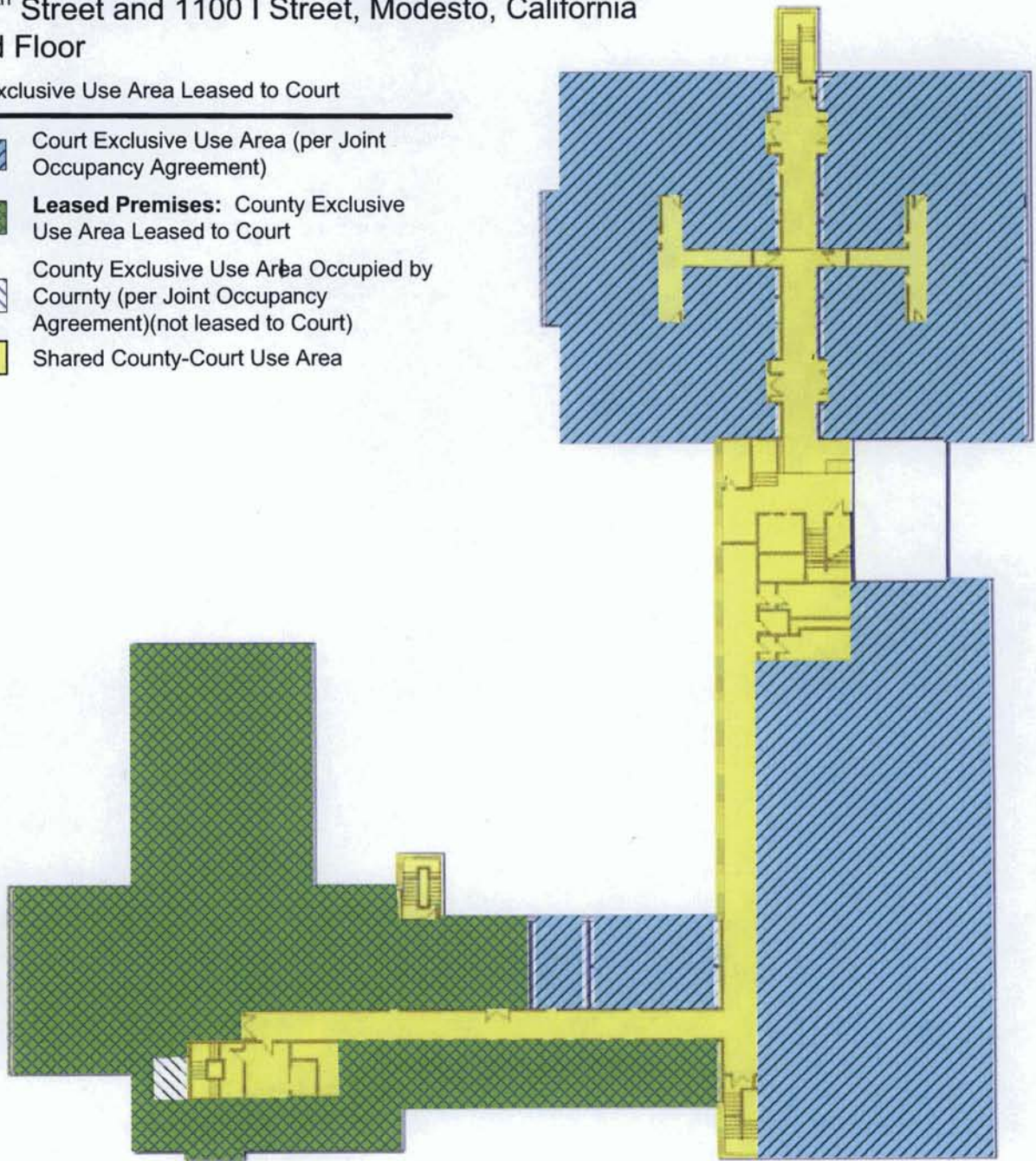
# Exhibit B

Page 1 of 2

## Superior Court of California, Stanislaus County MAIN MODESTO COURTHOUSE and HALL OF RECORDS 800 11<sup>th</sup> Street and 1100 I Street, Modesto, California Second Floor

County Exclusive Use Area Leased to Court

-  Court Exclusive Use Area (per Joint Occupancy Agreement)
-  **Leased Premises:** County Exclusive Use Area Leased to Court
-  County Exclusive Use Area Occupied by County (per Joint Occupancy Agreement)(not leased to Court)
-  Shared County-Court Use Area



# Exhibit B

Page 2 of 2

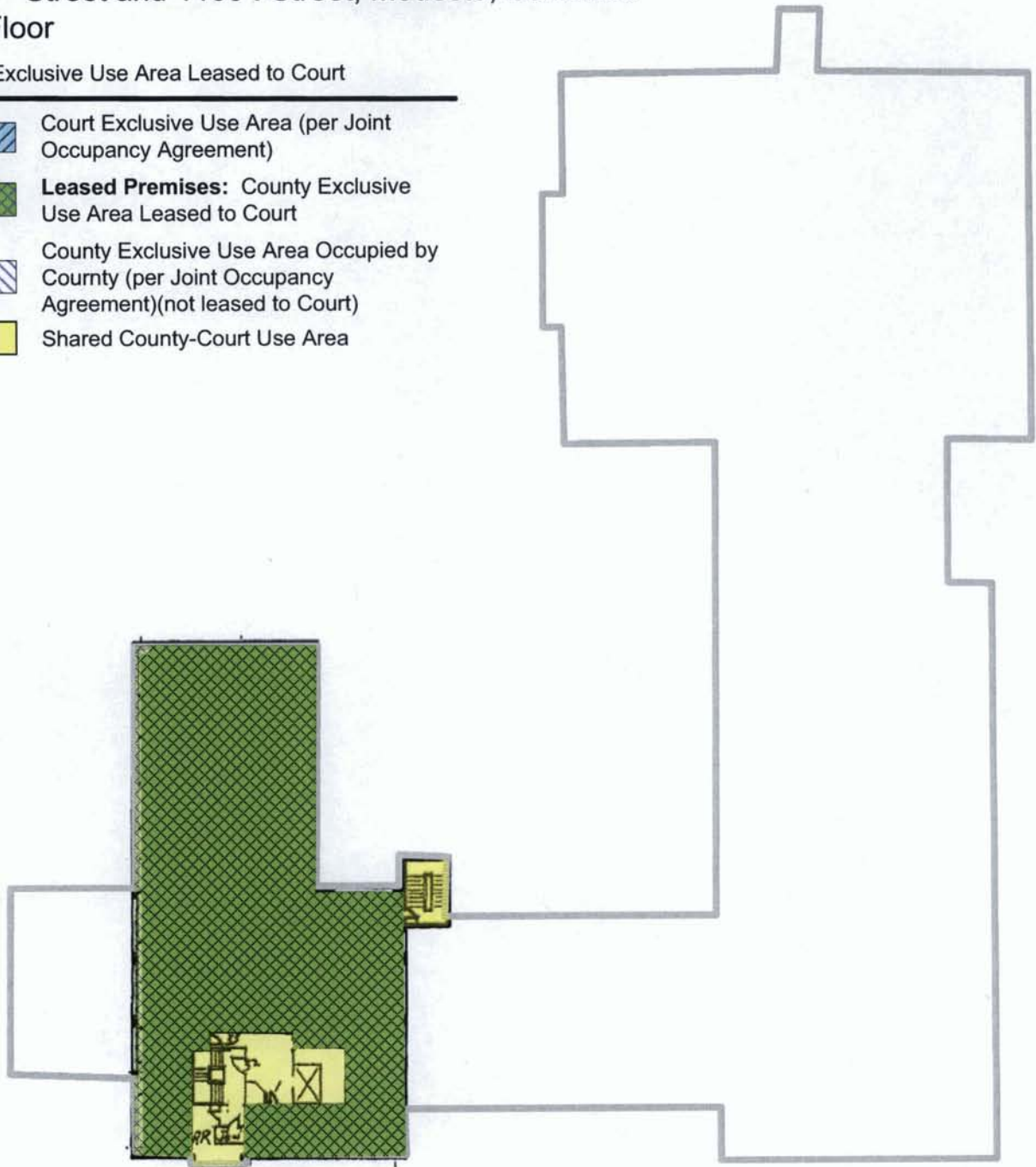
## Superior Court of California, Stanislaus County MAIN MODESTO COURTHOUSE and HALL OF RECORDS

800 11<sup>th</sup> Street and 1100 I Street, Modesto, California

Third Floor

County Exclusive Use Area Leased to Court

-  Court Exclusive Use Area (per Joint Occupancy Agreement)
-  **Leased Premises:** County Exclusive Use Area Leased to Court
-  County Exclusive Use Area Occupied by County (per Joint Occupancy Agreement)(not leased to Court)
-  Shared County-Court Use Area





**LEASE AGREEMENT**

2010 AUG 25 P 1:17

Between the County of Stanislaus, California and the  
Judicial Council of California, Administrative Office of the Courts,  
for Space at  
**2215 Blue Gum Avenue, Modesto, California**

1. **Parties.** This Lease (“Lease”) dated July 12, 2010, is made by and between the Judicial Council of California, Administrative Office of the Courts (the “Lessee”) and the County of Stanislaus (the “Lessor”), for the benefit of the Superior Court of California, Stanislaus County, (“Court”). Lessee and Lessor will hereinafter be collectively referred to as the “Parties” or individually as a “Party.”
2. **Property.** Lessor is the record owner of that certain parcel of real property located in the State of California, County of Stanislaus, City of Modesto (the “Property”), and the building located at 2215 Blue Gum Avenue, Modesto, California (hereafter, the “Building”) as of the effective date of this agreement.
3. **Lease of Premises.** Lessor hereby leases to Lessee, and Lessee leases from Lessor, Room 12 and another unnumbered room at the Stanislaus County Juvenile Justice Center Building, 2215 Blue Gum Avenue, Modesto, California totaling 250 square feet as shown on the floor plans attached hereto as **Exhibit “A”** and incorporated herein, together with all improvements therein (“Premises”).
4. **Common Area.** Common areas of the building are all publicly-accessible corridors, lobbies, elevators and stairwells, public and staff restrooms, loading and unloading zones, trash areas, exterior walkways, driveways and landscaped plaza. The Lessee shall have access to shared use of all common areas of the building.
5. **Term.** This Lease will be effective on the date of its full execution (the “Effective Date”), but its term (the “Initial Term”) will commence on July 1, 2009, at 12:01 a.m. (“Commencement Date”) and end at 11:59 p.m. on June 30, 2014, (“Expiration Date”) subject to early termination options to extend pursuant to the terms of this Lease. Lessee shall have the right to extend its tenancy beyond the Initial Term for one additional successive optional renewal term of two (2) years on the same terms, covenants, and conditions (“Renewal Term”). Lessee will exercise such option by giving written notice to Lessor not less than one hundred twenty (120) days prior to the expiration of the then current term.
6. **Basic Monthly Rent and Payments.** The Lessee shall pay to the Lessor the amount of One Hundred Twenty-Six dollars and Forty-Six cents (\$126.46) monthly (\$0.5058 monthly per square foot per month x 250 square feet) in arrears, commencing on the last day of the first full month following the Commencement Date (“Rent Due Date”), without setoff,



deduction, prior notice or demand. The annual rental rate shall increase three percent (3%) each 12 months on the anniversary of the Commencement Date in accordance with the following table:

Year	Period Covered	Annual Rent
1	7/1/2009-6/30/2010	\$1,517.50
2	7/1/2010-6/30/2011	\$1,563.03
3	7/1/2011-6/30/2012	\$1,609.92
4	7/1/2012-6/30/2013	\$1,658.21
5	7/1/2013-6/30/2014	\$1,707.96

7. **Holding Over.** In case Lessee remains in possession of the Premises (“holds over”) beyond the end of the term herein provided, with the expressed or implied consent of Lessor, such tenancy shall be from month to month only, subject to the terms and conditions of this lease, but shall not be a renewal thereof, and the rent to be paid therefore shall be at the rate prevailing under the terms of this lease pro-rated on a monthly basis.

8. **Use.** The Premises will be primarily used as administrative offices and/or Juvenile Court related purposes conducted by the Lessee. Any change in the use of the Premises shall be subject to the prior written approval of the Lessor. Lessee agrees to secure the facility at the end of each day since the facility must be locked to ensure against the risk of theft and vandalism.

9. **Alterations.** Lessee will not make or allow any alterations, installations, additions, or improvements in or to the Premises (collectively, “Alterations”) other than non-structural alterations within the Premises or alternations which do not adversely affect any of the Building's systems, including structural, mechanical, electrical, plumbing, fire protection, access or exiting without Lessor's prior consent, which will not be unreasonably withheld, conditioned or delayed. Any alterations to the Premises exceeding a value of five thousand dollars (\$5,000.00) shall require the review of, and prior written consent by the Lessor.

10. **Utilities.** Lessor will provide, or cause to be provided, all utility services, including, but not limited to, water, natural gas, electrical, refuse collection and sewer services but not telephone or telecommunications, as may be required in the maintenance, operation and use of the Premises. The Lessor shall invoice the Lessee monthly for the Lessee's usage based on the proportionate share of exclusive use space occupied by the Lessee relative to the total exclusive use building area. The Court shall provide all custodial and janitorial services and shall provide telecommunications and data services at its sole costs and expense. The terms of this Lease does not supercede any agreement for security services between the Court and the County.

11. **Repairs and Maintenance.** Lessor shall keep in good repair and maintain at its own expense the Property including, but not limited to walls, including glass, windows, ceilings, roofs, floors, hall and entrance ways, sidewalks, parking spaces, heating equipment, cooling equipment, plumbing, lighting and electrical wiring and fixtures. Excluding heating and cooling equipment, and normal wear and tear, Lessee shall be responsible for repairs if

damage was caused by Lessee negligence. Responsibility for the operation of the common area will be the responsibility of the Lessor.

**12. Compliance with Laws.** Lessor warrants and represents that the Premises, the improvements in the Premises, the Building and the Property comply with all applicable Federal, State and local laws, regulations, ordinances, codes and orders including the Americans with Disabilities Act and similar State and local laws addressing accessibility by individuals with disabilities at the time this lease is executed.

**13. Indemnification.** Lessee agrees to hold Lessor harmless from loss occurring on the Premises and arising out of Lessee's occupancy of the Premises. Lessee assumes no liability for any loss caused by the sole negligence of Lessor. Lessor agrees to hold Lessee harmless from loss occurring on the Premises and arising out of the Lessor's ownership and its operation of the Premises. Lessor assumes no liability for any loss caused by the sole negligence of Lessee.

**14. Loss.** Lessor agrees that should the leased premises be so badly damaged by fire, incidents of war, earthquake, or other violent action of the elements as to render them wholly unfit for Lessee's occupancy, then this Lease shall be terminated immediately upon the happening of any such event and Lessee shall surrender the premises immediately and shall not be liable for any further payments. In the event of any lesser damage by any such cause, Lessor shall restore the Premises to the condition it was in immediately prior to the event causing the damage, and the lease payment shall abate in proportion to the area not used by Lessee during the period of restoration. If Lessor should fail to pursue said restoration work with reasonable diligence to completion, Lessee, at its sole option may surrender the Premises and shall not be liable for any further lease payments under this Lease.

**15. Successors.** Each and all of the terms and agreements herein contained shall be binding upon and shall inure to the benefit of the successors in interest of Lessor, and wherever the context permits or requires, the successors in interest to Lessee.

**16. Trade Fixtures.** Lessee shall install such fixtures, equipment, and personal property as may be necessary and convenient for its operation. Such fixtures, equipment, and personal property may be removed at any time during Lessee's tenancy or within a reasonable time thereafter not to exceed sixty (60) days, and shall not be considered part of the premises. Removal of the same shall not damage or deface the premises, and if the premises shall be so damaged, Lessee shall repair such damage at its own expense.

**17. Fire and Other Perils Insurance.** The parties agree to be responsible for damage by the perils of fire, and vandalism to those items of real and personal property for which they hold title or for which they have assumed liability to others.

**18. Mutual Indemnity Clause.** Lessee and Lessor agree to hold the other harmless from any and all liabilities, penalties, losses, damages, costs, expenses, causes of action, claims, or

judgments (including reasonable attorney's fees and costs) occurring on the Premises and arising out of the ownership, operation, use or occupancy of the Premises. Lessee assumes no liability for any loss caused by the sole negligence of Lessor. Lessor assumes no liability for any loss caused by the sole negligence of Lessee.

**19. CAL/OSHA Inspections.** If the Premises, as described in Section one (1) of this Lease, is cited by CAL/OSHA, Lessor shall be required to abate said citations. Provided, however, that Lessor may terminate this Lease should it decide that abatement costs, do not merit the continuance of this lease. Lessee shall be given notice by Lessor of said decision and notice shall provide Lessee ninety (90) days to make other arrangements, and Lessee shall not be liable for any further lease payments or any repair obligations beyond the date Lessor terminates this Lease.

**20. Default and Remedies.**

**20.1. Default.** After expiration of the applicable grace period, each of the following will constitute an event of default under this Lease:

(a) Lessee's failure to pay any amount in full when it is due under the Lease following fifteen (15) days written notice from Lessor to Lessee. All Rent shall be due and payable in arrears as provided in Section 6; that the warrants may be State of California warrants or other form of compensation, or any other warrant from any account utilized by the Lessee, and the failure to pay Rent shall not be considered an event of default under the Lease unless the Lessee fails to pay such Rent within fifteen (15) days after written notice that the same is due, owing, and payable under the Lease. An event of default shall not occur if Lessee is unable to pay any Rent due to the State of California's failure to timely approve and adopt a State budget. The Lessee shall promptly pay any previously due and unpaid Rent upon approval and adoption of the State budget.

(b) Lessee's failure to observe or perform any other provision of this Lease, or the breach of any of Lessee's representation or warranty hereunder, if such failure or breach continues for thirty (30) days after written notice from Lessor of the failure or breach specifying in reasonably sufficient detail the nature of the failure or breach; but if the default is such that it is capable of being cured, but cannot be completely cured within the thirty (30) day period, Lessee will not have defaulted if Lessee begins to cure within the thirty (30) day period and diligently performs the cure to completion.

(c) Lessor's failure to comply with any term, condition or covenant of this Lease will constitute an event of default by Lessor under the Lease if the failure continues for thirty (30) days after the giving of written notice thereof by Lessee to Lessor. If the required performance cannot be completed within thirty (30) days, Lessor's failure to perform will constitute an event of default under the Lease unless Lessor undertakes to cure the failure within thirty (30) days and diligently performs the cure to completion.

**20.2 Lessor's Remedies.** Upon the occurrence of an event of default by Lessee, Lessor, in addition to any other rights or remedies available to Lessor at law or in equity, will have the right to terminate this Lease by giving Lessee written notice thereof and to recover from Lessee the aggregate sum of (a) the worth at the time of award of any unpaid rent which had been earned at the time of such termination, (b) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss Lessee proves could have been reasonably avoided, and (c) any other amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom. The "**worth at the time of award**" is computed by allowing interest at the rate of ten percent (10%) per annum.

**20.3 Lessee's Remedies.** Upon the occurrence of an event of default by Lessor, Lessee, in addition to any other rights or remedies available to Lessee at law or in equity, will have the right to elect to terminate the Lease, or to cure any default by Lessor following the thirty (30) day notice and cure period and to deduct the cost of such cure from rent due hereunder upon presentation of an accounting of such costs to Lessor.

**21. Intentionally Omitted.**

**22. Notices.** Every notice required by this Lease shall be delivered either by (i) personal delivery (including delivery by an overnight courier service which obtains confirmation of receipt) or (ii) postage prepaid return receipt requested certified mail addressed to the party for whom intended at the addresses given below. A party may change its address by written notice to the other party.

If to Lessor: County of Stanislaus  
Chief Executive Office  
1010 10th Street, Suite 6800  
Modesto, CA 95354  
Telephone: 209-525-6333  
Fax: 209-544-6226

With a copy to: County of Stanislaus  
GSA-Purchasing Division  
1010 10th Street, Suite 5400  
Modesto, CA 95354  
Telephone: 209-525-6319

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

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

And a copy to: Superior Court of California, Stanislaus County  
Court Executive Officer  
800 11<sup>th</sup> Street  
Modesto, CA 95354  
Telephone: 209-525-6302

In addition, all notices relating to termination of the Lease or an alleged breach or default by Lessee must also be sent to:

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

All notices and correspondence to Lessee must reference the address of the Premises and the name of the entity occupying the Premises.

## **23. Miscellaneous**

**23.1 Waivers; Amendments.** Any waiver of any right under this Lease must be in writing and signed by the waiving party. This Lease may be modified only in writing and only if signed by the Parties at the time of the modification.

**23.2 Binding on Successors.** The terms and conditions herein contained will apply to and bind the heirs, successors in interest, executors, administrators, representatives and assigns of all the Parties hereto.

**23.3 Entire Lease; Severability.** This Lease is the entire understanding between the Parties relating to the subjects it covers. Any agreement or representations respecting the Premises or their leasing by Lessor to Lessee not expressly set forth in this instrument are void. The invalidity of any provision in this Lease as determined by a court of competent jurisdiction will in no way affect the validity of any other provision hereof.

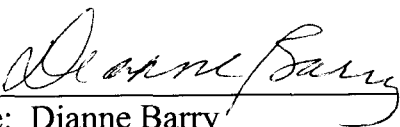
**23.4 Governing Law.** This Lease will be governed and construed in accordance with the laws of the State of California.

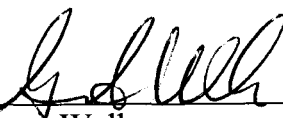
**[SIGNATURE PAGE TO IMMEDIATELY FOLLOW]**

IN WITNESS WHEREOF, the Parties hereto have executed this Lease at the place and/or the dates specified below their respective signature.

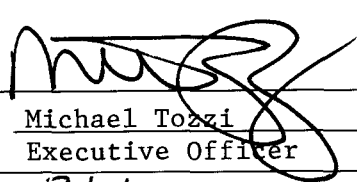
APPROVED AS TO FORM:  
Administrative Office of the Courts,  
Office of the General Counsel

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

By:   
Name: Dianne Barry  
Title: Attorney

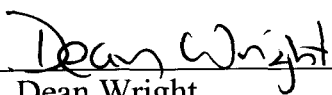
By:   
Name: Grant Walker  
Title: Senior Manager, Business Services  
Date: 6/18/10

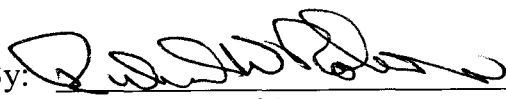
**CONCURRED: SUPERIOR COURT  
OF CALIFORNIA, COUNTY OF  
STANISLAUS**

By:   
Name: Michael Tozzi  
Title: Executive Officer  
Date: 7/1/10

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

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

By:   
Name: Dean Wright  
Title: Deputy County Counsel  
Date: 7/12/10

By:   
Name: Rick W. Robinson  
Title: Chief Executive Officer  
Date: 7/9/10

Reference: Board of Supervisors Agenda  
December 9, 2008, Item B-7,  
Recommendation 7

# EXHIBIT "A" [Floorplan]

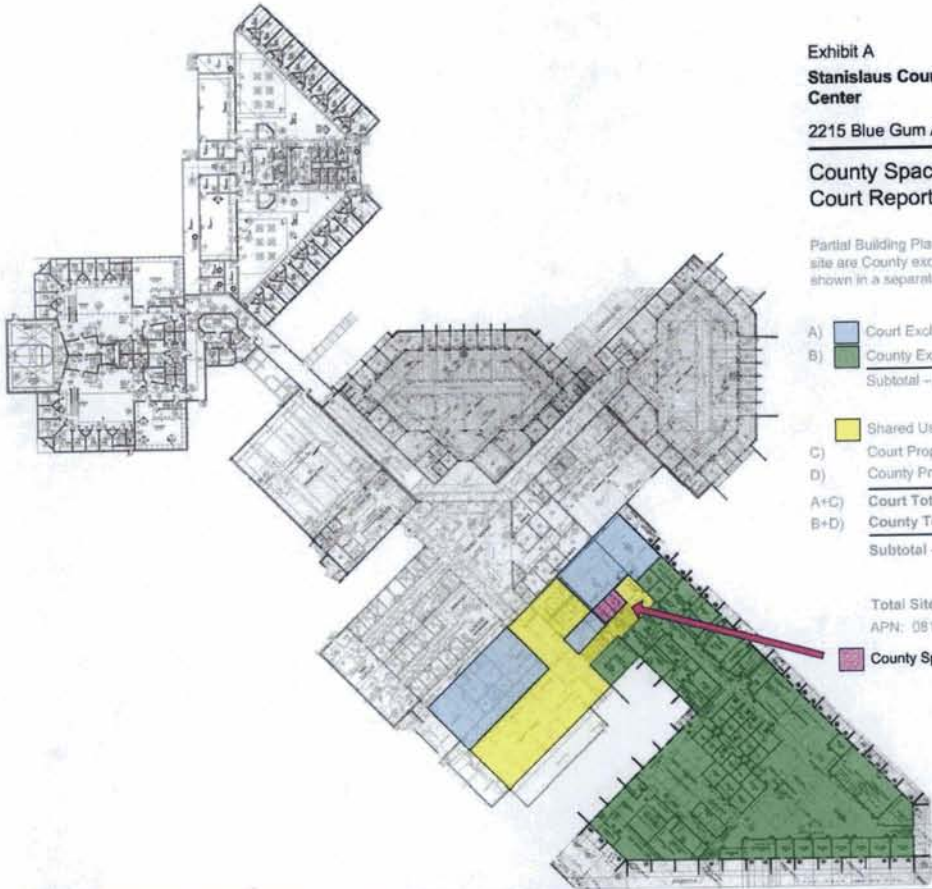


Exhibit A Building ID Nbr.: 50-B-1  
**Stanislaus County Juvenile Justice Center**  
 2215 Blue Gum Avenue, Modesto, CA  
**County Space Leased to Juvenile Court (AOC) for Court Reporter Offices**

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)	<span style="display: inline-block; width: 15px; height: 10px; background-color: #add8e6; border: 1px solid black;"></span> Court Exclusive Use Area	2,085 Sq. Ft.	2.7 %
B)	<span style="display: inline-block; width: 15px; height: 10px; background-color: #38a84d; border: 1px solid black;"></span> County Exclusive Use Area	74,856 Sq. Ft.	97.3 %
	Subtotal - Exclusive Use Area	76,943 Sq. Ft.	100.0 %
	<span style="display: inline-block; width: 15px; height: 10px; background-color: #ffff00; border: 1px solid black;"></span> Shared Use Area	4,163 Sq. Ft.	100.0 %
C)	<span style="display: inline-block; width: 15px; height: 10px; background-color: #ffff00; border: 1px solid black;"></span> Court Proportional Shared-Use Area	113 Sq. Ft.	2.7 %
D)	<span style="display: inline-block; width: 15px; height: 10px; background-color: #ffff00; border: 1px solid black;"></span> County Proportional Shared-Use Area	4,050 Sq. Ft.	97.3 %
A+C)	Court Total	2,198 Sq. Ft.	2.7 %
B+D)	County Total	78,906 Sq. Ft.	97.3 %
	Subtotal - Total Building Area	81,106 Sq. Ft.	
	Total Site Area	34.36 Acres	
	APN: 081-012-006		
	<span style="display: inline-block; width: 15px; height: 10px; background-color: #800040; border: 1px solid black;"></span> County Space Leased to Court	250 Sq. Ft.	





**Judicial Council of California**  
 ADMINISTRATIVE OFFICE OF THE COURTS  
 OFFICE OF COURT CONSTRUCTION AND MANAGEMENT

CHIEF EXECUTIVE OFFICE  
 2010 AUG -6 P 1:40

LETTER OF TRANSMITTAL

DATE: August 3, 2010  
 TO: Mr. Michael A. Tozzi  
 COMPANY: Superior Court of California  
County of Stanislaus  
 ADDRESS: 800 11th Street  
 CITY/STATE: Modesto, CA 95354  
 TELEPHONE #: (209) 530-3100  
 CC: \_\_\_\_\_  
 FROM: Lin Velarde  
 SB 1732 TRANSFER: Juvenile Court  
 AOC NUMBER: 50-B1  
 SUBJECT: Lease Agreement

Real Estate and Asset Management  
 2860 Gateway Oaks Dr., Suite 400  
 Sacramento, CA 95833  
 Phone: 916-263-7498  
 Fax: 916-263-2342  
 Lin.Velarde@jud.ca.gov

WE ARE SENDING YOU:	COPIES	DATE	DESCRIPTION
<input checked="" type="checkbox"/> Attached	1	7/12/10	Lease Agreement (original)
<input type="checkbox"/> Under Separate Cover			
Via _____			
THE FOLLOWING:			
<input type="checkbox"/> Shop Drawings			
<input type="checkbox"/> Plans			
<input type="checkbox"/> Specifications			
<input type="checkbox"/> Report			
<input type="checkbox"/> Other			
THESE ARE TRANSMITTED			
<input checked="" type="checkbox"/> For Approval			
<input type="checkbox"/> For Your Use			
<input type="checkbox"/> For Review & Comment			
<input type="checkbox"/> Other			

Notes:

Enclosed please find one original lease agreement for the Juvenile Court in Stanislaus County for your records.

Thank you,

Lin Velarde

SIGNED: \_\_\_\_\_  
 Maika Winkler